

We Build Foundation!!

- Bored Pile
- Barrette Pile
- Diaphragm Wall
- Jet Grouting

แบบแสดงรายการข้อมูลประจำปี
One Report

2021

Performance Highlights

D/E
Ratio
0.24

Current
Ratio
3.34

Revenue
฿795m

44% ↓

Net Income
฿39.7m

78.2% ↓

Net Profit Margin
5.00%

7.8 % ↓

PYLON
PUBLIC COMPANY LIMITED

รางวัลแห่งความภาคภูมิใจ (Proud Award)

Forbes Best Under A Billion



ปี 2019

บริษัทติดอันดับ Asia's 200 Best Under A Billion 2020

ครั้งแรกในปี 2557 ครั้งที่ 2 ในปี 2562 และครั้งที่ 3 ในปี 2563

โดยบริษัทสามารถเข้าไปอยู่ในลิสต์ 19 บริษัทของไทย จากการคัดเลือก
200 บริษัทมหาชน ที่รายได้ต่ำกว่าพันล้านดอลลาร์สหรัฐที่ดีที่สุดในเอเชีย

ปี 2019



Outstanding CEO Awards Business Excellence CEO of Company Listed on SET



Outstanding Company Performance Awards Business Excellence
SET market capitalization of THB 3bln-THB 10bln.

ปี 2018



The Company has been officially certified as a member of
Thailand's Private Sector Collective Action Coalition against
and Re Certify on October 6, 2021

วิสัยทัศน์

(Vision)

“มุ่งมั่นจะเป็นผู้นำงานก่อสร้างฐานราก
ทั้งด้านคุณภาพ และประสิทธิภาพ”

“TO BE THE LEADING FOUNDATION
CONTRACTOR IN QUALITY AND EFFICIENCY”

เป้าหมาย

(Goal)

“ขยายฐานการให้บริการไปยังประเทศเพื่อนบ้านในภูมิภาคอาเซียนในธุรกิจที่
เกี่ยวข้องกับงานก่อสร้าง โดยเน้นการก่อสร้างฐานรากเป็นหลัก เพื่อรองรับการเติบโต
ของประชาคมเศรษฐกิจอาเซียน”

“In order to serve the fast- growing ASEAN Economic Community, the
Company plans to expand the construction service to neighboring
countries in the ASEAN region primarily focusing on the foundation work”

Message from the Chairman of the Board of Directors

To Shareholders

Pylon Public Company Limited

2020 saw the global economy hit hard by the COVID-19 pandemic. Nevertheless, with the production and distribution of vaccines to different regions across the world, 2021 started to see signs of improvement in economic activities and a revival in the world economic outlook.

Although the Thai economy witnessed an improving trend in Q1 of 2021 but the ongoing COVID-19 outbreak in Q2 forced the government to re-impose a number of public health measures to counter the outbreak. As a result, the economic growth slowed down before bouncing back in Q4 with the overall economy in 2021 ending up higher than 2020 by 1.2 per cent. The construction industry situation also became volatile because of the local outbreak situation. The industry saw a recovery in Q1 before slowing down and entering a recession in Q2-Q3. The government ordered the closure of the worker camps and the construction sites in Bangkok and its vicinity for a period of one month in July. The construction industry was heavily impacted by such measure before picking up pace lightly at the end of Q4. The overall construction industry in 2021 thus saw a contraction year-on-year.

In light of the above, the Company launched a number of mitigating measures including controlling internal costs, maintaining appropriate liquidity levels, constantly improving work processes, ensuring healthcare and speedy vaccinations for its employees, and imposing internal measures to prevent against the COVID-19. Despite the impacts of the

economic situation and the government's outbreak mitigation policy on the construction industry, the Company was able to weather the crisis and posted a satisfactory performance.

Going forward, 2022 is seeing more vaccine rollouts covering the majority of the population nationwide and the country reopening. This should lead to the Thai economic recovery in 2022 from 2021. Moreover, the government is launching a number of incentive measures to boost the economy, including the investments in mega construction projects such as the high-speed train linking the three airports, the Rama III-Dao Khanong expressway, the Thai-Chinese high-speed train, and other mass rapid transit (MRT) lines in Bangkok. This could be proven as a boon for confidence and investment sentiment of the private sector. Based on the above favorable factors, the Company expects that the construction industry will see a satisfactory recovery in 2022.

Nonetheless, with the presence of a number of risk factors, such as risks from the COVID-19 variants and new waves of outbreak, domestic and overseas political uncertainties, and impacts of inflations triggered by rising energy and commodity prices on production costs, the construction industry might not rebound as expected.

Since the company's primary goal is to achieve long-term growth and sustainability, the company shall continue to adhere to its policy on customer base expansion and give more priority to customer screening processes, effective cost control, liquidity management, and continued human resources development while taking into account its stakeholders, social responsibility and environmental impacts.

On behalf of the Board of Directors, I would like to take this opportunity to thank all shareholders for your trust in the company's management and operations. Special thanks go to those who have provided to the company their endless support. I also would like to thank the company's management team and all of its employees for their joint efforts in carrying out their duties with accountability and diligence. All these factors play an important part in laying solid grounds for Pylon PLC's future development and ensuring its growth as well as ultimately achieving both its short and long-term goals.



(Mr. Seri Chintanaseri)

Chairman of the Board of Directors

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Attachment 1

Detail of directors, executives, controlling person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary and the representative for contract and coordination in case of a foreign

Attachment 2

Detail of the directors of subsidiaries

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Audit and CG Charter

Nomination and Remuneration Charter

Executive and Risk Charter

Section 1

Business Operation and Operating Results

1. Company Structure and Operations

1.1 Policy and Business Overview

1.1.1 Vision and Goal

Vision

The Company's vision is "To be the leading foundation contractor in quality and efficiency" (Please refer to <https://www.pylon.co.th/investor.php?page=vision>).

The Company is focused on complying with academic principles to ensure deliveries of works according to customers' quality and standard requirements. The Company is also committed to providing services that continue to meet customers' needs, achieving business growth under changing circumstances, and placing importance on its stakeholders, society, and environmental impact mitigation.

Short-term goal

In the next three years, the Company's goal is to maintain its bored piling construction capacity as the major source of income, and to increase the proportion of income from its diaphragm wall business in the future.

Long-term goal

In order to serve the fast- growing ASEAN Economic Community, the Company plans to expand the construction service to neighboring countries in the ASEAN region primarily focusing on the foundation work.

1.1.2 History and Significant Developments

Year 2002	<ul style="list-style-type: none"> Registered the Company in the name of Pylon Company Limited on August 13, 2002 with the registered capital of Baht 5 million to engage primarily in foundation construction business. The Company has employed
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	experienced and skillful engineering staffs to handle foundation works at the recovery from economic crisis.
Year 2003	<ul style="list-style-type: none"> Performed the first soil cement columns with high-pressured jet grouting in His Majesty the King Bhumipol's Pak Pa Nang Diversion Dam Project in Nakornsrihammarat Province as a subcontractor to Sino-Thai Engineering and Construction Plc (Sino-Thai). From the success in the Pakpanang project, the Company has developed a strong business relationship with Sino-Thai and, as a result, received several bored piling works from Sino-Thai such as The 3rd Stage Expressway - Part S1 (Ajnarong-Bangna) Contract No. 2, the Bumrungrad Hospital Parking Building, etc. From those projects, the Company has become well-known in the construction industry and received many bored piling works from other customers.
Year 2004	<ul style="list-style-type: none"> Increased registered capital to Baht 60 million in January and Baht 95 million in December. Cooperated with Soletanche Bachy, an International Foundation Specialist Company from France, to construct diaphragm walls for the Samlae Water Treatment Plant in Patumthani Province.
Year 2005	<ul style="list-style-type: none"> Increased registered capital to Baht 115 million in June. In June, the Company increased its registered capital from Baht 115 million to Baht 150 million along with splitting par value from Baht 10 to Baht 1 per share to accommodate the initial public offering. Registered as the public company on July 20, 2005. Registered on the Market for Alternative Investment (mai) in December. The first trading day of the Company's shares was December 23, 2005.
Year 2006	<ul style="list-style-type: none"> Relocated the Company's maintenance yard from Saphansoong District to Ladlumkaew, Patumthani Province in March.
Year 2008	<ul style="list-style-type: none"> Set up the subsidiary company under the name of Excelon Company Limited in December to provide services for design, construction, consulting

	and architectural works for buildings/ structures. Its registered capital was Baht 30 million. Pylon held 51% of the total shares.
Year 2009	<ul style="list-style-type: none"> Increased registered capital to Baht 200 million in April to facilitate the stock dividends.
Year 2012	<ul style="list-style-type: none"> Increased registered capital to Baht 300 million in May to facilitate the issuance of PYLON-W1 to existing shareholders. Excelon Company Limited increased registered capital to Baht 80 million in December whereas Pylon still held 51% of the total shares.
Year 2013	<ul style="list-style-type: none"> Increased registered capital to Baht 374.99 million in May to facilitate both the stock dividends and the adjusted exercise ratio of PYLON-W1.
Year 2014	<ul style="list-style-type: none"> Pylon, only one firm from mai, received Asia's 200 best under a Billion Award from Forbes Asia in July.
Year 2015	<ul style="list-style-type: none"> SET moved PYLON from mai to SET on August 6, 2015.
Year 2016	<ul style="list-style-type: none"> In January, the Company bought the remaining shares of Excelon from other shareholders. The proportion by Pylon increased from 51% to 100% of total shares.
Year 2018	<ul style="list-style-type: none"> In July, Excelon Co., Ltd. decreased its registered capital from Baht 80 million to Baht 20 million.
	<ul style="list-style-type: none"> In November, the Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).
	<ul style="list-style-type: none"> In December, the Company's head office was relocated from Ocean Tower 1, Rajadapisek Road to SPE Tower, Phaholyothin Road.
Year 2019	<ul style="list-style-type: none"> In November, the Company received Asia's 200 Best under a Billion Award, the second time from Forbes Asia, and received Outstanding CEO Awards of Company Limited on SET and Outstanding Company Performance Award from the Stock Exchange of Thailand.

Year 2020	<ul style="list-style-type: none"> ■ In November, the Company received Asia's 200 Best under a Billion Award, the third time from Forbes Asia
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General Information

Company Name	:	Pylon Public Company Limited (Pylon)
Headquarters	:	252 SPE Tower, 14 th Floor, Phaholyothin Rd., Sam Sen Nai Subdistrict, Phayathai District, Bangkok 10400
Business type	:	Contractor for Foundation Construction
Company registration number	:	0107548000536
Phone number	:	0-2615-1259
Facsimile number	:	0-2615-1258
Website	:	www.pylon.co.th
Registered capital	:	Baht 374,936,698
Ordinary share	:	749,873,396 shares

1.2 Type of Business Operation

The Company is mainly engaged in the foundation construction for the government and private sectors. The Company's customers consist of project owners and main contractors. There are three types of main products.

- Bored Pile
- Jet Grouting
- Diaphragm Wall / Barrette Pile

Revenue by Products

The group's revenue can be categorized by products as follows:

The Group's Revenues

(Unit : Thousand Baht)

Products	2019		2020		2021	
	Revenue	Percent	Revenue	Percent	Revenue	Percent
Bored Piles	1,222,731	77.57	1,071,511	75.11	645,491	81.78
Ground Improvement	-	-	2,639	0.18	-	-
Diaphragm Wall/ Barrette Pile	331,060	21.00	341,065	23.91	139,052	17.62
Total Revenue from Foundation	1,553,791	98.57	1,415,215	99.20	784,543	99.40
Revenues from Construction	-	-	-	-	-	-
Other Revenues ¹	22,530	1.43	11,349	0.80	4,720	0.60
Total Revenue	1,576,321	100.00	1,426,564	100.00	789,263	100.00

Remark : ¹Other Revenues mean other services revenues including the revenues from rental of machines, equipment and tools such as cranes, casing and damage claims received from Subcontractors and others such as interest received, profit from sale of assets, etc.

Product Information

Type of Product or Service

Bored Pile

Bored Piles are usually used as the foundation of large-scale structures especially those located in a limited area where driven piles are not applicable due to transportation obstacle. Additionally, nearby buildings may be damaged from impact of ground vibration. Moreover, compared to driven piles, bored piling technique causes no lateral movement of soil underneath that may affect nearby structures, less noise pollution and less ground vibration.

The Company offers various sizes of pile ranging from 50 cm. to 200 cm. in diameter and deeper than 80 meters depending on the design load and local soil properties.

Bored pile can be divided into three groups.

- Small-sized bored pile: This bored pile has a diameter of less than 50 cm. Most of them have a depth of around 21 meters. It is fit for foundation work of small-scale buildings, households, factories, or light-weighted structures.
- Medium-sized bored pile: This bored pile has a diameter of between 50 cm. and 1 meter. Most of them have a depth of around 21-55 meters, depending upon nature of soil layers in different areas and weights of structures to be supported. It is suitable for medium-to-large structures such as overpasses, buildings, and large factories.
- Large-sized bored pile: This bored pile has a diameter of at least 1 meter. It is suitable for large-scale structure construction with high load bearing capacity per pile. Examples of those structures are high-rise buildings, elevated road, elevated railways, large-scale bridges, etc. The Company can offer construction of bored piles with a diameter of up to 2 meters and a depth of over 80 meters.

Alternatively, There are two types of methods for bored pile construction, namely dry-process bored pile and wet-process bored pile. The dry process is suitable for a bored pile with a diameter of 35-60 cm. and limited depth. The bottom of the hole shall be at a level of stiff clay. In general, load bearing capacity shall be less than 120 tons per pile. Slurries will not be used when drilling the ground. After drilling is done, steel cage shall be installed and concrete shall be poured into the hole. The wet process is for a bored pile with a diameter of at least 50 cm. regardless of hole depth, hence a high load bearing capacity. This method is similar to the dry process. However, during the drilling, slurries will be added to stabilize the bore hole. Most of the bored pile works of the Company are of the wet process type with the bored pile diameters of over 50 cm.

The Company's revenues from bored pile works in 2019, 2020, and 2021 accounted for 77.57%, 75.11%, and 81.78% of the total revenue, respectively. The Company expects to maintain its main revenues from this type of work.

Ground Improvement by Jet Grouting

The objective of ground improvement is to strengthen the existing soil structure which can lead to the increase of soil bearing capacity and prevention of lateral soil movement. The Company provides this type of service by injecting cement grout at a high pressure between 200 to 400 bars. Type of works can be categorized as follows:

- **Soil Cement Column**

This type of ground improvement is used to strengthen the soft soil properties throughout its whole layers. The process starts from jetting water downward at high pressure to stir the surrounding soil into the designated shape and size. Once reaching the level of pile tip, cement slurry is injected to mix with surrounding soil to create the solidified soil cement column that has ability to carry a vertical design load and reduce the settlement of structure. The soil cement column produced by Jet Grouting has better properties and more homogeneous texture than those produced by other techniques such as low pressure mixing and rotary dry mixing. At present, soil cement column has been applied to various types of works such as road foundations, aprons, dams, water gates as well as slope protection of canals or river banks.

- **Localized soil improvement**

This type of work is used to improve strength and properties of soil or rock in a specific area; for example, grouting cracks in rock or soil for dam construction, grouting to improve stability of soil for excavation or drilling purpose in a specific area.

In 2019, the Company did not have any revenues from this type of work while in 2020, the Company's revenue from this type of work accounted for 0.18%. Also, in 2021, the Company recorded no revenues from this type of work.

Diaphragm Wall / Barrette Pile

Diaphragm wall is an underground reinforced concrete wall constructed to be a load bearing and retaining structure to prevent lateral ground movement. Construction process of diaphragm wall is similar to that of wet-process bored pile. Diaphragm wall can be used not only instead of sheet pile but also as a permanent underground wall with water-resistant and load bearing capacity. Diaphragm wall is generally used as the structure of underground car park, subway station, underpass, etc.

In designing a retaining wall, its thickness can be determined from 50 cm. to 1.5 m. The construction process starts with excavating the ground according to the size and the alignment of the wall to be built. Then, a borehole stabilizing slurry (bentonite and polymer) is filled to protect the excavated trench against soil collapse. After that, a steel cage is installed and concrete is poured into the trench. After concrete has set and reached the required strength, the underground excavation will be performed as well as the construction of underground structures.

A barrette pile is a cast-in-place reinforced concrete pile with a rectangular shape. It is a popular alternative when requiring a high load bearing capacity of more than 2,000 tons per pile or for a limited construction area where a bored pile is not suitable. Its cross section size can be adjustable with a width ranging from 60 cm. to 1.5 m, a length ranging from 2.5 m to 3.8 m, and a depth of more than 60 meters. depending on the designed load bearing capacity and the soil properties in a specific area.

A barrette pile is constructed by excavating the soil in accordance with the required cross section size and depth. A stabilizing slurry (bentonite and polymer) is added to protect the

borehole against soil collapse. After excavation, a steel cage is installed and concrete is poured.

In 2019, 2020, and 2021 the Company's revenues from this type of work accounted for 21.00%, 23.91%, and 17.62% of the total revenue, respectively.

Marketing and Competition

Competition Strategies

The Company's key operating strategies are as follows:

- **Quality of Services According to Professional Standards and Customer Requirements**

Foundation works are related to structural safety and therefore play a crucial part in any construction project. Hence, the Company's standards of work are very strict, end-to-end inspection process is in place to control quality of work, and engineers are stationed at construction sites for timely problem solving. As a result, the Company saw many returning customers and continues to expand its customer base.

- **Appropriate Costs of Services**

The Company did not have a policy to undercut prices of its rivals. Its focus was on efficient cost management through in-house production of spare parts, consumable materials, or machinery parts. This led to the Company's less reliance on other operators and importation, hence the Company's ability to set appropriate and competitive prices. The Company also focused on personnel capacity development as a key factor in determining service fee rates as per customer needs and driving short- and long-term competitiveness.

- **Delivery Punctuality**

Foundation work is at the early stage of construction. Delays in deliveries could affect the schedules of the next steps. Thus, the Company places importance on punctuality

and coordinates with different parties in planning and keeping tracks of work to ensure punctual deliveries according to planned schedules.

- **Variety of Services**

To better respond to customer needs, it is the Company's policy to add more varieties to its foundation products and service formats through diversified and comprehensive solutions.

Target Customers and Distribution Channels

There are two types of customers, government and private. Most of government projects are related to structural and infrastructure works such as elevated railways, expressways, overpasses, dams, power plants, government buildings and facilities, etc. Private projects are related to residential facilities, hospitals, and office buildings.

New projects are acquired through two methods: being a subcontractor for a main contractor, and being a main contractor for a project owner. To be a subcontractor or a main contractor depends on the type of a project and the requirements of an owner. Factors considered by Employers in choosing the Company as a contractor would be experience, quality of past works, punctuality, and appropriate pricing.

Revenues from construction

Type of works (Unit : Thousand Baht)	2019		2020		2021	
	Revenue	Percent	Revenue	Percent	Revenue	Percent
Main Contractor						
Government	-	-	16,168	1.14	-	-
Private	1,223,498	78.74	1,221,712	86.33	614,431	78.32
Sub Contractor						
Government	330,235	21.25	99,512	7.03	105,635	13.46
Private	58	0.01	77,822	5.50	64,477	8.22
Total revenues from construction	1,553,791	100.00	1,415,215	100.00	784,543	100.00

In 2019, 2020, and 2021, the Company's ratio of revenues from being a subcontractor to being a main contractor was 21:79, 13:87, and 22:78, respectively.

Industry Outlook and Competition

2020 saw the global economy hit hard by the COVID -19. Nevertheless, with vaccination rollouts to cover more regions across the world, 2021 started to see signs of improvement in economic activities and a revival in the world economic outlook.

In 2021, the Thai economy was also impacted by the COVID-19 outbreak. Although the Thai economy witnessed an improving trend in Q1/2021, but the going outbreak in Q2/2021 forced the government to re-impose a number of public health measures to contain the outbreak. As a result, the economic growth slowed down at the end of Q2/2021 before bouncing back in Q4/2021 with the overall economy growth rate in 2021 ending up slightly by 1.2 percent.

The construction industry situation also became volatile because of the local outbreak situation. The industry saw a recovery in Q1/2021 before slowing down and entering a recession in Q2/2021-Q3/2021. (The government ordered the closure of the worker camps and the construction sites in Bangkok and its vicinity for a period of one month in July, thereby heavily affecting the construction industry.) The construction industry recovered slightly at the end of Q4/2021. The overall construction industry in 2021 thus saw a contraction year-on-year.

Going forward, 2022 is seeing more vaccine rollouts to the majority of the population nationwide and the country reopening. This should lead to the Thai economic recovery in 2022 from 2021. Moreover, the government is launching a number of incentive measures to boost the economy, including the investments in megaprojects, to ensure project execution as planned. (Key construction projects included the high-speed rail linking the three airports, the Rama III-Dao Khanong expressway, the Thai-Chinese high-speed rail, and Mass Transit Railways lines in Bangkok.) This could be proven as a boon to the private sector's confidence

and investment sentiment. Based on the above favorable factors, the management expects to see a satisfactory recovery of the construction industry in 2022.

Nonetheless, with the presence of a number of risk factors, such as risks from the COVID-19 variants and new waves of outbreak, domestic and overseas political uncertainties, and impacts of inflations triggered by rising energy and commodity prices on production costs, the construction industry would not rebound as expected.

Major bored piling contractors are Italthait Trevi Company Limited, Pylon Public Company Limited, Seafco Public Company Limited, Thai Bauer Company Limited, and The Crane Services Company Limited. Each company has a different production capacity, policy and customer groups. The Company should be the second ranking in terms of revenue and production capacities (number of machines).

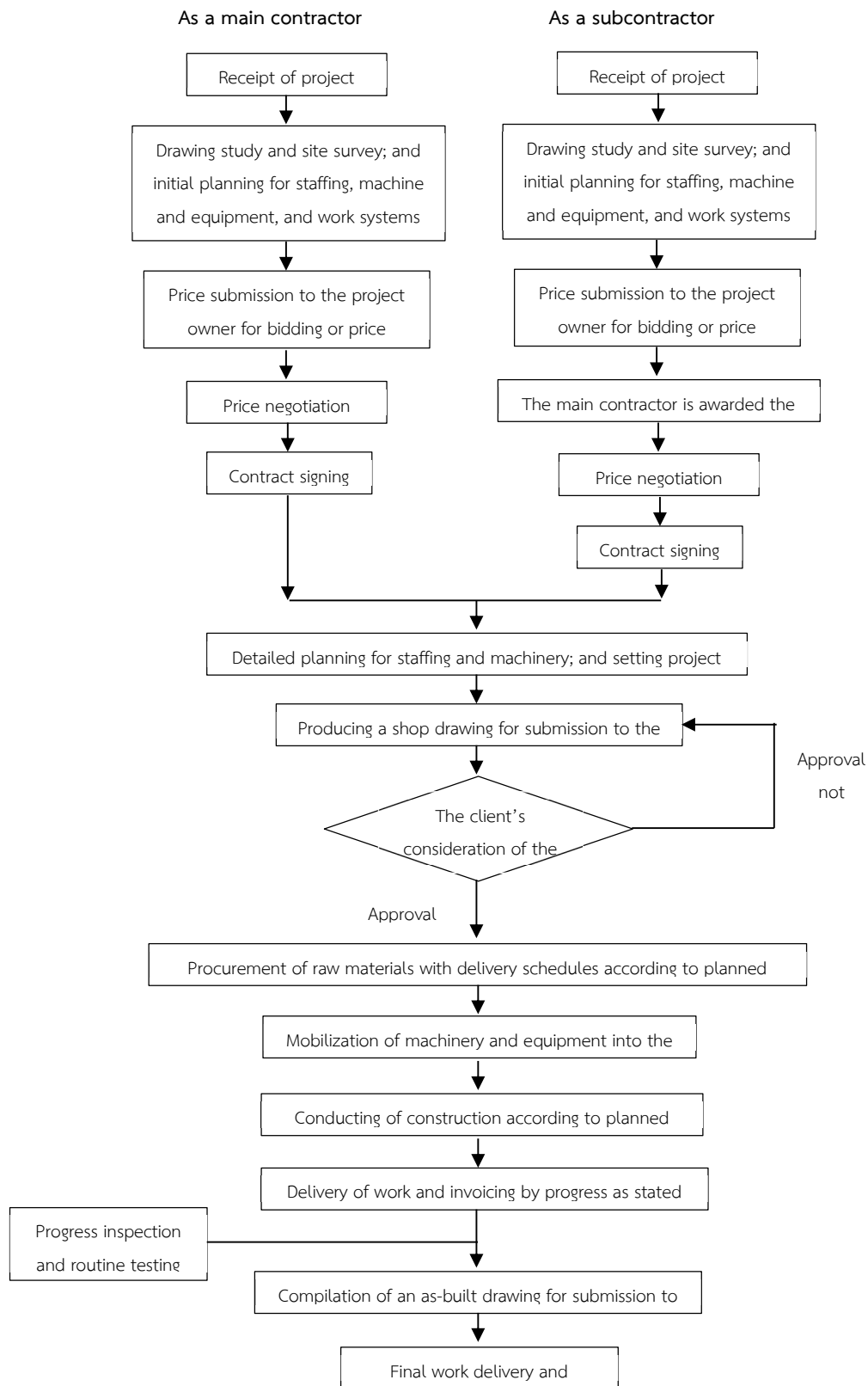
Procurement of Products or Services

Production Capacity

As at 31 December 2021, the Company had a total of 30 units of machinery for bored pile works. The Company also had an ability to rent cranes for co-use with existing drilling heads to assemble a new set of drilling machinery. For diaphragm wall and jet grouting, the Company had a total of 8 units and 3 units of machinery available for operations, respectively.

