



บริษัท ควอลิตี้เทค จำกัด (มหาชน)
Qualitech Public Company Limited

2022

Annual Registration Statement
Annual Report (Form 56-1 One Report)



Where Quality & Value Come Together



Qualitech
We Make it Better

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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.

Qualitech



Company Information

Company name	Qualitech Public Company Limited.
Set Symbol	QLT
Registered Capital	98,568,485 Bath with 98,568,485 Bath paid up
Type of Business	Non-Destructive Testing Inspection and Certification Mechanical and Metallurgical Testing
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

Branch Office (3)

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Investor Relation

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Registra

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Authorized Auditor

Ms. Suphaphorn Mangjit
CPA Registration No. 8125
D I A International Audit Co., Ltd
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Head Office

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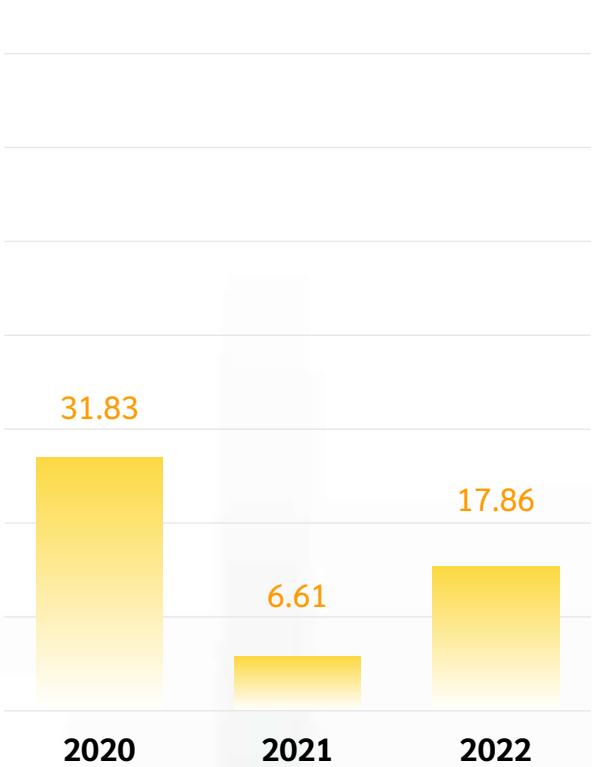
Financial Summary

	2020	2021	2022
	31 December	31 December	31 December
Statements of Comprehensive Income (Million Baht)			
Sales and services income	421.52	389.69	455.37
Cost of sale and services and Distribution Cost and Administrative expenses	393.15	385.69	433.57
Gross Profit	106.12	83.70	133.02
Net Profit	31.83	6.61	17.86
Statements of Financial Position (Million Baht)			
Total Assets	516.70	506.88	523.81
Total Liabilities	69.55	69.73	80.64
Total Shareholders' Equity of the parent company	447.33	433.36	437.76
Financial Ratio			
Gross Profit Ratio (%)	25.18	21.48	29.21
Net Profit Ratio (%)	7.55	1.70	3.90
Return on Equity (%)	7.04	1.50	4.10
Return on Total Asset (%)	6.01	1.29	3.47
Debt to Equity Ratio (times)	0.16	0.16	0.18
Earnings Per Share			
Net Profit Per Share (Baht)*	0.32	0.067	0.18
Book Value Per Share (Baht)	4.54	4.40	4.44

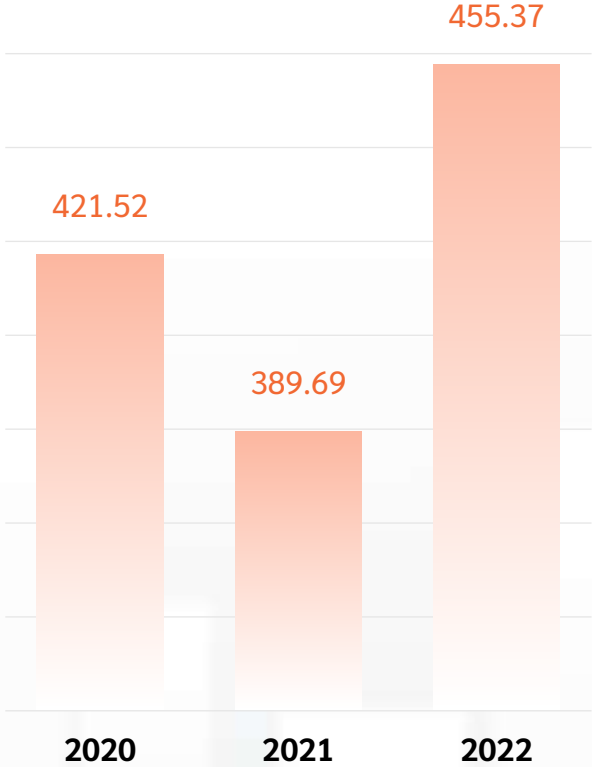
* Number of shares outstanding computed using weighted average method

Financial Highlights

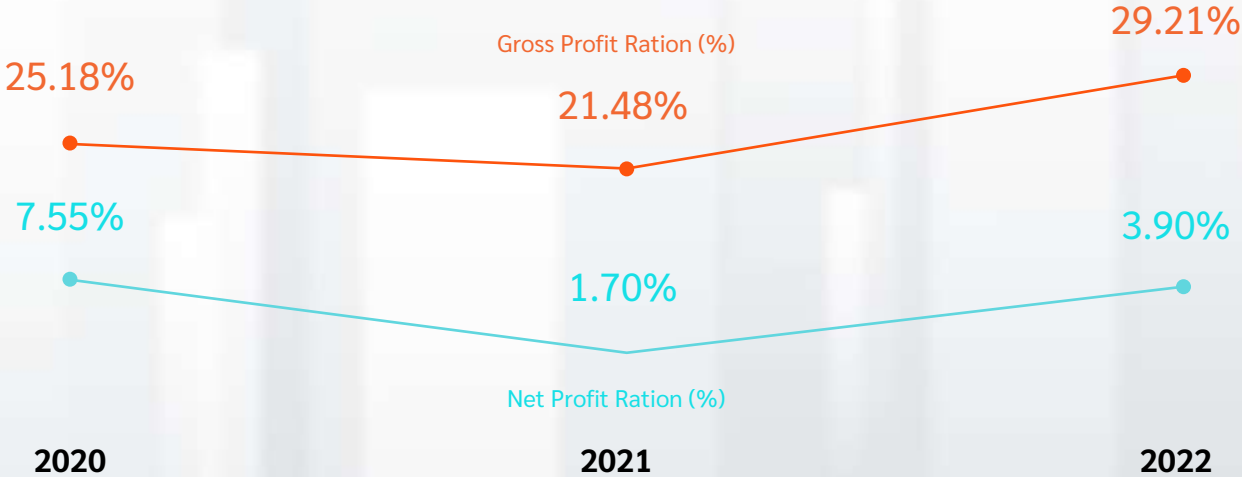
Profit for the year (Million Bath)



Sale and Services Income (Million Bath)



Financial Ratio



- Profit for the year (Million Bath)
- Sale and Services Income (Million Bath)
- Gross Profit Ratio (%)
- Net Profit Ratio (%)



Message from Board of Directors

Dear all Shareholders,

As the world has faced a severe COVID-19 pandemic situation in the past 2 years, which has had a wide impact, affecting all industries to slow down considerably, many business sectors have been severely affected. Qualitech Public Company Limited was also affected due to inability to provide services to customers, as a result, the company had encountered an unprecedented drop in turnover.

In the past year 2022, the overview of the situation of COVID-19 in Thailand can be better controlled, and most people have been vaccinated. Various industry sectors can resume business as usual, in which, the company is able to return to work for customers according to the specified plan resulting in the company's performance which is much better compared to 2021 with total revenue of 455.37 million baht and net profit of 17.86 million baht.

In terms of organizational development, the company has focused on education and research on technology, new service tools that will help the company to meet the needs of customers and increase work efficiency even more, along with developing personnel to have a variety of knowledge and skills to support future service work. In addition, in investing in other businesses besides the engineering testing and inspection industry, the company has acquired ordinary shares of Property Aim Solutions Co., Ltd., which operates in all aspects of work management in real estate to increase business diversity.

In 2023, the company aims to grow by 10-20% from 2022 by implementing marketing strategies to increase sales and profits of the company and its subsidiaries with an emphasis on providing quality and comprehensive services together with the study of investment in new businesses that has the potential to grow to increase competitiveness.

Finally, on behalf of the Board of Directors, Executives, and staff of Qualitech Public Company Limited and its affiliates would like to thank you to all shareholders and stakeholders for trusting and supporting the company continuously. The company would like to rest assure that it will manage with full capacity and conduct business under sensible and good corporate governance to continue making progress and grow sustainably.



(Mr. Kitti Phuathavornskul)
President

Board of Directors And Executive Directors



Mr. Kittu Phuathavornskul

- Chairman of the Board of Directors
- President



Mr. Thitawat Theerakulthanyarot

- Director
- Vice President
- Nomination and Remuneration Committee
- Company Secretary



Mr. Somkiat Aramruangkul

- Director
- Executive Director
- Risk Management Committee
- Chief Executive Officer



Mr. Nick Thanapoomikul

- Director
- Executive Director
- Risk Management Committee
- Co-Chief Executive Officer



Ms. Chonticha Chitrarporn

- Independent Director
- Chairman of the Audit Committee



Mr. Tatchapong Thamputthipong

- Independent Director
- Chairman of the Risk Management Committee
- Audit Committee
- Nomination and Remuneration Committee



Assoc. Prof. Dr. Pranya Sakiyalak

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



Ms. Kunlanit Sarapab

- Director
- Executive Director
- Nomination and Remuneration Committee
- Risk Management Committee
- Chief Financial Officer



Mr. Kittu Phuathavornskul

- Chairman of the Board of Directors

Executive Directors



Mr. Thitiwat Theerakulthanyarot

- Vice President



Mr. Somkiat Aramruangkul

- Executive Director
- Chief Executive Officer



Mr. Nick Thanapoomikul

- Executive Director
- Co-Chief Executive Officer



Ms. Kunlanit Sarapab

- Executive Director
- Chief Financial Officer



Audit Committee

Ms. Chonticha Chitraporn

- Chairman of the Audit Committee



Mr. Tatchapong Thamputthipong

- Audit Committee



Assoc. Prof. Dr. Pranya Sakiyalak

- Audit Committee



Outlook for the Non-destructive Testing Market

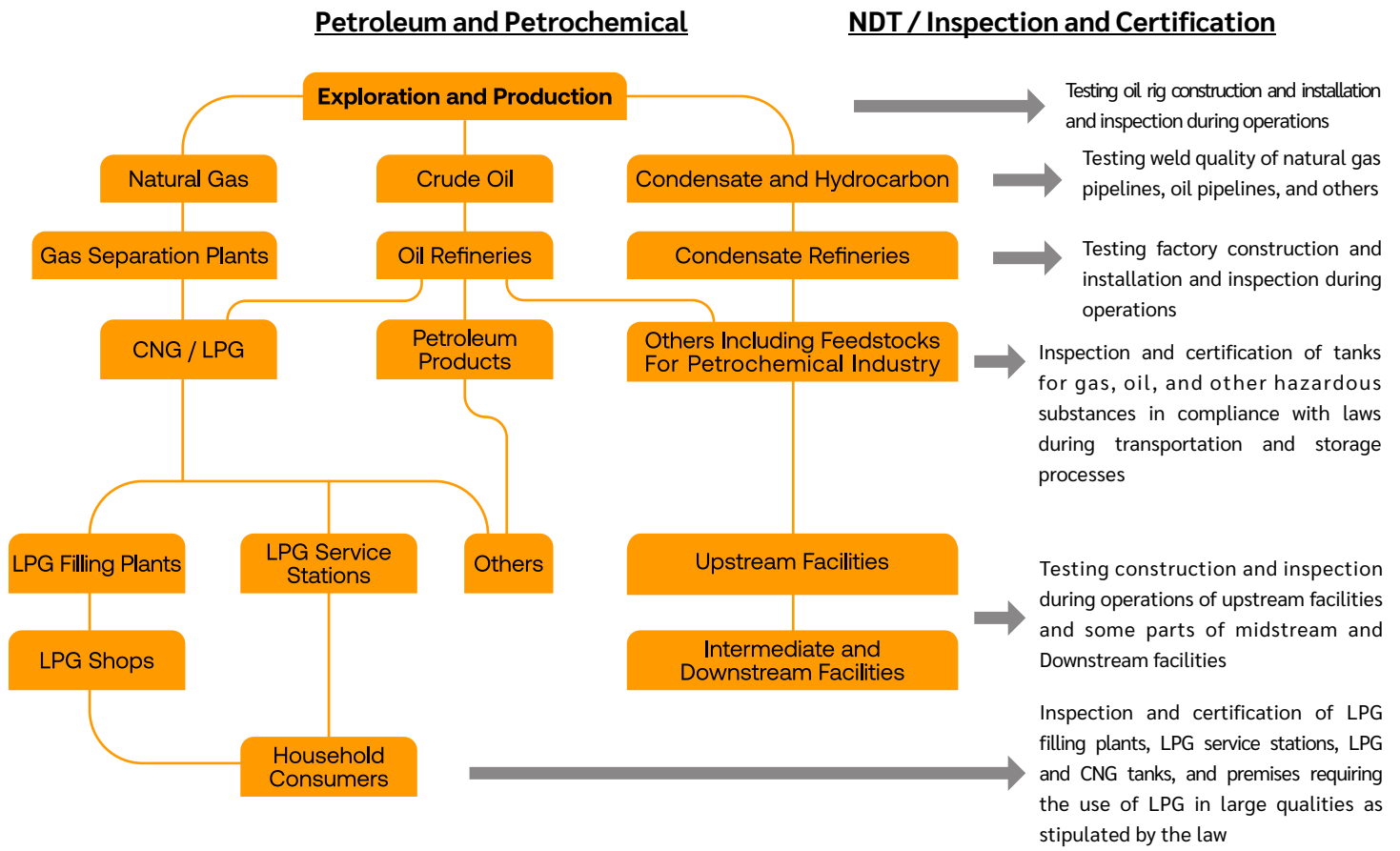
Industry Situation and Competition in 2022 and Outlook in 2023

Non-destructive testing has its main purpose is to verify the safety of the installation or use of the equipment or various structures and this can be applied to all types of industries. The growth of non-destructive testing services tends to follow the development of technology, important technologies, especially basic utilities that are necessary for living, have been continuously developed to meet the needs without limits. However, advances in technology bring associated risks. The slightest mistake or flaw can cause serious damage. Therefore, control and inspection for safety has always come into play. Currently developed countries, non-destructive testing is a necessity in a wide variety of industries, such as: energy industry, petrochemical, construction, agriculture, food and pharmaceutical industry, medicine, etc., everything in everyday' s life such as bridges, high buildings, passenger elevators, amusement park rides, there is also a safety test based on non-destructive testing.

However, in Thailand, non-destructive testing is still limited to certain industries as well as quality control. In general, non-destructive testing is generally considered an incremental cost in addition to manufacturing costs. Therefore, businesses use non-destructive testing services will be those that requires high safety standard, or is regulated by relevant laws, including the energy industry petrochemical industry and construction industry especially those using metal structures such as high-rise buildings, bridges, construction of various infrastructures, etc., because accidents and mistakes in these industries can cause serious damage to life and property.

The company estimates that the growth of non-destructive testing services in Thailand still relies heavily on businesses related to energy and petrochemical procurement. The relevance of non-destructive testing to the energy industry can be summarized as follows.

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.

Aboveground Storage Tank :

- 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.

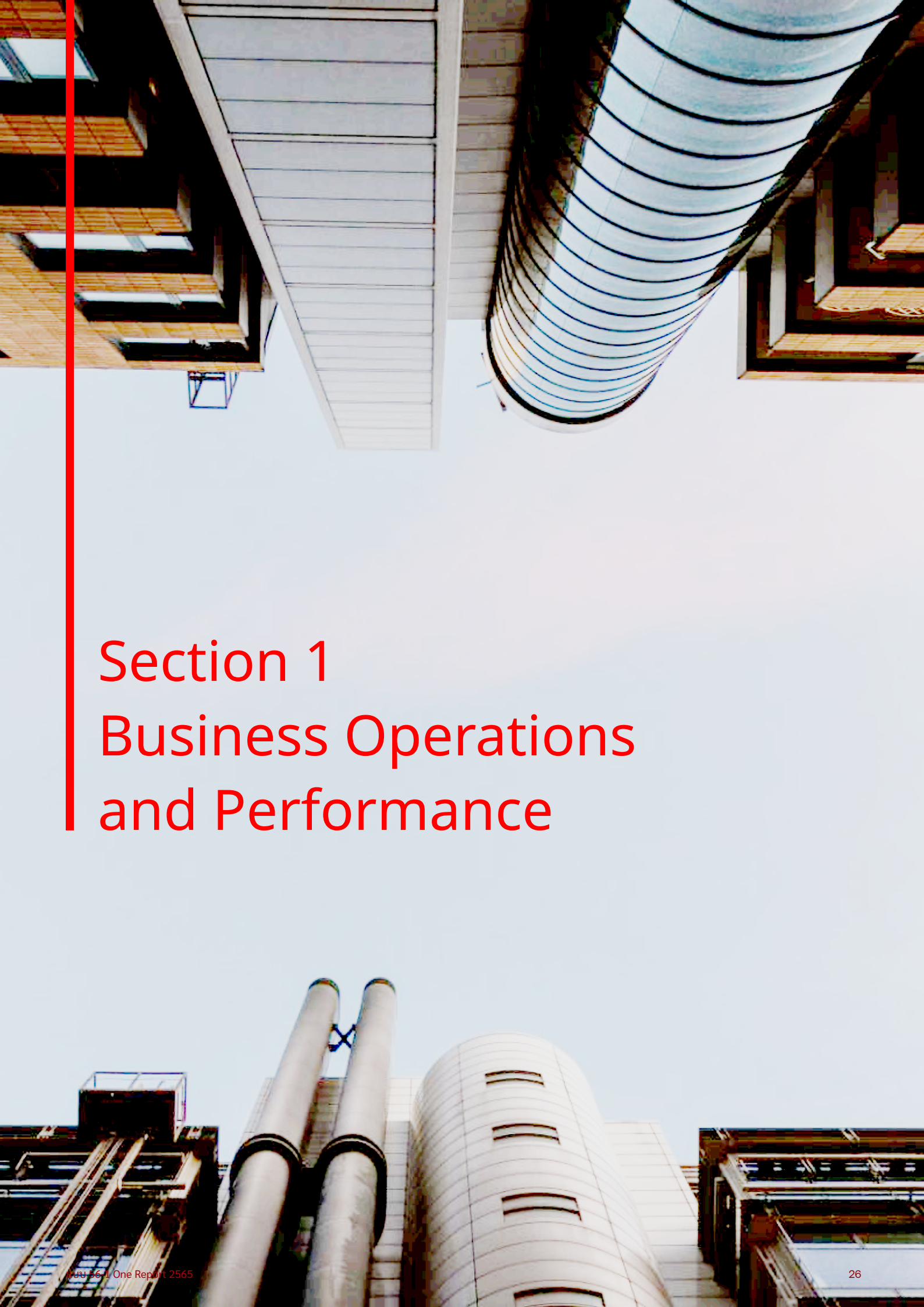
Qualitech has no policy to compete directly with foreign service providers but will partner with multiple multinational companies to provide Advanced NDT service. At the same time, the Company resolves to learn new technologies from its strategic allies to develop its services and create future competitive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



Qualitech



Section 1 Business Operations and Performance

1 Organizational Structure and Operations

1.1 Policy and overview of business 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.

1.1.1 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.
- 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.
- 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

- The company's common stocks were listed on the Market for Alternative Investment (MAI) on 9 June 2009.
- 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:
 1. **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.
 2. **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.

2022

- Established a Thonglor, Bangkok branch office to support the Company's service expansion, expand working space, and serve clients in its neighboring areas.
- Established Thonglor branch office for use in expanding the service area and coordination between branches Change the shareholding structure of major shareholders of the company.
- The Board of Directors' Meeting No. 6/2022 held on August 1, 2022, resolved to purchase ordinary shares of the company which is Property Aim Solutions Co., Ltd. (PAS), 14,700 shares, par value per share at 100 baht or 49% of the total shares of PAS.

1.1.2 Company Group's Shareholding Structure

	Company Group	Proportion of Shareholding
Subsidiaries	บริษัท ดูเวลล์ อินเตอร์เทรด จำกัด Duwell Intertrade Company Limited	99.99 %
	บริษัท ควอลิตี้เทค เมียนมาร์ จำกัด Qualitech Myanmar Company Limited	80.00 %
	บริษัท ควอลิตี้เทค โซลูชั่น เอ็นเนอร์ยี จำกัด Qualitech Solution Energy Company Limited	70.00 %
Joint Venture	บริษัท พร็อพเพอร์ตี้ เอ็ม โซลูชั่นส์ จำกัด Property Aim Solutions Company Limited	49.00 %

Subsidiaries

Qualitech Plc. has 3 subsidiaries:

1. 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 9,930,000,000 Baht, and operates its business selling equipment and tools relevant to Non-Destructive Testing (NDT)

2. Qualitech Myanmar Co., Ltd.

Qualitech Plc. holds 99.99% of the total shares. QLTM has a registered capital of 200,000 USD, and paid-up capital have been issued and fully paid up, and operates its business in the safety engineering service in Myanmar as well as in other related businesses.

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 17,500,000,000 Baht and operates its business of producing and distributing electricity from solar power or other sources of energy.

Joint Venture

1. Property Aim Solutions Company Limited

Qualitech Plc. holds 49% of Property Aim Solutions Company Limited which provides property management service and all real estate-related aspects.

1.2 Nature of business operations

Qualitech Public Company Limited is principally engaged in providing engineering services including testing, inspection and quality assessment and provides international engineering commentary as an independent expert to organizations according to international standards required by customers. Engineering services of the company consist of 3 parts:

1. Non-destructive testing (Non-Destructive Testing) means using the process of finding defects or abnormalities of the work piece without causing damage to the workpiece such as Radiographic testing, Ultrasonic test, Magnetic testing, Penetrant test including tests using various advanced technologies.

2. Quality inspection and certification (Inspection and Certification) is a process using different types of testing methods including non-destructive testing to inspect specimens and process the test together with issuing a report to certify the working condition of the work piece in which there will be a conclusion that the workpiece is in a suitable condition for use or not. Quality inspection and certification including legal inspection and certification for LPG cylinders, oil tanks, oil pipe systems, natural gas pipelines, boilers, storage tanks, and oil and chemical transportation tanks and other pressure vessels etc. are also part of this service category.

3. Material mechanical properties testing (Mechanical Test) is a test of physical and chemical properties of materials such as tensile strength, pressure, and impact, checking the microstructure of the metal and the search for chemical compounds which affects the important properties of metal in terms of strength and various types of anti-corrosion, etc.

The company provides mechanical testing services to both domestic and international customers. The company's main customers are businesses in the energy and petrochemical industries, i.e., power plants, oil refineries, petrochemical plant, gas separation plant, gas filling plant, production plant and machinery equipment installation including users of tanks, machines and equipment that must be inspected by law for safety such as boilers, gas tanks, and dangerous chemical containers. and other high-pressure tanks etc.

1.2.1 Revenue Structure

Type of Work	2022		2021		2020	
	Amount (Million Baht)	%	Amount (Million Baht)	%	Amount (Million Baht)	%
Sales	32.68	7.18	13.23	3.39	7.82	1.86
Service Income						
Non - Destructive Testing	206.40	45.33	200.22	51.32	184.80	43.84
Inspection and Certification / Plant Integrity and Industrial	189.34	41.58	154.55	39.62	204.01	48.40
Other	26.95	5.92	22.12	5.67	24.89	5.90
Total	455.37	100.00	390.12	100.00	421.52	100.00

1.2.2 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 : NDT

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 nondestructive testing is readily movable and thus suitable for field work.
- **Enhanced processes.** Nondestructive 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 nondestructive 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 nondestructive testing.