There were a total 30 project and site engineers with an average length of experience in the industry of 15 years.

Steps of Project Acquisition

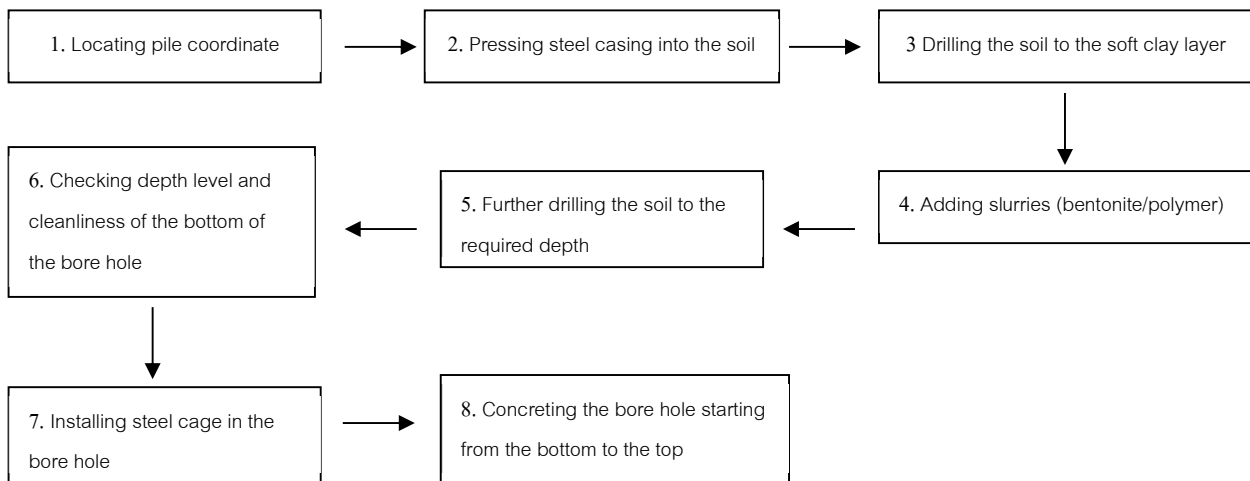


Remark: Pricing for bored pile work is mainly based on a price per unit of bored pile.

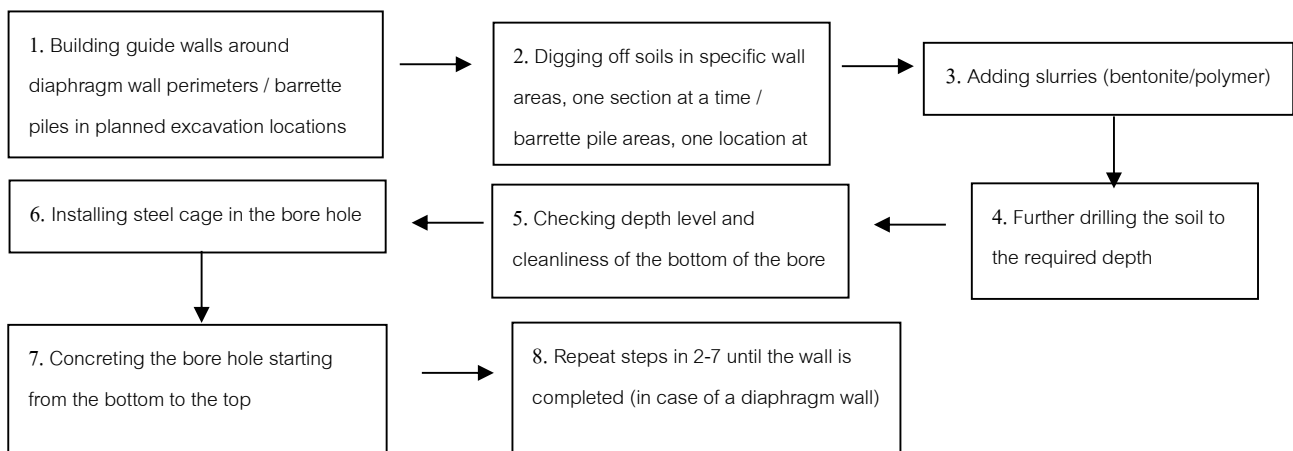
Generally, the client would deduct 5% of each construction payment made to the Company as a retention. Upon project completion and handover to the client (after all defects (if any) caused by the Company were fixed), the Company will receive the retention back. A maintenance bond issued by the Company or a bank for a period of 1-2 years as per each project's terms of agreement, will be placed instead.

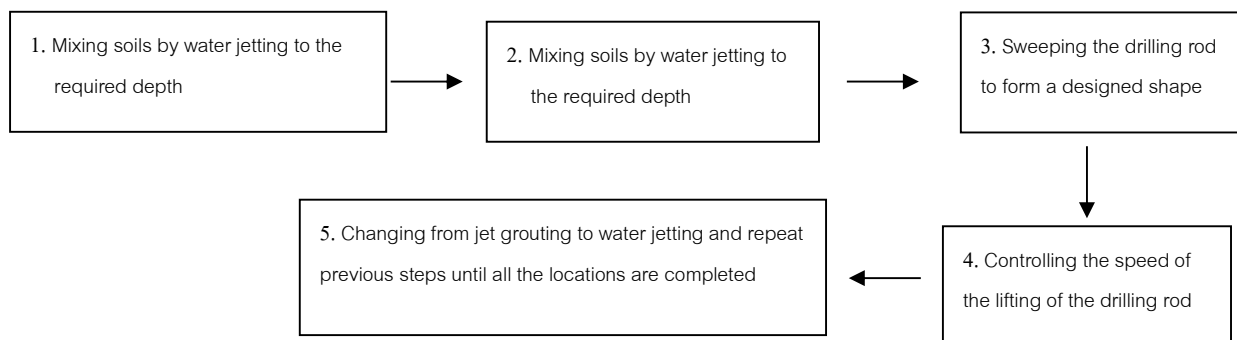
Steps of construction according to plans for each type of work are as follows:

Steps of making bored piles



Steps of making diaphragm walls/ barrette piles



Steps of soil improvement by jet grouting**Raw Materials Procurement**

Core raw materials used in the foundation works of the Company included ready mixed concrete, cement, steel bars, diesel fuel, and slurries to stabilize bore holes (bentonite and polymer). In 2021, steel bar prices were on the rise from the beginning of the year in line with the economic recovery and the improving trends of the steel demand. However, steel bar prices went down in Q2 following the measures to contain a new wave of the COVID-19 outbreak and the economy shifting back to a downturn trend. After that, steel bar prices went up again in Q3 with a slow economic recovery, and remained stable until the end of the year, with a record high at Baht 25,566.67/ton, a record low at Baht 20,566.67/ton, and an average price of Baht 23,522.20/ton (for steel deformed bars of SD40 with a diameter range of 16-28 mm.)

Diesel prices were higher since the start of the year following the economic recovery. Price fluctuations in different periods were in line with global crude prices. Diesel prices continued to rise despite a brief slowdown in Q4. Overall, the prices were higher significantly from last year, with a record high at Baht 29.82/litre, a record low at Baht 24.71/litre, and an average price of Baht 27.93/litre. Despite the significant rise in the oil prices in 2021, the government implemented mitigation measures by setting up an appropriate selling price structure and capping prices through a policy on contributions from the Oil Fuel Fund and excise tax rate adjustments.



Ref: Ministry of Commerce / PTT Plc. (Referring to the retail price of diesel B7)

Price list of bentonite and polymer offered by the Company's trading partner was Baht 7.30 per kg and Baht 200 per kg respectively. Concrete price list for 2021 remained at Baht 3,070 per Cubic Metre (ready-mix concrete with cylindrical strength at 28 days equal to 280 kg / sq. cm, and slump values at 17.5-22.5 cm. for Bangkok areas). However, suppliers adjusted discounts in specific periods according to changing costs and circumstances.

Scope of responsibility for material procurement depends on a method of project acquisition. In general, if the Company is a subcontractor, the main contractor will be responsible for procuring main materials for work, such as concrete, cement, and steel bars. In this case, the Company will be responsible only for labour and machinery expenses. If the Company is a main contractor, in most cases, the project owner will assign the Company to be responsible for procurement of main materials.

Currently, all key materials are ordered from local suppliers, hence a low risk of foreign exchange (unless sometimes machinery parts cannot be procured domestically and have to be ordered from other countries albeit with low values). Also, key materials can be ordered from many local producers and suppliers. It is the Company's policy to develop relationships with more than one trading partner for each material item. Procurement with each trading partner will be based on pricing, quality, and services compared to other trading partners. Since its inception of operations, the Company never experienced any anti-trust problems or material shortages at a significant level. Also, the Company has a policy to continue to select new trading partners as alternatives. This allows the Company to shift to other trading partners if it has any conflicts with one of its current trading partners.

As a main contractor responsible for procuring key materials, especially in times of price fluctuations, the Company has a policy to procure some material items immediately upon being hired by a project owner. This is to reduce risks from price fluctuations. The time of placing orders shall not be far from the time of delivery or shall be approximately 3-5 days apart. On average, the Company's foundation construction work takes around 2 to 6 months to finish. So, such strategy helps reduce risks from price fluctuations or material shortages.

Regarding diesel prices, although price fluctuations follow changing global crude prices, the Company pays attention to and closely monitors crude price changes. It launched a number of measures to reduce the impact of the diesel price fluctuations, such as energy saving and internal work process efficiency improvement. Also, the Company may consider increasing product prices to reflect costs while ensuring competitiveness. In the past year, the Company was slightly affected by such price fluctuations.

As for other types of raw materials and consumable materials, the Company did not experience any shortages and expects to be able to consistently procure them for construction operations with quality as required.

As at 31 December 2021, the number of the Company's construction-related employees was 307 compared to the entire workforce of 560.

Operating Assets

With construction being the Company's core business, its core assets included construction machines, equipment and devices, and vehicles for transportation, as well as land and building structures for repairs and maintenance facilities.

Details of core fixed and intangible assets were as shown in Attachment 4: Operating Assets.

Policy on Investment in and Management of Subsidiaries and Associates

As for subsidiary investment and management, the Board of Directors jointly deliberated on investments as per the Company's investment policy, taking into consideration the necessity, appropriateness, and interests of the Company and its shareholders, and requirements of the Office of the Securities and Exchange Commission (SEC) in respect of related-party transactions, or acquisitions and disposals of the Company's assets.

In terms of management, the Company assigned its representatives to assume key positions in its subsidiary to ensure aligned policy implementation. As at 29 November 2021, Excelon Company Limited (subsidiary) had four directors, all being the Company's representatives.

However, the subsidiary has halted its operations temporarily since 2019.

On-process projects

As of 31 December 2021, the Company has approximately 15 on-process projects, totaling approximately 1,500 million baht, with details of project as follows:



Project Name	Type of work	Foundation for	Completion period
Rama 3 - Dao Khanong –Expressway	Barrette pile	Express way	2023
High-Speed Rail Linked 3 Airports	Barrette pile	High-Speed Rail	2023
Cloud 11	Bored Pile/ Diaphragm Wall	Building	2022
Project 20-861	Bored Pile	Building	2022-2024
Skyrise SKV64	Bored Pile	Building	2022
MRT Pink Line	Barrette pile	Mass transit system	2022
Life@Jatujak	Bored Pile	Building	2022
METRIS Ladprao	Bored Pile	Building	2022
Other Projects	Bored Pile / Barrette pile / Diaphragm Wall		2022
Total estimated value (million baht)			1,500

1.3 Shareholding Structure

The Company has one subsidiary company: Excelon Company Limited.

Details of Companies in which Pylon holds 10 % or more of shares

The Company Name : Excelon Company Limited

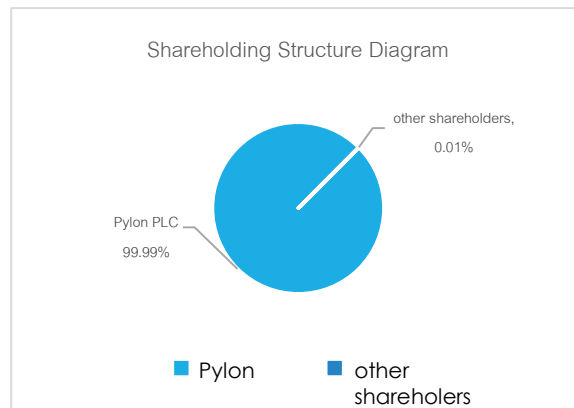
Registered Capital : Baht 20 million

Number and Types of Shares Sold : Common stock 2,000,000 shares

Percentage of Shareholding : 99.99 %

Shareholding
Structure Diagram

:



Address : 252 SPE Tower, 14th Floor, Phahon Yothin Rd., Sam Sen Nai Subdistrict, Phayathai District, Bangkok 10400

Type of Business : Design, construction, consulting works for buildings and structures

Operating Policy : Since its subsidiary's temporary business suspension in 2019, the Company has not yet planned its subsidiary's resumption of operations. Therefore, at present, the subsidiary's operating policy is not yet available.

Shareholders

The shareholders' list shown on Book of shareholders' registration as of the closing date of the register book on 21 March 2022 was as follows:

Item	Name of Shareholders	Number of shares	Percentage
1	Sangarayakul Family*	409,037,046	54.55
2	Mr. Phadet Hongfah	20,541,800	2.74
3	Thai NVDR Company Limited	18,169,799	2.42
4	Mr. Pisun Sirisuksakulchai	14,757,996	1.97
5	Mr. Kobkul Tienpreecha	14,000,000	1.87
6	Mr. Suchat Boonbanjerd Sri	11,000,000	1.47
7	Mr. Somsak Viriyapiphat	8,695,746	1.16
8	THAI LIFE INSURANCE PUBLIC COMPANY LIMITED	7,874,300	1.05
9	Mrs. Nopadol Tunsarak	7,230,000	0.96
10	Mrs. Phantira Chatjuthamas	6,500,000	0.87
	Other Shareholders	232,066,709	30.95
	Total	749,873,396	100.00

Remark:

* Sangarayakul family consists of Mr. Chanet, Mr. Bordin, Mr. Vongchai and Mr. Anon Sangarayakul which held the shares in proportion of 35.005, 8.001, 6.668 and 4.874 respectively.

1.4 Registered Capital and Paid-up Capital

Company's securities

As of 31 December 2020, the Company has a registered capital of 374,936,698 baht and paid-up capital of 374,936,698 baht divided into 749,873,396 ordinary shares with a par value of 0.50 baht per share.

1.5 Issuance of other securities

none

1.6 DIVIDEND POLICY

The Company has a policy to pay a dividend at a rate of not less than 40 % of net earnings after income tax. However, the Company may pay less than the specified rate if the Company has to use the earnings to expand the operation, to invest, or for other objectives according to the approval of the Company's Board of Directors and the re-approval in the shareholders' meeting.

Company Dividend Payment (Calculated from the Company's separated financial statements)

	2017	2018	2019	2020	2021
Earnings per share	0.17	0.33	0.36	0.24	0.05
Dividend per share	0.20	0.22	0.27	0.14	0.06
Dividend payout ratio (%)	120.13%	67.20%	74.41%	57.57%	117.77%
Forms of dividends	Cash	Cash	Cash	Cash	Cash

2. Risk Management

2.1 Risk Management Policy and Planning

Enterprise risk management is one of the Company's key priorities as it is an important part of the good corporate governance system. The Company assigned the Executive and Risk Management Committee to be responsible for managing enterprise risks. The Company also set up its enterprise risk management policy and framework with key details as follows:

Risk Management Policy

The Company's operations face constant changes triggered by external and internal factors. External factors include economic, political and IT circumstances, and internal factors cover operational strategy, organizational structure, data management, etc. Enterprise risk management is a process that enables the Company to achieve its vision, objectives, and goals. Highlights of the Company's risk management policy are as follows:

- Risk management shall be the joint responsibility of all levels of employees as they need to be aware of operating risks in their respective functions and the Company. They shall manage different risks to be at acceptable and appropriate levels.
- There shall be an enterprise risk management process according to international standards to manage risks that might affect the Company's operations in an efficient manner and to ensure aligned practices in terms of the comprehensive risk management. A risk management system shall be implemented to support decision-making, strategic and action planning, and business operations. A focus shall be placed on the achievement of the corporate vision, missions, objectives, and strategies for operational excellence and enhanced stakeholders' confidence.
- There shall be preventive and mitigation guidelines against the Company's operating risks to avert possible damage or losses. There shall also be regular monitoring and evaluation of risk management results.
- State-of-the art IT systems shall be implemented in risk management. Support shall be provided to all personnel to enable wide access to sources of news and information relating to risk management. There shall be an efficient risk management reporting system for the management, the Executive and Risk

Management Committee, the Audit and Corporate Governance Committee, and the Board of Directors.

Risk Management Framework

The Company identified all kinds of risks that might affect its business operations at organizational and functional levels. Risks can be divided into the following categories.

- Strategic risk
- Operating risk
- Reporting risk
- Regulatory compliance risk

Apart from the above, the Company identified risk criteria in the form of a risk map. Possibilities of occurrence and levels of impact of different risk categories were considered as guidance for risk assessment.

Every quarter, there shall be reports of risk assessment conducted by the Executive and Risk Management Committee and executives at department vice president manager levels up. Reports shall contain details of risk levels of different categories, including inherent and residual risks (risk levels were based on levels of impact and possibilities of occurrence of risks); determination and review of measures to address risks; and any additional action plans. Risk assessment reports shall be sent to the Audit and Corporate Governance Committee, and the Board of Directors on a quarterly basis.

2.2 Risk Factors

The Company's risk factors are as follows.

Price Volatility and Supply Availability of Main Materials

The Company's main materials include concrete, steel bar, cement, diesel, and bentonite-polymer slurry. In 2021, the overall concrete price was volatile in line with the changing demand of the construction industry. The diesel and steel bar prices in 2021 also showed an increasing direction in tandem with global economic

recovery with fluctuations according to changes in global prices and demand in different periods. The volatilities of the main material prices could lead to the Company's lower-than-expected profit.

However, the Company has always conducted a policy to reduce the risk of price volatility and supply shortage by preorder, in whole, some of main materials such as steel bar to be used. In some cases such as concrete and bentonite-polymer slurry, the Company would enter into the short-term agreement to fix the price for a certain period. Since the Company's projects generally require only 2 – 6 months to complete, a chance that the Company would confront with the price volatility is rather limited. Moreover, the fluctuation of foreign exchange rate does not have significant impact because most of main materials could be purchased domestically.

Regarding the diesel affected by global energy crisis, it cannot be largely stocked and the purchase price cannot be fixed in advance, the Company has a policy to alleviate the risk of an increase of diesel price by campaigning for reduction of diesel usage, increasing the production efficiency (Reducing downtime) as well as monitoring diesel price for proper procurement plan. In addition, the Company may adjust the competitive selling price to offset the rising costs.

Inability to Secure New Projects Upon the Completion of Existing Projects

Foundation construction period for each project took only around 2-6 months to complete and up to approximately 10-15 months for large-scale projects, it is important for the Company to acquire new projects after the existing ones were finished in order to keep sustainable revenue growth.

The construction industry situation also became volatile because of the local outbreak situation. The industry saw a recovery at the beginning of 2021 before slowing down and entering a recession in Q2/2021-Q3/2021. The construction industry recovered slightly at the end of Q4/2021. The overall construction industry in 2021 thus saw a contraction year-on-year.

Going forward, 2022 is seeing more vaccine rollouts to the majority of the population nationwide and the country reopening. This should lead to the Thai economic recovery in 2022 from 2021. Moreover, the government is launching a number of incentive measures to boost the economy, including the investments in megaprojects, to ensure project execution as planned. (Key construction projects included the high-speed rail linking the three airports, the Rama III-Dao Khanong expressway, the Thai-Chinese high-speed rail, and Mass Transit Railways in Bangkok etc.) This could be proven as a boon to the private sector's confidence and investment sentiment. Based on the above favorable factors, the management expects to see a satisfactory recovery of the construction industry in 2022.

The Company has been focusing on expanding its customer base while retaining its existing customers to mitigate its business risk. In addition, the Company has been paying attention to improving operational efficiency and reducing unnecessary costs, allowing the Company to maintain its competitiveness in the market.

Losing Skilled and Experienced Personnel in Foundation Works

The Company's operation requires experienced personnel who have knowledge and skills in foundation works such as planning, construction techniques, client liaison, usage of machines and equipment, as well as machinery maintenance. Losing key personnel such as executives or proficient engineers might affect the Company's performance.

However, the Company has a policy to provide a competitive remuneration and welfare to the employees as well as the regular training programs to improve their abilities and to keep them with the Company in long term. With a good personnel management system, the Company could rotate personnel for any vacant positions without affecting the operation.

Risk from Labour Shortages

Migrant workers were affected by the country's lockdown measures to contain the COVID-19 outbreak. In 2021, entrepreneurs in the industrial sector faced restrictions on importation of labour followed by labour shortages in some industries. The construction industry also faced the labour shortage situation in some periods.

Nevertheless, the Company launched a number of mitigation measures including action plans to procure labour to be commensurate with the Company's workloads, appropriate remuneration rates according to market conditions, and follow-up on government's measures regarding importation of migrant workers. In 2021, the Company was not yet significantly affected by labour shortages.

Delay of Project Completion

The risk from typical project delays may be caused by delays from the project owner such as delay in handing over of construction site, the time-consuming process of consideration and approval for construction-related matters, or the conditions imposed by government agencies such as EIA measures and tightened work rules under congested traffic circumstances. In the case where the project owner delays in handing over a construction site or the Company is affected by the conditions imposed by government agencies, the Company may receive a stand-by fee as a compensation or an extension of the construction period by the project owner where appropriate and as the case may be. Such delays may have impact on construction time and expenses. In addressing the risk from the delays, the Company conducted planning meetings with the project owner on a consistent basis and agreed to move the machines into the construction site only when the project owner already prepared the construction site to be ready for the operation. The Company also collaborated and coordinated with the project owner to ensure that the construction was completed within the specified period.

On the other hand, the delay may be caused by the Company such as shortage of main material supplies. If the Company is unable to deliver the project on the contractually agreed date, it may be subject to a penalty charge. In this case, the Company alleviates

the risk by preordering, in whole, some necessary materials after signing the contract. Moreover, the Company may increase its manpower and machinery to expedite the construction if necessary.