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

Conventional Non-Destructive Testing

Types of testing	Materials tested
Radiographic testing 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.	Welds in various types of equipment in such facilities as oil refineries, petrochemical plants, pipelines, and power plants
Magnetic particle testing Magnetic particle testing applies magnetic induction to detect flaws and/or defects in material surfaces.	Welds and material surfaces in oil refineries, petrochemical plants, pipelines, power plants, metal structures, and so on

Types of testing	Materials tested
<p>Liquid penetrant testing 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 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 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 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>Positive material identification testing 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 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>
<p>Holiday detection/pinhole testing 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>

Types of testing	ชิ้นงานที่ทดสอบ
<p>Magnetic field and permeability testing 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 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 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 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>	<p>Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on</p>
<p>Magnetic flux leakage Magnetic flux leakage is a magnetic method used to detect corrosion and pitting in carbon steel pipes.</p>	<p>Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on</p>
<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>	<p>Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on</p>

Types of testing	Materials Tested
<p>Remote field eddy current testing Remote field eddy current testing determines flaws and defects in carbon steel pipes with eddy currents.</p>	<p>Welds in pressure vessels in such facilities as oil refineries and petrochemical plants to identify cracks and corrosion</p>
<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>	<p>Welds and metal textures in pressure vessels and oil and gas pipelines in such facilities as oil refineries and petrochemical plants</p>
<p>Medium-range 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>	<p>Parts of pipelines connected to the supports, underground pipelines, insulated pipelines, and/or smooth materials to identify corrosion, discontinuities, and cracks</p>
<p>Time-of-flight diffraction 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 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 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>

Types of testing	Materials Tested
<p>Digital radiography 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 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 assessed 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 196 certified personnel in total. Among these, 24, 168, 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 nondestructive and 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 such as LPG cylinders, oil and, oil and chemical tanks, and boilers 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 nondestructive 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, 2022, 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

Certification Institute	Name Mark / Return	Scope	Registration Date	Service Period
Department of Energy Business	Level 3 tester and inspector	Tank testing and inspection	14 Jun. 2021	to 14 May. 2024
	Type1 testers and inspectors with specific test and inspection conditions.	Type1 tester and inspector with specific test and inspection conditions for liquefied petroleum gas use locations.	26 Mar. 2020	to 25 Mar. 2026
	Type1 testers and testers with specific test and audit conditions.	Tester and inspector Type1, with test and inspection conditions only for liquefied petroleum gas filling stations.	20 Aug. 2021	to 23 Aug. 2024
	Type1 Test and Inspection Engineer	Testing and inspecting engineers who use natural gas, Type1	24 Mar. 2023	to 23 Mar. 2026
	Test and inspection engineers for gas storage and distribution tanks, gas transportation tanks, gas piping systems and natural gas equipment.	Test and inspection engineers for gas storage and distribution tanks, gas transportation tanks, gas piping systems and natural gas equipment. natural gas service station.	8 Nov. 2021	to 18 Oct. 2024
	System auditor Juristic Person Type	Used in electrical system inspections.	22 Jun. 2022	to 24 Jul. 2025
	System auditor Juristic Person Type	Used in electrical system inspections	4 Oct. 2019	to 10 Mar. 2024

Certification Institute	Name Mark / Return	Scope	Registration Date	Service Period
Department of Industrial Works	Engineering certification body for boilers or boilers that use liquid as a heat carrier	Testing and inspection of boilers or boilers that use liquids as heat media.	6 May. 2022	to 31 Dec. 2024
Department of Labour Protection and Welfare	Radiator Testing Service Provider	Testing and inspection of boilers or boilers that use liquids as heat media.	19 Aug. 2022	to 18 Aug. 2025
Council of Engineers	Licensed to practice the controlled engineering profession Juristic Person Type	Used in control engineering	12 Feb. 2022	to 11 Feb. 2025

Certification Institute	Name Mark / Return	Scope	Registration Date	Service Period
Office of Atoms for Peace	Licensed production Possession or use industrial by-products	Used in radiation testing and is a radioactive material possession license (Source) Selenium-75 Group 2	20 Feb. 2019	to 19 Sep. 2024
	Licensed production Possession or use industrial by-products	Used in radiation testing and is a license to possess radioactive substances (Source) Iridium-192 Selenium-75, Caesium-137 Group 2	28 Feb. 2020	to 27 Feb. 2025
	Licensed production Possession or using nuclear materials in radiation shielding	used in radiation testing and a license to own Depleted Uranium.	5 Nov. 2022	to 4 Nov. 2027

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

In addition to the knowledge required for non-destructive testing, the company also provides general knowledge training to employees to improve their work efficiency, increase the level of knowledge and safety courses in the organization. The company personnel are also dispatched to attend training sessions with external organizations both domestically and internationally for the necessary knowledge and skills and bring new technologies to provide and adapt in customer service to strengthen the core business even more.

1.2.3 Market condition and competition

Marketing strategies

(1) Rendering value-added services

In addition to nondestructive 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 nondestructive 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 nondestructive 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 nondestructive 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.

(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 company has been in the non-destructive testing and inspection and certification industry for more than 30 years with main customers from energy and petrochemicals many years ago. The energy industry is affected by the rapidly changing global oil prices for which customers are affected, resulting in the volume of services related to the energy business. Currently there is a tendency to reduce the use of fossil fuels and switch to more renewable energy. The company has a goal of expanding its business to other industries to diversify and achieve a variety of sources of income, increase competitiveness and to diversify business risks.

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) The use of the government as a medium. Providing inspection and testing services, especially in the field of radiator certification, high pressure tanks, LPG tanks, and large oil and chemical tanks. This is a statutory audit where the inspector must be registered by the relevant government agency. The registration is considered as public relations for the company through the media of government agencies to advise customers to contact those who have been registered only.

1.2.4 Operation assets

Main fixed assets

The main fixed assets used in the operations of Qualitech Public Company Limited and its subsidiaries as of December 31, 2022 were as follows.

Property

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

Equipment and other fixed assets

Types of assets	Types of ownership	Net book values after depreciation (THB)
Buildings and building improvements	Owner	34,229,308.58
Equipment	Owner	26,623,886.52
Office supplies	Owner	3,886,012.19
Office fixtures and fittings	Owner	903,246.96
Public utility systems	Owner	347,339.82
Vehicles	Owner	20,639,485.90
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)	14,653,868.09
Total operating lease		14,653,868.09

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.

1.2.5 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.

1.2.6 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 nondestructive 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.

1.2.7 Privileges granted by the BOI

In 2022, Qualitech Public Company Limited enjoyed several privileges granted by the BOI. For instance, its tax-exempt income equaled 80.89% 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 88.32%, 45.13%, and 100.00% to the total revenues from such services, Respectively.

1.2.8 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, 2022, the work in progress of the Company was worth THB 58.52 million.

1.3 Structure of Shareholding and Management

Company Securities

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

The top 10 shareholders whose names appear in the shareholder register book as of December 31, 2022, consist of

1.3.1 Shareholding Structure

Shareholding Structure		December 31, 2022	
Rank	Name of Shareholders	No. of Shares	Percentage
1	Mr. Kitisak Jampahiphong	7,478,000	7.59
2	Mr. Nawin Hemaruchatanan	6,000,000	6.09
3	Mr. Thavorn Suksrisaranchit	5,672,000	5.75
4	Mr. Warit Yongsakul	5,473,940	5.55
5	Thai NVDR Company Limited	5,128,860	5.20
6	Ms. Monsicha Lubtikultham	3,676,000	3.73
7	Ms. Pornthip Keawyo	4,017,000	4.08
8	Mr. Kitti Phuathavornskul	3,446,200	3.50
9	Mr. Sannpat Rattakham	3,169,500	3.22
10	Mr. Prayut Thepmangkorn	3,091,900	3.14
Total Top 10 Major Shareholders		47,153,400	47.84
Total No. Of shares		98,568,485	100.00

1.4 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. Dividend distribution must consider the company's overall performance, economic condition, the company's cash flow as well as the company's and subsidiaries' future investment plans and other relevant factors. However, the dividend distribution may differ from company policy or be omitted as determined and approved by The Company's Board of Directors and forward the proposal to the Annual General Meeting to approve.

Dividend	2022	2021	2020
Interim Dividend (Baht)	Omitted	0.00	0.05
Annual Dividend Payment (Baht)	Omitted	0.20	0.30
Earnings (Loss) per share (Baht)	0.19	0.041	0.41
Dividend Payout (%)	-	485.11%	72.82%

Note: * Annual dividend for the year 2022 will be proposed for approval at the AGM 2023 on April 19, 2023



2. Risk Management

2.1 Operational Risk of The Company and Subsidiaries

(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 cannot 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 training. The Company also set up the internal training unit to carry out the NDT training program, inspection and certification, and other related programs such as work safety. The Company has a strict staff selection policy to acquire qualified staffs continually and has made an agreement with several academies in recruiting staff, allowing the Company to select new knowledgeable and competent staff according to the work objectives. Currently, the Company has an adequate amount of personnel to provide services. Our staff are continually developed to support future work expansions, enabling the Company to gain a reliable and good image.

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

(3) Risk regarding service guarantee

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

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

Risk Prevention and Reduction

Causes of possible mistakes during the inspection and certification process mostly arise from the skipping of steps and/or negligence to work attentively on the inspector's part. The Company, therefore, focuses on the development of knowledge and work competency, whereby employees involved in the testing are required to attend training and perform work directly under the supervision of a supervisor so as to raise their awareness of the impact caused by any malpractice. The supervisor also inspects and monitors the performance periodically. Previously, the Company never received complaints from clients and is therefore confident that the risk regarding service guarantee is controllable. The Company has also never made mistakes in assessing the test results.

(4) Risk regarding Competition

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

Risk Prevention and Reduction

In addition to offering high remuneration to competent staff, the Company also places an emphasis on creating good relations with staff. The Company has designated a concise employment contract to prevent staff from resigning and setting up a competitive business against the Company. Meanwhile, the Company has provided and developed new technology as regards inspection and testing 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 Currency Exchange Rate

The company has purchased a small number of tools, equipment and materials imported from overseas. Therefore, there is some risk associated with currency exchange rates. As for overseas subsidiaries, the company uses the local currency for both revenue and expenditure.

(6) Risk regarding Industrial and Competitive Environment

Based on the core business of the company focusing on serving large industrial customers such as the oil and gas exploration and drilling industry petrochemical industry and construction of steel fabrication group, in which oil prices have improved in the past year resulting in investment in new projects including the budget that the customer uses to inspect the factory, this therefore is a factor that directly affects the use of better testing and inspection services.

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/IEC 17025, ISO/IEC 17020, ISO 9001, and ISO 45001 so as to build more confidence in service quality among clients. Particularly, European clients who require high-quality works.
4. Develop the personnel in accordance with European standards to enhance service variety.
5. Setting up a marketing unit and business developing unit 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.

(7) 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.

(8) 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 to adjust its operations in alignment with the resulting rules, regulations, and laws.

(9) 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 toward 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 analysing 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 supplier list. 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.
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%.

Key Stakeholders	Efforts to Meet Stakeholders Expectations	Operational Goals
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, and this includes organizing training to educate about environmental management in accordance with the requirements of ISO 14001:2015 for employees, 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 2022, 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 2022 Qualitech carried out a variety of projects dedicated to greenhouse gas emission reduction despite no target being set. Examples were as follows:

1. The project is to replace existing sink faucets with water-saving faucets with the goal of archiving 5% water-saving in 2023.
2. 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 with the goal of archiving 10% paper-reducing in 2023.
3. The project is to reduce greenhouse gas emissions by installing a GPS device for navigation or finding the best routes for the Company's vehicles to save energy and using video conference for company's meeting and training to reduce transportation with the goal of archiving 5% fuel-saving in 2023.
4. The project is 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. There will be no emptying of hazardous waste or contaminated materials into the community.
5. 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

3.4.1 Social Policy and Guidelines

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

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.

3.4.2 Corporate Social Responsibility

In 2022, 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 with the purpose of enhancing and internship in professional work.
- 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 such as Children’s Day, Songkran Day etc.
- 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.
- Donated to Phramongkutklao Hospital Foundation

Established an education fund for the project “Qualitech Fund Model for Education” to provide continuous scholarships to elementary school youth in Rayong.

Qualitech Public Company Limited operates business with awareness of good governance, social and environmental responsibility for sustainable growth which has clearly demonstrated this determination in the company's vision. Throughout the past period, the company has continued to implement CSR projects by giving priority to education as a top rank because of a known perception that an education is the foundation for national human resource development and is a sustainable giving.





“Quallitech Fund Model for Education” is an extension of the project of granting scholarships to children of employees within the company which has been made continuously every year towards seeing the benefit of expanding educational opportunities to youth in Rayong and it is also considered that the grant should be given for children in the early stages of education, i.e. elementary school because it is the early age of learning that helps create children to be able to read and write, which at this point becomes a basic necessity in daily life.

This project is a continuous grant that encourages students to finish Grade 6 and has principles provided that the selection of scholarship recipients under the concept of "good children who want to study and study" is to focus on selecting children with good behavior and determination to study continuously without focusing on having to study well only to encourage this group of children to receive more help and started granting scholarships in 2020 for the first year and continuing until now. In the first year of grants, there are 10 scholarships awarded to students at 10,000 baht per year.



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 occasionally, 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

4.1 Explanation and Analysis of Financial Status and Result

Operations Results of Qualitech Public Company Limited and Subsidiary

Operation Summary

In 2022, the consolidated financial statement of Qualitech Public Company Limited totaled 457.67 Million Baht, an increase of 65.55 Million Baht or 16.72% due to the outbreak of Corona virus (COVID-19) in year 2022. The majority of customers resumed normal business operations, which led to the company obtaining project work. As a result, income has increased.

Cost of activities related to services, and distribution, and administrative expenses is accumulated for 442.83 million baht, an increase of 57.84 million baht or 15.02% which majority of expenses is mainly from administrative expenses. The Company has a policy of diversifying its business by investing in other industries in order to create a diverse range of business opportunities and strengthen its financial position. As a result, training and operating costs have risen.

In 2022, the company had profit attributable to the parent company of 17.86 million baht which had an increase of 11.25 million baht or 170.20% compared with last year.

Operations Results of Qualitech Public Company Limited and Subsidiary

Statements of Comprehensive Income	2022	2021	Change	
	Million Baht	Million Baht	Million Baht	%
Sales and services income	455.37	389.69	65.68	16.85%
Cost of sale and services	322.35	305.99	16.36	5.35%
Gross profit	133.02	83.70	49.32	58.92%
Others	2.30	2.43	-0.13	-5.35%
Cost of sale and services	9.92	10.38	-0.46	-4.44%
Administrative expenses	110.57	68.62	41.95	61.13%
Expected credit losses (reversed)	-9.37	0.00	-9.37	N/A
Share of profit (loss) from investment in associates and joint ventures	4.11	0.00	4.11	N/A
Finance costs	0.73	0.70	0.03	4.29%
Profit (loss) before income tax expense	19.37	6.42	12.95	201.71%
Income tax expense	-1.39	0.11	-1.50	-1,363.64%
Profit for the year	17.98	6.53	11.45	175.34%
Profit attributable to the parent company	17.86	6.61	11.25	170.20%

Performance according to the consolidated financial statements for the year as of December 31, 2022, the company had an increase in profit attributable to the parent company of 11.25 million baht or 170.20% due to the following main reasons:

1. Income related to sales and service of 455.37 million baht, an increase of 65.68 million baht or 16.86 percent from the promising recovery in the industry after facing the outbreak of the Coronavirus 2019 (COVID-19) positively causing the company to receive more engineering inspection services continuously. An increased income is also as a result of certification service as well as an increase in service work in 2022, provided that the company recognized most of the revenue from non-destructive testing services in the amount of 206.40 million baht, inspection and quality assurance work in the amount of 189.34 million baht, and sales revenue in the amount of 32.68 million baht. The increase in sales from the previous year is attributed mainly from subsidiaries that operate the business producing and distributing electricity from solar energy, install solar panels and start selling electricity to customers in the fourth quarter of the year.

2. Cost of activities related to services, and distribution, and administrative expenses is accumulated for 442.83 million baht, an increase of 57.84 million baht or 15.02%, consisting of the cost of sales and services in the amount of 322.35 million baht, the cost of distribution in the amount of 9.92 million baht and administrative expenses in the amount of 111.57 million baht. Administrative expenses increase from the previous year in the amount of 41.95 million baht, mainly from the loss given by impairment of investments in the amount of 18.58 million baht because the associated companies had revenues and expenses that are not in accordance with the budgetary plan significantly. Expenses for purchasing ordinary shares of associated companies, such as financial advisory fees, legal advisor fees, and the review fees for the financial statements as a special case and consultant fees for organizational restructuring and strategic development planning.

3. The expected credit loss is reversed in the amount of 9.37 million baht resulting from the receipt of debt that the company had received from sources that are recognized from an expected credit loss in the previous year where the company is a creditor for providing engineering services to Nacap Asia Pacific (Thailand) Co., Ltd., which was declared bankrupt by the court in 2019. Later in the middle of 2022, the company has received partial repayment according to the process of the receiver, therefore the company reversed the expected credit losses in accordance with the amount actually paid.

4. Share of loss from investments in associates is amounted at 4.11 million baht resulting from the recognition of the performance of the associated companies that the company invests in the proportion of 49 percent.

5. As far as the net profit is concerned, the company's net profit attributable to the parent company is amounted at 17.86 million baht, an increase of 11.25 million baht or 170.20 percent from the operating results with increased income and cost control in service work.

Analysis of Financial Status as of 31 December 2022 and 2021

Financial Position	2022		2021		%
	Million Baht	%	Million Baht	%	Change
Asset	523.82	100.00%	506.88	100.00%	3.35%
Liability	80.64	15.40%	69.73	13.76%	15.65%
Shareholders' equity	437.76	83.57%	433.36	85.50%	1.02%

Asset

As of December 31, 2022, the company had total assets of 523.82 million baht, an increase of 16.94 million baht or 3.35 percent from December 31, 2021, mainly from:

- Trade and other current receivables are amounted with an increase of 20.87 million baht resulting from trade accounts receivable net with an increase of 17.43 million baht from the previous year and other current receivables increase from the previous year in the amount of 3.44 million baht, which are other receivables related to advance payment for the purchase of assets, consumables for service use. As for trade receivables as of December 31, 2022 for the amount of 93.85 million baht, most of them are not yet due, and trade receivables overdue for less than 3 months totaling 84.87 million baht or 90.44 percent.
- Assets arising from contracts decrease by 10.43 million baht due to the ease of Coronavirus 2019 (COVID-19) outbreak, enabling the company to deliver work and issue invoices according to the target (Contract assets are revenues that have not yet been collected from customers arising from audit engagements that have been performed, but no invoice is issued yet pending final work acceptance process approved by the customer as well as pending documents related to billing steps and according to the requirements of each customer)
- Current financial assets decrease by 120.66 million baht because the company decided to invest in equity instruments to purchase common shares of associated companies.
- Investments in associated companies increase in the amount of 122.94 million baht by investing in ordinary shares of businesses that provide property management services and various services related to condominium projects to increase business diversity that will result in an ability for the company to earn more income and strengthen the financial position to grow steadily.

Debt

As of December 31, 2022, the company has liabilities of 80.64 million baht, an increase of 10.90 million baht or 15.63% from December 31, 2021, mainly from:

- Short-term loans from financial institutions, an increase of 7.74 million baht or 100 percent because the company uses such loans as working capital for business operations and expansion
- Trade and other current payables, an increase of 3.55 million baht or 9.03% due to an increase in expenses related to employees and creditors for the purchase of fixed assets.

Shareholders' equity

The Company has the equity of shareholders of the parent company as of 31 December 2022 totaling 437.76 million Baht, an increase by 4.04 million Baht as of the end of the accounting period 2022 or a 1.02%, with a profit of 17.86 million baht, other Comprehensive Income of 6.26 million baht, and the company Dividends of 19.71 million baht are paid to shareholders.

Cash Flow (Unit : Million Baht)

Cash Flow	31 December 2022
Net Cash provided by operating activities	40.76
Net Cash used in investing activities	(32.66)
Net Cash used in financing activities	(13.74)
Net increase (decrease) in cash and cash equivalents	(5.64)
Cash and cash equivalents as of 1 January	40.89
Cash and cash equivalents as of 31 December	32.25

As of December 31, 2022, the company holds cash and cash equivalents of 35.25 million baht, consisting of net cash flow from operating activities equivalent to 40.76 million baht, mainly from;

- Cash received from operating results 72.19 million baht
- Less cash from changes in operating assets and liabilities, net 25.03 million baht
- Less cash for paying interest and income tax of 6.12 million baht

Net cash flow used in investing activities was 32.66 million baht, mainly from

- Net cash from the redemption of equity securities 120.66 million baht
- Cash paid for the purchase of ordinary shares in associated companies of 145.05 million baht.
- Cash paid for the purchase of tools and equipment of 12.79 million baht. Net cash flow used

In financing activities was 13.74 million baht, mainly from Dividend paid 19.71 million baht

- Payment of lease liabilities amounting to 3.27 million baht.
- Cash received from short-term loans from financial institutions 7.74 million baht

Financial Ratio and Net Profit Per Share

Financial Ratio	2022	2021
Profitability Ratios		
Gross Profit Margin (%)	29.21%	21.48%
Operation Profit Margin (%)	5.32%	1.83%
Net Profit Margin (%)	3.92%	1.67%
Return on Equity Margin	5.07%	1.50%
Liquidity		
Current Ratio (time)	3.72	7.57
Account Receivable Turnover (time)	5.10	4.16
Average Collection Period (day)	72	88
Account Payable Turnover (time)	7.84	8.47
Average Payment Period (day)	47	44
Net Profit Per Share (Baht)	0.18	0.17

Financial Status and Result of the Operation

Qualitech Public Company Limited And Subsidiaries

Statements Of Comprehensive Income

For The Years Ended December 31, 2020 To 2022

Unit : Thousand Baht

Result of the Operation	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Total Revenue	457,673.92	100.00	392,113.79	100.00	424,553.87	100.00
Sales and services income	455,373.73	99.50	389,686.84	99.38	421,521.31	99.29
Cost of sale and services	322,348.81	70.43	305,989.60	78.04	315,396.47	74.29
Gross profit	133,024.92	29.21 *	83,697.24	21.48 *	106,124.84	25.18*
Other income						
Gain on sale of segment	0.00	0.00	(38.43)	(0.01)	0.00	0.00
Others	2,300.19	0.50	2,465.38	0.63	3,032.56	0.71
Profit before Distribution costs and Administrative expenses	135,325.11	29.57	86,124.19	21.96	109,157.41	25.71
Distribution costs	9,916.74	2.17	10,384.18	2.65	11,263.54	2.65
Administrative expenses	84,366.26	18.43	46,439.56	11.84	43,166.11	10.17
Directors' remuneration	1,494.40	0.33	2,032.00	0.52	2,326.50	0.55
Management benefit expenses	24,708.12	5.40	20,145.71	5.14	20,251.52	4.77
(Expected credit losses) reversed	(9,371.08)	(2.05)	0.00	0.00	0.00	0.00
Total Distribution costs and Administrative expenses	110,568.78	24.16	68,617.27	17.50	65,744.13	15.49
Profit before finance cost and income tax expense	24,210.67	5.29	7,122.74	1.82	32,149.74	7.57
Share of loss from investments in associate	4,111.26	0.90	0.00	0.00	0.00	0.00
Finance costs	728.44	0.16	697.17	0.18	752.29	0.18
Profit before income tax expense	19,370.97	4.94	6,425.57	1.64	31,397.45	7.40
Tax expense	1,389.43	0.30	(105.86)	(0.03)	121.17	0.03
Profit for the year from continuing operations	17,981.54	4.59	6,531.43	1.67	31,276.28	7.37
Profit (loss) for the year from discontinued operations	0.00	0.00	0.00	0.00	336.96	0.08
Profit for the year	17,981.54	4.59	6,531.43	1.67	31,613.24	7.45
Other comprehensive income						
Gains (losses) on remeasurments of Defined benefit plans	6,043.00	1.32	4,343.50	1.11	(569.62)	(0.13)
Share of other comprehensive income of associate	580.10	0.13	0.00	0.00	0.00	0.00
Income tax relating to components of other comprehensive						
income that will not be reclassified to profit or loss	(363.43)	(0.08)	(278.36)	(0.07)	40.60	0.01
Total Other comprehensive income (expense) for the year - net of tax	24,241.21	5.30	10,596.57	2.70	31,084.22	7.32
Basic earnings per share (Baht)	0.180		0.070		0.320	
Book Value (Baht)	4.44		4.40		4.54	
Par Value (Baht)	1.00		1.00		1.00	

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

Qualitech Public Company Limited And Subsidiaries

Statements Of Financial Position

As At December 31, 2020 To 2022

Unit : Thousand Baht

Result of the Operation	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Asset						
Current assets						
Cash and cash equivalents	35,252.44	6.73	40,888.78	8.07	27,265.52	5.28
Trade and other current receivables	99,988.20	19.09	79,113.97	15.61	99,029.96	19.17
Contract assets	58,521.95	11.17	68,956.42	13.60	66,290.82	12.83
Inventories	7,735.23	1.48	10,537.82	2.08	8,835.70	1.71
Other current financial assets	0.00	0.00	120,664.56	23.81	95,763.79	18.53
Assets classified as held for sale	0.00	0.00	0.00	0.00	13,737.75	2.66
Total current assets	201,497.82	38.47	320,161.55	63.16	310,923.54	60.18
Non-current assets						
Capital lease receivables	18,158.07	3.47	0.00	0.00	0.00	0.00
Investments in associate	122,935.12	23.47	0.00	0.00	0.00	0.00
Property, plant and equipment	145,242.93	27.73	159,227.30	31.41	177,244.45	34.30
Right-of-use assets	14,653.87	2.80	14,104.20	2.78	14,924.25	2.89
Goodwill	4,844.34	0.92	4,844.34	0.96	4,844.34	0.94
Other intangible assets other than goodwill	2,085.29	0.40	1,837.96	0.36	2,260.03	0.44
Deferred tax assets	3,101.83	0.59	3,229.32	0.64	2,813.69	0.54
Income tax for refund	7,475.05	1.43	3,127.98	0.62	3,359.20	0.65
Non-current non-cash financial assets pledged as collateral	3,010.00	0.57	0.00	0.00	0.00	0.00
Others non-current assets	811.51	0.15	351.62	0.07	328.21	0.06
Total non-current assets	322,318.01	61.53	186,722.72	36.84	205,774.17	39.82
Total assets	523,815.83	100.00	506,884.27	100.00	516,697.71	100.00

Qualitech Public Company Limited And Subsidiaries

Statements Of Financial Position (Cont.)

As At December 31, 2020 To 2022

Unit : Thousand Baht

Result of the Operation	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities						
Short-term borrowings from financial institutions	7,741.71	1.48	0.00	0.00	0.00	0.00
Trade and other current payables	42,906.34	8.19	39,351.73	7.76	32,929.93	6.37
Current portion of lease liabilities	3,185.56	0.61	2,931.24	0.58	3,003.46	0.58
Corporate income tax payable	354.74	0.07	0.00	0.00	0.00	0.00
Liabilities included with asset classified as held for sale	0.00	0.00	0.00	0.00	276.82	0.05
Total current liabilities	54,188.35	10.34	42,282.97	8.34	36,210.21	7.01
Non-current liabilities						
Lease liabilities	3,444.02	0.66	3,745.49	0.74	6,028.06	1.17
Non-current provisions for employee benefit	20,009.07	3.82	23,706.06	4.68	27,309.77	5.29
Others non-current liabilities	2,995.00	0.57	0.00	0.00	0.00	0.00
Total non-current liabilities	26,448.09	5.05	27,451.55	5.42	33,337.83	6.45
Total liabilities	80,636.44	15.39	69,734.52	13.76	69,548.04	13.46
Shareholders' equity						
Authorized share capital	98,568.49	18.82	98,568.49	19.45	98,568.49	19.08
Issued and paid-up share capital	98,568.49	18.82	98,568.49	19.45	98,568.49	19.08
Share premium on ordinary shares	75,175.54	14.35	75,175.54	14.83	75,175.54	14.55
Equity-settled share-based payment reserve	10,680.19	2.04	10,680.19	2.11	10,680.19	2.07
Appropriated - legal reserve	10,346.85	1.98	10,346.85	2.04	10,346.85	2.00
Retained earnings						
Unappropriated	242,992.04	46.39	238,587.77	47.07	252,559.20	48.88
Total owners of the Company	437,763.11	83.57	433,358.84	85.49	447,330.26	86.57
Non-controlling interests	5,416.28	1.03	3,790.91	0.75	(180.59)	(0.03)
Total shareholders' equity	443,179.39	84.61	437,149.75	86.24	447,149.67	86.54
Total liabilities and shareholders' equity	523,815.83	100.00	506,884.27	100.00	516,697.71	100.00

Qualitech Public Company Limited And Subsidiaries

Statements Of Cash Flows

For The Year Ended December 31, 2020 To 2022

Unit : Baht

List	2022	2021	2020
Cash flows from operating activities			
Profit for the year	17,981,541.79	6,531,434.18	31,613,243.82
Adjustments to reconcile profit (loss) to cash received (paid)			
(Gain) loss on revaluation of fair value	0.00	(400,769.72)	(508,219.61)
Unrealized (gain) loss on exchange rate	41,188.11	(1,632.94)	6,049.56
Expected credit losses (reversed)	(9,371,083.36)	1,321,647.65	85,379.40
Loss on devaluation of inventories	55,898.81	0.00	0.00
(Increase) decrease in unbilled service income	11,495,896.14	(3,410,993.21)	22,349,043.62
(Gains) losses on dissolution of subsidiary	0.00	38,434.21	0.00
Impairment loss of investment in associate	18,583,723.23	0.00	0.00
Share of loss from investment in associate	4,111,261.95	0.00	0.00
Depreciation	22,275,339.24	26,130,847.28	27,629,584.54
(Gains) loss on sale of equipment	1,003,082.70	849,084.98	(346,054.38)
Loss on impairment of properties foreclosed	1,642,191.74	498.38	3,450.55
Amortized other intangible assets other than goodwill	425,016.13	422,064.95	439,389.46
Amortized other assets	0.00	18,074.05	104,040.46
Provisions for employee benefits	1,825,669.50	329,008.09	2,482,800.76
Interest expenses	728,443.50	697,166.10	751,640.06
Tax expenses (income)	1,389,424.65	(105,859.68)	208,330.50
	72,187,594.13	32,419,004.32	84,818,678.74

Qualitech Public Company Limited And Subsidiaries

Statements Of Cash Flows (Cont.)

For The Year Ended December 31, 2020 To 2022

Unit : Baht

List	2022	2021	2020
(Increase) Decrease in portion of operating assets			
Trade and other current receivables	(11,919,068.81)	19,549,556.49	6,682,193.29
Inventories	2,746,689.19	(1,702,113.75)	2,272,686.70
Capital lease receivables	(19,003,783.56)	0.00	0.00
Non-current non-cash financial assets pledged as collateral	(3,010,000.00)	0.00	0.00
Deposit at bank pledged as collateral	0.00	0.00	66,660.00
Other assets	(27,287.84)	(12,712.35)	1,238,466.87
Increase (Decrease) in portion of operating liabilities			
Trade and other current payables	2,915,609.44	5,966,393.11	(19,819,024.23)
Other non-current liabilities	2,995,000.00	0.00	0.00
Cash generated (paid) from operation	46,884,752.55	56,220,127.82	75,259,661.37
Employee benefit paid	0.00	0.00	(3,380,408.47)
Interest paid	(208,110.49)	(286,383.18)	(302,128.05)
Income tax paid	(5,914,680.09)	(3,419,121.83)	(3,536,794.30)
Income tax refunded	0.00	3,341,124.10	9,466,306.44
Net cash provided by (used in) operating activities	40,761,961.97	55,855,746.91	77,506,636.99

Qualitech Public Company Limited And Subsidiaries

Statements Of Cash Flows (Cont.)

For The Year Ended December 31, 2020 To 2022

Unit : Baht

Result of the Operation	2022	2021	2020
Cash flows from investing activities			
Proceeds from equity securities of other parties	130,664,562.16	48,000,000.00	96,602,586.87
Payments for acquire of equity securities of other parties	(10,000,000.00)	(72,500,000.00)	(118,114,107.15)
Payment for acquire of ordinary shares in associate	(145,050,000.00)	0.00	0.00
Proceeds from dissolution of subsidiary net of cash paid	0.00	13,422,495.48	0.00
Payments for acquire of subsidiary net of cash received	0.00	0.00	(3,878,094.62)
Proceeds from sales of equipment	5,652,028.20	655,285.35	2,183,114.75
Payments for equipment acquisition	(12,786,938.99)	(7,512,522.07)	(26,460,023.44)
Payments for right-of-use assets	(1,074,750.00)	(212,878.50)	(1,795,434.57)
Payments for other intangible assets acquisition other than goodwill	(61,950.00)	0.00	(555,000.00)
Net cash provided by (used in) investing activities	(32,657,048.63)	(18,147,619.74)	(52,016,958.16)
Cash flows from financing activities			
Short-term borrowings from financial institutions, increase (decrease)	7,741,711.57	0.00	0.00
Payments for short-term borrowings	0.00	0.00	(2,900,000.00)
Payments for lease liabilities	(3,271,391.36)	(3,189,908.82)	(2,660,460.70)
Payments for dividend	(19,711,597.00)	(24,642,121.25)	(34,468,051.50)
Proceeds from non-controlling interests	1,500,020.00	3,750,050.00	0.00
Payments for non-controlling interests	0.00	(2,886.30)	0.00
Net cash provided by (used in) financing activities	(13,741,256.79)	(24,084,866.37)	(40,028,512.20)
Net increase (decrease) in cash and cash equivalents	(5,636,343.45)	13,623,260.80	(14,538,833.37)
Cash and cash equivalents as at the beginning of the year	40,888,782.89	27,265,522.09	50,103,286.48
Transfer cash and cash equivalents of subsidiaries			
Transfer cash and cash equivalents of subsidiaries to assets classified as held for sale	0.00	0.00	(8,298,931.02)
Cash and cash equivalents as at the end of the year	35,252,439.44	40,888,782.89	27,265,522.09

5. General and other significant 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, 2022, 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 THB17.23 million (account receivable with the value-added tax thereof in the amount of THB0.89 million). In regard to this matter, the Company recorded an allowance for doubtful accounts in the total amount of THB17.23 million, divided into the obligations in the amount of THB12.07 million and THB5.16 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 THB 89 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.

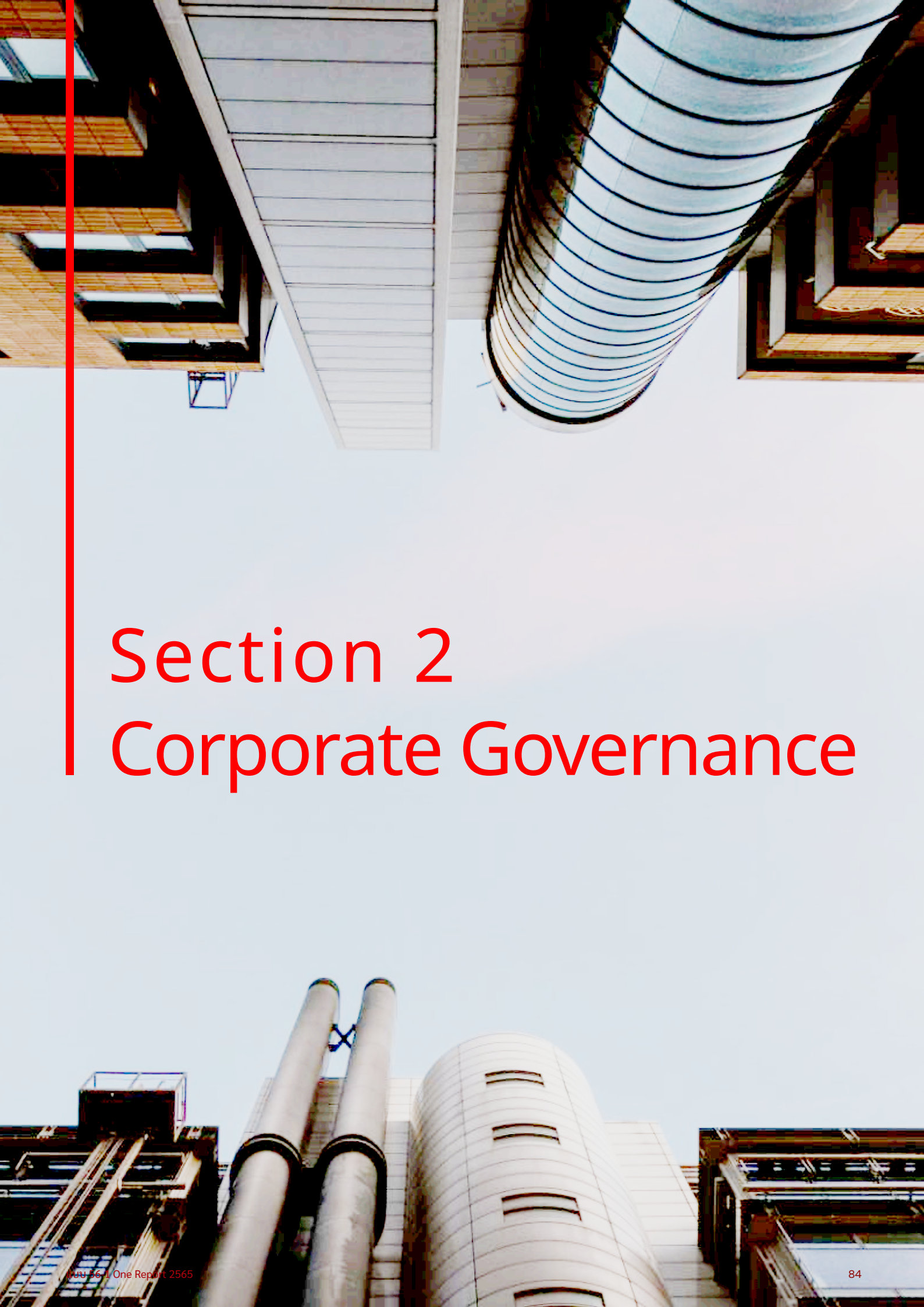
During the creditors' meeting on July 10, 2012 (adjourned from December 16, 2011), the matter was unresolved for the 8th and 78th creditors as it was under consideration by their authorized directors. As a result, the creditors' meeting was adjourned again to December 13, 2011. On the date, the creditors 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.

In April 18, 2022, the Central Bankruptcy Court ordered the Company to receive payment of the judgment debt from the Property Division of Nacap Co., Ltd. in the amount of 16.49 million baht as an unsecured creditor by receiving payment in the average portion of ordinary creditors under Section 130 (7) of the Bankruptcy Act B.E. 2483 Amendment to the Bankruptcy Act (No. 5) B.E. 2542 . As for the debt to transfer claims in the amount of 5.74 million baht, the company considers that the order of the bankruptcy court has been approved, and, therefore, is not swayed by the appeal of the court's order in the case of raising the debt to transfer the claim in the amount of 5.74 million baht.

In May 27, 2022, the company received property share (first round) from the Official Receiver in the amount of 9.59 million baht, and currently waiting for the next round of property sharing.



Section 2

Corporate Governance

6. Corporate Governance

Qualitech Public Company Limited is 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 programs.

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 (Form 56-1 One 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 Sshareholder'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 cannot attend the meeting, the Company allows the Shareholder to authorize an independent director or any person to attend the meeting as a proxy;
- The Company will record any important issues or opinions in the report of the meeting as reference for the Shareholders.

Chapter 2 Equal Treatment of Shareholders

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

- The Company entitles the Shareholders of the Company to trade the securities they are holding freely.
- The Company entitles Shareholders to accept the share certificate and right of transfer.
- The Company provides the Shareholders the right to vote equally.
- The Company entitles Shareholders to receive sufficient and punctual information in forms suitable for decision-making.
- The Company provides the opportunity to minor Shareholders to nominate a person to a position on a committee in advance and at an appropriate time.
- The Company entitles Shareholders to appoint and demote the committee.

- The Company entitles Shareholders to agree with the auditor appointment and audit fee specifications.
- The Company entitles Shareholders to receive profit share from the Company in the form of dividends.
- The Company has attached the proxy form (Form B.) with the Invitation to the Annual General Meeting of Shareholders, which is intended for Shareholders unable to attend to follow the voting directions, by giving the right to attend and vote to independent directors or another individual.
- The Company provides the Shareholders with the right to propose agenda items for the meeting and candidates for the director election prior to the Annual General Meeting of Shareholders.
- The Board of Directors shall not include any additional agenda items for the meeting, without advance notice to the Shareholders, particularly those important agenda items that require time for the Shareholders to study the information before making a decision.
- The Company does not permit the use of the Company's data. Any agency holding the Company's data is forbidden from disclosing such data to any unrelated agency or person. Disclosure or use of the data by the staff or executives for the benefit of their own or of other related persons is considered as a serious wrongdoing and shall be subject to disciplinary punishment. In addition, the Company has a policy and method to 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 ensure client confidence strictly and regularly, 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. Ms. Pattawan Chaipim, Human Resource Division Manager
 2. Ms. Wimol Saephung, Audit Committee SecretaryQualitech 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 the annual report (Form 56-1 One Report), together with financial reports and general data, as well as other important data that may affect value of securities or procedures of decision making by the Company's investors and stakeholders. This is to ensure that those related to the Company receive data fairly and equally. In this regard, the Company has publicized the data through the Stock Exchange of Thailand and the website: www.qualitechplc.com.

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

Audit Committee should consist of at least 3 people responsible for auditing financial reports, related items and internal control system and assist in supervising the operations of the company which covers the scope of authority as assigned by the Board of Directors. All members are qualified according to the Securities and Exchange Act or the rules, announcements, regulations or rules of the Office of the Securities and Exchange Commission of Thailand.

Nomination and Remuneration Committee should consist of at least 3 members, half of whom must be independent directors. The Chairman of the Nomination and Remuneration Committee must be an independent director only and should be responsible for the nomination and consideration of the remuneration of the Company's directors and sub-committees.

Risk Management Committee consists of the company's directors, and at least 3 executive directors and at least 1 person who must be an independent director covering the scope of authority as assigned by the Board of Directors in accordance with and in accordance with the risk management guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.

At the present, Qualitech Public Company Limited has not appointed a corporate governance committee as a sub-committee, but this in turn is the duty of the Board of Directors to supervise the work in accordance with the best practices of listed companies to cover the requirements of each category by assigning the management department to strictly follow the company's corporate governance policy.

However, in the future, the company may recruit other sub-committees to work as assigned to relieve the management burden of the Board of Directors.

(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 were permitted to do so.

Internal Control and Risk Management

The company has set up an internal control system to give investor a degree of confidence that the company will operate efficiently and increase the credibility of the financial statements. The company has an internal audit department responsible for assessing risks and reviewing the internal control system every year, and appointed, Mrs. Wimon Sae-Fung, the company's internal auditor serves as the secretary of the audit committee, and present the internal audit results to the audit committee at least every 3 months.

Board of Director's emphasis has been placed on the risk management process for both internal and external risks that may affect the Company. The Risk Management Committee is responsible for reviewing the risk management policy and improving it to be efficient and effective enough to control risks.

(4) Board of Directors Meeting

The Board of Directors meets at least once every 3 months and additional special meetings may be held as necessary. A meeting invitation letter will be sent to the directors for consideration at least 7 days prior to the meeting date, unless it is urgent to protect the rights or benefits of the Company. Directors can request additional necessary information from the Company Secretary.

The Chairman of the Board of Directors and the Executive Chairman will jointly determine the meeting agenda by giving the opportunity for each director to propose an item to be included in the agenda of the meeting. In some agenda, senior executives may attend the meeting to provide additional information.

(5) Remuneration

The company has a policy to determine the remuneration of directors based on the Nomination and Remuneration Committee who is responsible for considering the remuneration of directors to be at a level that can motivate and retain knowledgeable and capable directors suitable as desired. Remuneration will be at a level comparable to that of the same industry and linked to the company's performance. The Nomination and Remuneration Committee will present the information to the Board of Directors for their consideration before requesting approval of the directors' remuneration at the shareholders' meeting every year.

(6) Development of knowledge of company directors

The Board of Directors encourages and facilitates Company Directors, Executives and Company Secretary to attend training or seminars for courses that are beneficial to the performance of duties in order to continuously improve operation. The training and knowledge sharing may be done within the company or use the services of external institutions.

Every time there is a new director change, the company secretary will provide information and documents that are beneficial to the performance of duties of new directors including providing advice on business characteristics and business guidelines for new directors.

Chapter 6 Anti-Corruption Policy

Anti-Corruption Policy

The Company operates business by employing its competitive strategy fairly, transparently and by upholding the high quality of service and always working in strict adherence to the relevant laws under the business values of “Reliability, Safety, Agility, Customer Focus and Quality”. Therefore, the Company 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 was certified to renew the certificate on November 4, 2019. In 2023, the company is renewing the certificate, which is expected to be completed by the first quarter of 2023.