Lawsuits or Claims due to Damages from Construction

Damages of the structures may occur from several reasons such as errors in a design or poor quality of construction. These may lead to damages or injuries. Such occurrences may result in lawsuits or claims against the Company.

Once the project is completed, the Company shall provide the quality assurance by placing a bank guarantee or a company guarantee letter for a period of mostly 1-2 years. In the past, the Company has never been subjected to any lawsuits related to work quality because the Company has a high standard of quality control system to minimize chances of having damages from construction process. In addition, the Company has a policy to have a contractor's all risk insurance during construction to reduce the risk and impact if there is any damage from operation.

Risk from Uncollectible Accounts

Some of the Company's customers may face liquidity problem and affect their debt servicing ability. In order to reduce the risk from uncollectible accounts, the Company shall examine financial status and reputation of its customers prior to accepting any work. In some cases, the Company may request for a payment guarantee prior to the beginning of construction such as advance payment, a letter of bank guarantee, a domestic letter of credit (DLC) or aval. The Company shall set up an allowance for doubtful accounts for expected uncollectible debts, follow up debt collection until the case is final and further pursue legal action as deemed necessary.

Investment Risk of Securities Holders

Throughout all these years, the Company has operated its business with prudence, focusing its efforts on managing liquidity to ensure its solid financial strength and its ability to adapt itself to changing economic circumstances or external factors.

Accordingly, the Company's income and profit performance have continued growth. Nonetheless, the presence of the outbreak of the COVID-19, the impacts of political factors within the country, etc. could cause the Company's performance lower-than-expected and increase the risk to the shareholders' investments.

Therefore, the Company has issued measures to address the risk as follows:

- To operate business with prudence and maintain solid financial strength
- To determine and ensure dividend payouts as prescribed by the Company's dividend payment policy
- To have a process of selecting an auditor, to comply with accounting standards, and to disclose financial statement information in a transparent manner as required by regulators to ensure that the shareholders received adequate and timely information for making decisions.

Risk from the COVID-19 outbreak

As global and Thai economies including the construction industry were affected by the COVID-19 outbreak in 2020 - 2021, the Company implemented a number of measures to mitigate the impact, for example:

- To implement the strict cost control policy and continue to improve internal work processes for enhanced work efficiency
- To adjust the structure for proposed quotations to increase the opportunity to acquire new projects and maintain competitiveness
- To maintain the Company's liquidity at appropriate levels and to delay investment projects that were not urgent
- To adjust the organizational structure to be commensurate with workloads and to accommodate the recovery of the construction industry in the future

- To adjust the current work practice through, for example, the work from home policy, depending on the changing situation over a given period
- To strictly implement public health-related measures to protect the health of the employees, such as temperature screenings before entering the work facilities, mask wearing while at work, and hand washing with alcohol, increasing the rate at which company personnel are vaccinated

With the above measures, the Company was able to mitigate the impact from this risk.

3. Driving Business towards Sustainability

3.1 Sustainability Management Policies and Goals

The Company developed its sustainability management policies in line with its business directions and strategies. This reflected its intention and commitment to driving its business based on considerations of environmental, social, human rights, and good corporate governance aspects. Issues in focus were as follows:

- To ensure ongoing business management improvement, work safety, and fostering of work ethics among employees at all levels under the principles of good governance for sustainable growth
- To emphasize the importance of personnel capacity building in parallel with organizational growth
- To deliver satisfactory and sustainable returns to the shareholders and other stakeholders fairly
- To take responsibility for communities, society, and the environment

3.2 Management of Impacts on Business Value Chain Stakeholders

3.2.1 Business Value Chain

The Company's core business is foundation construction. The Company is committed to add value to its products and services to meet expectations of its stakeholders. Details of the business value chain and relationships with key stakeholders for each activity were as follows:

Core Activities

Types of activities and descriptions	Stakeholders
1. Management of means of production Means of production for the Company's construction work were machinery and equipment, labour, and raw materials in the category of	Trading partners Employees

Types of activities and descriptions	Stakeholders
<p>steel bars and concrete sourced through different forms of procurement as follows:</p> <ul style="list-style-type: none"> ● Machinery and equipment: Purchases/hire-purchases from vendors. Some parts were obtained through in-house production. ● Labour: Direct hiring. In some cases, workers were obtained through recruitment agencies. ● Raw materials - steel bars and concrete: Purchases from vendors. 	
<p>2. Construction and management</p> <p>For each construction project, the Company mobilized machinery, labour, and raw materials into the construction site. At each step of construction, engineers were responsible for managing construction operations, including developing action plans, following up on work production and quality, and coordinating with customers on relevant matters.</p>	<p>Customers (Project owners, Main contractors, and Consultants advisors)</p> <p>Employees</p> <p>Communities around the construction site</p>
<p>3. Delivery of completed work to customers</p> <p>After the construction was completed, the Company removed machinery and equipment from the construction site and handed over the completed work to the customer. In some cases, parts of the project could be partially delivered so that the customer could have early access to the site. This depended upon each project's terms and conditions.</p>	Customers
<p>4. Marketing and sales</p> <p>Projects were acquired through bidding process with competitors. Basically, customers choose their contractors based on considerations of prices, work experience, quality of past projects, ability for work</p>	<p>Customers</p> <p>Competitors</p>

Types of activities and descriptions	Stakeholders
delivery, and corporate reputation. The Company's cost estimation department serves as a contract point for customers.	
5. Other services related to construction projects The Company offered maintenance period for all of its construction projects with durations of 1-2 years depending upon each project's terms and conditions. Moreover, as an expert in the field of foundation construction, the Company provided advice regarding construction operations to its customers, such as value engineering (VE), selections of different types of foundation to match the clients' project, etc.	Customers

Supporting Activities

Type of activities and descriptions	Stakeholders
Supporting activities were customer-centered and construction site-based operations. The supporting activities were arranged under responsibility of the Company's different functions, focused on driving the main activities to achieve the goals. Key supporting activities were as follows:	
1. Repairs and maintenance for machinery, tools, and equipment, as well as transportation and warehouse management were under responsibility of the function relating to repair and maintenance yard facilities. There were divisions taking care of different duties such as mechanic, electric, engine, welding, assets, transportation, and warehouse.	Employees

Type of activities and descriptions	Stakeholders
2. Procurement of different raw materials was under responsibility of the procurement function which shall be responsible for procuring raw materials and consumable materials, hiring subcontractors, renting machinery and equipment, etc. The function's purposes were to support the Company's construction operations and the repairs and maintenance yard, and to control costs of key construction materials such as steel bars, concrete, and diesel.	Employees Trading partners
3. Development of technologies relating to products and services was under responsibility of the strategy and process function which shall be responsible for developing different applications or software, and the enterprise resource planning (ERP) system to support each individual function of the Company.	Employees Trading partners
4. Human resources management was under responsibility of the human resources function which shall be mainly responsible for selecting and recruiting employees/ labours and providing trainings in capacity building and relevant skills required for them.	Employees
5. Cost estimation was under responsibility of the cost estimation department which shall coordinate with customers in obtaining relevant data and submission of quotations for various projects, and negotiate relevant terms and conditions with the customers before closing the deals.	Employees Customers
6. Accounting and finance system was under responsibility of the accounting and finance department. Its duties shall include collecting payments from customers, making payments to vendors, procuring different types of bank guarantees, following up on late payments, and managing liquidities of the Company.	Employees Customers Trading partners

3.2.2 Business Value Chain Stakeholder Analysis

The Company identified internal and external stakeholders who were linked to the business value chain. Stakeholders' expectations and responses to such expectations aimed at building collaborations and shared values for risk mitigation and business value creation were concluded as follows:

Stakeholders	Stakeholders' Expectations	Responses to Stakeholders' Expectations
Shareholders and investors	<ul style="list-style-type: none"> • Rights and benefits according to law • Equitable treatment of all shareholders • Legal compliance with righteousness, transparency, auditability, and good corporate governance • Sound business performance and financial position, business stability, and dividend payout according to the corporate dividend policy 	<ul style="list-style-type: none"> • Complying with laws, regulations, and rules governing business according to the good corporate governance principles; respecting the shareholders' right to have equal access to necessary data; and disclosing business performance, financial position, and other data on actual basis. • Doing business with integrity, and making decisions with prudence and fairness for the utmost benefit of the shareholders. • Supervising operations to ensure the sound financial position, management, and administration, as well as to protect and enhance the shareholders' interests.

Stakeholders	Stakeholders' Expectations	Responses to Stakeholders' Expectations
		<ul style="list-style-type: none"> • Striving to drive quality and sustainable growth to deliver satisfactory returns to the shareholders in line with economic and industrial conditions. • Controlling related-party transactions, implementing anti-conflict-of-interest measures, and preventing uses of internal and confidential news and information for personal gains.
Employees	<ul style="list-style-type: none"> • Respect for honor, dignity, privacy, and equal rights • Satisfactory returns and welfare benefits • Ongoing promotion and development of knowledge, capabilities, and capacity in different respects • Occupational safety 	<ul style="list-style-type: none"> • Complying with labour laws, human rights principles, good corporate governance principles, business code of conduct, and employees' needs. • Putting in place complaints channels for employees who experienced unfair practices. • Providing appropriate and fair remuneration aligned with short- and long-term corporate performances. • Providing welfare benefits such as provident fund,

Stakeholders	Stakeholders' Expectations	Responses to Stakeholders' Expectations
		<p>group accident insurance plans, and health insurance plans.</p> <ul style="list-style-type: none"> • Providing skill development trainings in respective professional fields. • Setting up the occupational safety, health and environment committee, and determining policies and guidelines for maintaining the workplace environment to be safe for employees' life and property.
Customers (Project owners, Main contractors, and Consultants)	<ul style="list-style-type: none"> • Quality and efficient services at fair prices • Customers' interest protection • Provision of accurate information according to professional standards • Adequate and efficient manpower for the performance of duties • Efficient and adequate machinery and equipment for the operations 	<ul style="list-style-type: none"> • Complying with relevant laws, bidding requirements, and contract provisions. • Delivering quality products according to industrial standard and project specifications within time frames specified in contracts. • Maintaining project confidentiality • Providing warranty for projects based on durations specified in construction contracts.

Stakeholders	Stakeholders' Expectations	Responses to Stakeholders' Expectations
		<ul style="list-style-type: none"> • Providing professional advice for the benefit of customers. • Managing construction projects with efficiency and occupational safety and health while taking into consideration any possible impacts on the environment.
Trading partners	<ul style="list-style-type: none"> • Full and punctual payments for goods • Continued uses of products/services 	<ul style="list-style-type: none"> • Developing fair contracts. • Treating trading partners equally with fair benefits for both parties • Complying with contract terms and conditions as mutually agreed • Maintaining sustainable relationships with trading partners with quality product/ service without fake or deceptive advertisements
Communities around the construction site	<ul style="list-style-type: none"> • No impacts from construction operations in terms of pollution such as air, dust, noise, and water quality, nor impacts on well-being and daily life 	<ul style="list-style-type: none"> • Surveying physical conditions of neighbor property subject to consent of house owners/occupants. • Building fences for safety and mitigating dust, noise, etc.; and collecting trash, cleaning floors, and spraying water

Stakeholders	Stakeholders' Expectations	Responses to Stakeholders' Expectations
	<ul style="list-style-type: none"> • Corrective actions for repair in cases of any impact from construction 	<p>around the site to reduce dust.</p> <ul style="list-style-type: none"> • Washing tires before trucks' departure from the site to prevent spills of soil, mud, sand, and rocks on the road. • Providing cover sheets for all trucks. • Utilizing special machines for works adjacent to neighboring buildings. • Trainings employees to raise awareness about work safety and responsibility for communities. • Compensating for any damage (if any) and applying additional measures as necessary (if any)
Competitors	<ul style="list-style-type: none"> • Not searching for confidential information using fraudulent or indecent means. • Not tainting reputation by making wrong accusations • Refraining from violations of intellectual property rights 	<ul style="list-style-type: none"> • Doing business within a fair competition framework.

The Company shall assess its stakeholders' expectations at least once a year, through various channels to review appropriate measures for relevant stakeholders.

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental Policies and Guidelines

The Company established its environmental policies and guidelines according to laws, regulations, and rules pertaining to the Company's business operations. It showed its intention to reduce environmental negative impacts in terms of energy, water, garbage, waste, pollution, and GHG emissions management. Its overall policies and guidelines were concluded as follows:

- For environmental conservation, there shall be measures to mitigate any impacts on the environment as a result of the Company's operations, such as dust, small particulate matters, smoke, noise, vibrations, etc., in compliance with relevant regulations.
- There shall be preventive measures to mitigate ensuing impacts, for example, strict compliance with environmental laws and regulations, and pursuit of preventive measures rather than corrective measures. The Company's environmental action plan consists of eight aspects, details of which are on the website.
- Construction sites must be cordoned off with fences to prevent dust and noise. There shall be a process of washing trucks' tires before their departure from the construction sites.
- Inside and outside of the repair and maintenance yard, there shall be a process of cleaning surrounding areas, regularly checking machine conditions, and urgently fixing any parts once found to restore to their good conditions, to prevent pollution such as noise, dust, smoke, and vibrations.

3.3.2 Environmental Performance

The Company continued its environmental efforts with highlights of its environmental management and outcomes, value added, and overall action plans as follows:



- Executives and employees were encouraged to increasingly adopt information technologies in their operations, for example, through using electronic means in sending letters and disseminating data and other knowledge.
- A focus was placed on the promotion of employees' resources and energy saving in terms of electricity, tap water, and especially fuels.
- GPS devices were installed in machines for specific maintenance period to reduce carbon emissions and optimize machine usage.
- Optimized use of paper resources was encouraged. Internal communications were conducted to encourage executives and employees to use two-sided paper or make notes or notebooks from reused paper instead of post-it tags.

The Company paid attention to GHG emissions reduction. Activities with highest levels of GHG emissions were related to fuel consumption in machines and vehicles. Hence, the Company introduced key measures to reduce uses of fuels. Those included improving work efficiency to speed up operations, maintaining machine and vehicle engines to be intact, providing periodic maintenance, and installing sensors to monitor engine's functioning status. Such measures led to better fuel efficiency.

However, GHG emission data was not ready as the Company was in the process of seeking data reviewers/endorsers. It is expected to take place in 2023.

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policies and Guidelines

The Company's policies and guidelines were aligned with laws, rules, and regulations relating to social aspects, as well as the principles of respect for human rights throughout the entire value chain. Its overall policies and guidelines were as follows:

- The Company shall do business with social responsibility for sustainable growth by realizing and supporting social and community activities and expressing continual care and concern for the environment. Business

practices shall be based on transparency, auditability, ethics, respect for human rights, and stakeholders' interests. Those stakeholders include shareholders, employees, communities where the Company operates its business, customers, creditors, trading partners, competitors, government agencies, society and the nation as a whole.

3.4.2 Social Performance

The Company continued its social activities with highlights of its social management and outcomes, respect for human rights in the whole value chain, and overall action plans as follows:

- Employees and labours were treated with fairness.
- Anti-corruption policy and manual were advocated, promoted, and communicated to employees upon completion of each project. This caused the Company to be re-certified on 6 October 2021.
- Respect for basic human rights as well as respect for individual rights and freedom with indiscriminate and equality regardless of gender and class were promoted. There was no tolerance for child labour. Complaints channels were established for employees to file grievances and make proposals. Employees' personal data protection was in place.
- Fair treatments towards employees were present in forms of appropriate remuneration rates, various welfare schemes for employees, occupational safety and workplace committee set-up to ensure occupational safety and health.
- Quality construction and the highest safety standard were promoted to maximize customers' satisfaction. Sincere resolutions of customers' and community's complaints were evident whereas efforts to solve any issues arising from construction operations were made.

4. Management Discussion and Analysis (MD&A)

4.1 Overall Performance and Financial Position for 2021

4.1.1 COVID-19 Pandemic and Impacts on Construction Industry

2020 saw the world hit hard by the COVID-19 pandemic that started off since the end of 2019, with the world economy in 2020 shrinking considerably. However, in 2021, the world, especially the developed countries, started to see clear signs of improvement, thanks to more vaccine productions and rollouts to people in different regions across the world compared to the year earlier.

The Company's foundation construction business is divided into bored piling, diaphragm walls, and jet grouting. Its business mainly relies on the construction industry growth. For Thailand, at the beginning of 2021, the construction industry including the foundation industry started to see signs of recovery from the end of 2020. However, due to another COVID-19 outbreak starting in April 2021 and a serious flare-up of cases at the end of Q2 through the beginning of Q3, the government was forced to re-impose strict measures to contain the outbreak as well as special measures for the construction industry, namely the suspension of construction work for one month, the closure of workers' camps, the stringent control of labour mobility, and the ban on labour importation. Also, the government had to focus on its outbreak control policy as its top priority. All these headwinds led to disruptions to investments in government construction projects, which had ripple effects on private investments. Those unfavorable situations had severe impacts on the construction industry starting from Q2 onwards. Despite eased measures at the end of Q3 and a recovery of certain parts of the economy, the overall 2021 saw the industry slowing down.

4.1.2 Business Performance Summary

In 2021, the Company and its subsidiary posted a total service income of Baht 785.87 million, a decrease of 44.53% or Baht 630.95 million. This was due to the slowdown situation of the construction industry as mentioned above. There were private and government projects representing 84.61% and 15.39% respectively.

Key government projects this year included Rama 3-Dao Khanong-Outer Ring Expressway, Spur Line, Development for BLOCK33 in Suanluang-Samyan, U.S. Embassy Bangkok's Building, and High-Speed Rail Linking the Three Airports (Suvarnabhumi, Don Mueang, and U-Tapao).

Key private projects included JRK Tower (Summit Tower), Skyrise Avenue Sukhumvit 64, Living Ramkhamhaeng, Nai Lert Park Hotel & Residence Bangkok, Grand Center Point Lumphini, JLK Tower, AP Group Condominiums, Habitat Group Condominiums, Prukha Real Estate Group Condominiums, and Noble Development Group Condominiums.

Costs of services consisted of wages, construction material expenses, depreciation expenses, consumable materials and other production costs. Main materials were ready-mix concrete, cement, steel bars, diesel, and slurries (bentonite and polymer). Material costs were changing according to market and economic conditions.

In terms of the Company's costs, it was the Company's policy to procure main materials for foundation construction at times of acquiring projects in order to control risks of material price fluctuations for such projects. However, due to a short period of bored piling work, impacts from price fluctuations were limited. When acquiring new projects, prices could be adjusted to reflect changing costs.

In 2021, the Company and its subsidiary's combined costs of services were Baht 675.65 million, a reduction of 39.19% or Baht 435.36 million from last year. This was in line with the decreasing revenues. The ratio of costs of services to service revenues was 85.97%, higher than 78.42% for the previous year. This was mainly due to high price competition resulting from low volumes of projects available in the market.

The Company and its subsidiary's selling and administrative expenses comprised employee expense, office expense, taxes and fees, and other expenses. In 2021, the Company and its subsidiary's selling administrative expenses totaled Baht 73.04 million. Of this, Baht 72.98 million and Baht 0.06 million were accounted for the Company's and the subsidiary's respectively.

For 2021, the Company and its subsidiary recorded a profit attributable to the shareholders at Baht 39.76 million, a decrease of 78.22% or Baht 142.78 million, from the previous year. This represented a net profit margin of 5% compared to 12.80% of the last year. This was mainly from the slowdown in the construction industry. The basic earnings per share was Baht 0.05.

Corporate Measures to Mitigate COVID-19 Pandemic Impacts

As the COVID-19 pandemic continued to wreak havoc on the world economy, including the Thai economy and construction industry from 2020-2021, the Company took mitigation measures as follows:

- To implement austerity policies through strict cost controls and internal process improvements for enhanced efficiency
- To adjust pricing structures to increase the likelihood of possible bidding victories and to maintain competitiveness
- To maintain liquidities at appropriate levels and delay non urgent investment plans
- To adjust the organizational structure not only to be commensurate with the Company's workloads but also to accommodate the construction industry's revival in the future.
- To adopt new work practices such as a work-from-home policy according to specific situations at given periods of time
- To implement health measures relating to employee healthcare strictly, such as pre-screenings of risks groups before entering work facilities, uses of ATK tests every 1-2 weeks, temperature screenings before entering work areas, mask wearing at all times at work, and hand washing with alcohol.

The above measures led to the Company's success in mitigating relevant impacts and weathering the crisis. In 2021, only the Company's operating results were affected in line with the construction industry's contraction. No significant impacts on other aspects were found.

4.1.3 Financial Position

As at 31 December 2021, the Company and its subsidiary's total assets were Baht 1,212.31 million. Of this, the current assets of Baht 664.79 million decreased by Baht 53.67 million from 31 December 2020, and the non-current assets of Baht 547.52 million fell by Baht 54.81 million from 31 December 2020. Assets decreases were mainly a decrease in short-term

investments of Baht 130 million, a decrease in trade accounts receivable of around Baht 80 million, a decrease in unbilled accrued income and other current accounts receivable (including retention receivable) of around Baht 71 million, a decrease in property, plant and equipment of around Baht 41 million, and a decrease in right of use assets of around Baht 13 million. On the other hand, asset increases were an increase in cash and cash equivalents of around Baht 185 million, an increase in tax assets of the current fiscal year (income taxes withheld at source to be refunded by the Revenue Department) of around Baht 26 million, and an increase in investments in money market funds of Baht 20 million. The return on assets for 2021 was 3.14%, lower than 12.13% in 2020.

The Company and its subsidiary recorded a net trade accounts receivable [excluding unbilled accrued income and retention receivable (5-10% retention was withheld by the client from each payment and would be returned upon handover of the completed work)] as at 31 December 2021 at Baht 93.27 million, down from Baht 173.33 million as at 31 December 2020. The Company and its subsidiaries set aside an allowance for expected credit losses as at 31 December 2021 and 31 December 2020 at Baht 5.87 million and Baht 8.88 million respectively.

The net property, plant, and equipment of the Company and its subsidiary as at 31 December 2021 was Baht 464.82 million, lower than Baht 505.48 million at the end of 2020 (In 2020 leased assets of about Baht 66 million were excluded from property, plant, and equipment and were presented separately under with right of use assets according to TFRS16 which was adopted for the first time in 2020. This excluded with right of use assets under office lease and estimated decommissioning costs.)

During the year, the Company and its subsidiary did not have any significant investments. Investments made were small-scale machines, tools and devices, and assets as replacements or for additional support used in the ordinary course of business.

The Company and its subsidiary's total liabilities as at 31 December 2021 was Baht 234.81 million. Of this, current liabilities and non-current liabilities were Baht 198.99 million and Baht 35.82 million respectively. Current liabilities increased by Baht 8.91 million from the end of 2020, caused by increase in current contract liabilities of Baht 12 million and trade and other

current accounts payable of Baht 7 million and a reduction of Baht 5 million in other current liabilities and a due payment of lease liabilities within one year of Baht 3 million. Non-current liabilities decreased by about Baht 48 million from the end of 2020, caused by a decrease in long-term loans from banks (net of a portion due for payment within one year) of Baht 15 million, a decrease in lease liabilities (net of a portion due for payment within one year) of Baht 22 million, a decrease in estimated losses after the completion of the project of around Baht 16 million, and an increase in estimated liabilities for employee benefits (net of a portion due for payment within one year) based on adjusted numbers of employees and new assumptions of actuaries of Baht 4 million.

Shareholders' equity as at 31 December 2021 in the consolidated financial statements was Baht 977.51 million, down from Baht 1,046.53 million as at 31 December 2020. During the year, the dividend paid out was Baht 104.98 million. According to the consolidated financial statements, the return on equity was 3.93% down from 17.27% in 2020.

In 2021, the Company and its subsidiary's net cash flow from provided operating activities, net cash flow provided from investment activities, and net cash flow used in financing activities were Baht 265.04 million, Baht 67.89 million, and Baht 147.82 million respectively. Net cash and cash equivalents increased Baht 185.12 million. As at 31 December 2021, the Company and its subsidiary recorded cash and cash equivalents, and short-term investments (inclusive of investments in money market funds) totaling Baht 418.09 million, which was sufficient for the Company and its subsidiary's operations.

Based on the consolidated financial statements as at 31 December 2021, the Company and its subsidiary had a liquidity ratio of 3.34 times, a quick ratio of 2.75 times, and a ratio of operating cash flow to current liabilities of 1.36 times.

As at 31 December 2021, the Company and its subsidiary had total liabilities of Baht 234.81 million and total shareholders' equity of Baht 977.51 million, representing a debt to equity ratio of 0.24 time.

4.1.4 Non-Financial Performance Measures

The Company adopted non-financial performance measures such as market share, customer satisfaction, and machine production capacity utilization rates.

For market share, the Company collected revenue data as shown in the financial statements of the last three years according to Ministry of Commerce's Business Development Department. The Company's market share was calculated based on revenues of 15 major foundation construction companies as follows:

	2020	2019	2018
Revenues (Baht Million)	7,750.57	10,171.03	11,065.59
Company's market share (%)	18.26	15.28	12.98

Remarks:

The Company's market share above were estimated figures because:

- Small foundation contractors or local contractors were not included.
- Each company's revenue used in the calculation might include non-foundation construction work revenue.
- In each project contract, costs of labour and materials might be included, or costs of core materials might be excluded (such as concrete and steel bars). This could affect revenue and market share.

4.2 Factors with Possible Significant Impacts on Company's Performance and Financial Position

4.2.1 External Factors

For 2022, the overall economy starts to see signs of recovery. The government continues to implement incentive measures. One of the measures is the investments in government megaprojects and the resumption of the delayed or suspended projects to normalcy or a higher level of normalcy. [This includes key government projects such as the high-speed rail linking the three airports, the Rama 3-Dao Khanong-Outer Ring expressway, the elevated Rama 2 road (the Outer Ring-Ban Phaeo Section), the Thai-Chinese high-speed train, and mass transit lines in Bangkok.] This should prove as a boon to private sector's

confidence and investment sentiment. Based on the above favorable factors, the construction industry is expected to see a satisfactory recovery in 2022.

Nevertheless, the risks from the COVID-19 pandemic and political uncertainties could be headwinds dragging the government policy execution. Also, labour shortages could be another risk factor. All those issues could hinder the rebound of the construction industry.

The Office of the National Economic and Social Development Council (NESDC) expected Thailand's 2022 gross domestic product (GDP) growth outlook at 3.5%-4.5% (as at 15 November 2021), counting on continued government economic stimulus measures and stronger private consumption and investment. The Company's management expected to see a continued revival of the Thai economy throughout 2022. There are still risks from rising raw materials and energy costs, China-U.S. and Russia-Ukraine tensions, and COVID-19 recurrent outbreaks and variants which could affect the Thai economic system. Also, with the presence of domestic political uncertainties potentially affecting government investment, Thai economy would not grow as expected.

4.2.2 Internal Factors

Impacts from renting machines

Renting machines is an alternative in the case of a need for enhanced production capacity on a temporary basis in order to accommodate stressed production capacity during brief periods of time. This would help reduce the Company's investment in new machines and equipment which would be a financial burden in short- and long-terms. However, renting machines leads to higher costs of production in respective periods (compared to depreciation expenses incurred from purchasing machines).

Impacts from investing in new machines

Investment in new machines to ramp up production capacity could affect cash flow and depreciation expenses of the Company. Given a market situation not going as expected and the Company's inability to put its machines to use, an increasing depreciation expense would become a financial burden, potentially affecting the Company's profitability, financial position, and liquidity. New investment should be carefully considered, for example, in cases of inadequate production capacity, influx of new projects, or replacements of obsolete or worn-out machines.

Impacts from rising costs of services

To limit impacts on costs as a result of fluctuations in material prices, the Company adopted a policy to procure certain main materials in bulks or to enter into buying contracts with vendors to agree upon fixed prices to control costs of materials during specific periods once a letter of intent is received. Also, the Company will consider price adjustments to reflect rising costs while maintaining its competitiveness.

Also, the success of vaccine rollouts nationwide in 2021 and economic stimulus measures to be launched in 2022 should be tailwinds for the overall construction industry's revival and counter the risks from the rising costs of services.

4.3 Key Financial Information

4.3.1 FINANCIAL STATEMENTS

Table 1 Statements of profit or loss and other comprehensive income

UNIT : THOUNSAND BAHT	CONSOLIDATED F/S						SEPARATE F/S					
	2021	%	2020	%	2019	%	2021	%	2020	%	2019	%
REVENUES												
- Revenues from services	785,870	99.05	1,416,816	99.53	1,554,232	98.79	785,870	99.29	1,416,816	99.54	1,554,232	98.80
- Other income	7,554	0.95	6,702	0.47	19,046	1.21	5,642	0.71	6,601	0.46	18,860	1.20
Total revenues	793,424	100.00	1,423,518	100.00	1,573,278	100.00	791,512	100.00	1,423,417	100.00	1,573,092	100.00
Costs of services and expenses												
- Costs of services	675,654	85.16	1,111,012	78.05	1,145,098	72.78	675,654	85.36	1,111,012	78.05	1,145,101	72.79
- Selling and administrative expenses	73,044	9.21	96,104	6.75	99,917	6.35	72,985	9.22	96,038	6.75	99,215	6.31
Total costs of services and expenses	748,698	94.36	1,207,116	84.80	1,245,015	79.14	748,639	94.58	1,207,050	84.80	1,244,316	79.10
Profit (loss) from operating activities	44,726	5.64	216,402	15.20	328,263	20.86	42,873	5.42	216,367	15.20	328,776	20.90
- Finance income	1,920	0.24	3,046	0.21	3,042	0.19	1,830	0.23	2,855	0.20	2,861	0.18
- Finance cost	2,829	0.36	4,153	0.29	3,047	0.19	2,829	0.36	4,153	0.29	3,047	0.19
- Income tax expenses	4,061	0.51	32,756	2.30	50,644	3.22	3,672	0.46	32,708	2.30	56,493	3.59
Profit for the year	39,756	5.01	182,539	12.82	277,614	17.65	38,202	4.83	182,361	12.81	272,097	17.30
Other comprehensive profit (loss) for the year	(3,791)	(0.48)	-	-	(2,106)	(0.13)	(3,791)	(0.48)	-	-	(2,106)	(0.14)
Total comprehensive income for the year	35,965	4.53	182,539	12.82	275,508	17.51	34,411	4.35	182,361	12.81	269,991	17.16
Attribution of profit for the year												
- Portion of the parent company	39,756	5.01	182,539	12.82	277,614	17.65	38,202	4.83	182,361	12.81	272,097	17.30
- Portion of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Total	39,756	5.01	182,539	12.82	277,614	17.65	38,202	4.83	182,361	12.81	272,097	17.30
Attribution of total comprehensive income for the year												
- Portion of the parent company	35,965	4.53	182,539	12.82	275,508	17.51	34,411	4.35	182,361	12.81	269,991	17.16
- Portion of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Total	35,965	4.53	182,539	12.82	275,508	17.51	34,411	4.35	182,361	12.81	269,991	17.16
Basic earnings per share												
Profit (Baht per share)	0.05		0.24		0.37		0.05		0.24		0.36	

Table 2 Statements of balance sheet

UNIT : THOUSAND BAHT	CONSOLIDATED F/S						SEPARATE F/S					
	2021	%	2020	%	2019	%	2021	%	2020	%	2019	%
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	378,086	31.19	192,964	14.61	266,158	15.75	374,695	31.40	170,151	13.07	243,362	14.56
Short-term investments	20,000	1.65	150,000	11.36	60,000	3.55	-	-	150,000	11.52	60,000	3.59
Other current financial assets	20,005	1.65	-	-	-	-	20,005	1.68	-	-	-	-
Trade accounts receivable	93,271	7.69	173,331	13.12	346,113	20.49	93,271	7.82	173,331	13.31	346,113	20.70
Contract assets-current	35,342	2.92	75,666	5.73	153,176	9.07	35,342	2.96	75,666	5.81	153,176	9.16
Other current accounts receivable	48,798	4.03	79,884	6.05	138,571	8.20	48,798	4.09	79,884	6.13	138,571	8.29
Inventories	41,105	3.39	44,308	3.35	59,374	3.51	41,105	3.44	44,308	3.40	59,374	3.55
Current tax assets	27,730	2.29	1,875	0.14	-	-	27,730	2.32	1,875	0.14	-	-
Other current assets	456	0.04	434	0.03	1,020	0.06	455	0.04	433	0.03	1,019	0.06
Total current assets	664,793	54.84	718,462	54.40	1,024,412	60.64	641,401	53.75	695,648	53.42	1,001,615	59.91
NON-CURRENT ASSETS												
Other non-current financial assets	-	-	-	-	1,800	0.11	-	-	-	-	1,800	0.11
Investment in subsidiary company	-	-	-	-	-	-	10,200	0.85	10,200	0.78	10,200	0.61
Investment property	3,483	0.29	3,970	0.30	4,457	0.26	3,483	0.29	3,970	0.30	4,457	0.27
Property, plant and equipment	464,818	38.34	505,480	38.27	644,748	38.16	464,818	38.95	505,480	38.81	644,748	38.56
Right-of-use assets	65,244	5.38	78,125	5.92	-	-	65,244	5.47	78,125	6.00	-	-
Intangible assets	5,295	0.44	4,633	0.35	3,846	0.23	5,295	0.44	4,633	0.36	3,846	0.23
Refundable withholding tax deducted at sources	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax asset	6,013	0.50	6,933	0.52	4,925	0.29	136	0.01	1,056	0.08	-	-
Other non-current assets	2,671	0.22	3,188	0.24	5,248	0.31	2,671	0.22	3,188	0.24	5,248	0.31
Total non-current assets	547,524	45.16	602,329	45.60	665,024	39.36	551,847	46.25	606,652	46.58	670,299	40.09
TOTAL ASSETS	1,212,317	100.00	1,320,791	100.00	1,689,436	100.00	1,193,248	100.00	1,302,300	100.00	1,671,914	100.00

UNIT : THOUSAND BAHT	CONSOLIDATED F/S						SEPARATE F/S					
	2021	%	2020	%	2019	%	2021	%	2020	%	2019	%
LIABILITIES AND SHAREHOLDERS' EQUITY												
CURRENT LIABILITIES												
Trade and other current accounts payable	123,530	10.19	116,268	8.80	388,184	22.98	123,493	10.35	115,011	8.83	386,762	23.13
Contract liabilities-current	30,532	2.52	19,095	1.45	67,316	3.98	30,532	2.56	19,095	1.47	67,316	4.03
Current portion of liabilities-due within one year	38,193	3.15	42,284	3.20	43,682	2.59	38,193	3.20	42,284	3.25	43,682	2.61
Corporate income tax payable	260	0.02	17	0.00	12,309	0.73	-	-	-	-	12,297	0.74
Other current liabilities	6,474	0.53	12,419	0.94	23,144	1.37	6,474	0.54	12,420	0.95	23,144	1.38
Total current liabilities	198,989	16.41	190,083	14.39	534,635	31.65	198,692	16.65	188,810	14.50	533,201	31.89
NON-CURRENT LIABILITIES												
Long-term loans from financial institutions	-	-	15,000	1.14	31,800	1.88	-	-	15,000	1.15	31,800	1.90
Lease liabilities	9,012	0.74	31,004	2.35	41,198	2.44	9,012	0.76	31,004	2.38	41,198	2.46
Deferred income tax liabilities-net	-	-	-	-	-	-	-	-	-	-	952	0.06
Non-current provisions for warranties	958	0.08	16,653	1.26	-	-	958	0.08	16,653	1.28	-	-
Non-current provisions for employee benefit	24,205	2.00	19,881	1.51	14,709	0.87	24,205	2.03	19,881	1.53	14,709	0.88
Estimate decommissioning costs	1,643	0.14	1,643	0.12	-	-	1,643	0.14	1,643	0.13	-	-
Total non-current liabilities	35,818	2.95	84,181	6.37	87,707	5.19	35,818	3.00	84,181	6.46	88,659	5.30
TOTAL LIABILITIES	234,807	19.37	274,264	20.77	622,342	36.84	234,510	19.65	272,991	20.96	621,860	37.19
SHAREHOLDERS' EQUITY												
Share capital-issued and paid	374,937	30.93	374,937	28.39	374,937	22.19	374,937	31.42	374,937	28.79	374,937	22.43
Share premium	153,825	12.69	153,825	11.65	153,825	9.11	153,825	12.89	153,825	11.81	153,825	9.20
Retained earnings												
- Appropriated for legal reserve	37,980	3.13	37,980	2.88	37,980	2.25	37,980	3.18	37,980	2.92	37,980	2.27
- Unappropriated	416,466	34.35	485,483	36.76	506,050	29.95	391,996	32.85	462,567	35.52	483,312	28.91
Other component of equity	(5,698)	(0.47)	(5,698)	(0.43)	(5,698)	(0.34)	-	-	-	-	-	-
Total equity of the parent company	977,510	80.63	1,046,527	79.23	1,067,094	63.16	958,738	80.35	1,029,309	79.04	1,050,054	62.81
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	977,510	80.63	1,046,527	79.23	1,067,094	63.16	958,738	80.35	1,029,309	79.04	1,050,054	62.81
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,212,317	100.00	1,320,791	100.00	1,689,436	100.00	1,193,248	100.00	1,302,300	100.00	1,671,914	100.00
Book valued per share (Baht per share)	1.30		1.40		1.42		1.28		1.37		1.40	

Table 3 Statements of cash flows

UNIT : THOUSAND BAHT	CONSOLIDATED F/S			SEPARATE F/S		
	2021	2020	2019	2021	2020	2019
Net cash provided from operating activities	265,044	278,413	351,443	265,147	278,396	344,931
Net cash provide from (used in) investing activities	67,895	(106,418)	(186,496)	87,214	(106,418)	(186,496)
Net cash used in financing activity	(147,817)	(245,189)	(45,816)	(147,817)	(245,189)	(45,816)
Net increase (decrease) in cash and cash equivalents	185,122	(73,194)	119,131	204,543	(73,211)	112,619
Cash and cash equivalents at end of year	378,086	192,964	266,158	374,695	170,151	243,362

4.3.2 Financial ratio

FINANCIAL RATIO		CONSOLIDATED F/S			SEPARATE F/S		
		2021	2020	2019	2021	2020	2019
LIQUIDITY							
Current ratio	times	3.34	3.78	1.92	3.23	3.68	1.88
Quick ratio	times	2.57	2.72	1.26	2.46	2.61	1.22
Operating cash flow to current liabilities	times	1.36	0.77	0.82	1.37	0.77	0.81
Receivable turnover	times	5.59	5.36	5.47	5.59	5.36	5.47
Collection period	days	65	68	67	65	68	67
Inventory turnover	times	15.82	21.43	23.38	15.82	21.43	23.38
Average inventory period	days	23	17	16	23	17	16
Accounts payable turnover	times	8.27	5.79	5.08	8.27	5.79	5.09
Payment period (excluding accrued expenses)	days	44	64	73	44	64	73
Cash conversion cycle (CCC)	days	44	21	10	44	21	10
PROFITABILITY							
Gross profit margin	%	14.02	21.54	26.32	14.02	21.54	26.32
Operating profit margin	%	5.94	15.50	21.32	5.69	15.48	21.34
Other incomes per total revenues	%	1.19	0.74	1.40	0.94	0.72	1.38
Operating cash flow per operating profit	%	568.20	126.87	106.08	593.12	126.99	104.01
Net profit margin	%	5.00	12.80	17.61	4.82	12.79	17.27
Return on equity (ROE)	%	3.93	17.27	28.71	3.84	17.54	28.57
EFFICIENCY							
Return on assets (ROA)	%	3.14	12.13	18.93	3.06	12.26	18.75
Return on fixed assets	%	24.35	45.63	61.62	24.07	45.60	60.68
Total assets turnover	times	0.63	0.95	1.07	0.64	0.96	1.09
FINANCIAL POLICY							
Debt to equity	times	0.24	0.26	0.58	0.24	0.27	0.59
Interest coverage ratio	times	50.67	76.51	136.92	49.98	76.46	137.03
Interest bearing debt to EBITDA ratio	times	0.32	0.27	0.27	0.32	0.27	0.27
EBITDA coverage ratio	times	3.90	7.71	11.02	3.85	7.71	11.02
Dividend payout ratio	%	113.17	57.51	72.93	117.77	57.57	74.41

Additional information regarding financial ratio calculation:

1. In calculating financial ratios for 2021, the Stock Exchange of Thailand (SET) changed calculation formulas of two items. New formulas shall be based on “56-1 One Report (TorJor.55/2563) Manual for the Year Ending 31 December 2021” (Annex 7 “Recommendations for Financial Disclosure under MD&A”, Pages 149-150: Financial Ratios of Industrial and Service Sectors.) This had a retroactive impact on the presentation of the past three-year information (2018-2020). As such, comparison figures shall be re-adjusted to reflect financial ratios calculated using the new formulas. The Company already made such re-adjustments as per the table above. The mentioned financial ratios consisted of the following.

Financial Ratio	Previous Formula by the SET	New Formula by the SET
1. Accounts receivable turnover	Net service revenue/ (Net A/R+Notes receivable) (average)	Net service revenue/ (A/R before allowance for doubtful debts+Notes receivable) (average)
2. Return on assets	Profit before Interest and Tax/ Total assets (average)	Net profit/Total assets (average)

5. General information and other material facts

5.1 General information and other material facts

Company name	:	Pylon Public Company Limited (“Company”)
Registered capital	:	Baht 374,936,698
Type of Business	:	The Company is mainly engaged in the foundation construction for the government and private sectors. The Company’s customers consist of project owners and main contractors. There are three types of main products i.e. Bored Pile, Jet Grouting, Diaphragm Wall / Barrette Pile.
Headquarters	:	252 SPE Tower, 14 th Floor, Phaholyathin Rd., Sam Sen Nai Subdistrict, Phayathai District, Bangkok 10400
The maintenance yard	:	22/4 Moo 11 Koobangluang Subdistrict, Ladlumkaew District, Pathumthani 12140
Company registration number	:	0107548000536
Home page	:	www.pylon.co.th
Phone number	:	(02) 615-1259
Facsimile	:	(02) 615-1258

References

Share Registrar

Thailand Securities Depository Company Limited
 93 Ratchadaphisek Road, Din Daeng,
 Bangkok 10400, Thailand
 Tel : 0-2596-9000 Fax : 0-2832-4994-6

Auditor

Ms. Sansanee Poolsawat, CPA license no. 6977

or Ms. Witita Sujitranuch, CPA license no.7408

Ms. Pitinun Pattaraklitidej, CPA license no. 10467

Proud in Pro Company Limited

33/62 Wall Street Tower, 13th Floor, Surawong Road, Suriyawong, Bang Rak,

Bangkok, Thailand 10500

Mobile : +66 2 235 6950

LEGAL ADVISORY

Bangkok Attorney Co., Ltd

18/4 Soi Amnuaywat, Suthisarn Road, Samsen-nok, Huay Kwang Bangkok 10320

Tel : 0-2693-2036 Fax : 0-2693-4189

5.2 Legal disputes

The Company has none of the following:

1. any lawsuit that may negatively affect the assets of the Company at an amount higher than 5 percent of the shareholders' equity at the end of the latest financial year.,
2. any lawsuit that affects the business undertaking of the Company or a subsidiary materially but the assessment whereof cannot be quantified in numbers, and
3. any lawsuit that is not caused by normal business undertaking of the Company or a subsidiary.

Section 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overall Corporate Governance (CG) Policy and Guidelines

The Board of Directors has adopted the Securities and Exchange commission (SEC) 's 2017 Corporate Governance Code for Listed Companies (CG CODE 2017) available at (<https://www.sec.or.th/TH/Pages/LawandRegulations/HandbooksGuidelines.aspx>) for use as guidance for the Company's CG policy since 2019. This was in line with the Board of Directors' Meeting No. 1/2019 held on 25 February 2019. The CG policy has been subject to annual reviews at least once per year. The latest review was conducted on 23 February 2022 according to the resolution of the Board of Directors' Meeting No. 1/2022.

6.1.1 Policy and Guidelines Relating to Board of Directors

The policy and guidelines relating to the Board of Directors covers the nomination and remuneration for directors and executives, the independence of the Board of Directors from the management, director development, and performance evaluation for directors, as well as supervision of subsidiaries and associates.

6.1.1.1 Nomination and Remuneration for Directors and Executives

A. Director Nomination

In selecting and appointing new directors, the Nomination and Remuneration Committee shall consider and screen candidates with proper qualifications to be appointed as directors, whether they be representatives of shareholders or independent directors. Professional search firms or director pools may be used in scouting new directors. Nominated candidates shall be proposed to the Board of Directors for consideration and endorsement and then to the shareholders' meeting for approval. Criteria for new director selection shall be as follows:

2. Having knowledge, business expertise, capabilities, and experience essential to and in line with corporate strategies to strengthen the Board of Directors' ability to supervise the Company
2. Possessing qualifications according to law, notifications of the SET and the Office of the Securities and Exchange Commission (SEC), and the Company's Articles of Association
3. Having a work profile that indicated transparency, integrity, accountability, maturity, and professionalism
4. There shall be no gender requirements.

B. Directors' Remuneration

Clear policy and criteria for directors' remuneration were established based on transparency, auditability, and appropriate rates to motivate and retain quality directors. Rates of remuneration shall be compared with those offered by industry peers, and shall be commensurate with experience, duties, and accountability and responsibility as well as taking into consideration expected benefits from each director. Remuneration consisted of three parts as follows:

1. Monthly remuneration (fixed payment): This reflected each director's responsibilities (this was not applied to executive directors as they already received monthly salaries as employees).
2. Meeting allowance (varied upon number of meeting attendances): This showed each director's dedication to participation in meetings.
3. Bonus (varied upon corporate performance and number of meeting attendances): This was an annual special compensation for the directors based on the value they created for the shareholders.

The Nomination and Remuneration Committee shall be responsible for considering and determining directors' remuneration rates at the initial stage. The matter shall then be proposed to the Board of Directors' meeting for

consideration and to the shareholders' meeting for approval on an annual basis.

C. Nomination and Remuneration for Non-Director Executives

The Board of Directors assigned the President to have authority to hire and define remuneration rates of non-director executives, and to make annual remuneration adjustments. The executives shall be receiving remuneration in forms of salaries (fixed payments) and bonuses (varies payments) based on the Company's performance and each individual performance measured against key performance indicators (KPIs).

6.1.1.2 Board of Directors' Independence from Management

The Board of Directors has four independent directors out of a total of nine directors. Independent directors shall have independence from the management and shareholders.

6.1.1.3 Director Development

The Board of Directors had a policy to promote the directors' knowledge through trainings and knowledge development in specific fields for their ongoing capacity building and work improvement. Examples included in-house and outside trainings and seminars for directors to enhance their capacity, knowledge, and experience.

The Board of Directors encouraged at least one director to attend a training or join a seminar to improve their knowledge in the performance of duties for the past year.

New directors shall be required to attend orientation sessions facilitated by the President. They shall be provided with relevant documents and learn about the nature of business, the structure and composition of the Board of Directors and Committees, the code of conduct, and the CG principles. Through such sessions, the directors shall gain knowledge and an understanding about

the Company and relevant rules and regulations, and have a chance to meet up with executives and ask for business insights. Additionally, the directors shall be encouraged to attend the Thai Institute of Directors (IOD)'s trainings.

6.1.1.4 Performance Evaluation for Directors

A. Performance Evaluation for the whole Board of Directors

The Board of Directors conducted its performance evaluation once per year based on the following 6 topics.