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:

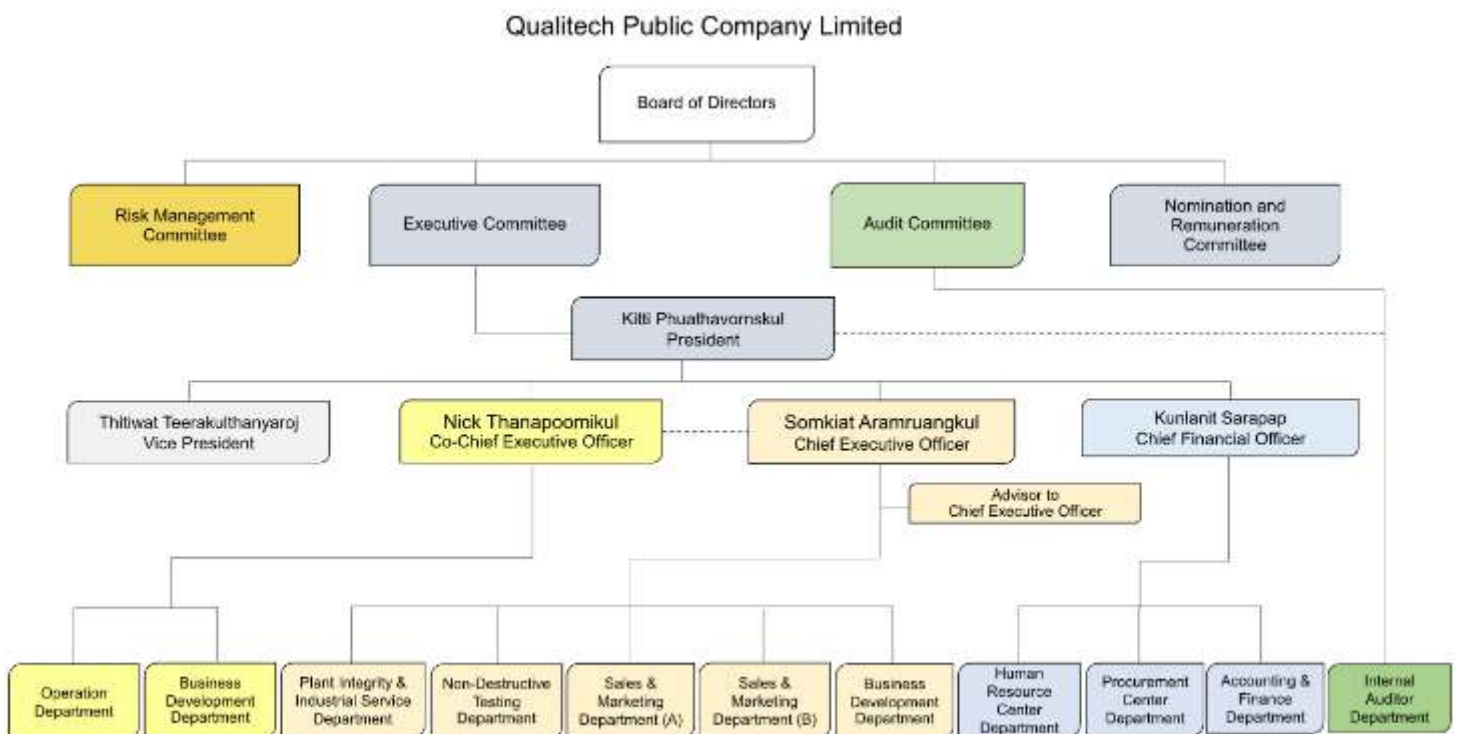
1. Educating the Directors, including the Executives on their duty to report the holding of securities by themselves, their spouse and children under legal age, in accordance with Section 59 and the punishment provision, Section 275 of the Security and Exchange Act 2016 (issue5).
2. The Company required 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 12 November 2022



Effective date : November 12, 2022

7.2 Board of Director, 2022

Rank	Name	Position	Education Qualification	Training on the functions and skills of director
1	Mr. Kittu Phuathavornskul	Chairman of the Board of Directors / President	Bachelor's degree of Business Administration	- Director Accreditation Program - Director Certification Program
2	Mr. Thitiwat Theerakulthanyarot	Director / Vice President / Nomination and Remuneration Committee / Company Secretary	Master's degree of Marketing	- Director Accreditation Program - Company Secretary Program
3	Mr. Somkiat Aramruangkul	Director / Executive Director / Risk Management Committee / Chief Executive Officer	Master's degree of Business Administration	- Director Accreditation Program
4	Mr. Nick Thanapoomikul	Director / Executive Director / Risk Management Committee / Co-Chief Executive Officer	Bachelor's degree of Economics	- Director Accreditation Program
5	Ms. Kunlanit Sarapab	Director / Executive Director / Nomination and Remuneration Committee / Risk Management Committee / Chief Financial Officer	Master's degree of Accounting	- Director Accreditation Program - Company Secretary Program - Anti-Corruption: The Practical Guide 34/2016
6	Miss Chonticha Chitraporn	Independent Director / Chairman of The Audit Committee	Master's degree of Economics In Applied Economics Master's degree of Language and Internation Trade	- Director Accreditation Program - Advanced Audit Committee Program
7	Mr. Tatchapong Thamputthipong	Independent Director / Chairman of The Risk Management Committee / Audit Committee / Nomination and Remuneration Committee	Master's degree of Business Administration	- Director Certification Program
8	Assoc.Prof.Dr. Pranya Sakiyalak	Independent Director / Chairman of The Nomination and Remuneration Committee / Audit Committee	Doctoral Degrees of Fellow, American College of Surgeons	- Director Accreditation Program

Directors who will retire during the year 2022 : None

Authorized directors on behalf of the Company :

The numbers or names of Director authorized to enter their signatures binding the company are “ (1) Mr. Thitiwat Theerakulthanyarot, Mr. Nick Thanapoomikul, and Mr. Kitti Phuathavornskul, which Two out of Three Directors shall sign their names along with the company’s common seal being affixed, (2) Mr. Thitiwat Theerakulthanyarot or Mr. Nick Thanapoomikul or Mr. Kitti Phuathavornskul, who signed his name together with Mr. Somkiat Aramruangkul or Ms. Kunlanit Sarapab as two directors and the Company’s common seal being affixed.

The term of the Office of Directors:

1 Appointment

1.1 Appointment of Directors

1.1.1 In the event that the term of office has expired

- The Nomination and Remuneration Committee is responsible for selecting persons to be the company's directors and presented to the Board of Directors for consideration before proposing to the shareholders' meeting for approval. Directors are elected by the shareholders' meeting according to the following criteria and methods:

- 1) One shareholder has 1 vote per share.
- 2) Each shareholder must use all the votes he has in item 1) to appoint one or more persons to be directors, but cannot divide the votes to anyone in any amount.
- 3) The person receiving the highest number of votes in descending order will be elected as a director equivalent to the number of directors that should have or will be elected on that occasion the event that the persons elected in descending order have equal votes, which would otherwise be exceeded, or to be elected at that time, the presiding chairman shall have an additional casting vote.

1.1.2 In case of vacancy of director position in addition to the completion of the Term of office

- The Board of Directors selects persons who are qualified and do not have prohibited characteristics by law concerning public limited companies and the law governing securities and exchange to be a replacement director at the next Board of Directors' meeting. Unless the remaining term of that director is less than two months, the person who becomes a replacement director will be in the position of director only for the remaining term of the director he replaces, and the resolution of the Board of Directors must consist of a vote of not less than three-fourths of the number of remaining directors.

1.1.3 In case of adding directors

- Director, executive director or shareholders who hold shares in aggregate as required by law can propose an increase in the number of directors to the board of directors' meeting to be considered before proposing to the shareholders' meeting for approval.

- Nomination and Remuneration Committee proceed with the selection of persons to be directors from the list nominated by the directors or those recruited by the company and presented to the Board of Directors' meeting for consideration before proposing to the shareholders' meeting for approval. This step may be carried out in conjunction with the proposal to increase the number of directors for the Board of Directors' meeting to consider at the same time.

1.2 Appointment of the Chairman of the Board of Directors

- The Board of directors elects one director to be the Chairman of the Board. In the event that the Board deems appropriate, one or more directors may be elected to be vice chairman, and the vice-chairman has duties according to the regulations in the activities assigned by the chairman.

2 Terms of office

2.1 Company directors have a term of office of 3 years each time or as specified by the shareholders' meeting.

2.2 Position of chairman has the term of office which is equal to the term of office as a director. When the term of office as a director has expired, the position of Chairman of the Board shall be deemed to have been terminated at the same time, and the Board of Directors Election of a new chairman which may be the same person.

2.3 At every annual general meeting, there will be at least one-third of the directors who will retire and retire by rotation. If the number of directors to be retired is not a multiple of three, then this should be concluded by the number closest to 1 in 3.

Directors retired under the first paragraph will be re-appointed as a director if the meeting elects to take a new position again. Directors to be retired in the first and second year after the registration of the company shall be drawn by lot to determine who shall retire. As for the next year, the director who has been in office for the longest time shall retire.

3 Retirement from the position

3.1 Apart from general termination from the office, Directors will retire when

- Deceased
- Resign
- Lack of qualifications or having characteristics prohibited by law
- The shareholders' meeting may pass a resolution to remove any director from office before the expiration of the term with a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and having shares altogether not less than half of the number of shares attending the meeting and having the right to vote.
- The court has ordered a conditional release.

3.2 Any director who wishes to resign from the position must submit a resignation letter to the chairman of the board or company secretary. The resignation is effective from the date the resignation letter reaches the company or may specify the date of resignation in advance in the letter of resignation as well, and the resigned director may also notify the registrar of his or her resignation.

Scope of duties and responsibilities of the Board of Directors:

1 Scope of duties and responsibilities.

1.1 Scope of duties and responsibilities of the chairman of the board of directors

- 1.1.1 Arrange a meeting of the board of directors at least once every 3 months.
- 1.1.2 Act as a leader of the committee, responsible for supervising, monitoring and supervising the management of the Board of Directors and other sub-committees to achieve the objectives according to the set plans.
- 1.1.3 Preside over the meeting of the Board of Directors, and have a decisive vote in the Board of Directors' meeting in case of with equal votes for both sides
- 1.1.4 Presiding over the shareholders' meeting and control the meeting to proceed according to the agenda set
- 1.1.5 Strengthen good relations between directors and management, and support the performance of duties of the management.
- 1.1.6 Strengthen the standards of good corporate governance of the Board of Directors.

1.2 Duties and Responsibilities of the Company

- 1.2.1 Organize a shareholders' meeting as an annual general meeting within 4 months from the end of the Company's accounting period.

- 1.2.2 Directors shall attend the meeting on the specified date, time and place at least once every 3 months.
- If the chairman is busy or unable to attend the meeting for any reason, the chairman shall inform the secretary before the meeting date to inform all directors on the same day or within the following from the date receiving information from the chairman.
 - Any director who is busy or unable to attend the meeting for any reason, the director must notify the chairman or the secretary before the meeting date.
- 1.2.3 To consider and approve the interim financial statements which have been certified by the audit committee.
- 1.2.4 Consider and approve the annual financial statements certified by the audit committee and present to the shareholders' meeting for approval.
- 1.2.5 The Board of Directors may authorize one or more directors or any other person to perform any task in any way on behalf of the Board of Directors under the supervision of the Board of Directors or may authorize such person to have power as the Board deems appropriate, and within the period that the Board of Directors deems appropriate. The Board of Directors may revoke, change, or amend the authorized person or that power when it deems appropriate. In addition, the Board of Directors may authorize the Executive Board to have the authority to perform various tasks, with details of authorization according to the scope of authority of the Executive Board or the authorized person can consider and approve the transaction that the Executive Committee or authorized person or related person or have an interest or have any other conflicts of interest with the company or its subsidiaries. Except for the approval of transactions that comply with the policy and criteria already considered and approved by the Board of Directors, this can be carried out in accordance with the law.
- 1.2.6 Set goals, guidelines, policies, plans and budgets of the company, control and supervise management, and management of the executive committee in accordance with the assigned policy except in the following matters. The Board of Directors must obtain approval from the shareholders' meeting before proceeding, including matters required by law to be approved by the shareholders' meeting, such as capital increase, capital reduction, issuance of debentures , selling or transferring all or part of the business of the company to other persons or buying or accepting transfer of the business of other companies to the company, amendment to the memorandum of association or articles of association, etc. In addition, the Board of Directors has the scope of duties to supervise the company to comply with the Securities and Exchange Act. regulations of the Stock Exchange of Thailand such as connected transactions and the purchase or sale of important assets according to the rules of the Stock Exchange of Thailand or laws related to the company's business.
- 1.2.7 Appoint the Executive Committee and other committees as appropriate together with the structure and authority of the said committee.
- 1.2.8 Posses the power to determine the names of authorized directors who can sign to bind the Company with the Company's seal affixed.

- 1.2.9 Continuously monitor the performance to be in accordance with the work plan and budget.
- 1.2.10 Directors must not operate a business of the same nature and in competition with the business of the company or be a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or being a director of a private company or other companies operating businesses of the same nature and is in competition with the business of the company whether doing it for their own benefit or for the benefit of others, unless notified to the shareholders' meeting prior to the appointment resolution.
- 1.2.11 Directors must notify the company without delay if there is a direct or indirect interest in any contract made with the company or holding more or less shares or debentures in the company or its affiliates.
- 1.2.12 Company directors shall be responsible for considering and approving the policy including requiring a system that supports effective anti-corruption to ensure that all employees of the company are well aware and the importance of problems arising from corruption.
- 1.2.13 Determine the amount of money approved by the Executive Committee.

- **The Audit Committee**

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

Rank	Name	Position
1	Miss Chonticha Chitraporn	Chairman of the Audit Committee
2	Assoc.Prof.Dr. Pranya Sakiyalak	Audit Committee
3	Mr. Tatchapong Thamputthipong	Audit Committee (Member of which have sufficient knowledge in accounting to review the reliability of the financial statement)

With Mrs. Wimol Saephung performs as Secretary to the Audit Committee

Term of the Office of the Audit Committee Member:

Chairman of the audit committee and member of the audit committee shall serve with a term in office for 3 years. The appointed director shall remain in office for the remaining term of the resigned director.

Terms of reference and responsibilities of the Audit Committee:

The Audit Committee has the following powers and duties:

1. Review for the company to ensure having an accurate and adequate financial reporting by coordinating with external auditors and executives responsible for preparing financial reports both quarterly and annually. The audit committee may suggest that the auditor review or examine any item that deems necessary and important during the audit of the company's accounts.

2. Review for the company to ensure having an appropriate and effective internal control system and internal audit.
3. Review to ensure that the company complies with the law on securities and stock exchange, SET requirements or laws related to the business of the company.
4. Consider, select, nominate, and propose remuneration for the Company's auditors.
5. Consider the disclosure of the company's information in case of connected transactions or transactions that may cause conflicts of interest to ensure accuracy and completeness.
6. Prepare a report on corporate governance of the audit committee which is disclosed in the company's annual report. The said report must be signed by the chairman of the audit committee.
7. Perform any other tasks as assigned by the board of directors with the approval of the Audit Committee.
8. Report the performance of the audit committee to the board of directors at least once every 3 months.
9. Possess the authority to carry out necessary audits and investigations on various matters, including seeking independent opinions from any other professional advisors when deemed necessary at the expense of the company in order to successfully perform the duties under the responsibilities.
10. Possess a duty and responsibility for policy supervision and anti-corruption measures to ensure that the company have fulfilled their obligations under the law and ethics set.

The Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee comprises the following 4 Directors:

Rank	Name	Position
1	Assoc.Prof.Dr. Pranya Sakiyalak	Chairman of The Nomination and Remuneration Committee
2	Mr. Thitiwat Theerakulthanyarot	Member of Nomination and Remuneration Committee
3	Mr. Tatchapong Thamputthipong	Member of Nomination and Remuneration Committee
4	Ms. Kunlanit Sarapab	Member of 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 with the term of office for 3 years each, which is according to the term of being a director.
2. The nomination and remuneration committee may be re-appointed as the Board of Directors deems appropriate.

3. In the event that the nomination and remuneration committee has completed their term of office and if the board of directors has not yet appointed a new nomination and remuneration committee, the former committee will continue to perform duties until a new Nomination and Remuneration Committee is appointed. The appointment must be made within 3 months from the date of the expiration of the Nomination and Remuneration Committee's term.
4. In the event that the position of the nomination and remuneration committee is vacant before the end of the term, the Board of Directors can appoint a qualified person to be a member of the nomination and remuneration committee to fill the vacancy and the appointed person shall hold office only for the remaining term of the member of the nomination and remuneration committee whom he replaces.
5. Member of the nomination and remuneration committee vacates office upon:
 - (a) The expiration of the term
 - (b) Resign
 - (c) Deceased
 - (d) Removal from office by the resolution of the Board of Directors.
 - (e) Retire from the position of director of the company.
 - (f) Lack of qualifications for being a member of the Nomination and Remuneration Committee.
6. A member of the nomination and remuneration committee who wishes to resign before the end of their term of office, a resignation letter must be submitted to the chairman of the board of directors in advance. The resignation shall be effective from the date the resignation letter reaches the company, or specify the date of resignation in advance in the resignation letter and must be approved.

The Scope and Responsibilities of the Nomination and Remuneration Committee

1 Nomination

- 1.1 Determine the qualifications of company directors and sub-committees.
- 1.2 Determine criteria and methods for recruitment for the positions of Company Directors and Sub-Committees.
- 1.3 Nomination and screening of persons to be appointed as directors and sub-committees to propose to the Board of Directors for consideration and appointment.
- 1.4 Elect persons to be company directors in case of term completion and additional directors in order to present to the board of directors for approval or to propose to the shareholders' meeting for approval.

2 Remuneration

- 2.1 Determine the criteria for the remuneration of company directors and sub-committees.
- 2.2 Determine the annual remuneration of the company's directors and sub-committees to be proposed to the board of directors' meeting for approval and to be proposed to the shareholders' meeting for approval.
- 2.3 Annual gratuity allocation for company directors that has been approved by shareholders and report to the board of directors for acknowledgment.

The Risk Management Committee

The Company's Risk Management Committee comprises the following 4 Directors as follows:

Rank	Name	Position
1	Mr. Tatchapong Thamputthipong	Chairman of The Risk Management Committee
2	Mr. Somkiat Aramruangkul	Member of The Risk Management Committee
3	Mr. Nick Thanapoomikul	Member of The Risk Management Committee
4	Ms. Kunlanit Sarapab	Member of The Risk Management Committee

Term of the Office of the Risk Management Committee

1. The board of directors considers and appoints a director as a member of the risk management committee.
2. The risk management committee elects one independent director to be the chairman of the risk management committee.
3. The risk management committee has a term of office of 3 years or according to the term of office as a director of the company whichever comes first and can be re-appointed after the expiration of the term.
4. In the event that the position of the risk management committee becomes vacant, the board of directors shall appoint a qualified person as specified in the risk management committee charter to replace the vacant position, such appointed person shall hold office only for the remaining term of the member of the risk management committee he/she replaces.
5. Any member of the risk management committee who wishes to resign from the position shall submit a resignation letter to the chairman of the risk management committee. The resignation is effective from the date the resignation letter reaches the company, or may specify the date of resignation in advance in the resignation letter or not.

6. Member of the risk management committee vacates office upon:
 - (a) The expiration of the term
 - (b) Resign
 - (c) Deceased
 - (d) Board of directors resolved to resign from office
 - (e) Lack of qualifications for being a member of the Risk Management Committee.

The Scope and Responsibilities of the Risk Management Committee

1. Determine the overall risk management policy and structure of the company which covers important types of risks such as financial risks, Investment Risk, and risks that affects the reputation of the business, etc., to present to the Board of Directors for approval, all of which shall be in accordance with the risk management guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.
2. Set strategies and guidelines for risk management of the company in line with the risk management policy to be able to assess, monitor and control each type of risk to an acceptable level by allowing various departments to participate in risk management and control.
3. Supervise and monitor the implementation of the risk management policy under the guidelines and policies approved by the Board of Directors.
4. Define risk measurement criteria and acceptable risk levels.
5. Determine measures to be used to manage risks appropriate to the situation.
6. Assess risks at the corporate level and determine how to manage that risk to an acceptable level as well as to supervise and ensure that risk management is in accordance with the established methods.
7. Review the risk management policy and improve it to be efficient and effective enough to control risks.
8. Possess the power to summon relevant persons to give information or appoint and assign roles for employees at all levels to have the duty to manage risks as appropriate and report to the risk management committee in order to achieve the objectives of risk management.
9. Report on management, operations and risk status of the company, and various changes, including what needs to be improved to be in line with the policies and strategies set to the board of directors.
10. Consider investing in stocks or investing in other companies.

The Executive Committee

The Company's Executive Committee comprises of 5 Directors as follows:

Rank	Name	Position
1	Mr. Kitti Phuathavornskul	President
2	Mr. Thitiwat Theerakulthanyarot	Vice President
3	Mr. Somkiat Aramruangkul	Executive Director / Chief Executive Officer
4	Mr. Nick Thanapoomikul	Executive Director / Co-Chief Executive Officer
5	Ms. Kunlanit Sarapab	Executive Director / Chief Financial Officer

Term of the Office of Executive Committees :

1. The board of directors appoints the executive committee.
2. The board of directors will appoint one executive director as the chairman of executive committee.
3. In addition to retiring by rotation executive director vacates office upon
 - (a) Resign
 - (b) Deceased
 - (c) Removal from office by the resolution of the Board of Directors.
 - (d) Retiring from the position of director of the company
 - (f) Lack of qualifications for being an executive director.
4. Any executive director who wishes to resign from the position must submit a resignation letter to the chairman of the board of directors at least 90 days in advance.
5. In case of a vacancy in the position of executive director, the board of directors shall select a person who has the qualifications specified in the charter of the executive committee as executive director.

Terms of the reference and responsibilities of the Executive Committee:

1. Operate and manage the business of the company according to objectives, regulations, policies, regulations, requirements, orders, and resolutions of the board meeting and / or resolutions of the shareholders' meeting of the company in all respects.

2. Consider setting policies, directions, and strategies for the company's business operations, formulate a financial budget plan, human resource management, investment, business expansion, and public relations are in accordance with the framework approved by the Board of Directors and to supervise the operations of senior executives to achieve their goals.
3. Consider annual budget allocation as proposed by the management before presenting to the board of directors consider and approve. This includes consideration and approval, changes, and additions to the annual expenditure budget during the absence of a meeting of the board of directors, and to present to the board of directors for approval or to ratify at the next meeting.
4. To consider and approve operations that are normal business transactions as well as operations that support normal business of the company with general trading conditions such as purchase of raw materials, purchase of tools, equipment or fixed assets related to operations, sales of goods, making contracts for work and any other normal transactions of the company according to the approval authority given by the board of directors.
5. To consider and approve the operation of financial transactions with banks or financial institutions to support the company's normal business operations, such as opening/closing all types of deposit accounts, determining conditions for withdrawing money, legal transactions for all types of deposit accounts borrowing money financing of credit lines debt issuance overdraft and other loan agreements, requesting a bank to issue a letter of guarantee for the benefit of the company's business operations, the use of company assets, mortgages, pledges as collateral for all types of liabilities that already exist or will occur in the future. Buying and selling investment units government fixed income fund or money market fund and any other normal transactions of the company.
6. Consider approving important investment expenditures as specified in the annual expenditure budget as assigned by the Board of Directors or as the board of directors had previously approved in principle.
7. To act as a management advisory committee in relation to financial policies, marketing, personnel management, and other operational aspects.
8. Define the organizational structure, organization management power including appointment, hiring, termination, transfer, determination of wages, compensation, bonuses, and annual salary adjustments. to senior executives.
9. Determine criteria for overall performance appraisal of the company and its subsidiaries and to consider adjusting salaries and determining annual bonus amounts for employees as a whole including the organization of the company and its subsidiaries.
10. To have the power to authorize one or more directors or any other person to perform any act on behalf of the executive committee as it deems appropriate and the executive committee can cancel, revoke, change or amend the authorized person or that authority. However, the delegation of authority within the scope of authority specified must not be a delegation of power or sub-delegation that causes the executive board, or the authorized person of the executive committee can approve the transactions that they or persons who may have conflicts of interest having an interest or have any other conflicts of interest with the company or its subsidiaries. Except for the approval of transactions in accordance with the

policies and criteria approved by the shareholders' meeting. or the Board of Directors has considered and approved.

11. Consider approving the investment of buying shares or investing in other companies in the amount not exceeding 5 million baht.
12. To consider and approve the lending of a subsidiary company in the amount not exceeding 5 million baht per transaction.
13. To perform any other tasks as occasionally assigned by the board of directors.
14. Possess a duty and responsibility to establish a system of promotion and support for anti-corruption policies to be communicated to all employees and related parties including reviewing the suitability of the system and various measures to comply with the changes in business regulations and legal requirements.
15. The executive committee shall consider and approve the transaction that the executive committee has interests or have any other conflicts of interest with the company or its subsidiaries, except for the approval of transactions in accordance with the policies and criteria prescribed by the board of directors, or the shareholders' meeting has already considered and approved and as required by law.
16. Possess the power to appoint consultants in various fields necessary for the operation of the company, or to comply with applicable laws.
17. Consider the interim dividend or annual dividend payment proposal to be proposed to the board of directors for approval or approval for further submission to the shareholders' meeting, as the case may be.
18. To consider and approve interim dividends of subsidiaries.

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

1. Supervise and give advice to the managing director in the management of the company according to the company's policy
2. Being the company's attorney in managing the business of the company to be in accordance with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting, and/or resolutions of the board of directors' meeting and /or the executive board of the company in all respects.
3. Supervise the business operations and daily management of the company according to the company's policy and approve matters relating to the normal operations of the company and/or authorize executives or any other person taking action on the normal day-to-day operations of the company to act on behalf of a specific subject under the control of the managing director and within the period that the managing director deems appropriate and the managing director may cancel, revoke, change or modify such authority.
4. Operate or execute the work in accordance with the policies, plans and budgets approved by the executive committee and/or the board of directors of the company.
5. Approve the spending for purchases in the normal course of the company's business.