1. Structure and qualifications of the board
2. Roles, duties, and responsibilities of the board
3. Board meetings
4. Directors' performance of duties
5. Relationships with management
6. Directors' and management's development

The performance evaluation process was as follows:

The Corporate Secretary shall submit a performance evaluation form to each director for the board's evaluation. Then, each director shall return a completed form to the Corporate Secretary for collection before presenting a summary report to the Board of Directors' meeting in December of each year. Any topic with a score of less than "C" level, shall require further improvement.

Performance Evaluation for Individual Directors

The performance evaluation for individual directors covered the following three topics:

1. Structure and qualifications of the board
2. Board meetings
3. Roles, duties, and responsibilities of the board

The performance evaluation process was as follows:

The Corporate Secretary shall submit a performance evaluation form to each director for self-evaluation. Then, each director shall return a completed form to the Corporate Secretary for collection before presenting a summary report to the Board of Directors' meeting in December of each year.

B. Performance Evaluation for Individual Committees and Committee Members

Performance evaluation for individual Committees and Committee members was applied to the Audit and Corporate Governance Committee and the Nomination and Remuneration Committee. Self-evaluation forms for Committees were based on templates provided by the SET. This was in accordance with the good corporate governance principles and the duties and responsibilities of each Committee.

The performance evaluation for individual Committees and Committee members covered the following three topics:

1. Structure and qualifications of the Committee
2. The Committee's meetings
3. Roles, duties, and responsibilities of the Committee

The performance evaluation process was as follows:

The Corporate Secretary shall submit an evaluation form to each Committee member for self-evaluation. The forms shall be collected and the results shall be concluded and presented at relevant meetings in December each year.

C. Performance Evaluation for the President

The Board of Directors determined criteria and key performance indicators (KPIs) for the performance evaluation of the President on an annual basis. Goals and criteria for the evaluation were linked to KPIs.

The President's remuneration not only depended on KPIs, but also correlated with the qualifications and abilities, the Company's status, and the industrial peer's remuneration rates. The remuneration also included a bonus and a salary increment.

6.1.1.5 Supervision of Subsidiaries and Associates

Pylon Plc. ("the Company") has one subsidiary named "Exelon Co., Ltd." The Company has a mechanism to supervise its subsidiary's operations to protect the interests of the Company's investments as follows:

1. The Company is a major shareholder (Majority Control) of its subsidiary. Originally, it held 51% shares in its subsidiary before increasing its shareholding to 99.99%.
2. The Company assigned its three representatives to be directors of the subsidiary out of the total five directors. Currently, the subsidiary has 4 directors, all of whom are the Company's representatives.
3. The Company's representatives were assigned to hold key positions in the subsidiary, to determine policies and to be part of the executive committee of the subsidiary to control and manage its operations. That was, two representatives from the Company were the subsidiary's President (CEO) and the Senior Executive Vice President in Finance & Management (CFO) respectively.
4. Proxies were assigned to vote on behalf of the Company at the annual general meetings of shareholders (AGMs) or extraordinary general meetings of shareholders (EGMs) of the subsidiary. Those proxies were appointed and assigned to vote according to the Board of Directors' resolutions.

5. The subsidiary disclosed its financial position, operating results, related party transactions with its connected parties, acquisitions or disposals of assets, and its other material transactions completely and correctly. This was based on regulations regarding information disclosure and related party transactions applied to the Company.
6. The subsidiary applied the same format of internal control system as that of the Company.

6.1.2 Policies and Guidelines on Shareholders and Stakeholders

The policies and guidelines on shareholders and stakeholders covered care for shareholders, equitable treatment of shareholders, promotion of shareholders' exercise of rights, prevention of internal information use, prevention of a conflict of interest, responsibility for stakeholders, compensation for right infringement, anti-corruption, and actions taken against those defying said policies and guidelines.

6.1.2.1 Care for shareholders, equitable treatment of shareholders, and promotion of shareholders' exercise of rights

The Company respected the rights of its shareholders and treated them equally. Those rights included the basic legal rights such as the right to attend shareholders' meetings to vote, the right to approve dividend payments, and the right to determine directors' remuneration rates. The shareholders also had rights outside the scope of law. Important news and information were shared with the shareholders through the Company's website. Regarding shareholders' meetings, before an AGM, the Company allowed its shareholders to propose agenda items and nominate candidates for directors in advance from 2 December 2021 through 31 January 2022. The Board of Directors specified a number of criteria such as shareholding proportion of those proposing, supporting details for consideration, communications channels, and time frames for communications. Relevant notifications were posted through the SET's information dissemination system and relevant criteria details were disclosed on the Company's website. Invitation letters were submitted together with supporting data for each agenda

item, different types of proxy forms, and a list of independent directors (in case of not attending the meeting in person and wishing to assign a proxy). The Company disclosed its invitation letters and supporting documents in English and Thai on its website in advance so that the shareholders could study information prior to receiving an original set of documents on the date of shareholders' meeting. All the directors shall attend the meeting, unless there is a necessity or an unforeseeable circumstance. In 2021, the Company arranged its E-AGM through the IR Plus application with all the directors attending the meeting. Upon the commencement of the meeting, the Chairman of the meeting (normally it was the Chairman of the Board of Directors), explained the meeting rules and regulations. Then, the Chairman of the meeting proceeded according to specific agendas, and allowed the shareholders to choose each individual director and to raise their opinions or questions regarding the meeting or other matters relevant to the Company. Furthermore, the Company allowed the shareholders to send questions to the Company in advance through its website and e-mail address. Also, the Company neither distributed any additional important information at the meeting nor added new meeting agenda nor changed key information without notice in advance. There were no restrictions in term of late attendance. (If any shareholders came later, they still had the right to attend the meeting and vote on the next agenda.) After the end of the meeting, the Company prepared minutes of the meeting and published them through the Company's website within 14 days.

6.1.2.2 Prevention of Internal Information Use

Directors, executives and employees were not allowed to use internal information for personal gains or for others. The guidelines on handling the matter were as follows:

1. The Company shall educate its directors and executives on internal information use, the duty to report trading of securities of the Company and its subsidiary undertaken by themselves, spouses, and minor children, and any penalties according to the Securities and Exchange Act B.E. 2535

and its amendments, requirements of the SET, and the SEC's Notification No. SorJor.38/2561.

2. Directors and executives shall have the duty to prepare and submit reports of securities holding of oneself and relevant parties according to the SEC's Notification No. SorJor.38/2561 to the SEC. Reporting procedures shall be as follows:
 - Changes in securities holding (Form 59) due to trading, transfer, or receipt of transfer of securities shall be reported within three business days from the date of the transaction through the electronic system to the SEC.
 - Also, the directors and executives shall report the transaction to the Board of Directors at its next meeting for acknowledgement.
3. Directors, executives, and employees who have learned of significant internal information that might lead to changes in securities buying/selling prices shall refrain from trading the Company's securities for one month before and 24 hours after the Company's announcement of its operating result, or before such information becomes known to the public. (It is required that the announcement of the operating results must be done within 45 days from the end of the quarter and 2 months from the end of the accounting year.)
4. The Company has in place its code of conduct and a set of desirable practices at work in writing. Internal information uses for personal gains of directors, executives, and employees in trading the Company's shares, or for other people to benefit from trading the Company's shares shall be prohibited.

6.1.2.3 Prevention of a Conflict of Interest

The Board of Directors determined a policy on a conflict of interest and relevant guidelines for its directors, executives, and employees to prevent a problem of a conflict of interest as part of its code of conduct and desirable work practices.

The Board of Directors also required that each director report their interests to the Company upon the undertaking of a transaction that involves a conflict of interest. The Corporate Secretary shall send a copy to the Chairman of the Board of Directors for acknowledgement.

6.1.2.4 Responsibility for Stakeholders

The Company shall treat its stakeholders according to their legal rights, and shall promote the collaboration with its stakeholders in driving business growth and sustainability. The Company treats its stakeholders with care and places importance on legal rights of the stakeholders inside and outside of the organization, ranging from shareholders, employees and customers, to creditors, trading partners and competitors. The Company also takes social and public responsibility seriously. The Board of Directors incorporated this policy into the Company's code of conduct and desirable work practices in writing, which is available on the corporate website. This is to serve as guidance for directors, executives, and employees in their operations. It shall be the duty and rules to be complied with by all parties. Details can be summarized as follows:

A. Shareholder Treatment Policy

To ensure equitable treatment to all shareholders, the Company stipulated a number of guidelines as follows:

1. To conduct business with integrity, make decisions with prudence, and treat shareholders with fairness and for their utmost benefit
2. To supervise the business operations to ensure that the Company's financial position and management were intact and sound in order to protect and increase interests of the shareholders
3. To strive to drive quality and stable growth to deliver satisfactory returns to shareholders in line with economic and industrial situations
4. To respect the right of the shareholders to have equal access to necessary information to assess the Company. There shall be

disclosures of operating results, financial position, and supporting information according to facts as required by the SET and the SEC.

5. To treat all shareholders equally at shareholders' meetings and in other cases.
6. To manage the organization with morality and ethics; to promote righteousness and ethics in all levels of the organization; and to monitor and solve problems or conflicts of interest potentially arising.

B. Employee Treatment Policy

Employees are at the heart of the Company's operations. People plays a crucial part in the Company's achievement of its goals. Therefore, the Company must ensure their well-being and treat them fairly in terms of equal opportunities, remuneration, promotion, transfer, or capacity building. The guidelines on employee treatment can be summarized as follows:

1. To treat employees with respect for their honor, dignity and privacy
3. To maintain a safe workplace environment for employees' life and property
4. To appoint or transfer or give rewards or punishments to employees based on integrity and employees' knowledge, ability, and suitable qualifications
5. To focus on employee knowledge and capacity building through seminars, trainings, etc.
6. To determine fair remuneration rates and welfare schemes for employees which shall be in line with The Company's operating results. Short-term remuneration is based on market conditions, business competition, nature of works, business performance, and profitability of each year. Long-term remuneration is exemplified by performance measurement based on balanced scorecard.

7. To listen to the voice and recommendations based on professional knowledge of employees

C. Customer Treatment Policy

The Company believes in business value created through the continued building of customer satisfaction and confidence as customers are always the main patron of the Company. The customer treatment policy can be summarized as follows:

1. To provide quality services to customers at fair prices
2. To provide accurate news and information to customers, avoiding overstatements that can cause a misunderstanding about quality, quantity or conditions of a particular service
3. To maintain customers' interests with integrity, and to provide advice on services suitable for and beneficial to the customers
4. To avoid calling for or seeking benefits from the customers by abusing own position
5. To refrain from using customers' data for personal gains

D. Credit or Treatment Policy

The Board of Directors established a policy regarding fair treatment and responsibility for creditors, especially in terms of credit guarantee, capital management, and defaulted payments, in a clear and concrete manner. Relevant practices were disclosed. For example, regarding capital management, the Company shall maintain its liquidity ratio at an adequately high level and also its debt to equity ratio at an appropriate level. This is to ensure the Company's debt servicing ability on a continuous basis and in a timely manner. As for credit guarantee, the Company shall ensure that there is no damage to credit guarantors. In case of any problems, the Company shall take responsibility. Regarding defaulted payments, the Company shall not default on payments and

shall expeditiously solve any problems arising in order to repay debts to the creditors.

E. Trading Partner and Contract Party Treatment Policy

Equitable treatment of trading partners based on mutual interests is key to business success. The Company's guidelines on this matter can be summarized as follows:

1. To procure products and services based on systems and standards as follows:
 - To have fair competition in terms of information
 - To have criteria for evaluating and selecting trading partners
 - To have fair contracts
 - To arrange a management and monitoring system to ensure that contract conditions are fully complied with and all forms of corruption are prevented at all steps of procurement
 - To make payments to trading partners and contract parties on time and according to payment conditions as mutually agreed
2. To develop and maintain sustainable relationships with trading partners and contract parties, to build mutual trust, and to avoid fake advertisements or fraudulently misleading trading partners or contract parties
3. To treat trading partners and contract parties with equality and fairness. Transactions shall be based on mutual benefits of both parties. Contract terms and conditions shall be strictly honored.
4. To be committed to developing and maintaining sustainable relationships with trading partners and contract parties with clear

objectives in terms of quality of products and services for best value, quality of techniques, and mutual trust.

F. Competitor Treatment Policy

The Company shall conduct business on a fair competition basis by upholding the following guidelines:

1. Not to seek confidential information of rivals through fraudulent or indecent means.
2. Not to destroy competitors' reputation by wrong accusations
3. Not to take any actions that violate rivals' or others' intellectual property

G. Social and Public Responsibility

The Company places social and public responsibility as one of its priorities as follows:

1. To comply with legal provisions or regulations concerned
2. To be aware of environmental conservation and safety management

Stakeholders are allowed to express their opinions or suggestions to the Board of Directors through the Corporate Secretary, or the Company's website, or mailing. If anyone witnesses a person's illegal act or misconduct, inaccurate financial reporting, or an internal control system deficiency, they can report such incident through the Audit and Corporate Governance Committee or the Corporate Secretary. The Company shall protect the whistleblower and keep their name unknown. The Audit and Corporate Governance Committee shall verify and report the matter to the Board of Directors for acknowledgement and further relevant actions.

6.1.2.5 Compensation for Right Infringement

The Board of Directors stipulated a policy regarding non-violation of intellectual property or copyrights. A set of guidelines were established, requiring that products of achievement or data owned by outsiders to be acquired by or used within the Company must be verified. This is to prevent an incident of violating another person's intellectual property or copyrights. Any violation must be rectified soonest and relevant compensation must be paid to the violated person.

6.1.2.6 Anti-Corruption

The Company disclosed its anti-corruption manual containing a relevant policy and a set of guidelines to combat corruption in a full version in Attachment 5.

6.1.2.7 Actions Against Those Defying Policies and Guidelines

If any director or executive or employee is found to have violated the business code of conduct or any desirable work practice, thereby tainting or causing damage to the Company, the Company shall take relevant actions deemed appropriate, including coordinating with relevant supervisory bodies in taking legal action.

6.2 Business Code of Conduct

The Board of Directors set up a code of conduct and a set of desirable work practices in writing as a tool to promote the Company's vision, objectives, goals, strategies, and transparency. The document covers director and executive ethics; guidelines for treatment of all stakeholders including shareholders, employees, customers and consumers, creditors, trading partners and contract parties, competitors, and society and the public; and employee ethics such as treatment of the Company, handling of procurement and transactions, prevention of a conflict of interest, treatment of others, care for safety, health, society and the environment, and anti-corruption.

The process to support directors, executives, and employees to comply with the code of conduct to form a corporate culture:

It shall be the duties and responsibilities of directors, executives, and employees to learn, to understand, and to comply with the policies in the code of conduct and desirable work practices strictly. Their compliance must be on a mandatory basis and they cannot claim that they are unaware of the guidelines. All executives must take responsibility and ensure that employees under their line of command know, understand, and comply with the code of conduct and desirable work practices strictly. There shall be communications such as in-house announcements, clarification meetings, document handouts for all departments, orientation sessions for new hires, and publications on the Company's website at www.pylon.co.th.

The Company shall not tolerate any illegal actions or misconduct. If any director, executive or employee violates the code of conduct, they shall be strictly subject to a disciplinary action. If there is a reasonable ground to believe that their action is illegal or defies rules, delegations or directives of the government, the Company shall report the case to the government official for further action without delay. The Board of Directors and the Audit and Corporate Governance Committee required that there be a review of the "code of conduct and desirable work practices" manual on a yearly basis to ensure that the document is complete and comprehensive.

The Company's corporate governance policy, code of conduct, and desirable work practices were disclosed in Attachment 5.

6.3 Key Changes and Developments of Policies, Guidelines, and Corporate Governance Systems in the past year

6.3.1 Key changes and developments of policies, guidelines, and corporate governance systems or board/committee charters in the past year

In the past, the Board of Directors reviewed the CG Code 2017 and adopted two additional principles.

6.3.2 CG CODE 2017 principles not yet adopted

The Company already provided justification for some 2017 CG Code principles which have not yet been adopted as part of its record to support the Board of Directors' consideration and review.

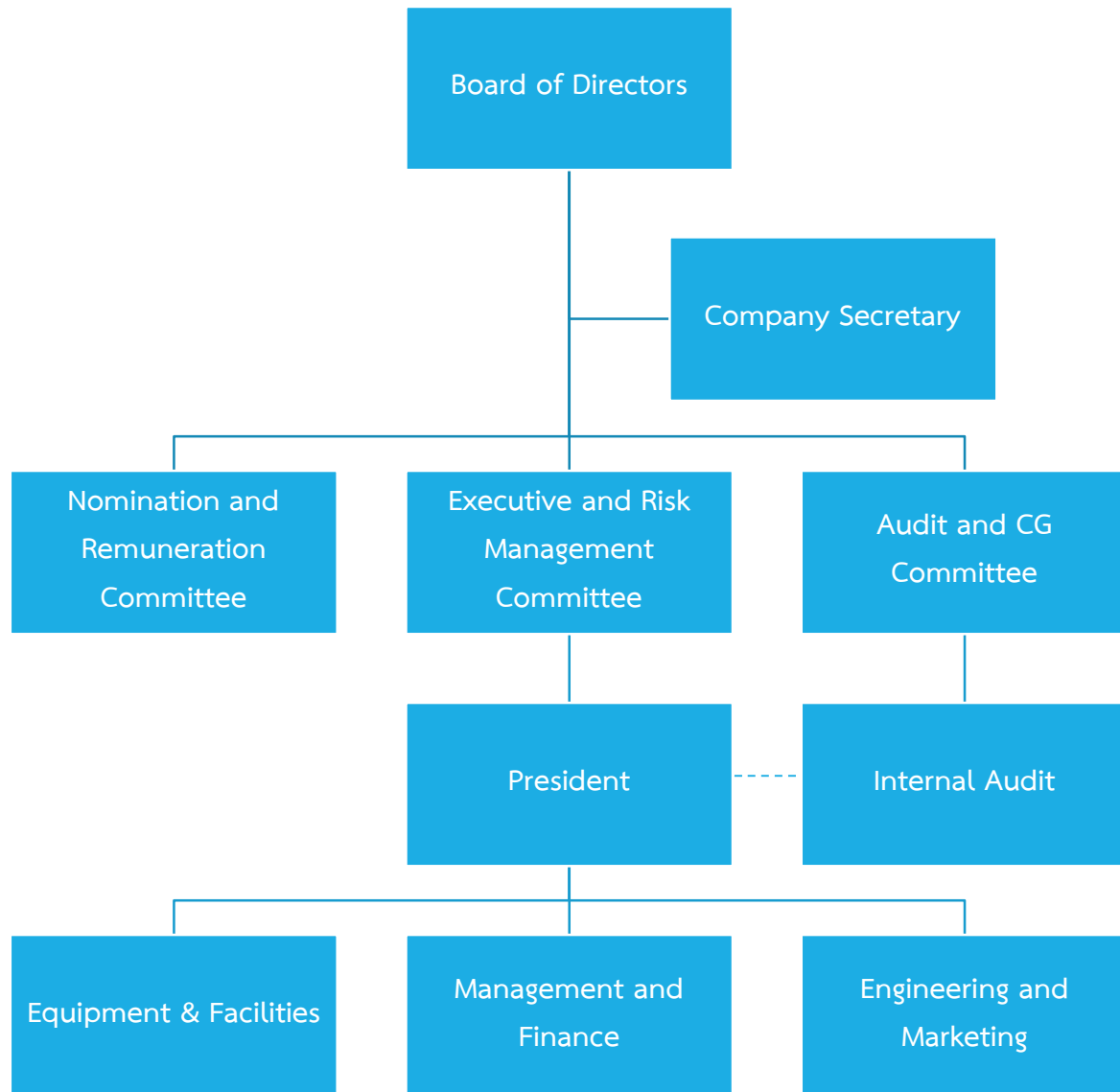
6.3.3 Other practices according to CG principles

As it managed its operations based on the CG Code 2017, the Company successfully earned excellent scores for its corporate governance for a continuous period. In 2021, the Company's ratings by supervisory bodies and agencies were as follows:

- An "Excellent" rating for its 2021 AGM quality by the Thai Investors Association (TIA)
- An "Excellent" rating according to the 2021 Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors (IOD)

7. Corporate Governance Structure and Important Information Relating to Board of Directors, Committees, Executives, Employees, and Others

7.1 Corporate Governance Structure



Remarks:

Solid line refers to a line of command.

Dotted line refers to a line of coordination.

7.2 Board of Directors' Information

7.2.1 Board of Directors' Composition

As at 31 December 2021, there were a total of 9 directors as follows:

1. There were five non-executive directors, representing 55.56% of the total directors as follows:
 - There were four independent directors representing 44.44% of the total directors. They were independent from the management and the major shareholders.
 - There was one non-independent director representing 11.11% of the total directors.
2. There were four executive directors representing 44.44% of the total directors.

Each director's profile is as shown in Attachment 1.

7.2.2 Information of Individual Directors and Persons with Controlling Authority

Name-Surname	Position
Mr. Seri Chintanaseri	Chairman / Independent Director
Mr. Panja Senadisai	Independent Director and Chairman of the Audit and Corporate Governance Committee
Mr. Vinit Chovichien	Independent Director, Member of the Audit and Corporate Governance Committee, and Chairman of the Nomination and Remuneration Committee
Mr. Chaipat Sahasakul	Independent Director, Member of the Audit and Corporate Governance Committee, and Member of the Nomination and Remuneration Committee
Mr. Vongchai Sangarayakul ¹	Director and Member of the Nomination and Remuneration Committee
Mr. Chanet Sangarayakul ¹	Director and Chairman of the Executive and Risk Management Committee

Name-Surname	Position
Mr. Somsak Viriyapipat ¹	Director and Member of the Executive and Risk Management Committee
Mr. Pisun Sirisuksakulchai ¹	Director and Member of the Executive and Risk Management Committee
Mr. Bordin Sangarayakul ¹	Director and Member of the Executive and Risk Management Committee

Remark:

1. The Company's authorized signatories, namely Mr. Chanet Sangarayakul and Mr. Bordin Sangarayakul, shall co-sign and affix the Company's seal to be binding upon the Company. Or, either Mr. Chanet Sangarayakul or Mr. Bordin Sangarayakul shall co-sign with either Mr. Vongchai Sangarayakul or Mr. Somsak Viriyapipat or Mr. Pisun Sirisuksakulchai and affix the Company's seal to be binding upon the Company.

7.2.3 Roles and Duties of the Board of Directors, the Chairman of the Board of Directors, and the President

7.2.3.1 Roles and Duties of the Board of Directors

The Board of Directors shall have authority to approve corporate matters within the scope of duties and responsibilities, including supervising the Company's compliance with laws, corporate objectives and articles of association, and resolutions passed by shareholders' meetings according to law. The Board of Directors shall also determine, review, and approve corporate vision, objectives (in line with missions), strategies, and business directions each year, as well as monitor operating results to ensure achievement of action plans. They shall perform duties with integrity and prudently protect the Company's interests. There is a clear segregation of duties between the Board of Directors and the management.

7.2.3.2 Roles and Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors shall chair the Board of Directors' meetings and the shareholders' meetings. He shall supervise the Board of Directors' meetings and the shareholders' meetings to ensure efficiency and success. He shall be responsible for leading the Board of Directors in

supervising, monitoring, and overseeing the management operations of the Executive and Risk Management Committee and other committees to achieve objectives specified in action plans.

7.2.3.3 Roles and Duties of the President

The President is vested with authority to manage the Company's business to meet objectives, articles of association, policies, regulation, requirements, directives, and resolutions of the shareholders' meetings and/or the Board of Directors' meetings and/or the Executive and Risk Management Committee's meetings. However, the President shall not have authority to approve transactions in which the President or his related person has a possible conflict of interest, a vested interest, or a conflict of any nature with the Company or its subsidiary. This shall be in accordance with regulations of the SEC and the SET. Such transactions must be proposed to the Board of Directors' meetings and/or the shareholders' meetings for consideration and approval according to the Company's Articles of Association or relevant laws. An exception applies to the case where such transactions are ordinary business operations as per the Board of Directors' clearly pre-determined framework.

Details of the charters of the Board of Directors and the Chairman of the Board of Directors as well as roles and duties of the President are as disclosed in Attachment 8.