The procurement of raw materials in the amount of not more than 30 million baht per transaction (thirty million baht only) and the procurement of equipment or fixed assets used in operations in the amount of not more than 10 million baht per item (ten million baht only).

6. Approve the sale and providing services under business as usual of the company such as approval of sale of goods contract approval hired to do things in the normal course of business, etc., in an amount not exceeding 100 million baht per transaction (one hundred million baht only).
7. Possess the power to delegate and/or assign other persons to perform specific tasks on their behalf by authorizing the range and/or such delegation is within the scope of authorization, and/or in accordance with the rules, regulations or orders of the Board of Directors of the Company and/or the company has set out.
8. Possess the power to approve the subsidiary's loan in the amount not exceeding 2 million baht (two million baht only).
9. Possess the power to consider hiring employees and recruiting, appointing, as well as transferring, relocating across lines/divisions/divisions, or termination of employment and determine the rate of wages, compensation, including welfare benefits towards all employees of the company.
10. Consider the allocation of gratuities, rewards or other rewards to employees or employees of the company or any person representing for the company.
11. Follow up and evaluate the company's performance regularly to prevent risks from various factors, both inside and outside the company.
12. Possess the power to enter into contracts relating to the company's normal operations and other contracts which are beneficial to the business of the company.
13. Possess the power to issue orders, rules, announcements, memorandums in order to ensure that the operations are in accordance with the policy and benefits of the company and to maintain order, discipline, work within the organization.
14. Possess the power or sub-authorization on behalf of the juristic person, the boiler engineering certification body or the boiler that uses liquid as heat conducting media that the company has been registered with the department of industrial works.
15. Possess an authority or sub-authorization on behalf of the company to contact for a license and renew license, approve the test report submit the test report make an appointment with officials of the department of industrial works and the department of energy business.
16. Possess an authority or sub-authorization on behalf of the company to contact for a license and renew license approve and sign documents make an appointment with government officials of the council of engineers.
17. Possess an authority or sub-authorization on behalf of the company to take legal action related to the business operations of the company.
18. Possess an authority or sub-authorization on behalf of the company to contact for service of information form list of the revenue department and other official documents related to the company.

19. Possess an authority to approve expenses in excess of the managing director's approval authority. The approval authority must not more than the approval authority of the executive committee.
20. Possess an authority or power of attorney to sign the quotation, certification of qualifications for entering into transactions with the company, certifying true copies of documents related to submitting envelopes and perform other actions related to this by completion including having the power to negotiate such prices by giving the attorney the power to act on one's behalf at all times including submitting and signing on one's behalf in the petition, petition, clarifying the correction, defense, addition in documents, to sign contracts or to perform any acts in relation to this assignment in all respects, and will treat it as if it is his/her own actions.
21. Perform other duties as assigned by the Board of Directors/Executive Committee from time to time.
22. Possess an authority to take any action related to the abovementioned work until completion.
23. Possess an authority to sign and certify copies of documents related to the abovementioned tasks until completion.

Terms of Reference and Responsibilities of Chief Executive Officer

1. Supervise the business operations and daily management of the company according to the company's policy and approve matters relating to the normal operations of the company and/or authorize executives or any other person. Carry out the normal day-to-day operations of the company to act on behalf of a specific subject under the control of the chief executive officer and within the period that the chief executive officer deems appropriate, and the chief executive officer may cancel, revoke, change or amend such authority.
2. Being the company's attorney in managing the business of the company to be in accordance with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and/or resolutions of the board of directors' meeting and/or the executive board of the company in all respects.
3. Operate or execute the work in accordance with policies, plans and budgets approved by the executive committee and/or the board of directors of the company.
4. Approve the spending for purchases in the normal course of the company's business by procuring raw materials in the amount of not more than 10 million baht per item (ten million baht only).
5. Approve the purchase of tools, equipment or fixed assets used in operations in an amount not exceeding 5 million baht per item (five million baht only).
6. Approve employment for supporting activities that do not generate income with a limit per transaction not exceeding 500,000 baht (five hundred thousand baht only)
7. Approve the sale for providing services as normal business of the company such as approval of sale of goods contract approval hired to do things as normal business, etc., in an amount not exceeding 50 million baht per item (fifty million baht only).

8. Possess an authority to consider hiring employees, and hiring, appointing, as well as transferring, relocating across lines/divisions/divisions or termination of employment Determine the rate of wages, compensation, including welfare benefits towards all employees of the company.
9. Possess the power to delegate and/or assign other persons to perform specific tasks on their behalf by authorizing the range and/or such delegation is within the scope of authorization, and/or in accordance with the rules, regulations or orders of the board of directors of the company and/or the company has specified.
10. Follow up and evaluate the company's performance regularly to prevent risks from various factors, both inside and outside the company.
11. Possess the power to enter into contracts relating to the company's normal operations and other contracts which are beneficial to the company's business.
12. Consider the allocation of gratuities, rewards or other rewards to employees or employees of the company or any person who performs business for the company.
13. Possess the power to issue orders, regulations, announcements, memorandums in order to ensure that the operations are in accordance with the policy. and benefits of the company and to maintain order, discipline, work within the organization.
14. Possess an authority or sub-authorization in the name of a juristic person, an engineering certification body for boilers or boilers that use liquid as a heat conductor that the company has been registered with the department of industrial works.
15. Possess an authority or sub-authorization on behalf of the company to contact for a license request renewal of license and change/cancel approved test report delivery of test reports, appointment for government officials of the department of industrial works department of labor protection and welfare and the department of energy business.
16. Possess an authority or sub-authorization on behalf of the company to contact for a license request renewal of license and change/cancel, and approve and sign documents make an appointment with government officials of the council of engineers.
17. Possess an authority or sub-authorization on behalf of the company to take legal action related to the business operations of the company.
18. Possess the power to take any action related to the aforementioned work until completion.
19. Possess the authority to sign and certify copies of documents related to the aforementioned work until completion.
20. Possess an authority or sub-authorization on behalf of the company to contact for service of information form list of the revenue department and various official documents related to the company.
21. Possess an authority or power of attorney to sign the quotation, certification of qualifications for entering into transactions with the company, certifying true copies of documents related to submitting envelopes and perform other actions related to this by completion including having the power to negotiate such prices by giving the attorney the power to act on one's behalf at all times including submitting and signing on one's behalf in the petition, petition, clarifying the correction, defense, addition in documents, to sign contracts or to perform any acts in relation to this assignment in all respects, and will treat

it as if it is his/her own actions.

22. Possess an authority or sub-authorization sign the document certification of qualifications for entering into transactions with PTT.
23. Possess an authority or sub-authorization contact the department of employment to notify job vacancies and select a list of job applicants.
24. Perform other duties as assigned from the board of directors /executive committee from time to time.

Selection Process for Executives from Managing Director Level and Above

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

1. A Shareholder shall have the number of votes corresponding to the number of shares that he holds (one share, one vote).
2. In the process of selecting the Company's Directors, votes may be given to nominees individually or to several nominees at the same time, as the Shareholders' Meeting deems appropriate. In any voting, each Shareholder shall have the voting rights as stipulated in item 1 above; however, the number of votes of the Shareholder, no matter how many votes he/she has, shall be indivisible.
3. The 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 5th 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

Position	Meeting
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.

(2) Non-Monetary Remuneration : None

Remuneration of The Executives

(1) Monetary remuneration

Thirteen 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 24,258,116.44 Baht in 2022

(2) Non-Monetary remuneration

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

Duration of work	Employer's contribution
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 2022 in the Company and Subsidiaries was 450 people as shown below;

Institute	2022	2021
	Number of Personnel	Number of Personnel
1. Executive Department	13	7
2. Operation Department	385	336
3. Support Department	52	99
Total	450	442

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

8.1 Summary of the performance of The Board of Directors in past year

Attendance of the Meeting of The Board of Directors in 2022

List of Directors	The Board of Directors' Meeting No.									
	1 / 2022	2 / 2022	3 / 2022	4 / 2022	5 / 2022	6 / 2022	7 / 2022	8 / 2022	9 / 2022	10 / 2022
Mr. Kitti Phuathavornskul	Has not served as a director								√	√
Mr. Thitiwat Theerakulthanyarot	Has not served as a director			√	√	√	√	√	√	√
Mr. Somkiat Aramruangkul	Has not served as a director								√	√
Mr. Nick Thanapoomikul	Has not served as a director				√	√	√	√	√	√
Miss Chonticha Chitraporn	Has not served as a director				√	√	√	√	√	√
Mr. Tatchapong Thamputthipong	Has not served as a director			√	√	√	√	√	√	√
Assoc.Prof.Dr. Pranya Sakiyalak	Has not served as a director						√	√	√	√
Ms. Kunlanit Sarapab	Has not served as a director								√	√
Mr. Somyos Chiamchirungkorn	√	√	√	√	Resignation					
Mr. Sannpat Rattakham	√	√	√	√	√	√	√	√	Resignation	
Mr. Somchai Jongsirilerd	√	√	√	√	Resignation					
Mr. Tinakorn Seedasomboon	√	√	√	Resignation						
Mr. Somchaan Lubtikultham	√	√	Resignation							
Mr. Thawatchai Lipithorn	√	√	√	Resignation						
Mr. Supachoke Sirichantaradilok	√	√	√	√	Resignation					
Mr. Domdej Sripinproach	√	Removal								
Mr. Komjak Rattakham	√	√	√	√	√	Resignation				
Mr. Vachara Tuntariyanond	Has not served as a director			√	√	√	√	Resignation		
Po.Lt.Gen Sompong Chingduang	Has not served as a director				√	√	√	X	Resignation	

Remark : The number of meetings attended varied due to changes in the names of each committee throughout the year.

List of Directors	Audit Committee's Meeting No.				
	1 / 2022	2 / 2022	3 / 2022	4 / 2022	5 / 2022
Miss Chonticha Chitraporn	Has not served as a director		√	√	√
Mr. Tatchapong Thamputthipong	Has not served as a director	√	√	√	√
Assoc.Prof.Dr. Pranya Sakiyalak	Has not served as a director		√	√	√
Mr. Somyos Chiamchirungkorn	√	√	Resignation		
Mr. Somchai Jongsirilerd	√	√	Resignation		
Mr. Tinakorn Seedasomboon	√	Resignation			

List of Directors	Nomination and Remuneration Committee's Meeting No.	
	1 / 2022	2 / 2022
Assoc.Prof.Dr. Pranya Sakiyalak	Has not served as a director	Has not served as a director
Mr. Thitiwat Theerakulthanyarot	Has not served as a director	Has not served as a director
Mr. Tatchapong Thamputthipong	Has not served as a director	Has not served as a director
Ms. Kunlanit Sarapab	Has not served as a director	Has not served as a director
Mr. Somyos Chiamchirungkorn	√	√
Mr. Somchai Jongsirilerd	√	√
Mr. Thawatchai Lipithorn	√	√

Directors' Remunerations in 2022

Rank	List of Directors	Meeting allowances	Pension	Total Compensation
1	Mr. Kitti Phuathavornskul	0.00	34,403.67	34,403.67
2	Mr. Thitiwat Theerakulthanyarot	55,000.00	80,275.23	135,275.23
3	Mr. Tatchapong Thamputhipong	121,000.00	126,146.79	247,146.79
4	Mr. Nick Thanapoomikul	44,000.00	68,807.34	112,807.34
5	Miss Chonticha Chitraporn	105,600.00	110,091.74	215,691.74
6	Assoc.Prof.Dr. Pranya Sakiyalak	77,000.00	80,275.23	157,275.23
7	Mr. Somkiat Aramruangkul	0.00	0.00	0.00
8	Ms. Kunlanit Sarapab	0.00	0.00	0.00
9	Mr. Somyos Chiamchirungkorn	114,400.00	0.00	114,400.00
10	Mr. Sannpat Rattakham	110,000.00	0.00	110,000.00
11	Mr. Somchai Jongsirilerd	92,400.00	0.00	92,400.00
12	Mr. Tinakorn Seedasomboon	44,000.00	0.00	44,000.00
13	Mr. Somchaan Lubtikultham	22,000.00	0.00	22,000.00
14	Mr. Thawatchai Lipithorn	55,000.00	0.00	55,000.00
15	Mr. Supachoke Sirichantaradilok	44,000.00	0.00	44,000.00
16	Mr. Domdej Sripinproach	11,000.00	0.00	11,000.00
17	Mr. Komjak Rattakham	55,000.00	0.00	55,000.00
18	Mr. Vachara Tuntariyanond	44,000.00	0.00	44,000.00
19	Pol.Lt.Gen Sompong Chingduang	0.00	0.00	0.00
	Total	994,400.00	500,000.00	1,494,400.00

Directorial remuneration summary for 2021 and 2022

Remuneration	2021		2022	
	Person	Baht	Person	Baht
Meeting allowances	9	1,012,000.00	19	994,400.00
Pension	9	1,000,000.00	19	500,000.00
Total		2,012,000.00		1,494,400.00



Report of the Audit Committee





Report of the Audit Committee

The Audit Committee of Qualitech Public Company Limited consists of 3 independent directors whose qualifications and composition meet the requirements of the securities and exchange commission (SEC) and the stock exchange of Thailand (SET).

At the annual general meeting of shareholders for the year 2022, there are audit committee members who had completed their term and did not wish to be re-elected as directors, one (1) person resigned during the year, two (2) members and the audit committee held a total of 5 meetings with senior management, internal audit manager head of internal audit department, auditor and one meeting with the auditor without senior management.

All members of the audit committee attended every meeting during their tenure as members of the audit committee. The list of names and the number of meetings attended by the audit committee in 2022 are as follows:

Name List	Position	Attendance / Audit Committee's Meeting No.
Miss Chonticha Chitraporn	Independent Director / Chairman of the Audit Committee	3/3
Assoc.Prof.Dr. Pranya Sakiyalak	Independent Director / Member of the Audit Committee	3/3

Name List	Position	Attendance / Audit Committee's Meeting No.
Mr. Tatchapong Thamputthipong	Independent Director / Member of the Audit Committee	3/3
Mr. Somchai Jongsirilerd	Resigned during the term	2/2
Mr. Somyos Chiamchirungkorn	Resigned during the term	2/2
Mr. Tinakorn Seedasomboon	had served his term and did not intend on getting re-elected as a director.	1/1

Performance of the audit committee in 2022 are as follows:

1. Financial reports

The audit committee has reviewed quarterly and annually the financial reports including the disclosure of information sufficiently in a timely manner in compliance with financial reporting standards and accounting standards to ensure that the financial reports show complete, accurate, appropriate and useful information for users of the financial statements.

2. Supervision of the internal audit department

The audit committee has supervised the performance of the internal audit unit by considering and approving the annual internal audit plan to ensure that the annual audit plan is in line with and covers the company's internal control system.

3. Adequacy of the internal control system

The audit committee has reviewed the efficiency and adequacy of the internal control system based on the audit results of the Internal Audit Department, and report the evaluation of the adequacy of the internal control system to ensure that the company has an appropriate internal control system. The company shall aim to have legal operations, regulations and company policy to manage and handle detected issues, suggestions and solutions to be reported to the management to provide adequate and effective internal control.

4. Good corporate governance and legal compliance

The audit committee has reviewed the related process in order to maintain good corporate governance and legal compliance, whereby the company has appropriately applied good corporate governance principles. The company should aim to have transparent disclosure and have business ethics to create confidence for all stakeholders and create sustainable value for the business including compliance with laws related to the business of the company.

5. Anti-corruption

The audit committee has reviewed the anti-corruption policy according to the requirements of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), in which the Company should review the policy and execute such policy continuously.

6. Connected transactions or transactions that may have conflicts of interest

The audit committee has reviewed the company's related transactions with subsidiaries including connected transactions or transactions that may cause conflicts of interest to ensure that the company transaction is conducted according to normal business conditions along with disclosing information for transparency. The review did not find any significant irregularities.

7. Consideration for the appointment of the auditor and audit fee for the year 2023

The Audit Committee has considered the performance of the auditors in the past year by considering knowledge, ability, experience, credibility, independence and work quality of auditors in the past year Including reports on audit quality control systems by the Office of the Securities and Exchange Commission (“SEC”).

The Audit Committee resolved to approve D.I.A. International Auditing company limited to be the auditor of the Company and its subsidiaries for the year 2023 with the audit fee of the company, and its subsidiaries totaling 1,510,000 baht and proposing the name of such company to the Board of Directors to the annual general meeting of shareholders for approval, and list of auditors are as follows:

Miss Supaporn	Mungjit	an auditor with license No. 8125
Miss Somjintana	Polhirunrat	an auditor with license No. 5599 and / or
Mr. Wiroj	Sajjathamnukul	an auditor with license No. 5128 and / or
Mr. Noparoek	Pissanuwong	an auditor with license No. 7764 and / or

8. Evaluation of the performance of the audit committee

The audit committee has completed a self-assessment and group assessment to help the audit committee to consider and review the work, issues and obstacles during the past year which can be modified and improved performance.

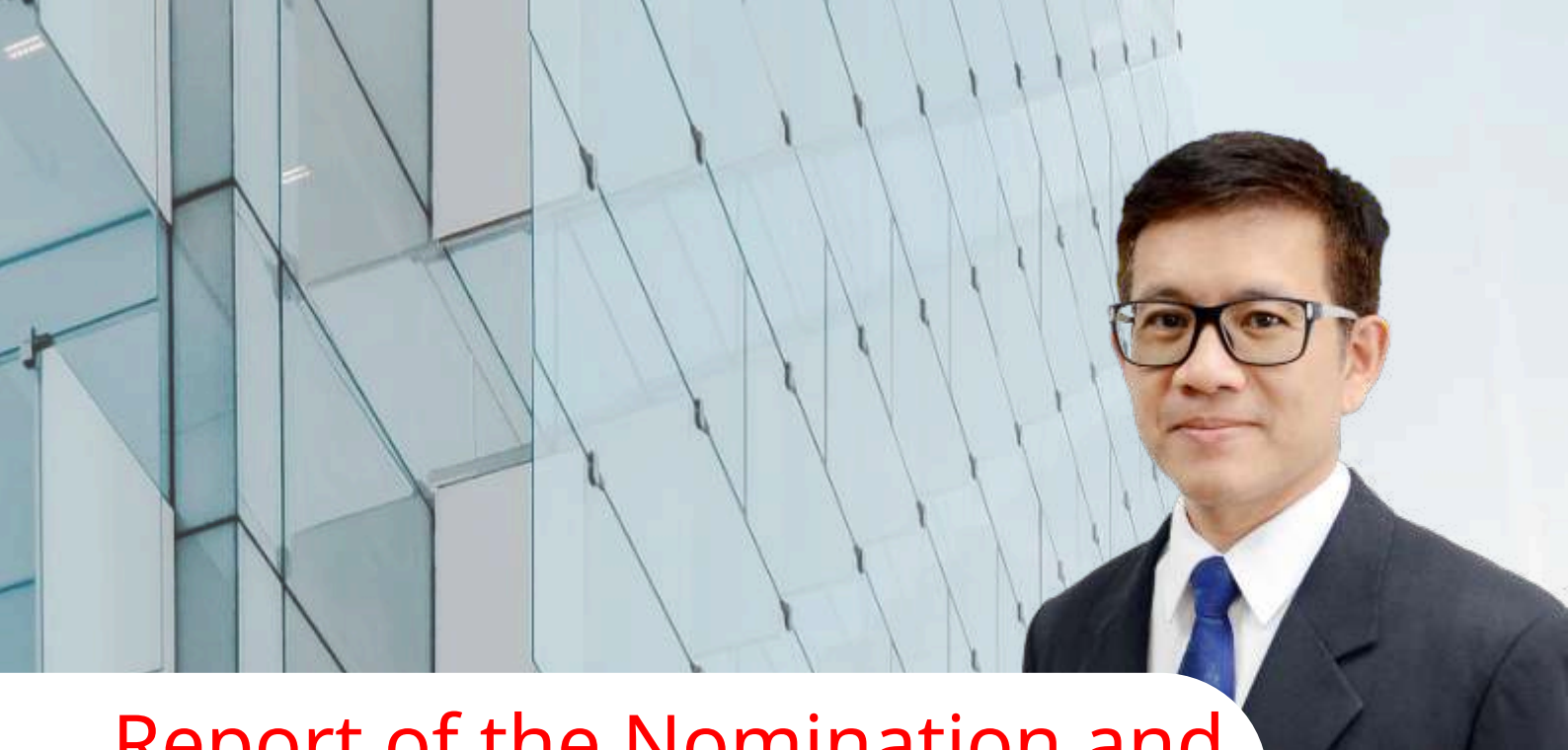
In addition, the performance of duties of the audit committee is independent in making any consideration, offer, and opinions and suggestions in management for the utmost benefit of the company which has received good cooperation from all parties. We wish to thank you everyone for this opportunity.

On behalf of Audit Committee



(Miss Chonticha Chitraporn)

Chairman of the Audit Committee



Report of the Nomination and Remuneration Committee

The Nomination and remuneration committee the “Nomination Committee” has been appointed by the board of directors on May 7, 2016 to comply with the company's good corporate governance policy and according to the principles of good corporate governance of the Stock Exchange of Thailand which would support the Board of Directors in recruiting and considering remuneration for directors and managing directors or chief executive officer with transparency and fairness to all groups of stakeholders.

The Nomination and remuneration committee comprises of 2 Independent Directors and 2 Executive Directors as follow;

Assoc.Prof.Dr. Pranya Sakiyalak		Chairman of The Nomination and Remuneration Committee / Independent Director
Mr. Tatchaphong	Thamputthipong	Nomination and Remuneration Committee / Independent Director
Mr. Thitiwat	Theerakulthanyarot	Nomination and Remuneration Committee / Independent Director
Miss Kunlanit	Sarapab	Nomination and Remuneration Committee / Independent Director

In the year 2022, the nomination and remuneration committee held 2 meetings and summarized its performance as follows:

1. Consider, select and nominate a person with suitable qualifications to be a director in place of a director who will retire by rotation.

2. Allocation of 2022 remuneration for directors within the amount approved by shareholders.
3. Consider the annual remuneration for the year 2023 of the Board of Directors and sub-committees to propose to the Board of Directors' meeting for approval and to propose to the shareholders' meeting for approval.
4. Review the charter of the nomination and remuneration committee.

Nomination committee has strictly performed duties in accordance with the charter and taking into account the best interests of the organization and shareholders.

On behalf of The Nomination and remuneration committee



(Assoc.Prof.Dr. Pranya Sakiyalak)

Chairman of The Nomination and remuneration committee



9. Internal Control and Connected Transaction

9.1 Internal Control

(1) Sufficiency of Internal Control System

Sufficiency of Internal Control System In the second meeting of 2022 of the board of directors meeting held on 18th 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 2022, 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 dependable. 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 2022 appear below:

(1) Cross-Transaction of Qualitech Public Company limited.

Related Party	Relationship	Nature Condition And Value	Necessity and Reasonability	Audit Committee's Opinion
Qualitech Myanmar Company Limited	Subsidiary company. The Company holds 80.00% of shares. Both companies have common Directors and Management.	Incomes Wages, Management fee, and Tool rental 2022: 0.90 million baht 2021: 1.47 million baht	Wages were for employment. The rate was equivalent to the employment of other companies. Management fee was the ordinary operation fee and beneficial to the Company's operations.	The Audit Committee considered such transaction to be a cross-transaction between the Company and subsidiary of which the Company holds 80.00% of shares. Such transaction is in line with normal trading and beneficial to the Company's operations.
Duwell Intertrade Company Limited	Subsidiary company. The Company holds 99.99% of shares. Both companies have common Directors and Management.	Incomes Rental, Management fee, Wages, Material expense 2022: 0.77 million baht 2021: 1.31 million baht Expenses Radiation expense, Consumable, Calibration fee, Property purchasing cost. 2022 : 11.34 Million Baht 2021 : 10.43 Million Baht	The rental of the building and furniture is equivalent to the market price. The lease term is 2 years from 1 Jan. 2022 to 31 Dec. 2022. The rental for radiation transfer location was equivalent to the market price. The rental period lasted from 1 Jun 2022 to 31 Dec 2022. The management fee was the ordinary operation fee and beneficial to the Company's operations. The purchase of Iridium 192 was a transaction made with only licensed distributors.	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
Duwell Intertrade Company Limited			Consumables were purchased at a price equivalent to the market price. The purchasing price of the property is equivalent to the market price. Wages is equivalent to that of other companies.	
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 2022 : 0.04 Million Baht 2021 : 0.03 Million Baht Management fee 2022 : 0.23 Million Baht 2021 : 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, 2023. The rental rate is equivalent to the market price. Management fee was the ordinary operation fee and beneficial to the Company's operations.	The Audit Committee considered such a 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.