7.3 Committees' Information

7.3.1 Committees and their Scope of Authority, Duties, Roles, and Responsibilities

7.3.1.1 The Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee shall have its scope of authority, duties, and responsibilities as assigned by the Board of Directors. Details are as per the Audit and Corporate Governance Committee's Charter in Attachment 8 including but not limited to.

1. To review the Company's financial reports to ensure accuracy and adequacy
2. To review the Company's internal control system and internal audit to ensure appropriateness and effectiveness; and to consider the independence of the performance of duties of the internal audit function
3. To review the Company's compliance with the securities and exchange act, requirements of the SET, and laws relating to the Company's business
4. To consider related party transactions or transactions with a possible conflict of interest to ensure compliance with laws and requirements of the SET and to provide assurance that such transactions were reasonable and for the ultimate benefit of the Company
5. To supervise the organization's compliance with the good corporate governance principles

7.3.1.2 The Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall have its scope of authority, duties, and responsibilities as assigned by the Board of Directors. Details are as per the Nomination and Remuneration Committee's Charter in Attachment 8 including but not limited to.

1. To consider the structure and composition of the Board of Directors and qualifications of the directors; and to nominate candidates with knowledge and capabilities suited for the Company as directors and the President
2. To consider formats and criteria for payments of remuneration for directors and the President

7.3.1.3 The Executive and Risk Management Committee

The Executive and Risk Management Committee shall have its scope of authority, duties, and responsibilities as assigned by the Board of Directors. They shall be in charge of matters relating to ordinary business operations and management; and determination of policies, business plans, budgets, management structure, risk management, management authority, and guidance for doing business in line with economic conditions. They shall propose relevant matters to the Board of Directors

for consideration and approval and/or endorsement. They shall also review and monitor the Company's operating results according to specified policies. Details are as shown in Attachment 8.

The Executive and Risk Management Committee shall not have authority to approve transactions in which the Executive and Risk Management Committee or its members have a possible conflict of interest, a vested interest, or a conflict of any nature with the Company or its subsidiary (if any). This shall be in accordance with regulations of the SEC and the SET. Such transactions must be proposed to the Board of Directors' meetings and/or the shareholders' meetings for consideration and approval according to the Company's Articles of Association or relevant laws. An exception applies to the case where such transactions are ordinary business operations as per the Board of Directors' clearly pre-determined framework.

7.3.2 Names of Committee Members

7.3.2.1 The Audit and Corporate Governance Committee

As at 31 December 2021, the Audit and Corporate Governance Committee consisted of the following.

	Name-Surname	Position
1.	Mr. Panja Senadisai ¹	Chairman/Independent Director
2.	Mr. Chaipat Sahasakul ¹	Member/Independent Director
3.	Mr. Vinit Chovichien	Member/Independent Director

Remark:

1. Dr. Panja Senadisai and Dr. Chaipat Sahasakul were members of the Audit and Corporate Governance Committee with knowledge and experience of more than 30 years and 20 years respectively in reviewing the financial statements to ensure correctness and adequacy.

7.3.2.2 The Nomination and Remuneration Committee

As at 31 December 2021, the Nomination and Remuneration Committee consisted of the following.

	Name-Surname	Position
1.	Mr. Vinit Chovichien	Chairman/Independent Director
2.	Mr. Chaipat Sahasakul	Member/ Independent Director
3.	Mr. Vongchai Sangarayakul	Member

7.3.2.3 The Executive and Risk Management Committee

As at 31 December 2021, the Executive and Risk Management Committee consisted of the following.

	Name-Surname	Position
1.	Mr. Chanet Sangarayakul	Chairman
2.	Mr. Somsak Viriyapipat	Member
3.	Mr. Pisun Sirisuksakulchai	Member
4.	Mr. Bordin Sangarayakul	Member

7.4 Management Information

7.4.1 Names and positions of the top executive and the first four senior executives next to the president (or those holding equivalent positions to the fourth senior executive)

As at 31 December 2021, the names and positions of the president and the first four senior executives next to the president (and those holding equivalent positions to the fourth senior executive) were as follows:

	Name-Surname	Position
1.	Mr. Chanet Sangarayakul	President
2.	Mr. Pisun Sirisuksakulchai	Senior Executive Vice President – Engineering & Marketing
3.	Mr. Somsak Viriyapipat	Senior Executive Vice President – Equipment & Facilities
4.	Mr. Bordin Sangarayakul	Senior Executive Vice President – Finance & Management
5.	Mr. Veeratas Chiradechvirod	Executive Vice President – Management
6.	Mr. Chaiyaphol Sutthamanuswong	Executive Vice President – Accounting and Finance

The knowledge, expertise, skillsets, and experience of the management above are as per Attachment 1.

7.4.2 Policy on Executive Directors' and Executives' Remuneration

The President shall consider and determine appropriate remuneration rates and annual remuneration adjustments for executive directors and executives. Remuneration for

executive directors and executives consisted of salaries and bonuses which were linked to the corporate business performance and each person's performance according to the key performance indicators (KPI) system.

7.4.3 Total Remuneration for Executive Directors and Executives

In 2021, total executive remuneration, consisting of salaries, bonuses, provident fund contributions, and social security fund contributions, was Baht 15.836 million, accounting for 9.35% of the Company's total employee remuneration.

7.5 Employee Information

As at 31 December 2019, 2020, and 2021, the Company's workforce figures based on key divisions were as follows:

Key Divisions	Number of Employees (Persons)		
	2019	2020	2021
Equipment & Facilities	277	212	198
Engineering & Marketing	510	339	323
Finance & Management	44	39	37
Total	831	590	558

Remarks:

The President and the corporate secretary were not included in the above table.

The number of employees in 2020 and 2021 declined because of the COVID-19 situation; the Company had to lower the number of manpower in each function to be commensurate with its decreasing revenues.

The total employee remuneration in 2021 was Baht 169.34 million, consisting of salaries, overtime payments, bonuses, provident fund contributions, social security fund contributions, and others.

7.6 Other Important Information

7.6.1 List of Persons Directly in Charge of Accounting, Corporate Secretary, and Internal Auditor

For accounting:

Ms. Nipawan Rojjanabandit

The profile is as shown in Attachment 1.



For corporate secretary:

Ms. Thitima Tiewprateep

The profile is as shown in Attachment 1.

For an internal auditor hired through an outside firm:

El Business Advisory Co., Ltd. with Mr. Suvit Chanamporn as the President.

The profile is as shown in Attachment 3.

7.6.2 List of Investor Relations Team Members and Contact Information

Ms. Thitima Tiewprateep	Tel. 02-615-1259 Ext. 108 Email: thitima@pylon.co.th
Mr. Veeratas Chiradechvirot	Tel. 02-615-1259 Ext. 401 Email: veeratas@pylon.co.th
Mr. Chaiyaphol Sutthamanuswong	Tel. 02-615-1259 Ext. 301 Email: chaiyaphol@pylon.co.th
Ms. Nipawan Rojjanabandit	Tel. 02-615-1259 Ext. 302 Email: nipawan@pylon.co.th
Other contact information	Email: info@pylon.co.th

7.6.3 Audit Fee, Auditor's Firm, and Affiliated Parties

In 2021, the Company paid an audit fee of Baht 880,000 to Proud in Pro Co., Ltd. Of this, Baht 835,000 was for the Company, and Baht 45,000 was for the subsidiary. This excluded other audit-related expenses such as vehicle expense, accommodation expense, and staff allowance at Baht 200 per person per day.

The Company did not have any non-audit fees paid to the auditor, the auditor's firm, or any related persons or parties of the auditor or the auditor's firm.

8. Report of Key Operating Results for Corporate Governance

8.1 Summary of the Board of Directors' Work Results in 2021

The Board of Directors held meetings to consider and determine policies and strategies to improve competitiveness, to foster a corporate culture and a set of corporate core values, to enhance efficiency of internal control system adequacy supervision, and to manage enterprise risks. The following key matters were considered.

1. Acknowledging the operating results
2. Endorsing the financial statements for proposing to the shareholders' meeting for approval
3. Appropriating a portion of a net profit for a dividend payout to the shareholders according to the situation, and ensuring sufficient liquidity to support business operations
4. Considering and selecting an auditor and fixing an audit fee as proposed by the Audit and Corporate Governance Committee before submission of the matter to the shareholders' meeting for approval
5. Considering directors' remuneration before submission of the matter to the shareholders' meeting for approval
6. Considering date, time, and agenda of each shareholders' meeting
7. Considering and determining business directions and projected revenues under unusual situations
8. Considering and determining bidding strategies for construction projects under high competition due to significantly lower new construction projects in the market triggered by the COVID-19 pandemic
9. Considering important and necessary investment budgets in line with business plans
10. Passing a unanimous resolution not to receive a performance bonus for 2020 to help reduce the Company's financial burden as proposed by the Nomination and Remuneration Committee
11. Adjusting criteria for the performance evaluation of the President & CEO for the organization's enhanced efficiency and effectiveness in a changing context

12. Reviewing the adoption of the Corporate Governance Code for Listed Companies 2017 (CG Code 2017). In 2021, two additional principles in the CG Code 2017 were adopted. Justification for unadopted principles of the corporate governance code for listed companies 2017 (CG Code 2017) was recorded for the consideration and review by the Board of Directors.
13. Considering, reviewing, suggesting, advising, and acknowledging results of risk assessment as per relevant reports of the Audit and Corporate Governance Committee
14. Considering, reviewing, suggesting, advising, and acknowledging results of internal control system adequacy assessment as per relevant reports of the Audit and Corporate Governance Committee
15. Having a meeting without management's participation to independently assess management's work efficiency; and providing recommendations or suggestions beneficial to the management
16. Acknowledging related party transactions as per details in 9.2

8.1.1 Nomination, Development, and Performance Evaluation of the Board of Directors

8.1.1.1 Nomination of Directors, Independent Directors, and Top Executive

In 2021, the Board of Directors considered three directors retiring by rotation (one independent director) and deemed that they still had all qualifications for a director as well as relevant knowledge and capabilities. They also dedicated their time and efforts to the performance of duties for the Company. If there were no shareholders proposing any nominations within a specified time frame, it shall be deemed appropriate to propose the re-appointment of the three directors for another term to the Nomination and Remuneration Committee for endorsement before submission to the shareholders' meeting for consideration and approval. However, if there were shareholders nominating candidates within a specified time frame, the Nomination and Remuneration Committee should consider the matter again before submission to the Board of Directors

for consideration and endorsement before further submission to the shareholders' meeting for consideration.

(1) Independent Directors

A. Criteria for Selecting Independent Directors

A.1 Qualifications

An independent director as defined by the Company is as follows:

1. Holding no more than one percent of the total voting shares of the parent, subsidiary, and associate companies or a juristic person with a possible conflict of interest (including shares held by persons related to that independent director according to Section 258 of the Securities and Exchange Act (No.4) B.E. 2551) with that independent director
2. Neither being (at present) nor having been (in the last two years before the appointment) an executive director (a director holding an executive position, a director serving as an executive, and an authorized signatory director – unless it is co-signing with another director and to be binding upon a transaction approved by the Board of Directors' resolution), worker, employee, advisor earning a regular monthly salary, or controlling person of the Company, the parent company, subsidiaries, associates, subsidiaries of the same tier (at least two subsidiaries sharing the same parent company of the same tier), or juristic persons with a possible conflict of interest
3. Not being a person who is related by blood or by legal registration as a parent, spouse, sibling, child or spouse of a child of another executive, major shareholder, controlling person or person to be nominated as an executive or controlling person of the Company or its subsidiaries
4. Neither having (at present) nor having had (in the last two years before the appointment) a business relationship with the Company, the parent company, subsidiaries, associates, or juristic persons with

a possible conflict of interest, that may interfere with independent discretion, which includes neither being (at present) nor having been (in the last two years before the appointment) a significant shareholder, a non-independent director, or an executive of any person having a business relationship with the Company, the parent company, subsidiaries, associates, or juristic persons with a possible conflict of interest, that values at least 3% of net tangible assets (NTA) of the Company or at least Baht 20 million, whichever is lower. The calculation of such value shall include transactions in the last one year with the same person. Such business relationship shall include normal business transactions, leasing or letting of immovable assets, transactions relating to property or services, or giving or receiving financial support.

5. Neither being (at present) nor having been (in the last three years before the appointment) an auditor of the Company, the parent company, subsidiaries, associates, or juristic persons with a possible conflict of interest; and not being a significant shareholder, a non-independent director, an executive, or a partner of the audit firm which employs the auditor of the Company, the parent company, subsidiaries, associates, or juristic persons with a possible conflict of interest
6. Neither being (at present) nor having been (in the last two years before the appointment) a provider of professional services, which includes serving as a legal or financial advisor being paid a service fee of more than Baht two million per year by the Company, the parent company, subsidiaries, associates, or juristic persons with a possible conflict of interest; and not being a significant shareholder, a non-independent director, an executive, or a managing partner of such provider of professional services if being a juristic person
7. Not being a director who is appointed as a representative of the Company's directors, major shareholder, or shareholder who is a connected person of a major shareholder

8. Not having any other characteristics that impede the freedom of expression of opinions about the Company's business operations

A.2 Nomination of Independent Directors

The method for selection and nomination of candidates for Independent directors is similar to that for directors and top executive as per details in (2).

B. Whether an independent director is having a business relationship or providing professional services; or whether a candidate appointed as an independent director is having or used to have a business relationship or is providing or used to provide professional services at a value exceeding a specific requirement.

-- No --

(2) Nomination of Directors and Top Executive

A. Method for selection and nomination of candidates to be appointed as directors and top executive

Selection and nomination of candidates as directors and top executive shall be subject to the Nomination and Remuneration Committee's consideration.

At the shareholders' meeting, the election of directors and top executive shall be conducted according to the following criteria and procedures.

1. Each shareholder shall have one vote per share based on the number of shares they hold.
2. Each shareholder shall exercise all their votes to elect one or more than one nominated candidate as directors, but vote splitting is not allowed.

3. The candidate with the highest number of votes shall be elected. However, the number of elected candidates must not exceed the number of directors to be elected at that particular meeting. In the case where the lower ranking candidates get a tie vote, causing the number of the elected candidates to exceed the number of directors to be elected at that particular meeting; the chairman of the meeting shall cast an additional vote to break the tie.

B. Retail Investors' Right to Appoint a Director

In 2021, in case of any vacancies in the Board of Directors due to the directors retiring by rotation, the Company allowed its shareholders to submit a list of nominated candidates via the Company's website in advance from 17 November 2020 to 1 February 2021. This was to promote the good corporate governance principles and the importance of the shareholders according to the SET's guidance. However, no shareholders had submitted a list of nominations within a specified time frame. The Nomination and Remuneration Committee then considered the qualifications, experience, knowledge, capabilities, and past achievements of the directors retiring by rotation. After the Board of Directors considered that the nominated candidates as screened by the Board of Directors had qualifications suitable for the business operations and had freedom of expression of opinion according to relevant criteria, the matter was submitted to the shareholders' meeting for consideration and re-appointment of the directors retiring by rotation as directors for another term. (The appointment of each director shall be subject to more than one-half of the total votes of the shareholders present at the meeting and having the right to vote.)

8.1.1.2 Director Development

In 2021, there were two directors participating in trainings as follows:

No	Name-Surname	Position	Course and Institute
1.	Dr. Chaipat Sahasakul	Independent Director	National Director Conference 2021, Thai Institute of Directors (IOD)
			“Easy Listening: Accounting Tips Not to Be Missed by AC”, Office of Securities and Exchange Commission (SEC)
2.	Mr. Bordin Sangarayakul	Director	TLCA CFO Professional Development Program (TLCA CFO CPD 2021 No. 2): “COVID-19 Implications for Financial Reporting and Audit”
			TLCA CFO Professional Development Program (TLCA CFO CPD 2021 No. 3): “How to Manage the Company’s Finance & Accounting and Communicate with Stakeholders during COVID-19 Crisis”
			TLCA CFO Professional Development Program (TLCA CFO CPD 2021 No. 6): “ESG Integration in Sustainable Investing”
			Employee Engagement: How Personnel Engagement Plays a Key Role in Organization Management

8.1.1.3 Performance Evaluation of Board of Directors and Committee’s Members

A. Performance Evaluation of Board of Directors

It was concluded that the Board of Directors had a proper composition, and the directors possessed appropriate qualifications and performed duties to the best of their responsibility according to best practices for directors, resulting in efficient Board of Directors’ meetings.

B. Performance Evaluation of Committee’s

It was concluded that the Audit and Corporate Governance Committee and the Nomination and Remuneration Committee each had a proper composition, and their members performed duties according to their respective charters.

8.1.2 Meeting Attendance and Individual Directors Remuneration

In 2021, there were a total of six Board of Directors' meetings which were attended by all of the directors (except for Mr. Suchat Boonbanjerd Sri who resigned as a director on 23 July 2021 and therefore attended only three of such meetings). Moreover, all the directors attended the 2021 Annual General Meeting of Shareholders. Details of the meeting attendance and individual directors/subcommittee members' remuneration were as per the tables .

Table: Meeting Attendance Statistics of Individual Directors

Name – Surname	Position	2021		
		The Board of Directors' Meeting (6 times)	The Audit and Corporate Governance Committee's Meeting (6 times)	The Nomination and Remuneration Committee's Meeting (2 times)
Mr. Seri Chintanaseri	Chairman of the Board of Directors and Independent Director	6/6		
Dr. Panja Senadisai	Independent Director and Audit and Corporate Governance Committee Chairman	6/6	6/6	
Professor Emeritus Dr. Vinit Chovichien	Independent Director, Audit and Corporate Governance Committee Member, and Nomination and Remuneration Committee Chairman	6/6	6/6	2/2
Dr. Chaipat Sahasakul	Independent Director, Audit and Corporate Governance Committee Member, and Nomination and Remuneration Committee Member	6/6	6/6	2/2
Mr. Suchat Boonbanjerdski ¹	Director	3/3		
Mr. Vongchai Sangarayakul	Director and Nomination and Remuneration Committee Member	6/6		2/2
Dr. Chanet Sangarayakul	Director and Executive and Risk Management Committee Chairman	6/6		
Mr. Bordin Sangarayakul	Director and Executive and Risk Management Committee Member	6/6		
Mr. Somsak Viriyapipat	Director and Executive and Risk Management Committee Member	6/6		
Mr. Pisun Sirisuksakulchai	Director and Executive and Risk Management Committee Member	6/6		

Table: Individual Directors' Remuneration

Name-Surname	2021					
	Monthly Remuneration	Meeting Allowance			Directors' Bonus	Total
		Board of Directors	Audit and CG Committee	Nomination and Remuneration Committee		
1. Mr. Seri Chintanaseri	600,000.00	30,000.00			-	630,000.00
2. Dr. Panja Senadisai	420,000.00	30,000.00	30,000.00		-	490,000.00
3. Dr. Chaipat Sahasakul	372,000.00	30,000.00	30,000.00	10,000.00	-	452,000.00
4. Professor Emeritus Dr. Vinit Chovichien	372,000.00	30,000.00	30,000.00	10,000.00	-	442,000.00
5. Mr. Vongchai Sangarayakul	252,000.00	30,000.00		10,000.00	-	292,000.00
6. Dr. Chanet Sangarayakul		30,000.00			-	30,000.00
7. Mr. Bordin Sangarayakul		30,000.00			-	30,000.00
8. Mr. Somsak Viriyapipat		30,000.00			-	30,000.00
9. Mr. Pisun Sirisuksakulchai		30,000.00			-	30,000.00
10. Mr. Suchat Boonbanjerd Sri	147,000.00	15,000.00			-	162,000.00
Total	2,163,000.00	285,000.00	90,000.00	30,000.00	-	2,588,000.00

¹ Remark: Mr. Suchat Boonbanjerd Sri resigned as a director of the Company on 23 July 2021.



8.1.3 Supervision of Operations of Subsidiaries and Associates

The subsidiary's operations have ceased temporarily since 2019.

8.1.4 Monitoring of Compliance with Corporate Governance Policy and Guidelines

The Company monitored and ensured the compliance with the corporate governance (CG) policy and guidelines and the results were achieved as planned. Examples of key operations were as follows:

1. Adjusting strategies, action plans, and budgets following the COVID-19 impacts on the Company's industry. The Board of Directors led the efforts to refuse to receive a bonus for a second consecutive year.
2. Promoting adoption of digital innovations as part of the Company's core business through mobile phones for improved operational efficiency and monitoring and less social and environmental impacts
3. Reviewing risk factors affecting risk management as a result of the government COVID-19 control measures and identifying the Company's measures to address such risks
4. Reviewing internal control system to be aligned with changing risk factors and new normal work practices

Apart from monitoring and ensuring the compliance with the CG policy and guidelines as mentioned in Item 8 of this report, the Company monitored the compliance with the CG principles in relation to the following four issues:

(1) Prevention of Conflicts of Interest

Monitoring results:

1. The management reported a related party transaction between the Company and Siam Pharmacy (2018) Co., Ltd. (major shareholders of Pylon held 60% of total shares) to the Audit and Corporate Governance Committee and the Board of Directors. The transaction was undertaken in line with regulations of the SET Board of Governors and the Capital Market Supervisory

Board based on the utmost benefit of the Company. As it was a small-sized transaction, the management had authority to take relevant actions.

2. In considering the re-appointment of a director retiring by rotation for another term, the director to be re-appointed would ask permission to leave the meeting room and would not have the right to vote on such matter to avoid a conflict of interest.
3. The Board of Directors acknowledged the reporting of director and management positions of executives in other companies and ensured neither conflicts of interest nor direct conflicts with the duties at the Company.

(2) Use of Internal Information for Personal Gains

Monitoring results:

In 2021, neither directors nor executives was found to trade securities during periods in which trading of securities was prohibited.

(3) Anti-Corruption

Anti-corruption operations could be summarized as follows:

1. The Board of Directors resolved to approve an anti-corruption policy at its meeting no. 6/2017 held on 19 December 2017.
2. The internal auditor hired through an outside party (El Business Advisory Co., Ltd.) performed an assessment of the anti-corruption policy and manual and viewed that they were appropriate and adequate. According to the 2022 audit plan endorsed by the Audit and Corporate Governance Committee, the internal auditor hired through an outside party (El Business Advisory Co., Ltd.) shall review the compliance with the anti-corruption policy and manual.
3. The Company complied with the anti-corruption guidelines specified in the manual.
4. According to requirements of Thai Institute of Directors (IOD), the Company shall file a new application for recertification of renewal of membership of

the Thai Private Sector Collective Action Against Corruption (CAC) every three years. The Company already submitted relevant documents to request its membership renewal certification on 30 June 2021 and the first recertification was completed on 6 October 2021.

5. Corruption risk was included as a topic in the Company's risk assessment.
6. The management arranged communications with and trainings for its employees to educate them about the anti-corruption policy and manual.

The Company shared its full version of anti-corruption manual, including the policy and guidelines, in Attachment 5.

(4) Whistleblowing

-None-

8.2 Report of the Audit and Corporate Governance Committee's Performance in 2021

8.2.1 Details of Number of Meetings and Attendance Statistics of Individual Committee Members

Details are as shown in 8.1.2.

8.2.2 The Audit and Corporate Governance Committee's performance

The Audit and Corporate Governance Committee held meetings to consider the following important matters.

1. Reviewing the Company's financial statements
2. Selecting an auditor and fixing relevant remuneration for proposing to the Board of Directors for endorsement prior to further proposing to the shareholders' meeting for approval
3. Considering, reviewing, suggesting, recommending, and acknowledging results of risk assessment according to the Executive and Risk Management Committee's report

4. Reviewing, suggesting, advising, and acknowledging results of internal control system adequacy assessment according to the Executive and Risk Management Committee's report
5. Meeting with the auditor without management's participation. This was ensuring that there was freedom of discussion at the Audit and Corporate Governance Committee's meeting. The auditor might be asked to provide opinions on various matters such as quality of audit work and collaboration in terms of auditing and other matters concerned. Also, any issues of concern or limitations of scope of audit could be mentioned.
6. Endorsing 2022 audit plan by considering risks, priorities, and urgent issues.
7. Acknowledging related party transactions as per details in 9.2

8.3 Summary of Performance of Other Committees

8.3.1 Details of Number of Meetings and Attendance Statistics of Individual

Committee Members

8.3.1.1 Nomination and Remuneration Committee

Details are as shown in 8.1.2.

8.3.1.2 The Executive and Risk Management Committee

In 2021, there were a total of eight meetings of the Executive and Risk Management Committee. All four members, namely Mr. Chanet Sangarayakul, Mr. Bordin Sangarayakul, Mr. Pisun Sirisuksakulchai, and Mr. Somsak Viriyapipat, attended all of the eight meetings.

8.3.2 Committees' Performance

8.3.2.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee held meetings to consider the following important matters.

1. Considering and nominating directors in replacement of those rotating by rotation

2. Considering and revising criteria for President and CEO's performance evaluation to be efficient, effective, and consistent with a changing context
3. Considering and endorsing the directors' decline to receive a performance bonus for 2020 and 2021 to help ease the Company's financial burden for further submission to the Board of Directors

8.3.2.2 Executive and Risk Management Committee

The Executive and Risk Management Committee held meetings to consider the following important matters.

1. Considering and determining bidding strategies under high competition due to significantly lower number of projects triggered by the COVID-19 pandemic
2. Considering liquidity management alternatives to ensure greater efficiency while taking into consideration relevant risks
3. Considering results of the implementation of anti-corruption measure manual and recertification of membership of the Thai Private Sector Collective Action Against Corruption (CAC)
4. Acknowledging results of quarterly and annual performance reports

9. Internal Control and Related Party Transactions

9.1 Internal Control

At the Board of Directors' Meeting No. 6/2021 held on 21 December 2021, internal control adequacy was assessed based on the management report considered by the Audit and Corporate Governance Committee's Meeting 6/2021 held on 21 December 2021. Internal control system adequacy assessment form was based on internal control guidelines of The Committee of Sponsoring Organization of the Threadway Commission (COSO). It was concluded as follows:

9.1.1 The Board of Directors viewed that the Company's internal control was adequate and appropriate. Sufficient manpower was provided to run the operations efficiently. The subsidiary's operations were monitored and supervised (the subsidiary ceased its operations temporarily since 2019) and it was found that the Company and its subsidiary's assets were safeguarded against directors' or executives' misuses or unauthorized uses.

9.1.2 The Company had no deficiencies in its internal control system.

9.1.3 The Audit and Corporate Governance Committee had no differing opinions from those of the Board of Directors. The Report of the Audit and Corporate Governance Committee (internal control was an integrated part of such report) is shown in Attachment 6.

Auditor's observations regarding key highlights of internal control were as follows:

Auditor's observations

1. In the payment vouchers relating to internet banking transactions of the savings account, the names of the authorized signatories did not correspond with the names in the authority list specified in the company's policy.
2. The Company did not disclose salary base data of certain positions, leading to incomplete data for auditing employees' remuneration, for example, when testing the calculation of employees' overtime payments.

Management explanations

1. According to the Company's authority list, two executives/authorized persons shall have authority to co-sign payable cheques from a relevant current account within specific limits. Such current account also tied to a relevant saving accounts. (If there is not a sufficient balance in the current account, the system shall automatically withdraw funds from the savings account.) Therefore, there shall be no need to determine a scope of authority for giving payment instructions from the savings account. Subsequently, internal banking was added as another payment channel. A written request for such service was signed by authorized signatory directors and submitted to the bank. Two executives/authorized persons above were empowered to authorize transfers of funds from the current and savings accounts at limits equal to cheque payment limits. Recently, on 22 December 2021, the Company adjusted the authority list for internet banking transactions to ensure aligned and clear practices.
 2. Payroll data of some key positions was confidential and must be protected against possible leaks. However, the Company was willing to give salary base data using reference numbers (without indicating names-surnames and positions) for the auditor to audit employees' remuneration, for example, when testing the calculation of employees' overtime payments. The auditor agreed with the management explanation.
- 9.1.4 The Audit and Corporate Governance Committee considered the qualifications of El Business Advisory Co., Ltd. With the educational degree, experience, and trainings of Mr. Suvit Chanamporn, the company's chief executive officer, the person was deemed to be suitable to perform relevant duties independently, have enough audit experience, and provide sufficient personnel for efficient audit operations.
- 9.1.5 Any appointment, removal, or transfer of an internal audit head shall be subject to prior approval by the Audit and Corporate Governance Committee.

9.2 Related Party Transactions

9.2.1 Related Party Transactions

Details are as shown in the Note to Financial Statements 2021 No. 4: “Related Party Transactions”.

9.2.2 Necessity and Reasoness of Related Party Transactions

Related party transactions between Pylon Plc.. and Siam Pharmacy (2018) Co., Ltd. were acknowledged by the Audit and Corporate Governance Committee and were based on rules and regulations of the Stock Exchange of Thailand (SET) Board of Governors and the Capital Market Supervisory Board with the Company’s best interests and without a conflict of interest. As these were considered small transactions, the management had authority to take relevant actions.

9.2.3 Related Party Transaction Policy and Direction in Future

9.2.3.1 Policy on Related Party Transaction Approval

As a SET-listed company, the Board of Directors has been ensuring that the Company complied with the securities and exchange act, the SET Board of Governors’s and the Capital Market Supervisor Board’s rules, announcements, directives, and requirements regarding disclosures of related party transactions and acquisitions or disposals of key assets, as well as accounting standards on disclosures of related persons or parties by the Federation of Accounting Professions.

If there is a related party transaction involving a person with a possible conflict of interest or a potential conflict of interest in the future, the Audit and Corporate Governance Committee shall provide an opinion regarding the necessity to enter into such transaction and its reasonableness of pricing. Various conditions according to the ordinary course of business will be considered. Price comparison with outside parties will be made. Should the Audit and Corporate Governance Committee have no expertise in such related party transaction, an independent expert or auditor would be assigned to provide an opinion regarding such transaction instead. Such opinion would be

used in supporting a decision to be made by the Audit and Corporate Governance Committee, and/or the Board of Directors, and/or the shareholders, on case-by-case basis. In such case, the Company shall disclose the related party transaction in the notes to the financial statements subject to audits or reviews by the Company's auditor.

The Company complied with regulations of the SET Board of Governors and the Capital Market Supervisory Board regarding connected transactions and/or acquisitions or disposals of assets of listed companies and their amendments, as well as regulations regarding disclosures of information to the shareholders, investors, related agencies, and the SET, and requests for approval from boards of directors' meetings and/or shareholders' meetings as specified by the SET Board of Governors and the Capital Market Supervisory Board. Directors or shareholders with a conflict of interest or a vested interest shall not be allowed to vote when a related party transaction between the Company and those with a conflict of interest or a vested interest is considered.

9.2.3.2 Related Party Transaction Direction in Future

Any related party transaction in the future must follow the policy mentioned above. Any related party transaction must be conducted on an arm's length basis with terms and conditions similar to those offered to non-related persons or parties. There shall not be any transfer of benefits between the Company and its related parties or persons with a potential conflict of interest.

9.2.4 Disclosure of Appraisal Value in Support of Related Party Transactions

There was no such case.

Part 3

Financial Statement

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pylon Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Pylon Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2021, the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position as at 31 December 2021, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, 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.



Key audit matter	How the matter was addressed in the audit
<p>Revenue recognition for construction contracts</p> <p>The Group and the Company have revenues from construction services for the year ended 31 December 2021 of Baht 784.54 million.</p> <p>The Group's and Company's revenues are recognized based on the percentage of completion. Such revenues from construction services are material and have a significant impact to related accounting transactions including unbilled accrued income, contracted construction work in progress, and costs of construction. The percentage of completion requires management's judgement and continuous review of estimated revenues and cost budget throughout the construction periods and the estimate needs to be adjusted as necessary.</p> <p>The Group and the Company disclosed accounting policies for revenue recognition for construction in Notes 2.7 and 16 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ol style="list-style-type: none"> 1. Understanding and evaluating managements process for determining the percentage completion of contracts 2. Understanding of managements process to estimate the budgeted cost of construction by comparing the past estimations to actual costs, reviewing supporting evidence and recalculating the budgeted cost of construction of current period against actual costs after the end of period until the auditor's report date 3. Sample reviewing the reasonableness of the percentage of completion by performing physical survey of construction in progress, recalculating percentage of completion and reviewing events after the end of period until the auditor's report date 4. Sample reviewing the percentage of actual costs compared with the budgeted costs relative to the percentage of completion.

Other Matter

The consolidated financial statements of Pylon Public Company Limited and its subsidiary and the separate financial statements of Pylon Public Company Limited for the year ended 31 December 2020, presented as comparative information, were audited by an auditor in the same firm as mine who issued her audit report dated 24 February 2021 with an unmodified opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

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 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 consolidated and separate financial statements.

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

1. 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.

2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 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.
5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Miss Sansanee Poolsawat

Certified Public Accountant

Registration No. 6977

Proud in Pro Co., Ltd.

Bangkok

23 February 2022

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	378,085,610	192,964,037	374,694,654	170,151,599
Short-term investments	5.2	20,000,000	150,000,000	-	150,000,000
Other current financial assets	5.5	20,005,285	-	20,005,285	-
Trade accounts receivable	5.3	93,270,516	173,331,112	93,270,516	173,331,112
Contract assets - current	16	35,342,028	75,666,120	35,342,028	75,666,120
Other current accounts receivable	5.4	48,798,144	79,884,283	48,798,144	79,884,283
Inventories	6	41,104,841	44,307,942	41,104,841	44,307,942
Current tax assets	20	27,730,303	1,874,797	27,730,303	1,874,797
Other current assets		456,393	434,486	455,651	433,185
Total current assets		664,793,120	718,462,777	641,401,422	695,649,038
NON - CURRENT ASSETS					
Investment in subsidiary company	7	-	-	10,199,981	10,199,981
Investment property	8	3,483,006	3,969,939	3,483,006	3,969,939
Property, plant and equipment	9	464,818,196	505,479,906	464,818,183	505,479,575
Right-of-use assets	10	65,244,231	78,124,744	65,244,231	78,124,744
Intangible assets	11	5,294,756	4,632,611	5,294,756	4,632,611
Deferred income tax asset	20	6,013,202	6,933,398	136,172	1,056,368
Other non - current assets		2,670,644	3,188,171	2,670,645	3,188,171
Total non - current assets		547,524,035	602,328,769	551,846,974	606,651,389
TOTAL ASSETS		1,212,317,155	1,320,791,546	1,193,248,396	1,302,300,427

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade and other current accounts payable	5.6	123,530,232	116,818,051	123,493,885	115,561,851
Contract liabilities - current	16	30,531,641	19,094,602	30,531,641	19,094,602
Current portion of ;					
- Long - term loans from financial institutions	5.8	15,000,000	16,800,000	15,000,000	16,800,000
- Lease liabilities	5.7	21,707,052	24,410,940	21,707,052	24,410,940
- Provisions for employee benefit	13	1,485,684	1,073,460	1,485,684	1,073,460
Corporate income tax payable	20	260,319	16,919	-	-
Other current liabilities	12	6,473,829	11,868,951	6,473,829	11,868,951
Total current liabilities		198,988,757	190,082,923	198,692,091	188,809,804
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions	5.8	-	15,000,000	-	15,000,000
Lease liabilities	5.7	9,012,478	31,003,513	9,012,478	31,003,513
Non-current provision for warranties	5.6	958,192	16,653,519	958,192	16,653,519
Non-current provisions for employee benefit	13	24,204,456	19,881,890	24,204,456	19,881,890
Estimate decommissioning costs		1,642,800	1,642,800	1,642,800	1,642,800
Total non - current liabilities		35,817,926	84,181,722	35,817,926	84,181,722
TOTAL LIABILITIES		234,806,683	274,264,645	234,510,017	272,991,526

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

**PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION**

(Unit : Baht)

Note	CONSOLIDATED F/S		SEPARATE F/S	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - common share at Baht 0.5 par value				
- Authorized 749,873,396 shares	374,936,698	374,936,698	374,936,698	374,936,698
- Issued and paid - up 749,873,396 shares	374,936,698	374,936,698	374,936,698	374,936,698
Share premium	153,825,441	153,825,441	153,825,441	153,825,441
Retained earnings				
- Appropriated for legal reserve	37,979,500	37,979,500	37,979,500	37,979,500
- Unappropriated	15 416,466,519	485,482,948	391,996,740	462,567,262
Other components of equity	(5,697,686)	(5,697,686)	-	-
Total equity of the parent company	977,510,472	1,046,526,901	958,738,379	1,029,308,901
Non-controlling interests	-	-	-	-
Total shareholders' equity	977,510,472	1,046,526,901	958,738,379	1,029,308,901
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
	1,212,317,155	1,320,791,546	1,193,248,396	1,302,300,427

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	CONSOLIDATED F/S		SEPARATE F/S	
		2021	2020	2021	2020
Revenues from construction		784,542,503	1,416,033,666	784,542,503	1,416,033,666
Revenues from rental		1,327,775	781,975	1,327,775	781,975
Total revenue from services		785,870,278	1,416,815,641	785,870,278	1,416,815,641
Costs of services	18	(675,654,325)	(1,111,011,551)	(675,654,325)	(1,111,011,551)
Gross profit		110,215,953	305,804,090	110,215,953	305,804,090
Gain from disposal of fixed assets		1,472,832	1,643,721	791,828	1,643,721
Gain from sales of equity investment		-	60,000	-	60,000
Gain from adjusting fair value of other current financial assets	5.5	5,285	-	5,285	-
Other income	17	6,076,457	4,998,118	4,845,256	4,896,780
Selling expenses	18	(3,960,228)	(7,185,817)	(3,960,228)	(7,185,817)
Administrative expenses	18	(69,083,850)	(88,917,580)	(69,024,881)	(88,851,052)
Profit from operating activities		44,726,449	216,402,532	42,873,213	216,367,722
Finance income		1,919,571	3,046,280	1,830,159	2,855,328
Finance cost		(2,828,509)	(4,153,462)	(2,828,509)	(4,153,462)
Profit before income tax		43,817,511	215,295,350	41,874,863	215,069,588
Income tax expenses	20	(4,061,040)	(32,756,365)	(3,672,485)	(32,708,443)
Profit for the year		39,756,471	182,538,985	38,202,378	182,361,145
OTHER COMPREHENSIVE LOSS					
Item that will not be reclassified subsequently to profit or loss					
Loss from remeasurement of defined employee benefit - net of tax	20	(3,790,681)	-	(3,790,681)	-
Other comprehensive loss for the year - net of tax		(3,790,681)	-	(3,790,681)	-
Total comprehensive income for the year		35,965,790	182,538,985	34,411,697	182,361,145

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

		(Unit : Baht)			
Note		CONSOLIDATED F/S		SEPARATE F/S	
		2021	2020	2021	2020
Attribution of profit for the year					
	Portion of the parent company	39,756,471	182,538,985	38,202,378	182,361,145
	Portion of non - controlling interest	-	-	-	-
		39,756,471	182,538,985	38,202,378	182,361,145
Attribution of total comprehensive income for the year					
	Portion of the parent company	35,965,790	182,538,985	34,411,697	182,361,145
	Portion of non - controlling interest	-	-	-	-
		35,965,790	182,538,985	34,411,697	182,361,145
Basic earnings per share		21			
	Profit (Baht per share)	0.05	0.24	0.05	0.24
	Weighted average number of common shares (share)	749,873,396	749,873,396	749,873,396	749,873,396

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER

Notes	Shareholders' equity of the parent company					Total equity the parent company
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	
			Appropriated for legal reserve	Unappropriated	Discount from change in holding portion in subsidiary	
CONSOLIDATED F/S						
Balance as at 1 January 2020	374,936,698	153,825,441	37,979,500	506,050,481	(5,697,686)	1,067,094,4
The effect of a change in accounting policies	-	-	-	(640,701)	-	(640,7
Adjusted balance	374,936,698	153,825,441	37,979,500	505,409,780	(5,697,686)	1,066,453,7
Dividend paid	15.2	-	-	(202,465,817)	-	(202,465,8
Transactions with owners	-	-	-	(202,465,817)	-	(202,465,8
Change in shareholder's equity						
Profit for the year	-	-	-	182,538,985	-	182,538,9
Total comprehensive income for the year	-	-	-	182,538,985	-	182,538,9
Balance as at 31 December 2020	374,936,698	153,825,441	37,979,500	485,482,948	(5,697,686)	1,046,526,9
Balance as at 1 January 2021						
Dividend paid	15.1	-	-	(104,982,219)	-	(104,982,2
Transactions with owners	-	-	-	(104,982,219)	-	(104,982,2
Change in shareholder's equity						
Profit for the year	-	-	-	39,756,471	-	39,756,4
Other comprehensive loss	-	-	-	(3,790,681)	-	(3,790,6
Total comprehensive income for the year	-	-	-	35,965,790	-	35,965,7
Balance as at 31 December 2021	374,936,698	153,825,441	37,979,500	416,466,519	(5,697,686)	977,510,4

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

		Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
Notes				Appropriated for legal reserve	Unappropriated	
SEPARATE F/S						
		374,936,698	153,825,441	37,979,500	483,312,635	1,050,054,274
		-	-	-	(640,701)	(640,701)
		374,936,698	153,825,441	37,979,500	482,671,934	1,049,413,573
	15.2	-	-	-	(202,465,817)	(202,465,817)
		-	-	-	(202,465,817)	(202,465,817)
Change in shareholder's equity						
		-	-	-	182,361,145	182,361,145
		-	-	-	182,361,145	182,361,145
		374,936,698	153,825,441	37,979,500	462,567,262	1,029,308,901
		374,936,698	153,825,441	37,979,500	462,567,262	1,029,308,901
	15.1	-	-	-	(104,982,219)	(104,982,219)
		-	-	-	(104,982,219)	(104,982,219)
Change in shareholder's equity						
		-	-	-	38,202,378	38,202,378
		-	-	-	(3,790,681)	(3,790,681)
		-	-	-	34,411,697	34,411,697
		374,936,698	153,825,441	37,979,500	391,996,740	958,738,379

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the year	39,756,471	182,538,985	38,202,378	182,361,145
Adjustments to reconcile profit to net cash receipts (payments)				
Adjust expenses (income) to profit for the year				
Income tax expenses	4,061,040	32,756,365	3,672,485	32,708,443
Depreciation and amortization	96,675,530	98,346,399	96,675,530	98,346,399
Provision for post-employment benefits expenses	884,996	2,118,922	884,996	2,118,922
Allowance (reversal) for expected credit loss	(2,961,565)	9,447,292	(2,961,565)	9,447,292
Provision (reversal) for devaluation on inventories	532,791	(271,441)	532,791	(271,441)
Provision (reversal) for warranties expenses	(9,770,698)	18,991,864	(9,770,698)	18,991,864
Estimated (reversal) bonus expenses	(1,023,092)	8,739,026	(1,023,092)	8,739,026
Gain from disposal of fixed assets	(1,472,832)	(1,643,721)	(791,828)	(1,643,721)
Gain from adjusting fair value of other current financial assets	(5,285)	-	(5,285)	-
Gain from sales of equity investment	-	(60,000)	-	(60,000)
Gain from lease agreement modification	(32,485)	-	(32,485)	-
Finance income	(1,919,571)	(3,046,280)	(1,830,159)	(2,855,328)
Finance cost	2,828,509	4,153,462	2,828,509	4,153,462
Adjust operating assets decrease (increase)				
Trade accounts receivable	83,022,161	163,960,920	83,022,161	163,960,920
Contract assets - current	40,324,092	104,748,979	40,324,092	104,748,979
Other current accounts receivable	30,528,146	30,821,419	30,528,146	30,821,419
Inventories	2,670,310	15,337,372	2,670,310	15,337,372
Other current assets	(21,907)	882,347	(22,466)	882,360
Other non - current assets	517,527	2,059,780	517,526	2,059,780
Adjust operating liabilities increase (decrease)				
Trade and other current accounts payable	11,910,826	(261,819,828)	13,130,679	(261,653,584)
Paid for accrued bonus expenses	(5,976,908)	(18,739,026)	(5,976,908)	(18,739,026)
Paid for provision for warranties expenses	(4,123,274)	(2,434,973)	(4,123,274)	(2,434,973)
Contract liabilities - current	11,437,039	(48,221,890)	11,437,039	(48,221,890)
Other current liabilities	(5,386,147)	(10,717,425)	(5,386,147)	(10,717,425)
Paid provisions for employee benefit	(1,300,360)	(2,110,022)	(1,300,360)	(2,110,022)
Cash provided from operations	291,155,314	325,838,526	291,202,375	325,969,973
Interest received	2,477,564	2,749,911	2,388,152	2,558,959
Interest payment	(783,563)	(1,243,074)	(783,562)	(1,243,074)
Income tax payment	(27,805,278)	(48,932,014)	(27,660,124)	(48,889,284)
Net cash provided from operating activities	265,044,037	278,413,349	265,146,841	278,396,574

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUE)
FOR THE YEARS ENDED 31 DECEMBER

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Cash flows from investing activities				
(Increase) decrease in short-term investments	130,000,000	(89,999,997)	150,000,000	(90,000,000)
Proceeds from disposal of investment	-	1,860,000	-	1,860,000
Cash paid for investment in debt instrument	(20,000,000)	-	(20,000,000)	-
Proceeds from disposal of fixed assets	1,842,431	2,539,553	1,161,109	2,539,553
Acquisition of fixed assets	(42,927,622)	(19,862,761)	(42,927,622)	(19,862,761)
Cash paid for intangible assets	(1,019,875)	(954,835)	(1,019,875)	(954,835)
Net cash provide from (used in) investing activities	67,894,934	(106,418,040)	87,213,612	(106,418,043)
Cash flows from financing activity				
Repayment of lease liabilities	(26,035,179)	(25,923,380)	(26,035,179)	(25,923,380)
Repayment of long - term loans from financial institutions	(16,800,000)	(16,800,000)	(16,800,000)	(16,800,000)
Dividend paid	(104,982,219)	(202,465,817)	(104,982,219)	(202,465,817)
Net cash used in financing activity	(147,817,398)	(245,189,197)	(147,817,398)	(245,189,197)
Net increase (decrease) in cash and cash equivalents	185,121,573	(73,193,888)	204,543,055	(73,210,666)
Cash and cash equivalents at beginning of year	192,964,037	266,157,925	170,151,599	243,362,265
Cash and cash equivalents at end of year	378,085,610	192,964,037	374,694,654	170,151,599
Supplemental disclosures for cash flows information				
Non - cash items :				
- Right-of-use assets under lease agreements	-	3,441,393	-	3,441,393
- Transfer right-of-use assets from property, plant and equipment	-	73,089,587	-	73,089,587
<i>The effect of a change in accounting policies</i>				
- Increase on right-of-use assets	-	14,139,298	-	14,139,298
- Increase on lease liabilities	-	13,137,199	-	13,137,199
- Increase on estimate decommissioning costs	-	1,642,800	-	1,642,800
- Decrease on retained earnings	-	(640,701)	-	(640,701)
<i>The effect of a lease agreement modification</i>				
- Increase on right-of-use assets	(269,379)	-	(269,379)	-
- Increase on lease liabilities	301,864	-	301,864	-

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

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

1.1 The Company's information

Pylon Public Company Limited ("the Company") was incorporated in Thailand on August 13, 2002. The Company registered as the public company in accordance with public company limited law on July 20, 2005 with the registration number 0107548000536 and registered on the Market for Alternative Investment (mai). The first trading day of the Company's shares was on December 23, 2005 and moved from mai to SET main Board on August 6, 2015.

The address of its registered office and branch are as follows:

- (1) Head office : located on 252 SPE Tower 14th Floor, Phahonyothin Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok 10400
- (2) Branch (1) : located on 22/4 Moo 11, Koobangluang Subdistrict, Ladlumkaew District, Patumthani 12140

1.2 Nature of operations

The principal activity of Pylon Public Company Limited and its subsidiary ("the Group") is the provision of foundation services including bored piles, ground improvement and diaphragm walls.