Related Party	Relationship	Nature Condition And Value	Necessity and Reasonability	Audit Committee's Opinion
Creative Solutions Energy Company Limited	the Company holds shares and is jointly held by directors and executives.	<u>Income</u> Wages 2022 : 0.43 Million Baht 2021 : 0.00 Million Baht Management fee 2022 : 0.20 Million Baht 2021 : 0.00 Million Baht	Wages are equivalent to that of other companies. Management fee was the ordinary operation fee and beneficial to the Company's operations.	The Audit Committee considered management fee was the ordinary operation fee 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 the 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 the Annual Report.

The Board of Directors is of the opinion on the financial report that the Company's internal control system is overall adequate and appropriate. The consolidated financial statements of Qualitech Public Company Limited and its subsidiaries for the year ended 31 December 2022 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 the annual report (Form 56-1 One Report)



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, 2022, 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, 2022, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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, 2022, the Group has material amount of unbilled revenues from services of Baht 58.52 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 12 to financial statements, as at December 31, 2022 the Group has material amount of equipment and tools of Baht 26.62 million (net of accumulated depreciation amount of Baht 177.06 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group 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 the Code of Ethics for Professional Accountants 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.



(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 25, 2023



Section 3

Financial Report



QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	5.1	35,252,439.44	40,888,782.89	26,279,941.09	21,978,323.05
Trade and other current receivables	6	99,988,203.49	79,113,969.72	94,409,624.05	77,344,909.32
Contract assets	7	58,521,951.86	68,956,421.88	58,536,165.78	68,788,893.68
Inventories		7,735,226.76	10,537,814.76	4,437,124.64	6,165,323.87
Other current financial assets	8	0.00	120,664,562.16	0.00	120,664,562.16
Total current assets		201,497,821.55	320,161,551.41	183,662,855.56	294,942,012.08
Non-current assets					
Capital lease receivables	9	18,158,065.57	0.00	0.00	0.00
Investments in associate	10	122,935,115.86	0.00	126,466,276.77	0.00
Investment in subsidiaries	11	0.00	0.00	26,663,430.00	24,914,893.20
Property, plant and equipment	12	145,242,935.64	159,227,303.08	144,087,666.32	157,686,229.96
Right-of-use assets	13	14,653,868.09	14,104,203.64	14,653,868.09	14,104,203.64
Goodwill	14	4,844,339.37	4,844,339.37	0.00	0.00
Other intangible assets other than goodwill	15	2,085,292.72	1,837,962.42	2,085,292.72	1,837,962.42
Deferred tax assets	16	3,101,832.46	3,229,321.88	3,404,918.65	3,432,703.84
Income tax for refund		7,475,047.77	3,127,975.31	7,466,491.95	3,119,382.07
Non-current non-cash financial assets					
pledged as collateral		3,010,000.00	0.00	3,010,000.00	0.00
Others non-current assets	17	811,508.66	351,615.00	811,508.66	290,475.00
Total non-current assets		322,318,006.14	186,722,720.70	328,649,453.16	205,385,850.13
Total assets		523,815,827.69	506,884,272.11	512,312,308.72	500,327,862.21

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institution	18	7,741,711.57	0.00	7,741,711.57	0.00
Trade and other current payables	19	42,906,337.34	39,351,735.72	43,870,602.18	40,123,013.84
Current portion of lease liabilities	20	3,185,562.40	2,931,238.07	3,185,562.40	2,931,238.07
Corporate income tax payable		354,741.24	0.00	0.00	0.00
Total current liabilities		54,188,352.55	42,282,973.79	54,797,876.15	43,054,251.91
Non-current liabilities					
Lease liabilities	20	3,444,016.73	3,745,482.42	3,444,016.73	3,745,482.42
Non-current provisions for employee benefit	21	20,009,067.38	23,706,061.70	19,902,113.23	23,627,748.24
Others non-current liabilities		2,995,000.00	0.00	0.00	0.00
Total non-current liabilities		26,448,084.11	27,451,544.12	23,346,129.96	27,373,230.66
Total liabilities		80,636,436.66	69,734,517.91	78,144,006.11	70,427,482.57

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
		2022	2021	2022	2021	
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						
	22	Appropriated - legal reserve	10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
	23	Unappropriated	242,992,040.47	238,587,773.18	239,397,237.68	235,129,314.71
		Total owners of the Company	437,763,105.40	433,358,838.11	434,168,302.61	429,900,379.64
		Non-controlling interests	5,416,285.63	3,790,916.09	0.00	0.00
		Total shareholders' equity	443,179,391.03	437,149,754.20	434,168,302.61	429,900,379.64
		Total liabilities and shareholders' equity	523,815,827.69	506,884,272.11	512,312,308.72	500,327,862.21

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2022	2021	2022	2021
Sales and services income		455,373,732.25	389,686,839.00	420,753,963.62	374,681,559.34
Cost of sale and services		(322,348,815.78)	(305,989,601.08)	(296,026,500.79)	(299,045,721.16)
Gross profit		133,024,916.47	83,697,237.92	124,727,462.83	75,635,838.18
Other income:					
Gains (losses) on dissolution of subsidiary		0.00	(38,434.21)	0.00	3,136,890.59
Others		2,300,191.91	2,465,385.64	3,156,326.98	3,494,482.13
Distribution costs		(9,916,737.05)	(10,384,183.18)	(8,457,509.82)	(9,294,357.43)
Administrative expenses		(110,568,782.80)	(68,617,265.57)	(109,066,291.51)	(69,253,508.38)
(Expected credit losses) reversed		9,371,083.36	0.00	9,371,083.36	0.00
Profit from operating activities		24,210,671.89	7,122,740.60	19,731,071.84	3,719,345.09
Share of loss from investments in associate		(4,111,261.95)	0.00	0.00	0.00
Finance costs		(728,443.50)	(697,166.10)	(726,345.06)	(695,185.27)
Profit before income tax expense		19,370,966.44	6,425,574.50	19,004,726.78	3,024,159.82
Tax (expense) income	24	(1,389,424.65)	105,859.68	(704,777.81)	1,039,562.51
Profit for the year		17,981,541.79	6,531,434.18	18,299,948.97	4,063,722.33
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains on remeasurements of defined benefit plans		6,042,996.83	4,343,503.55	6,042,996.83	4,256,821.95
- Share of other comprehensive income					
of associate		580,101.04	0.00	0.00	0.00
- Income tax of other comprehensive income					
that will not be reclassified to profit or loss		(363,425.83)	(278,364.63)	(363,425.83)	(261,028.32)
Total components of other comprehensive income					
that will not be reclassified to profit or loss		6,259,672.04	4,065,138.92	5,679,571.00	3,995,793.63
Other comprehensive income for the year - net of tax		6,259,672.04	4,065,138.92	5,679,571.00	3,995,793.63
Total comprehensive income for the year		24,241,213.83	10,596,573.10	23,979,519.97	8,059,515.96

Notes to

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Consolidated financial statements (Bath)		Separate financial statements (Bath)		
	Note	2022	2021	2022	2021
Profit (loss) attributable to :					
Owners of the Company		17,856,192.25	6,605,564.35	18,299,948.97	4,063,722.33
Non-controlling interests		125,349.54	(74,130.17)	0.00	0.00
Total		<u>17,981,541.79</u>	<u>6,531,434.18</u>	<u>18,299,948.97</u>	<u>4,063,722.33</u>
Total comprehensive income (expense) attributable to :					
Owners of the Company		24,115,864.29	10,670,696.34	23,979,519.97	8,059,515.96
Non-controlling interests		125,349.54	(74,123.24)	0.00	0.00
Total		<u>24,241,213.83</u>	<u>10,596,573.10</u>	<u>23,979,519.97</u>	<u>8,059,515.96</u>
Earnings per share					
Basic earnings per share		0.18	0.07	0.19	0.04
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Consolidated financial statements (Bath)

Note	Consolidated financial statements (Bath)									
	Owners of the Company					Non-controlling interests			Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings	Unappropriated	Appropriated	Total owners of the Company	Non-controlling interests	Total	
	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 2022										
Changes in shareholders' equity for the year:										
Ordinary shares-additional paid-up	11	0.00	0.00	0.00	0.00	0.00	1,500,020.00	1,500,020.00		
Dividend paid	23	0.00	0.00	0.00	(19,711,597.00)	(19,711,597.00)	0.00	(19,711,597.00)		
Profit for the year		0.00	0.00	0.00	17,856,192.25	17,856,192.25	125,349.54	17,981,541.79		
Other comprehensive income for the year		0.00	0.00	0.00	6,259,672.04	6,259,672.04	0.00	6,259,672.04		
Ending balance of the year 2022		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	242,997,040.47	437,763,105.40	5,416,285.63	443,179,391.03	
Beginning balance of the year 2021		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,359,198.09	447,330,263.02	(180,591.37)	447,149,671.65	
Changes in shareholders' equity for the year:										
Ordinary shares-additional paid-up	11	0.00	0.00	0.00	0.00	0.00	0.00	4,048,517.00	4,048,517.00	
Subsidiary's dissolution		0.00	0.00	0.00	0.00	0.00	0.00	(2,886.30)	(2,886.30)	
Dividend paid	23	0.00	0.00	0.00	(24,642,121.25)	(24,642,121.25)	0.00	(24,642,121.25)		
Profit (loss) for the year		0.00	0.00	0.00	6,605,564.35	6,605,564.35	(74,130.17)	6,531,434.18		
Other comprehensive income for the year		0.00	0.00	0.00	4,065,131.99	4,065,131.99	6.93	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	

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, 2022

	Note	Separate financial statements (Bahr)					Total shareholders' equity
		Issued and paid up share capital	Share premium	Equity settled share based payment reserve	Retained earnings		
					Appropriated	Unappropriated	
Beginning balance of the year 2022		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	235,129,314.71	429,900,379.64
Changes in shareholders' equity for the year:							
Dividend paid	23	0.00	0.00	0.00	0.00	(19,711,597.00)	(19,711,597.00)
Profit for the year		0.00	0.00	0.00	0.00	18,299,948.97	18,299,948.97
Other comprehensive income for the year		0.00	0.00	0.00	0.00	5,679,571.00	5,679,571.00
Ending balance of the year 2022		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	239,397,237.68	434,168,302.61
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	416,482,981.93
Changes in shareholders' equity for the year:							
Dividend paid	23	0.00	0.00	0.00	0.00	(24,602,121.25)	(24,602,121.25)
Profit for the year		0.00	0.00	0.00	0.00	4,063,722.33	4,063,722.33
Other comprehensive income 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

Notes to financial statements are parts of the

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2022	2021	2022	2021
Cash flows from operating activities					
Profit for the year		17,981,541.79	6,531,434.18	18,299,948.97	4,063,722.33
Adjustments to reconcile profit (loss) to cash received (paid)					
(Gain) loss on revaluation of fair value		0.00	(400,769.72)	0.00	(400,769.72)
Unrealized (gain) loss on exchange rate		41,188.11	(1,632.94)	41,188.11	(1,732.94)
Expected credit losses (reversed)		(9,371,083.36)	1,321,647.65	(9,371,083.36)	1,321,647.65
Loss on devaluation of inventories		55,898.81	0.00	55,898.81	0.00
(Increase) decrease in unbilled service income		11,495,896.14	(3,410,993.21)	11,314,154.02	(3,676,954.01)
(Gains) losses on dissolution of subsidiary		0.00	38,434.21	0.00	(3,136,890.59)
Impairment loss of investment in associate		18,583,723.23	0.00	18,583,723.23	0.00
Impairment loss of investment in subsidiaries		0.00	0.00	1,751,443.20	3,572,156.80
Share of loss from investments in associate		4,111,261.95	0.00	0.00	0.00
Depreciation		22,275,339.24	26,130,847.28	21,853,941.54	25,735,819.78
Loss on sale of equipment		1,003,082.70	849,084.98	1,073,302.62	849,083.98
Loss on impairment of properties foreclosed		1,642,191.74	498.38	1,642,191.74	498.38
Amortized other intangible assets other than goodwill		425,016.13	422,064.95	425,016.13	422,064.95
Amortized other assets		0.00	18,074.05	0.00	0.00
Provisions for employee benefits		1,825,669.50	329,008.09	1,799,127.25	292,330.03
Interest expenses		728,443.50	697,166.10	726,345.06	695,185.27
Tax expenses (income)		1,389,424.65	(105,859.68)	704,777.81	(1,039,562.51)
		72,187,594.13	32,419,004.32	68,899,975.13	28,696,599.40
(Increase) Decrease in portion of operating assets:					
Trade and other current receivables		(11,919,068.81)	19,549,556.49	(8,955,267.76)	19,260,714.14
Inventories		2,746,689.19	(1,702,113.75)	1,672,300.42	(13,950.79)
Capital lease receivables		(19,003,783.56)	0.00	0.00	0.00
Non-current non-cash financial assets pledged as collateral		(3,010,000.00)	0.00	(3,010,000.00)	0.00
Other assets		(27,287.84)	(12,712.35)	(88,427.84)	(12,712.35)
Increase (Decrease) in portion of operating liabilities:					
Trade and other current payables		2,915,609.44	5,966,393.11	2,811,608.35	6,973,689.81
Others non-current					
Notes to financial statement					

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2022	2021	2022	2021
Cash generated (paid) from operation		46,884,752.55	56,220,127.82	61,330,188.30	54,904,340.21
Interest paid		(208,110.49)	(286,383.18)	(208,110.49)	(286,383.18)
Income tax paid		(5,914,680.09)	(3,419,121.83)	(5,387,528.33)	(3,119,382.07)
Income tax refunded		0.00	3,341,124.10	0.00	3,341,124.10
Net cash provided by (used in) operating activities		40,761,961.97	55,855,746.91	55,734,549.48	54,839,699.06
Cash flows from investing activities					
Proceeds from equity securities of other parties		130,664,562.16	48,000,000.00	130,664,562.16	48,000,000.00
Payments for acquire of equity securities of other parties		(10,000,000.00)	(72,500,000.00)	(10,000,000.00)	(72,500,000.00)
Payments for acquire of ordinary shares in associate		(145,050,000.00)	0.00	(145,050,000.00)	0.00
Proceeds from dissolution of subsidiary					
net of cash paid		0.00	13,422,495.48	0.00	13,386,275.59
Payments for acquire of ordinary shares in subsidiaries		0.00	0.00	(3,499,980.00)	(8,749,950.00)
Proceeds from sales of equipment		5,652,028.20	655,285.35	5,231,130.92	655,285.35
Payments for equipment acquisition		(12,786,938.99)	(7,512,522.07)	(12,400,667.73)	(7,273,794.11)
Payments for right-of-use assets		(1,074,750.00)	(212,878.50)	(1,074,750.00)	(212,878.50)
Payments for other intangible assets acquisition					
other than goodwill		(61,950.00)	0.00	(61,950.00)	0.00
Net cash provided by (used in) investing activities		(32,657,048.63)	(18,147,619.74)	(36,191,654.65)	(26,695,061.67)
Cash flows from financing activities					
Short-term borrowings from financial institutions, increase (decrease)		7,741,711.57	0.00	7,741,711.57	0.00
Payments for lease liabilities		(3,271,391.36)	(3,189,908.82)	(3,271,391.36)	(3,189,908.82)
Payments for dividend		(19,711,597.00)	(24,642,121.25)	(19,711,597.00)	(24,642,121.25)
Proceeds from non-controlling interests		1,500,020.00	3,750,050.00	0.00	0.00
Payments for non-controlling interests		0.00	(2,886.30)	0.00	0.00
Net cash provided by (used in) financing activities		(13,741,256.79)	(24,084,866.37)	(15,241,276.79)	(27,832,030.07)
Net increase (decrease) in cash and cash equivalents		(5,636,343.45)	13,623,260.80	4,301,618.04	312,607.32
Cash and cash equivalents as at the beginning of the year		40,888,782.89	27,265,522.09	21,978,323.05	21,665,715.73
Cash and cash equivalents as at the end of the year	5	35,252,439.44	40,888,782.89	26,279,941.09	21,978,323.05

Notes to financial statement

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 50, Soi Pattanakarn 57, Prawet, Bangkok, at 83/50 Moo 10, Nongkham, Siracha, Chonburi, and at 333/22 United Tower Building, 16th floor, Soi Sukhumvit 55 (Thonglor), Klong Ton Neau, Wattana, Bangkok.
- 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.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

- 2.1 These financial statements 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 transaction disclosed in related accounting policy.

- 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, 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 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 the financial statements for fiscal year beginning on or after January 1, 2023

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for the financial statements for the fiscal year beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements in the year in which they are initial adopted.

3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

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

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

	Registration in	Percentage of investment %		Type of business
		2022	2021	
Subsidiaries				
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 Co., Ltd.	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
Associate				
Property Aim Solutions Company Limited.	Thailand	49.00	0.00	Providing real estate management services both purchase and sale, rent and related real estate services
NGINDEX Co.,Ltd.	Thailand	40.00	0.00	Artificial intelligence computer system Improve of information technology

- 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.

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. For sales contracts that are classified as capital leases, which the performance obligation in delivery of assets under the capital lease to customers is satisfied, the Company recognizes revenue from the sale of assets under capital leases in a point of time whenever the control of capital lease assets has been transferred to the customers.
- 4.1.3 Interest income under capital lease is gradually recognized on over time by using effective interest rate based on an accrual basis and systematically on over the relevant lease.
- 4.1.4 Dividend income is recognized when the shareholder's right to receive payment term.
- 4.1.5 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.

4.4 Other current financial assets

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

4.5 Inventory

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

4.6 Investment

4.6.1 Investments in subsidiaries and associate in separate financial statement are stated at cost less impairment of investments (if any).

4.6.2 Investments in associate in consolidated financial statements are stated value by using the equity method.

4.7 Property, plant and equipment

4.7.1 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.

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

The estimated useful lives of the assets are as follows :

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

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

Land and works under construction were not depreciated.

4.8 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 liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

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

4.9 Goodwill

4.9.1 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.

4.9.2 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 Related party transactions

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

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

4.15 Employee benefits

4.15.1 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.

4.15.2 Post-employment 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.

4.16 Income tax and deferred tax

4.16.1 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.

- 4.16.2 Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.
- 4.16.3 In determining the amount of current and deferred tax, the Group take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Group believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.
- 4.16.4 Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
- 4.16.5 A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.17 Provisions

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

4.18 Measurement of fair values

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

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

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

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

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

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

4.19 Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables and contract assets

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

Allowance for diminution in value of inventory

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

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

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

Allowance of impairment of assets

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

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

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

4.20 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)	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
Cash	267,525.99	1,294,877.03	207,555.58	1,140,606.78
Cash at bank - current accounts	2,255,746.44	135,899.08	2,234,224.08	34,000.00
Cash at bank - savings deposit	32,729,167.01	39,458,006.78	23,838,161.43	20,803,716.27
Total	35,252,439.44	40,888,782.89	26,279,941.09	21,978,323.05

5.2 Non-cash transaction

Non-cash transaction for the year ended December 31, 2022 and 2021 are as follow :

	Consolidated and Separate financial statements (Baht)	
	2022	2021
Transfer equipment to be properties foreclosed	1,167,191.74	0.00
Transfer equipment to be other intangible assets other than goodwill	610,396.43	0.00
Transfer right-of-use assets to be property, plant and equipment	1,760,266.83	829,178.20
Right-of-use assets under lease liabilities	3,224,250.00	776,635.52
Payables from acquire of property, plant and equipment	935,979.99	307,177.54

6. TRADE AND OTHER CURRENT RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Trade accounts receivable	93,846,227.16	88,701,320.69	91,031,537.63	87,288,615.35
Other current receivables				
Retention receivable under contracts (Note 7)	1,655,623.14	2,395,300.89	1,655,623.14	2,395,300.89
Prepaid expenses	4,886,289.66	4,166,890.84	4,815,788.48	4,101,379.22
Employee welfare receivables	2,705,476.65	2,073,995.51	2,705,476.65	2,073,995.51
Others	4,005,136.95	1,167,226.83	1,311,748.22	876,383.39
Total	107,098,753.56	98,504,734.76	101,520,174.12	96,735,674.36
Less Allowance for expected credit losses - trade accounts receivable	(7,110,550.07)	(19,390,765.04)	(7,110,550.07)	(19,390,765.04)
Net	99,988,203.49	79,113,969.72	94,409,624.05	77,344,909.32

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Undue trade accounts receivable	60,063,555.74	41,819,134.16	58,386,340.82	41,142,059.93
Overdue trade accounts receivable				
- Less than 3 months	24,809,194.82	26,717,836.88	24,036,055.21	26,236,941.27
- Over 3 months to 6 months	2,842,822.10	996,760.85	2,478,487.10	990,820.85
- Over 6 months to 9 months	139,163.00	509,066.70	139,163.00	281,424.20
- Over 9 months to 12 months	89,924.00	1,597,765.60	89,924.00	1,597,765.60
- Over 12 months	5,901,567.50	17,060,756.50	5,901,567.50	17,039,603.50
Total	93,846,227.16	88,701,320.69	91,031,537.63	87,288,615.35

For the year ended December 31, 2022, movements of allowance for expected credit losses of trade and other current receivables are as follows:

	Consolidated and Separate financial Statements (Baht)	
	2022	2021
Carrying value as at January 1	19,390,765.04	18,814,503.60
Less Reversal of expected credit losses	(8,817,753.07)	0.00
Less Write-off bad debt	(4,129,579.89)	(350,908.38)
Add Expected credit losses increased	667,117.99	927,169.82
Carrying value as at December 31	<u>7,110,550.07</u>	<u>19,390,765.04</u>

7. CONTRACT ASSETS

7.1 Balance under contracts

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Contract assets	63,051,312.45	74,547,208.59	63,065,526.37	74,379,680.39
Less Allowance for expected credit losses	(4,529,360.59)	(5,590,786.71)	(4,529,360.59)	(5,590,786.71)
Net	<u>58,521,951.86</u>	<u>68,956,421.88</u>	<u>58,536,165.78</u>	<u>68,788,893.68</u>
Retention receivable under contracts (Note 6, 17)	4,134,008.78	6,017,864.96	4,134,008.78	6,017,864.96
Less Allowance for expected credit loss	(2,478,385.64)	(3,622,564.07)	(2,478,385.64)	(3,622,564.07)
Net	<u>1,655,623.14</u>	<u>2,395,300.89</u>	<u>1,655,623.14</u>	<u>2,395,300.89</u>

7.2 Revenues expected to recognize for incomplete performance obligations

As at December 31, 2022 and 2021, 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 130.33 million and Baht 188.22 million respectively (Separate : Baht 130.33 million and Baht 187.58 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)	
	December 31,	December 31,
	2022	2021
Investment in open-end fund :-		
KIPLUS	0.00	48,013,003.59
TCMF-M	0.00	72,651,558.57
Total	0.00	120,664,562.16

The increase and decrease of other current financial assets for the year ended December 31, 2022 and 2021 are as follow :

	Consolidated and Separate financial statements (Baht)	
	2022	2021
Book value as at January 1	120,664,562.16	95,763,792.44
Increase during the period	10,000,000.00	72,500,000.00
Decrease during the period	(130,863,337.36)	(48,000,000.00)
Gain (loss) on changes in fair value of investment	0.00	400,769.72
Gain on the sale of investments	198,775.20	0.00
Book value as at December 31	0.00	120,664,562.16

9. CAPITAL LEASE RECEIVABLES

	Consolidated financial statements (Baht)
	December 31, 2022
Capital lease receivables	
- Due within 1 year	2,455,803.84
- Due over 1 year to 5 years	8,936,542.30
- Due over 5 years to 15 years	22,408,790.19
Total	33,801,136.33
Less Deferred interest income	(14,797,352.77)
Capital lease receivables - net	19,003,783.56
Less Current portion due within 1 year	(845,717.99)
Net	18,158,065.57

Capital lease receivables are derived from the sale of electricity current generated from solar power generation equipment in the premises of the electricity current purchaser. The purchaser agrees to enter into a power purchase contract by paying monthly electricity current purchase fees to the subsidiary at the rate specified in the contract, for a period of 15 years. The generating and sale of electricity current commenced in October 2022. At the termination of the contract, the subsidiary agreed to transfer the ownership of the solar power generation equipment to the buyer in the price of Baht100.00. The management of the subsidiary considered the substance of the power sale contract, found that the contract consisted of a lease and characterized as a capital lease.

Transactions relating to capital leases for the year ended December 31, 2022 are as follows:

	Consolidated financial statements (Baht)
	2022
Revenues from sale of assets under capital lease	18,900,000.00
Cost of assets sold under capital lease	(17,305,000.00)
Gains on sale of assets	1,595,000.00
Interest income realized for the year	410,283.06

10. INVESTMENTS IN ASSOCIATE

Company's name	Type of business	Relationship	Paid-up share capital (Bath)	Percentage of shareholding		Consolidated financial statements (Bath)		Separate financial statements (Bath)	
				December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
				Carrying amounts under equity method				Cost method	
Property Aim Solutions Company Limited	Providing real estate management services both purchase and sale, rent and related real estate services	The Company held 49.00% share capital, Shareholders and directorship	3,000,000.00	49.00	0.00	122,935,115.86	0.00	144,550,000.00	0.00
NGNDX Co., Ltd.	Artificial intelligence computer system, Improvement of information technology, research, development, design	The Company held 40.00% share capital, Common directors	1,250,000.00	40.00	0.00	0.00	0.00	500,000,000	0.00
	Total					122,935,115.86	0.00	145,050,000.00	0.00
	Less Provision for impairment of investment					0.00	0.00	(18,583,723.23)	0.00
	Net					122,935,115.86	0.00	126,466,276.77	0.00

10.1 According to the minutes of the Board of directors' meeting No. 6/2022 held on August 1, 2022, passed the resolution to approve the Company to acquire ordinary shares from the shareholders of Property Aim Solutions Co., Ltd., for 14,700 shares (at par value of Baht 100 each) equivalent to 49% of total share capital. Total acquisition price of Baht 144.55 million by gradually paid in 3 installments and on September 23, 2022, the Company has already paid for ordinary shares acquisition in full.

10.2 NGINDEX Co., Ltd. was established on August 4, 2022 with registered share capital of Baht 5 million (divided into 50,000 ordinary shares at a par value of Baht 100 each) by calling and receiving payment for establishment of 25% of the par value of which the Company has acquired 20,000 shares, representing 40% of total number of share capital.

10.3 The financial statements for the year ended December 31, 2022 of above associate have been taken for preparing the consolidated financial statements were audited by the auditor.

	Total assets (Baht)		Total liabilities (Baht)		Total revenues for the year (Baht)		Total comprehensive income
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	2022	2021	(expense) for the year (Baht)
Property Aim Solutions Company Limited.	48,452,435.64	55,588,036.98	47,949,621.08	47,102,066.25	174,158,051.33	169,607,973.59	(7,983,156.17)
							(5,707,475.69)

11. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Bahr)	
				December 31,	December 31,	December 31,	December 31,
				2022	2021	2022	2021
				Cost price			
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	200,000 USD	80.00	80.00	5,323,600.00	5,323,600.00
Dowell 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 Bahr	99.99	99.99	14,413,500.00	14,413,500.00
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	17,500,000 Bahr	70.00	70.00	12,249,930.00	8,749,950.00
Total						31,987,030.00	28,487,050.00
Less Provision for impairment of investment in Qualitech Myanmar Company Limited						(5,323,600.00)	(3,572,156.80)
Net						26,663,430.00	24,914,893.20

11.1 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.

11.2 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

- #### 11.3
- The financial statements for the year ended December 31, 2022 and 2021 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

12. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (Bahr)

	Land	Building	Building improvement	Other furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
As at January 1, 2021	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)	(1,137,567.23)	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
Acquisition	0.00	0.00	0.00	475,831.66	8,845,270.78	3,020,701.06	0.00	56,052.81	1,128,875.00	13,526,731.31
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,411,233.66	0.00	2,411,233.66
Transfer to other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
other than goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(610,396.43)	(610,396.43)
Disposal	0.00	0.00	(333,891.11)	(299,076.78)	(17,990,189.33)	(2,158,678.78)	0.00	(3,913,430.59)	(1,152,828.92)	(25,848,095.51)
Inter-transaction transfer	0.00	0.00	0.00	31,970.00	(50,964.39)	18,994.39	0.00	0.00	0.00	0.00
As at December 31, 2022	47,981,180.48	62,237,904.91	19,940,179.75	11,185,088.50	203,689,117.60	17,118,850.10	2,746,683.78	44,813,936.89	775,992.68	410,488,934.69
Accumulated depreciation :										
As at January 1, 2021	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	(7,574,061.82)
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
Depreciation for the year	0.00	2,925,387.83	983,935.18	277,767.85	13,259,229.11	1,799,514.49	136,126.90	904,309.16	0.00	20,286,270.52
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650,966.83	0.00	650,966.83
Depreciation - write off	0.00	0.00	(333,888.11)	(286,368.76)	(11,319,549.41)	(2,031,123.94)	0.00	(3,502,466.66)	0.00	(17,473,396.88)
Inter-transaction transfer	0.00	0.00	0.00	31,965.00	(50,954.39)	18,989.39	0.00	0.00	0.00	0.00
As at December 31, 2022	0.00	29,211,589.70	8,880,703.87	10,281,841.54	177,065,231.08	13,232,837.91	2,399,343.96	24,174,450.99	0.00	265,245,999.05
Net book value										
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	483,166.72	20,138,439.35	1,410,343.03	159,227,303.08
As at December 31, 2022	47,981,180.48	33,026,315.71	11,059,475.88	101,746.06	26,673,886.67	3,886,017.19	347,343.82	20,639,485.90	775,992.68	145,242,935.64

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

Separate financial statements (Baht)

	Land	Building	Building improvement	Other furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
As at January 1, 2021	47,981,180.48	56,851,858.52	19,989,926.33	10,879,848.78	211,726,125.75	16,803,760.07	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	0.00	520,000.00	(5,955,272.39)	0.00
As at December 31, 2022	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
Acquisition	0.00	0.00	0.00	475,831.66	8,493,295.78	2,986,404.80	0.00	56,052.81	1,128,875.00	13,140,460.05
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,411,233.66	0.00	2,411,233.66
Transfer to other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(610,396.43)	(610,396.43)
Disposal	0.00	0.00	(19,746.58)	(284,616.98)	(17,602,474.76)	(2,114,457.98)	0.00	(3,913,430.59)	(1,152,828.92)	(25,117,585.81)
Inter-transaction transfer	0.00	0.00	0.00	31,970.00	(50,964.39)	18,994.39	0.00	0.00	0.00	0.00
As at December 31, 2022	47,981,180.48	62,237,904.91	19,940,179.75	11,144,934.28	202,394,171.92	16,905,321.27	2,746,683.78	44,364,104.37	775,992.68	408,490,473.44
Accumulated depreciation :										
As at January 1, 2021	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
Depreciation for the year	0.00	2,925,387.83	983,935.18	268,116.03	12,981,070.69	1,755,893.33	136,126.90	814,342.86	0.00	19,864,872.82
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650,966.83	0.00	650,966.83
Depreciation - write off	0.00	0.00	(49,744.58)	(271,943.96)	(11,279,022.09)	(1,990,387.25)	0.00	(3,502,466.66)	0.00	(17,093,564.54)
Inter-transaction transfer	0.00	0.00	0.00	31,965.00	(50,954.39)	18,989.39	0.00	0.00	0.00	0.00
As at December 31, 2022	0.00	29,211,589.70	8,880,703.87	10,265,772.29	176,528,076.60	13,138,288.31	2,399,343.96	23,979,032.39	0.00	264,402,807.12
Net book value:										
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, 2022	47,981,180.48	33,026,315.91	11,056,492.88	10,706,161.00	52,666,045.37	3,767,023.06	3,147,030.02	30,385,071.98	775,992.68	144,087,666.32

As at December 31, 2022 and 2021, assets at cost of Baht 218.21 million and Baht 218.51 million respectively, in the consolidated financial statements, and Baht 217.93 million and Baht 217.95 million respectively, in the separate financial statements which were fully depreciated but are still in operation.

As at December 31, 2022 and 2021, land with its construction 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.

13. RIGHT-OF-USE ASSETS

	Consolidated and Separate financial statements (Baht)
	Vehicles
Assets - cost :	
As at January 1, 2021	16,271,934.61
Acquisition	989,514.02
Transfer to property, plant and equipment	(1,249,000.00)
As at December 31, 2021	16,012,448.63
Acquisition	4,299,000.00
Transfer to property, plant and equipment	(2,411,233.66)
As at December 31, 2022	17,900,214.97
Accumulated depreciation :	
As at January 1, 2021	1,347,680.34
Depreciation for the year	980,386.45
Transfer to property, plant and equipment	(419,821.80)
As at December 31, 2021	1,908,244.99
Depreciation for the year	1,989,068.72
Transfer to property, plant and equipment	(650,966.83)
As at December 31, 2022	3,246,346.88
Net book value	
As at December 31, 2021	14,104,203.64
As at December 31, 2022	14,653,868.09

As at December 31, 2022 and 2021 vehicles at cost of Baht 17.90 million and Baht 16.01 million in the consolidated and separate financial statements which is still pending the payment under the leases (note 20).

14. GOODWILL

Subsidiary considers the recoverable value of cash generating units of assets from value in use of by assessing the expected future cash inflows based on financial projections, which have been approved by management.

The significant assumption used in calculating the value in use of assets are summarized as follows:

(Unit: % per annum)

	2023 - 2027
Growth rate	5.00
Discounted rate before tax	4.77

Management considers the growth rates based on historical performance and market growth forecasts, and discount rates are pre-tax rates that reflect the risks characteristic of the segment. Management believes that goodwill does not incur impairment

15. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

	Consolidated and Separate financial statements (Baht)	
	Computer software	
	December 31, 2022	December 31, 2021
Intangible assets - cost :		
Beginning balance	4,567,759.05	4,589,959.05
Increase	672,346.43	0.00
Disposal	(21,700.00)	(22,200.00)
Ending balance	5,218,405.48	4,567,759.05
Accumulated amortization :		
Beginning balance	2,729,796.63	2,329,931.68
Amortization for the year	403,316.13	399,864.95
Ending balance	3,133,112.76	2,729,796.63
Net intangible assets value		
Beginning balance	1,837,962.42	2,260,027.37
Ending balance	2,085,292.72	1,837,962.42

16. DEFERRED TAX ASSETS

	Consolidated financial statements (Baht)							
	Recognize as (expenses) income in				Recognize as (expenses) income in			
	As at January 1, 2021	Profit or loss (Note 24.2)	comprehensive Income (Note 24.4)	As at December 31, 2021	Profit or loss (Note 24.2)	comprehensive Income (Note 24.4)	As at December 31, 2022	As at December 31, 2022
Trade accounts receivable (allowance for expected credit loss)	370,943.61	(16,495.84)	0.00	351,447.77	73,180.71	0.00	427,628.48	
Contract assets (allowance for expected credit loss)	345,380.15	(2,553.11)	0.00	342,827.04	(70,431.29)	0.00	272,395.75	
Investments in associate (provision for impairment)	0.00	0.00	0.00	0.00	1,117,625.12	0.00	1,117,625.12	
Other non-current assets (provision for impairment)	210.42	475.61	0.00	686.03	69,508.88	0.00	70,194.91	
Provisions for employee benefit	1,962,902.70	(220,021.85)	(278,364.63)	1,464,516.22	112,897.81	(363,425.83)	1,213,988.20	
Deficit from operations	134,255.62	932,589.20	0.00	1,066,844.82	(1,066,844.82)	0.00	0.00	
Total	2,813,692.50	693,994.01	(278,364.63)	3,229,321.88	235,936.41	(363,425.83)	3,101,832.46	
Separate financial statements (Baht)								
	Recognize as (expenses) income in				Recognize as (expenses) income in			
	As at January 1, 2021	Profit or loss (Note 24.2)	comprehensive Income (Note 24.4)	As at December 31, 2021	Profit or loss (Note 24.2)	comprehensive Income (Note 24.4)	As at December 31, 2022	As at December 31, 2022
	Trade accounts receivable (allowance for expected credit loss)	370,943.61	(16,495.84)	0.00	351,447.77	73,180.71	0.00	427,628.48
Contract assets (allowance for expected credit loss)	345,380.15	(2,553.11)	0.00	342,827.04	(70,431.29)	0.00	272,395.75	
Investments in associate (provision for impairment)	0.00	0.00	0.00	0.00	1,117,625.12	0.00	1,117,625.12	
Investments in subsidiaries (provision for impairment)	0.00	219,044.65	0.00	219,044.65	101,116.65	0.00	320,161.30	
Other non-current assets (provision for impairment)	210.42	475.61	0.00	686.03	69,508.88	0.00	70,194.91	
Provisions for employee benefit	1,937,635.47	(227,753.62)	(261,028.32)	1,448,853.53	111,485.39	(363,425.83)	1,196,913.09	
Deficit from operations	0.00	1,066,844.82	0.00	1,066,844.82	(1,066,844.82)	0.00	0.00	
Total	2,654,169.65	1,039,562.51	(261,028.32)	3,432,703.84	335,640.64	(363,425.83)	3,404,918.65	

17. OTHER NON-CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
Deposit receivable under contract	2,478,385.64	3,622,564.07	2,478,385.64	3,622,564.07
Properties foreclosed	1,167,191.74	11,187.65	1,167,191.74	11,187.65
Others	811,508.66	351,615.00	811,508.66	290,475.00
Total	4,457,086.04	3,985,366.72	4,457,086.04	3,924,226.72
Less Allowance for expected credit loss	(2,478,385.64)	(3,622,564.07)	(2,478,385.64)	(3,622,564.07)
Less Provisions for impairment of assets	(1,167,191.74)	(11,187.65)	(1,167,191.74)	(11,187.65)
Net	811,508.66	351,615.00	811,508.66	290,475.00

18. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS.

As at December 31, 2022, the Group had borrowings from a bank of Baht 7.41 million in the consolidated and separate financial statements, by discounted bills of exchange, at the interest rate of average MLR-1.8425% per annum, guaranteed by transferring the right to claim the payment from trade receivables (note 6) and pledging the right to receive the fixed deposit of the said bank.

19. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
Trade accounts payable	15,988,907.48	15,730,316.96	17,728,386.97	16,865,751.45
Other current payables				
Accrued expenses	21,886,541.38	19,500,184.37	21,190,566.05	18,863,549.87
Assets payables	1,630,780.83	47,515.04	1,630,780.83	694,800.84
Others	3,400,107.65	4,073,719.35	3,320,868.33	3,698,911.68
Total	42,906,337.34	39,351,735.72	43,870,602.18	40,123,013.84

20. LEASE LIABILITIES

20.1 Lease liabilities excluded future interest expenses as follows :

	Consolidated and Separate financial statements (Baht)	
	December 31, 2022	December 31, 2021
Hire purchase payable	6,820,166.00	6,953,770.00
Less Future interest expenses of financial lease	(190,586.87)	(277,049.51)
Total	6,629,579.13	6,676,720.49
Less Current portion of long-term liabilities	(3,185,562.40)	(2,931,238.07)
Net	3,444,016.73	3,745,482.42

20.2 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)	
	December 31, 2022	December 31, 2021
Vehicles	17,900,214.97	16,012,448.63

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

21.1 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.

21.2 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.

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Beginning balance	23,706,061.70	27,309,774.24	23,627,748.24	27,183,438.07
Recognized in other comprehensive income				
Gains on remeasurement of defined benefit plan	(6,042,996.83)	(4,343,503.55)	(6,042,996.83)	(4,256,821.95)
Recognized in profit or loss				
Current service costs and interest	2,346,002.51	2,996,173.51	2,317,361.82	2,957,514.62
Past service costs	0.00	(2,256,382.50)	0.00	(2,256,382.50)
Ending balance	20,009,067.38	23,706,061.70	19,902,113.23	23,627,748.24

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

	Consolidated financial statements (%)		Separate financial statements (%)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Discount rate	2.82 – 3.18	2.16 - 2.68	2.82	2.16
Salary increase rate	4	3 - 4.5	4	3 - 4.5

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

21.6 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, 2022 and 2021 by the amounts shown below :

	Consolidated financial statements (Baht)			
	December 31, 2022		December 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1,156,220.20)	1,254,809.26	(1,703,943.62)	1,859,764.91
Salary increase rate (0.5% movement)	1,108,175.30	1,032,313.36	1,660,962.78	(1,540,426.52)
Turnover rate (10% movement)	(1,294,160.85)	1,426,770.57	(1,490,365.67)	1,655,288.24

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.

22. 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.

23. DIVIDEND PAID

For the year 2022

According to the annual general shareholders' meeting for the year 2022 held on April 5, 2022, passed the resolution to pay dividend from profit for the year 2021 to the shareholders at Baht 0.20 per share, amount of Baht 19.71 million in which the Company has fully paid such dividend on April 28, 2022.

For the year 2021

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.

24. INCOME TAX

24.1 The calculation of current income taxes

The Company calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses 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 21).

24.2 Income tax recognized in profit or loss for the year ended December 31, 2022 and 2021 are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Current income tax				
For the current year	1,625,361.06	588,134.33	1,040,418.45	0.00
Deferred tax				
Changes in temporary differences	(235,936.41)	(693,994.01)	(335,640.64)	(1,039,562.51)
Total tax expense (income)	1,389,424.65	(105,859.68)	704,777.81	(1,039,562.51)

24.3 Reconciliation for effective income tax rate for the year ended December 31, 2022 and 2021 are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Profit before income tax	19,370,966.44	6,425,574.50	19,004,726.78	3,024,159.82
Income tax rate (%)	20	20	20	20
Income tax	3,874,193.29	1,285,114.90	3,800,945.36	604,831.96
Prohibited taxable expenses	7,652,013.57	1,431,325.65	3,238,459.84	1,727,069.76
Additional taxable expenses	(407,542.86)	(318,002.60)	(356,778.73)	(208,234.47)
Exempted income	(3,862,056.61)	0.00	0.00	0.00
Additional taxable income	91,328.69	0.00	0.00	0.00
Accumulated losses from operation	(1,247,201.04)	0.00	(1,247,201.04)	0.00
Effects from elimination with subsidiaries	19,337.23	658,932.13	0.00	0.00
Promoted profit				
- Tax exemption	(4,108,835.87)	(3,163,229.76)	(3,830,609.99)	(3,163,229.76)
- Tax rate deduction	(900,037.63)	0.00	(900,037.63)	0.00
Total income tax	1,389,424.65	(105,859.68)	704,777.81	(1,039,562.51)
Effective income tax rate (%)	7	(2)	4	(34)

24.4 Income tax recognized in other comprehensive income for the year ended December 31, 2022 and 2021 are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Gains on remeasurement of defined benefit plans	(6,042,996.83)	(4,343,503.55)	(6,042,996.83)	(4,256,821.95)
Share of other comprehensive income of associate	(580,101.04)	0.00	0.00	0.00
Tax (income) expenses	363,425.83	278,364.63	363,425.83	261,028.32
Net of tax	(6,259,672.04)	(4,065,138.92)	(5,679,571.00)	(3,995,793.63)

25. 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 :

25.1 General information

Name	Relationship	Description	Pricing policy
Subsidiaries			
Qualitech Myanmar Company Limited	The Company held 80% share capital, has common director and management	Income - wages	Close to market value
		Income - management service fee	At agreed price
		Income - rental	At agreed price
Duwell Intertrade Company Limited	The Company held 99.99% share capital, has common director and management	Income - wages	Close to market value
		Income - rental	At agreed price
		Income - management service fee	At agreed price
		Income - other service charges	At agreed price
		Materials supply	Close to market value
		Contractor wages	Close to market value
		Other service charges	Close to market value
		Purchase of fixed assets	At agreed price
Qualitech Solution Energy Company Limited	The Company held 70% share capital, has common director and management	Income - rental	At agreed price
		Income - management service fee	At agreed price
Other related parties			
Creative Solutions Energy Company Limited	Shareholding and common directors and executives in subsidiary	Contractor wages	At agreed price
		Management service fee	At agreed price

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	20,634.78	9,974.07
Contract assets	0.00	0.00	0.00	45,000.00
Duwell Intertrade Company Limited				
Trade and other current receivables	0.00	0.00	83,910.69	215,256.04
Contract assets	0.00	0.00	0.00	6,000.00
Trade and other current payables	0.00	0.00	1,781,303.90	2,276,943.95
Qualitech Solution Energy Company Limited				
Trade and other current receivables	0.00	0.00	27,400.00	3,000.00
Creative Solutions Energy Company Limited				
Trade and other current payables	21,400.00	0.00	0.00	0.00

25.3 Revenues and expenses transaction with related persons and parties for the year ended December 31, 2022 and 2021 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	472,000.00	1,299,451.39
Other income - management fee	0.00	0.00	126,515.94	115,096.35
Other income - tools rental	0.00	0.00	0.00	55,000.00
Duwell Intertrade Company Limited				
Service income - wages	0.00	0.00	43,000.00	62,000.00
Other income - rental	0.00	0.00	257,111.92	261,526.93
Other income - management fee	0.00	0.00	420,560.76	906,542.04
Other income - other service charges	0.00	0.00	49,064.07	82,925.24
Cost of sales and services - material supply	0.00	0.00	10,602,310.00	9,287,048.75
Cost of sales and services - contractor wages	0.00	0.00	94,230.00	181,625.00
Cost of sales and services - other service charges	0.00	0.00	9,000.00	11,363.80
Administrative expenses - other service charges	0.00	0.00	29,220.00	0.00

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Qualitech Solution Energy Company Limited				
Other income – rental	0.00	0.00	36,000.00	27,000.00
Other income - management fee	0.00	0.00	230,000.00	0.00
Creative Solutions Energy Company Limited				
Cost of sales and services - contractor wages	435,000.00	0.00	0.00	0.00
Administrative expenses – management fee	200,000.00	0.00	0.00	0.00

25.4 Other transaction with related persons and parties for the year ended December 31, 2022 and 2021 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Duwell Intertrade Company Limited				
Fixed assets - equipment	0.00	0.00	602,800.00	946,030.00

26. DIRECTORS' REMUNERATION

Directors' remuneration represented 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.

27. 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.

28. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the year ended December 31, 2022 and 2021 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2022	2021	2022	2021
Changes in inventories	945,210.94	(1,847,826.60)	0.00	0.00
Employee benefit expenses	222,113,924.46	226,767,153.26	218,244,334.76	223,332,182.58
Depreciation	22,275,339.24	26,130,847.28	21,853,941.54	25,735,819.78
Supplies used	21,564,496.82	21,414,884.55	31,980,680.21	30,561,448.40
Contractor wage	35,604,751.60	33,134,831.92	35,619,523.32	33,284,427.17
Travelling and accommodation expenses	8,893,407.10	8,447,489.93	8,527,264.98	8,146,707.43
Office expenses	11,851,512.26	10,183,291.35	11,300,082.37	9,835,583.15
Fee and consulting fee	17,179,113.71	3,119,602.80	16,865,868.65	2,801,651.77
Repairs and maintenance expenses	4,044,971.28	3,532,912.62	4,018,335.55	3,528,388.91
Directors' remuneration	1,494,400.00	2,032,000.00	1,494,400.00	2,032,000.00
Management benefit expenses	24,708,116.44	20,145,713.21	24,258,116.44	19,945,713.21
Expected credit losses (reversed)	(9,371,083.36)	1,321,647.65	(9,371,083.36)	1,321,647.65
Impairment loss of investment in associate and subsidiaries	18,583,723.23	0.00	20,335,166.43	3,572,156.80

29. PROMOTIONAL PRIVILEGES

29.1 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, and generating and distributing electricity current from solar energy, the certificate No. 4 dated March 4, 2013(income tax deductible), No. 5 dated March 21, 2016, No. 6 dated March 27, 2017 and No. 1 dated June 8, 2022 (subsidiary). The significant privileges are as follows:

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

29.1.2 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.

29.1.3 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.

29.2 The results of operation of the Group for the year ended December 31, 2022 and 2021 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2022	2021	2022	2021	2022	2021
Sales and services income	214,716,449.54	255,450,967.62	240,657,282.71	134,235,871.38	455,373,732.25	389,686,839.00
Cost of sales of services	(141,023,761.95)	(192,200,380.26)	(181,325,053.83)	(113,789,220.82)	(322,348,815.78)	(305,989,601.08)
Gross profit	73,692,687.59	63,250,587.36	59,332,228.88	20,446,650.56	133,024,916.47	83,697,237.92
Other income						
Gains (losses) on dissolution of subsidiary	0.00	0.00	0.00	(38,434.21)	0.00	(38,434.21)
Others	258,567.42	47,041.71	2,041,624.49	2,418,343.93	2,300,191.91	2,465,385.64
Distribution costs	(4,089,369.07)	(6,227,919.44)	(5,827,367.98)	(4,156,263.74)	(9,916,737.05)	(10,384,183.18)
Administrative expenses	(45,473,090.51)	(46,842,228.76)	(55,724,608.93)	(21,775,036.81)	(101,197,699.44)	(68,617,265.57)
Profit (loss) from operating activities	24,388,795.43	10,227,480.87	(178,123.54)	(3,104,740.27)	24,210,671.89	7,122,740.60
Share of loss from investments in associate	0.00	0.00	(4,111,261.95)	0.00	(4,111,261.95)	0.00
Finance costs	(315,262.48)	(496,099.56)	(413,181.02)	(201,066.54)	(728,443.50)	(697,166.10)
Profit (loss) before income tax expense	24,073,532.95	9,731,381.31	(4,702,566.51)	(3,305,806.81)	19,370,966.44	6,425,574.50
Tax (expense) income	0.00	0.00	(1,389,424.65)	105,859.68	(1,389,424.65)	105,859.68
Profit (loss) for the year	24,073,532.95	9,731,381.31	(6,091,991.16)	(3,199,947.13)	17,981,541.79	6,531,434.18

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

30. OPERATING SEGMENTS

- 30.1 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.
- 30.2 The Group' operations involve virtually in the core services providing: 1) for nondestructive testing and inspect, testing and certification of welding work, metal work and equipment, 2) sale of material and equipment used in inspection engineering services, and 3) generate and distribute of electricity current from solar or alternative energy.
- 30.3 The Group' operations 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.
- 30.4 Revenues separated by nature of services for the year ended December 31, 2022 and 2021 are as follows :

	Consolidated financial statements	
	(Million Baht)	
	2022	2021
Sales	32.68	13.23
Services income		
Non-Destructive Testing	206.40	200.22
Inspection and certificate	189.34	154.55
Others	26.95	22.12
Total	422.69	376.89
Total	455.37	390.12

- 30.5 For the year ended December 31, 2022 and 2021, the Group has revenues from five major customers in the amount of Baht 156.79 million and Baht 154.30 million respectively.

31. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

31.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement

31.2 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.

31.3 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, 2022 and 2021, 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		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Financial assets											
Cash and cash equivalents	5	32.73	39.46	0.00	0.00	2.52	1.43	35.25	40.89	0.08% - 0.13%	0.03%-0.23%
Trade and other current receivables	6	0.00	0.00	0.00	0.00	99.14	79.11	99.14	79.11	-	-
Other current financial assets	8	0.00	0.00	0.00	0.00	0.00	120.66	0.00	120.66	-	-
Capital lease receivables	9	0.00	0.00	33.80	0.00	0.00	0.00	33.80	0.00	1.38%	-
Other non-current financial assets	-	0.00	0.00	3.01	0.00	0.00	0.00	3.01	0.00	0.78%	-
Financial liabilities											
Short-term borrowings from financial institutions											
	18	0.00	0.00	7.74	0.00	0.00	0.00	7.74	0.00	3.9875%	-
Trade and other current payables	19	0.00	0.00	0.00	0.00	43.91	39.35	43.91	39.35	-	-
Lease liabilities	20	0.00	0.00	6.87	6.95	0.00	0.00	6.87	6.95	0.08%-1.08%	0.08%-1.08%

Unit : Million Baht

Separate financial statements											
Note	Floating interest rate		Fixed interest rate		Non-interest rate		Total		Interest rate		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Financial assets											
Cash and cash equivalents	5	33.84	20.80	0.00	0.00	2.44	1.17	36.28	21.97	0.13%-0.13%	0.13%-0.23%
Trade and other current receivables	6	0.00	0.00	0.00	0.00	94.41	77.34	94.41	77.34	-	-
Other current financial assets	8	0.00	0.00	0.00	0.00	0.00	120.66	0.00	120.66	-	-
Other non-current financial assets	-	0.00	0.00	3.01	0.00	0.00	0.00	3.01	0.00	0.78%	-
Financial liabilities											
Short-term borrowings from financial institutions											
	18	0.00	0.00	7.74	0.00	0.00	0.00	7.74	0.00	3.9875%	-
Trade and other current payables	19	0.00	0.00	0.00	0.00	43.87	40.12	43.87	40.12	-	-
Lease liabilities	20	0.00	0.00	6.87	6.95	0.00	0.00	6.87	6.95	0.08%-1.08%	0.08%-1.08%

31.4 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, 2022 and 2021, 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)					
Note	Less than 1 year	1 - 3 years	3 - 5 years	Total	
As at December 31, 2022					
Short-term borrowings from					
financial institutions	18	7,741,711.57	0.00	0.00	7,741,711.57
Trade and other current payables	19	42,906,337.34	0.00	0.00	42,906,337.34
Lease liabilities	20	3,264,771.28	2,792,186.64	572,621.21	6,629,579.13
Total		<u>53,912,820.19</u>	<u>2,792,186.64</u>	<u>572,621.21</u>	<u>57,277,628.04</u>
As at December 31, 2021					
Trade and other current payables	19	39,351,735.72	0.00	0.00	39,351,735.72
Lease liabilities	20	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>
Separate financial statements (Baht)					
Note	Less than 1 year	1 - 3 years	3 - 5 years	Total	
As at December 31, 2022					
Short-term borrowings from	18				
financial institutions		7,741,711.57	0.00	0.00	7,741,711.57
Trade and other current payables	19	43,870,602.18	0.00	0.00	43,870,602.18
Lease liabilities	20	3,264,771.28	2,792,186.64	572,621.21	6,629,579.13
Total		<u>54,877,085.03</u>	<u>2,792,186.64</u>	<u>572,621.21</u>	<u>58,241,892.88</u>
As at December 31, 2021					
Trade and other current payables	19	40,123,013.84	0.00	0.00	40,123,013.84
Lease liabilities	20	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>

31.5 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.

32. 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>

33. COMMITMENT AND CONTINGENT LIABILITIES

33.1 As at December 31, 2022 and 2021, the Group has commitment under purchase and hire agreement with several seller in the amount of Baht 44 million and Baht 21.99 million respectively in the consolidated financial statements and in the amount of Baht 45.08 million and Baht 24.73 million in the separate financial statements respectively.

33.2 The subsidiary has commitment under lease office building agreement as at December 31, 2022 and 2021 for the amount of Baht 0.14 million and Baht 0.15 million respectively.

33.3 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, 2022 and 2021 total amount of Baht 8.30 million and Baht 10.59 million respectively. Contingent liabilities are guaranteed by mortgaging land with its construction (note 12).

33.4 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. Currently, it is proceeding of the police officer for investigation and gathering file of a case 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.

33.5 The Company has a litigation arising from the employment of workers as at December 31, 2022 and 2021 amounting to Baht 6.69 million and Baht 1.87 million respectively. The case is currently in the process of the Court's trial, which the Company's management believes that it will not have a significant impact on the Company's financial position.

34. 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 2022 and 2021, the Group has contribution expenses in the amount of Baht 2.59 million and Baht 2.51 million respectively.

35. 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, 2022 and 2021, the Group has debt-to-equity ratios at 0.46 : 1 and 0.40 : 1 in the consolidated financial statements and debt-to-equity ratios at 0.45 : 1 and 0.40 : 1 in the separate financial statements, respectively.

36. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 25, 2023.



Attachment 1

Details of the Board of Directors, Executives,
Controlling person and person assigned to take the
Highest responsibility in finance and accounting and
the person supervising accounting





Details of the Board of Director And Executive Director



Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
1. Mr. Kitti Phuathavornskul Chairman of the Board of Directors / President Appointment Date 01 / 10 / 2022	56	3,446,200	3.50 %	-

Educational /

Training Background

- Bachelor of Administration, Assumption University
- Training of Director Accreditation Program (DAP) Batch 103 From Thai Institute of Directors
- Training of Director Certification Program (DCP) Batch 197 From Thai Institute of Directors
- Certificate of Executive Program (CMA) Batch 22 From Capital Market Academy
- Associate Justice Course, Batch 12 From The International Intellectual Property and International Trade Court
- Good Governance for Medical Executive Curriculum Training Course Class 6 From The King Prajadhipok's Institute
- The National Defense of the Kingdom of Thailand Class 63, The National Defense College

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2023 – Present	Director	Cheese Mobile Corporation Co., Ltd.
2022 – Present	Chairman of the Board of Directors / President	Qualitech Public Company Limited
2021 – Present	Director / Executive Director	CMO Public Company Limited
2018 - Present	Director / Executive Director	LG Container Line Pte. Ltd.
2018 - Present	Director / Executive Director	NCL International Logistics USA Inc.
2017 – Present	Director	Zim (Thailand) Company Limited
2017 – Present	Director	LNG Food Product Company Limited
2016 – Present	Director	Grace Water Med Company Limited
2014 – Present	Director	NCL Inter Logistics (S) Private Limited
2013 – Present	Director / Executive Director	NCL International Logistics USA Inc.
2016 – 2019	Director	LG Container Line Pte. Ltd.
2016 – 2019	Director	SSK Inter Logistics Company Limited

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
2. Mr. Thitiwat Theerakulthanyarot Director / Vice President Executive Director / Nomination And Remuneration Committee / Company Secretary Appointment Date 30 / 03 / 2022	50	-	-	-
Educational / Training Background				

- Bachelor of Science in Business Administration Hawai'i Pacific University, USA
- Master of Marketing, Thammasat University
- Training of Director Accreditation Program (DAP) From Thai Institute of Directors
- Training of Company Secretary Program From Thai Institute of Directors Association (IOD)

Working Experience		
Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Director / Vice President Executive Director / Nomination And Remuneration Committee / Company Secretary	Qualitech Public Company Limited
2011 - 2021	Chief Business Development Officer (CBDO)	CENTURY 21 (THAILAND) CO.,LTD.

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
3. Mr. Somkiat Aramruangkul Director / Executive Director Risk Management Committee / Chief Executive Officer Appointment Date 01 / 10 / 2022	56	-	-	-

Educational / Training Background

- Bachelor of engineering in Mechanical Engineering, Chulalongkorn University
- Master of Engineering in Industrial and Manufacturing Engineering, Asian Institute of Technology (AIT)
- Master of Business Administration, Thammasat University
- Training of Director Accreditation Program (DAP) From Thai Institute of Directors

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Director / Executive Director Risk Management Committee / Chief Executive Officer	Qualitech Public Company Limited
2011 - 2022	Executive Director	Absolute Energy Tech Co., Ltd.
2012 - 2020	CEO / The Secretary of the Risk Management Committee	National Power Supply PLC.
2007 - 2012	Maintenance / Turnaround Manager	HMC Polymers (Thailand) Co.,Ltd.

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
4. Mr. Nick Thanapoomikul Director / Executive Director Risk Management Committee / Co-Chief Executive Officer Appointment Date 17 / 05 / 2022	36	-	-	-

Educational /

Training Background

- Bachelor of Science in Economics The London School of Economics and Political Science (LSE) London, United Kingdom
- Training of Director Accreditation Program (DAP) From Thai Institute of Directors

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Director / Executive Director / Risk Management Committee / Co-Chief Executive Officer	Qualitech Public Company Limited
2008 - 2021	Corporate finance / Investment Banker / Investor Relation / Commodities Trader	Banpu Public Company Limited
2564	Head of Investment & Business Development / Chief Business Development Officer	Robowealth Group Company Limited

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
5. Ms. Chonticha Chitraporn Independent Director/ Chairman of the Audit Committee Appointment Date 17 /05 / 2022	65	-	-	-

Educational /

Training Background

- Bachelor of Accounting, Thammasat University
- Master of Applied Economics, University of Michigan, Ann Arbor, Michigan, USA
- Master of Language and Internation Trade, Eastern Michigan University, Ypsilanti, Michigan, USA
- Training of Director Accreditation Program (DAP) Batch 143/2017 From Thai Institute of Directors
- Training of Advanced Audit Committee Program AACP 33/2019 From Thai Institute of Directors
- Completed “Easy listening: Accounting Knowledge that AC should not miss” From SEC, 20/10/2022
- Completed “The Value of Audit” From SEC, 2/12/2022

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Chairman of the Risk Managment Committee / Audit Committee / Independent Director	SOUTHEAST LIFE INSURANCE Public Company Limited
2022 - Present	Financial Advisor	Thai Red Cross Society
2022 - Present	Chairman of the Audit Committee / Independent Committee	Qualitech Public Company Limited
2020 - Present	Chairman of the Corporate Governance Committee / Audit Committee / Risk Management Committee / Independent Director	Major Cineplex Group Public Company Limited
2017 - Present	Chairman of the Audit Committee/ Director / Independent Director	Absolute Clean Energy Public Company Limited
2018 - 2021	Chairman of the Risk Managment / Audit Committee Director / Director Independent Director	Advance Life Assurance Public Company Limited
2018 - 2021	Director / Independent Director Audit Committee	International Research Corporation Plc.
2014 - 2020	Risk Managment Committee	Dhanarak Asset Development Company Limited

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
6. Mr. Tatchaphong Thamputthipong Independent Director / Chairman of the Risk management Committee / Audit Committee / Nomination and Remuneration Committee Appointment Date 14 / 05 / 2022	57	-	-	-

Educational / Training Background

- Bachelor of Business Administration in Banking and Finance, Chulalongkorn University
- Master of Business Administration, Thammasat University
- Training of Director Certification Program (DCP) From Thai Institute of Directors
- Advanced Certificate Course in Public Economics Management for Executives
- Good Governance for Medical Executive Curriculum Training Course From The King Prajadhipok's Institute

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 – Present	Independent Director / Chairman of the Risk management Committee / Audit Committee / Nomination and Remuneration Committee	Qualitech Public Company Limited
2014 – 2020	Independent Director / Audit Committee	WIIK Public Company Limited
2018	Executive Director	Nation Multimedia Group Public Company Limited
2015 - 2020	Senior Director	The Siam Commercial Bank Public Company Limited

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
7. Assoc. Prof. Dr. Pranya Sakiyalak Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee Appointment Date 26 / 07 / 2022	55	-	-	-

Educational / Training Background

- Pre-Medical Studies, Faculty of Science, Mahidol University Salaya, Nakornprathom, Thailand
- M.D., Faculty of Medicine, Siriraj Hospital, Mahidol University, Bangkok, Thailand
- Postdoctoral Research Fellow, Division of Cardiovascular and Thoracic Surgery, Department of Surgery, University of Minnesota, Minneapolis, Minnesota
- Postdoctoral Research Fellow, Departments of Surgery and Physiology & Molecular Medicine, Medical College of Ohio, Toledo, Ohio
- General Surgery Resident, Medical College of Ohio, Toledo, Ohio
- Thoracic Surgery Resident, Loyola University Medical Center, Maywood, Illinois
- Lung Transplantation Fellowship, Loyola University Medical Center, Maywood, Illinois
- Training of Director Accreditation Program (DAP) Batch 143/2017 From Thai Institute of Directors

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee	Qualitech Public Company Limited
2003 - Present	Attending Staff, Division of Cardiothoracic Surgery, Department of Surgery	Siriraj Hospital, Mahidol University, Bangkok, Thailand

Details of the Board of Directors and Executive Directors



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
8. Ms. Kunlanit Sarapab Director / Executive Director Nomination and Remuneration Committee / Risk Management Committee / Chief Financial Officer Appointment Date 01 / 10 / 2022	46	2,075	0.00%	-

Educational /

Training Background

- Bachelor of Business Administration (Accounting), Huachiew Chalermprakiet University
- Master of Business Administration, Burapha University
- Fundamental Practice for Corporate Secretary (FPCS 21) From Thai Listed Companies Association
- Training of Anti Corruption : The Practical Guide (ACPG 34/2016) From Thai Institute Of Directors
- Training of The ESG Performance: Strategic Management and Disclosure of ESG Information for The Companies Listed In The Stock Exchange Of Thailand, SET
- Training of Course “Driving Business Growth through Mergers & Acquisition: CFO you can do”
- Training of Funding Capital for Enhancing Enterprise Value by Using Funding instruments traded in The Capital Markets

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Director / Executive Director / Nomination and Remuneration Committee / Risk Management Committee	Qualitech Public Company Limited
2005 - Present	Chief Financial Officer	Qualitech Public Company Limited

Details of Chief Financial Officer



Name-Surname Position / Field of work (Appointment Date)	Age (Years old)	Number of stocks held (%)	Proportion of Shareholding (%)	Relation among family with other directors
8. Ms. Kunlanit Sarapab Director / Executive Director Nomination and Remuneration Committee / Risk Management Committee / Chief Financial Committee Appointment Date 01 / 10 / 2022	46	2,075	0.00%	-

Educational /

Training Background

- Bachelor of Business Administration (Accounting), Huachiew Chalermprakiet University
- Master of Business Administration, Burapha University
- Fundamental Practice for Corporate Secretary (FPCS 21) From Thai Listed Companies Association
- Training of Anti Corruption : The Practical Guide (ACPG 34/2016) From Thai Institute Of Directors
- Training of The ESG Performance: Strategic Management and Disclosure of ESG Information for The Companies Listed In The Stock Exchange Of Thailand, SET
- Training of Course “Driving Business Growth through Mergers & Acquisition: CFO you can do”
- Training of Funding Capital for Enhancing Enterprise Value by Using Funding instruments traded in The Capital Markets

Working Experience

Timeframe	Position	Organization name / Company / Type of Business
2022 - Present	Director / Executive Director / Nomination and Remuneration Committee / Risk Management Committee	Qualitech Public Company Limited
2005 - Present	Chief Financial Officer	Qualitech Public Company Limited



Attachment 2

Details of Subsidiaries



Details of Subsidiaries

1. Qualitech Myanmar Company Limited

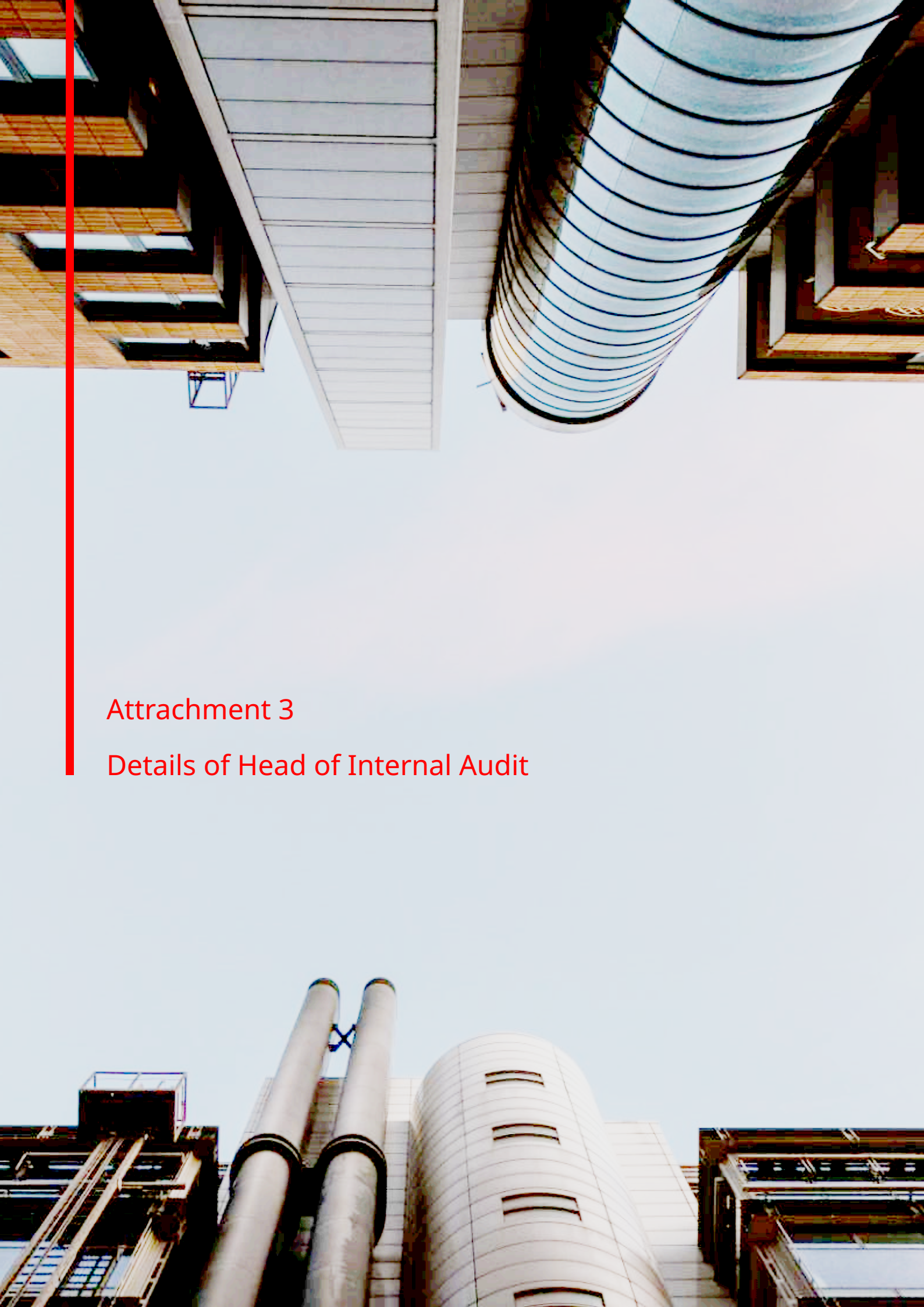
Name of Director	Position
1. Mr. Sannpat Rattakham	Director
2. Mr. Hlaing Thurein Minn	Director

2. Duwell Intertrade Company Limited

Name of Director	Position
1. Mr. Kitti Phuathavornskul	Director
2. Mr. Thitiwat Theerakulthanyarot	Director
3. Mr. Nick Thanapoomikul	Director

3. Qualitech Solution Energy Company Limited

Name of Director	Position
1. Mr. Kitti Phuathavornskul	Director
2. Mr. Nick Thanapoomikul	Director
3. Mr. Worawit Potisuk	Director



Attachment 3

Details of Head of Internal Audit

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.



เลขที่ 21/3 ถนนบ้านพลอง ตำบลมาบตาพุด

อำเภอเมืองระยอง จังหวัดระยอง 21150

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