1.3 Significant events impact the Group's operation during the year

In the face of the Novel Coronavirus 2019 (COVID-19) pandemic situation, the Company's management evaluated the impact of the situation and anticipated that, with the deflation and effects from the government's numerous measures, private sector would delay the launch of new projects or postpone the start of projects' construction. If the government can control the outbreak, it is expected to relax certain measures to relieve private sector operations. The government sectors' short-term goals are focusing on providing aid and relieve for those who have been impacted from such situation, which may cause delay for new projects' construction. The management believes that eventually the government would implement economic stimulus

policy through expenditures and investments in mega construction projects so the construction industry would be able to recover soon. Currently, the COVID-19 pandemic situation in Thailand is not yet under control. The Government issued the Regulation under Section 9 of the Emergency Decree on Public Administration in Emergency Situations B.E. 2548 (2005) (No. 25) published in the Government Gazette dated 26 June 2021. To follow with the said regulation, Bangkok Metropolitan Administration (BMA) issued the Announcement on Order of Temporary Closure of Premises (No. 34) dated 27 June 2021. It ordered all construction sites to be temporarily closed from 28 June 2021 to 27 July 2021 or until further notice. Therefore, the Company temporarily ceased construction operation to comply with such announcement. However, according to the BMA Announcement, Subject: Order of Temporary Closure of Premises (No. 35) (Relaxation of Order Prohibiting Construction for Some Types of Construction Projects and Movement of Construction Workers) dated 5 July 2021, the Company submitted the letter to the BMA Public Works Department requesting the relaxation of the order prohibiting construction for the Company's construction projects. The Company has gradually been granted permissions to carry out construction in numerous projects near the end of July, therefore; the impacts incurred to the Company are limited scope. Moreover, the Company still has high financial liquidity, and the management is confident that the Company is able to continue its operation through this critical time.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of financial statements preparation

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

New Thai Financial Reporting Standards adopted by the Group

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

However, during the year 2020, According to the guidance "Accounting optional temporary relief measures in response to impact of COVID-19 outbreak" issued by the Federation of Accounting Professions dated 16th April 2020, the Group has impact from the COVID-19 situation which is in high uncertainty and brings the Group uses significant judgments for estimation. The accounting optional temporary relief measures are only for 1 January 2020 to 31 December 2020. The Group selected to apply the temporary relief measures which is to measure expected credit losses of simplified approach as per Thai Financial Reporting Standard No. 9 "Financial Instruments", the Group uses historical information as at 1 January 2020 which excluded the impact of the COVID-19 situation into forward-looking information. However, there is no material impact on financial statements in 2021 after the relief end on 31 December 2020.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary as of 31 December 2021. Its subsidiary has a reporting date of 31 December.

The consolidated financial statements include the financial statements of Pylon Public Company Limited and subsidiary where Pylon Public Company Limited has investments, as follows:

Name of subsidiary	Percentage of holding		Nature of business
	2021	2020	
Excelon Co., Ltd.	100	100	Provides foundation services including bored piles, ground improvement, and other construction services. (The company's operation was temporarily discontinued since 2019.)

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable (if any).

The Group attributes total comprehensive income or loss of subsidiary between the owners of the parent and the non-controlling interests based on their respective ownership interests.

2.3 Foreign currency translation

Functional and presentation currency

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

Transactions and balance in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions. Gains and loss arising on received or payment in foreign currencies and translating monetary items are recognized as profit or loss in the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction except non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

2.4 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller at the measurement date. The Group (market participants) applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

2.5 Segment reporting

Operating segment information is reported in a manner consistent with the internal reporting which financial information classified by operating segments and geographic segments.

2.6 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.7 Revenues and expenses

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer net of any related sales taxes, return and discount. The Group estimates the amount of discount and returns from the historical data. Revenue is recognised at the amount of high probability that the significant reversal in the cumulative revenue recognised will not occur.

Revenues from construction

Construction contracts consisted of bored piles, ground improvement and diaphragm walls.

Construction contracts specify an initial amount agreed in the contract plus may include variation in contract work.

When the outcome can be assessed reliably, construction and service revenues and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenues from construction are measured at the fair value of consideration received or receivable.

Revenues from construction are recognised overtime based on output method.

When the Group cannot measure the outcome of construction and service reliably, revenues is recognised only to the extent of contract costs that have been incurred and are recoverable and recognized construction cost have been incurred during the year in expenses.

In either situation, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in profit or loss.

Rental income

Rental income is recognized on a straight - line basis over the period of the lease agreement.

Dividend income

Dividend income is recognized in the statement of profit or loss on the date the Group are entitled to receive dividend which, in the case of listed companies, is usually at the ex-dividend date.

Interest income

Interest income is recognized over time - period on an accrued basis.

Other costs and expenses

Other cost and expenses are recognised in profit or loss when the Group has control on goods and services.

2.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which it incurs and presented as borrowing costs.

2.9 Income tax*Income tax expense*

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

Current tax

The current income tax charge is calculated on the basis on the tax law enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to be paid to tax authorities.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiary, except where the timing of the reversal difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions and bank overdrafts are shown in current liabilities in the statements of financial positions.

2.11 Short - term investments

Short - term investments consist of fixed deposit and fixed deposit receipt due within 1 year. The investments are stated at cost, which is equivalent to fair value.

2.12 Trade and other current accounts receivable and contract assets

Trade and other current accounts receivable and contract assets are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components (if any) when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method less any reduction for allowance for expected credit loss.

The Group applies simplified approach to measuring expected credit losses which uses a lifetime expected allowance for expected credit loss. To measure the expected credit losses, trade and other accounts receivable and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rate is based on the payment profiles of revenue over a period of 36 months before 31 December 2021. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers

to settle the receivables. The management has assessed and found that there are no predictive factors of future economic conditions that will significantly affect the customer's ability to pay debts.

2.13 Contract Assets/ Contract Liabilities

Contract Assets

The Group recognises a contract asset when excess of cumulative revenue earned over the billings to date and the Group records allowance for impairment loss from the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional i.e. services are completed and delivered to the customer.

Contract Liabilities

The Group recognises a contract liability when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

When contract cost incurred exceed estimated costs by the stage of completion, the Group recognizes the exceed amount as "Contracted construction work in progress" under current assets. In the other hand, when estimated costs by the stage of completion exceed contract cost incurred, the Group recognizes the exceed amount as "Accrued construction cost" under current liabilities.

2.14 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined as follow:

Spare parts and supplies	: At actual cost (weighted average method)
contracted construction work in progress	: At actual cost (specific identification)

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes raw material costs, direct labor, other direct costs and manufacturing overheads.

The cost of purchases comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and freight, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Provision for obsolete, slow-moving or defective inventories is made by the Group.

2.15 Investments and other financial assets

1) Classification

The Group classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investment in debt instrument held for trading, the Group has elected to recognise the debt instrument at fair value through profit or loss (FVPL) at initial recognition.

2) Recognition and derecognition

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

3) Measurement

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

4) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.16 Investment in subsidiary company

Subsidiaries are all entities controlled by the Group when the Group is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. Subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated on the date that control ceases.

Investments in subsidiaries presented in the Company financial statements are accounted for at cost less impairment (if any). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

In the Company's financial statements

On disposal of an investment in subsidiary and associated companies, the difference between net disposal proceeds and the carrying amount is recognised in the statement of profit or loss.

In the Consolidated financial statements

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

When the proportion of the equity held by non-controlling interests changes, the Company will adjust the carrying amounts of the controlling and non-controlling interests by recognising directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received, and attribute it to the owners of the parent.

If the ownership interest in an associate is reduce but significant influence is retained, the entity shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest.

2.17 Investment property

Property that is held by the Group for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property includes building and improvement not used in operations of the Group and recorded as cost plus transaction cost less allowance for impairment (if any) and less accumulated depreciation.

Investment property is depreciated by the straight-line method over their estimated useful lives as follows:

Building and improvement	20	years
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Expenditure for additions, renewals and betterment which caused a significant increase of assets replacement cost are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

2.18 Property, plant and equipment

Land

Land is carried at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and equipment

Buildings and equipment are initially recorded at cost presented in the statement of position and stated at cost less accumulated depreciation and provision for impairment (if any).

Cost includes acquisition cost and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also includes the initial estimate of the costs of purchase, dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence for having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings and other equipment. The following useful lives are applied:

Building and construction	5 - 20	Years
Machinery, tools and equipment	5 - 10	Years
Furniture, fixtures and office equipment	3 - 5	Years
Vehicles	5	Years

No depreciation is recognised for assets under construction and assets which are not in condition to be capable of operating.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

2.19 Lease on assets

The Group's asset lease contracts are typically made for fixed periods, but may have extension. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets comprise:

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

- any initial direct costs incurred by the Group and
- an estimate of cost to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

Decommissioning cost measures by present value of the expenditures expected to be required to settle the obligation. The discount rate referred current market.

Depreciation was recognised on a straight-line basis. The following useful lives are applied:

	Years
Office Building	8
Machinery	5-10
Vehicles	5

During the years ended 31 December 2021, the Company has modified the lease contract by reducing the rental fee which was recognised in profit or loss statements in the the modification year.

2.20 Intangible assets

Intangible asset comprises of computer software with definite useful lives which are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of 5-10 years.

2.21 Impairment of assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less

costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.22 Trade and other current accounts payable

Trade and other current payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

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

2.24 Provision for warranties

The Group provided 6 months - 5 years for provision after delivering of work. The provision for warranties are estimated at 0.43% - 0.82% of construction contract revenues (2020 : 0.50 - 2.00% of construction contract revenues).

2.25 Short-term employee benefits and post-employment benefits

Short-term employee benefits

Short-term employee benefits, including salaries, wages, bonuses and contribution to the social security are expensed when incurred.

Post-employment benefit

The Group provides post-employment benefits through a defined contribution and a defined benefit plan.

Defined contribution plans – Provident fund

The Group has set up a registered provident fund and Employee Joint Investment Program (“the Project”) that is contributed to by employees and by the Group for which assets are held in a separate trustee fund and the Project and managed by an authorised fund and the Project manager. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

The Group provides for post-employment benefits, pay to employees under the Thai Labour Law. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary using the projected unit credit cost method in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using interest rates which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, salary growth rate, turnover rate, mortality. Discount factors are determined by the remaining service period at the end of the reporting period by reference to

Thai government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains or losses arising from changes in actuarial assumptions are recognised in other comprehensive income and directly transferred to retained earnings. Expenses related to employee benefits are recognised in statements of comprehensive income to allocate the expense throughout the hiring period. in profit or loss when incurred.

2.26 Equity

Share capital represents the nominal (par) value of shares that have been issued.

Share premium

The Public Companies Act B.E. 2535 Section 51 requires a company to set aside share subscription monies received in excess amount of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Legal Reserve

The Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, until this account reaches an amount not less than 10% (if any) of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity include a discount from the increase in the shareholding in the subsidiary which arose from the book value of the subsidiary lower than the cash paid for investment. This discount will reverse if the Company disposes or decreases its shareholding in the subsidiary.

Retained earnings includes all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting or Board of Directors of the Company prior to the reporting date.

2.27 Basic earnings per share

Basic earnings per share are determined by dividing the net profit for the year by the weighted average number of common shares outstanding during the year.

2.28 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENTS

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates. Moreover, the estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant transactions consisted of :

Recognition of construction contract revenues



Recognising construction contract revenue requires significant judgment in determining actual work performed and the estimated costs to complete the work and service.

Provision for losses on construction projects

Management applied judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Allowance for expected credit loss

The Group provides expected credit losses to reflect impairment of trade accounts receivable resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experiences to measure the historical loss rates adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. Actual results may be substantially different.

Allowance for obsolete, slow-moving and defective inventories

The Group provides allowance for obsolete, slow-moving and defective inventories to reflect the impairment for inventories by consideration of movement and obsoleted inventories.

Impairment of assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized.

Leases

In determining whether a contract should be classified as a lease contract or service contract, including lease period and interest rate for lease liability calculation, the Company's management has to exercise judgement to assess the conditions and details of the arrangement to determine whether control and benefit of the leased asset has been transferred.

Provision for warranties

According to the term of 6 months - 5 years after delivering of work, the Group is required to estimate the provision for damage which might occur in the future as a result of construction during the year throughout the warrantee term. Management is required to use judgment and past-experience for set up such provision.

4. RELATED PARTY TRANSACTIONS

The Group has transactions with related parties that are related through common shareholding and/or directorship. Thus, the consolidated and separate financial statements reflect the effects of those transactions on the basis agreed upon between the Group and its related parties, which might be different from the basis used for transactions with unrelated parties.

Nature of relationship

Name of entities	Country of incorporation/ nationality	Nature of relationship
<i>Subsidiary company</i> Excelon Co., Ltd.	Thailand	Direct shareholders
<i>Related company</i> Siam Pharmacy (2018) Co., Ltd.	Thailand	Management's family as shareholder
<i>Key management</i>	Thai	Directors and management

Significant transactions with related parties for the year ended 31 December 2021 and 2020 are as follows:

		(Unit : Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
		For the years ended 31 December			
	Pricing policy	2021	2020	2021	2020
Costs/Expenses					
<u>Related company</u>					
Purchase medicines, medical supplies and medical equipment	Market price	642,843	197,306	642,843	197,306
<u>Key directors and management compensation</u>					
Current benefits for directors and management		17,546,174	19,628,644	17,546,174	19,628,644
Post-employment benefits		602,255	654,978	602,255	654,978
Total		18,148,429	20,283,622	18,148,429	20,283,622

Significant balances with related parties as at 31 December 2021 and 2020 are as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
(Unit : Baht)				
Equipment and Supplies				
<i>Related company</i>				
Purchase medical equipment	23,800	16,060	23,800	16,060
Purchase supplies	-	32,400	-	32,400
Accrued expenses				
<i>Related company</i>				
Accrued of medicines, medical supplies and medical equipment expenses	84,971	-	84,971	-
<i>Liabilities under post-employment benefits obligation</i>				
Key management	7,164,130	6,561,875	7,164,130	6,561,875

5. FINANCIAL ASSETS AND LIABILITIES

Financial instruments consist of

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
(Unit : Baht)				
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents (note 5.1)	378,085,610	192,964,037	374,694,654	170,151,599
Short-term investments (note 5.2)	20,000,000	150,000,000	-	150,000,000
Trade accounts receivable (note 5.3)	93,270,516	173,331,112	93,270,516	173,331,112
Other current accounts receivable (note 5.4)	21,656,314	37,561,658	21,656,314	37,561,658
Financial assets at fair value through profit or loss				
Other current financial assets (note 5.5)	20,005,285	-	20,005,285	-
Financial liabilities				
Liabilities at amortised cost				
Trade and other current accounts payable (note 5.6)	103,699,849	90,710,099	103,663,502	89,453,899
Long - term loans from financial institutions (note 5.8)	15,000,000	31,800,000	15,000,000	31,800,000
Lease liabilities (note 5.7)	30,719,530	55,414,453	30,719,530	55,414,453

5.1 CASH AND CASH EQUIVALENTS

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
(Unit : Baht)				
Cash on hand	827,000	975,310	825,000	975,000
Cash at bank - Current account	13,869,094	21,636,244	13,869,094	21,636,244
Cash at bank - Savings account	233,388,516	170,352,483	229,999,560	147,540,355
Cash at bank - Fixed account	130,001,000	-	130,001,000	-
Total	378,085,610	192,964,037	374,694,654	170,151,599

During the year 2021, savings deposits with banks bear interest rate at 0.05 - 0.35 percent per annum. (2020 : 0.05 - 1.30 percent per annum) and 3-months fixed deposits which carry interest at the rate of 0.325 - 0.350 percent per annum.

5.2 SHORT - TERM INVESTMENTS

	Interest rate per annum	Period	CONSOLIDATED F/S		SEPARATE F/S	
			2021	2020	2021	2020
Fixed deposits	0.50	6 months	20,000,000	-	-	-
Fixed deposit notes	0.90	6 months	-	150,000,000	-	150,000,000
Total			20,000,000	150,000,000	-	150,000,000

5.3 TRADE ACCOUNTS RECEIVABLE

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Trade accounts receivable - general customers	99,135,559	182,209,604	99,135,559	182,209,604
<u>Less</u> Allowance for expected credit loss	<u>(5,865,043)</u>	<u>(8,878,492)</u>	<u>(5,865,043)</u>	<u>(8,878,492)</u>
Trade accounts receivable - net	93,270,516	173,331,112	93,270,516	173,331,112

As at 31 December 2021 and 2020, the aged trade accounts receivable are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<u>Trade accounts receivable - general customers</u>				
Not yet due	52,256,424	98,864,387	52,256,424	98,864,387
Overdue 1 - 30 days	39,545,567	8,709,311	39,545,567	8,709,311
Overdue 31 - 60 days	1,360,417	32,268,759	1,360,417	32,268,759
Overdue 61 - 90 days	108,108	6,595,291	108,108	6,595,291
Overdue 91 - 180 days	-	11,633,134	-	11,633,134
Overdue 181 - 360 days	-	24,081,680	-	24,081,680
Overdue more than 360 days	5,865,043	57,042	5,865,043	57,042
Total	99,135,559	182,209,604	99,135,559	182,209,604
<u>Less</u> Allowance for expected credit loss	<u>(5,865,043)</u>	<u>(8,878,492)</u>	<u>(5,865,043)</u>	<u>(8,878,492)</u>
Net	93,270,516	173,331,112	93,270,516	173,331,112

Classification

Trade accounts receivable are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 7 - 60 days and are therefore all classified as current.

Fair values

Due to the short-term nature of the trade accounts receivable, their carrying amount is considered to be the same as their fair value.

5.4 OTHER CURRENT ACCOUNTS RECEIVABLE

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Retention receivable	25,598,645	41,095,908	25,598,645	41,095,908
Less Allowance for expected credit loss	(4,132,728)	(4,132,728)	(4,132,728)	(4,132,728)
Retention receivable - net	21,465,917	36,963,180	21,465,917	36,963,180
Accrued interest income	38,280	596,273	38,280	596,273
Other account receivables	152,117	2,205	152,117	2,205
Total financial assets	21,656,314	37,561,658	21,656,314	37,561,658
Prepaid expenses	2,889,007	2,710,480	2,889,007	2,710,480
Advance to employee	71,500	86,213	71,500	86,213
Other accrued income	21,576	-	21,576	-
Advances for purchases of supplies	24,159,747	39,525,932	24,159,747	39,525,932
Total other current accounts receivable	48,798,144	79,884,283	48,798,144	79,884,283

5.5 OTHER NON-CURRENT FINANCIAL ASSETS

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Investment in debt securities				
K Cash Management Fund	20,000,000	-	20,000,000	-
Add gain on adjusted value of investment	5,285	-	5,285	-
Fair value of investments	20,005,285	-	20,005,285	-

The Company has invested in debt instruments-K Money Management Fund (K-Cash) on 30 November 2021 with Kasikorn Asset Management Company Limited.

The fair value of investments at the end of the period is categorised within Level 1 of fair value hierarchy.

5.6 TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Financial liabilities				
Post-date cheque	2,407	24,528	2,407	24,528
Trade accounts payable	90,968,843	72,480,459	90,968,843	72,480,459
Retention payable	611,743	2,493,821	611,743	1,262,621
Deposit and retention	550,535	550,535	550,535	550,535
Other accounts payable	682,102	732,978	670,755	732,978
Accrued expenses - related parties	84,971	17,814	84,971	17,814
Other accrued expenses	10,799,248	14,409,964	10,774,248	14,384,964
Total financial liabilities	103,699,849	90,710,099	103,663,502	89,453,899
Estimate liabilities				
Accrued construction cost	1,158,085	5,664,857	1,158,085	5,664,857
Accrued bonus	8,000,000	15,000,000	8,000,000	15,000,000
Provision for warranties	6,107,197	20,001,169	6,107,197	20,001,169

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<i>Less non-current</i>	<i>(958,192)</i>	<i>(16,653,519)</i>	<i>(958,192)</i>	<i>(16,653,519)</i>
Provision for warranties - current	5,149,005	3,347,650	5,149,005	3,347,650
Total estimate liabilities	14,307,090	24,012,507	14,307,090	24,012,507
Revenue department payables	4,341,471	660,635	4,341,471	660,635
Accrued of social security	645,484	696,940	645,484	696,940
Accrued withholding tax	536,338	737,870	536,338	737,870
Total trade and other accounts payable	123,530,232	116,818,051	123,493,885	115,561,851

The movements in estimated liabilities for the year ended 31 December 2021, are as follows:

	Construction cost	Bonus	Warranties	(Unit : Baht) Total
Beginning balance	5,664,857	15,000,000	20,001,169	40,666,026
Paid	(5,664,857)	(5,976,908)	(4,123,274)	(15,765,039)
Recognized expenses	1,158,085	8,000,000	1,425,259	10,583,344
Reversal	-	(9,023,092)	(11,195,957)	(20,219,049)
Reclassified to non - current	-	-	(958,192)	(958,192)
Ending balance	1,158,085	8,000,000	5,149,005	14,307,090

During the year ended 31 December 2021,

- The Company reversed the accrued bonus of the year 2020 amounting to Baht 9.02 million by against with the bonus expenses for the year ended 31 December 2021 which presented in the costs of service of Baht 4.31 million and the administrative expenses of Baht 4.71 million for maintaining the Company's liquidity under the uncertainty of the COVID-19 pandemic situation.
- The Company reversed the provision for warranties of the year 2020 amounting to Baht 11.19 million by against with the costs of services for the year ended 31 December 2021 due to the year 2020 is the first time to provide a warranty for service more than 1 year. After the Company has sufficient actual information, the Company adjusted the provision value to close with the actual liability.

5.7 LEASE LIABILITIES

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Lease liabilities	31,139,800	57,049,586	31,139,800	57,049,586
<i>Less</i> Deferred financing charges	<i>(420,270)</i>	<i>(1,635,133)</i>	<i>(420,270)</i>	<i>(1,635,133)</i>
Present value of lease liabilities	30,719,530	55,414,453	30,719,530	55,414,453
<i>Less</i> Current portion	<i>(21,707,052)</i>	<i>(24,410,940)</i>	<i>(21,707,052)</i>	<i>(24,410,940)</i>
Amount due more than one year	9,012,478	31,003,513	9,012,478	31,003,513

CONSOLIDATED AND SEPARATE F/S	
2021	2020

	Future Minimum Lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	22,095,245	(388,193)	21,707,052	25,625,803	(1,214,863)	24,410,940
After one year but within five years	9,044,555	(32,077)	9,012,478	31,423,783	(420,270)	31,003,513
Total	31,139,800	(420,270)	30,719,530	57,049,586	(1,635,133)	55,414,453

The Group entered into hire-purchase and lease agreements for office building, machines and vehicles. The terms of agreements are 3 - 8 years. The lease liabilities are secured by the related lease assets.

Other related information

	CONSOLIDATED		SEPARATE F/S	
	2564	2563	2564	2563
Interest expense	1,642,120	2,483,458	1,642,120	2,483,458
Expense relating to short-term leases	7,520,291	36,301,496	7,520,291	36,301,496
Total cash outflow for leases	33,555,470	62,224,876	33,555,470	62,224,876

5.8 LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Long - term loans from financial institutions	15,000,000	31,800,000	15,000,000	31,800,000
Less Current portion due within one year	(15,000,000)	(16,800,000)	(15,000,000)	(16,800,000)
Amount due more than one year	-	15,000,000	-	15,000,000

As at 31 December 2021 and 2020, the Company has loan agreement with commercial bank for credit facilities of Baht 50 million. The principal repayment is Baht 1.4 million per month for one year commencing from the first drawdown which carry interest at the rate of 3% per annum, after that interest rate is MLR - 2 per annum. The long - term loan has no collateral and must be repaid within 36 months from the first drawdown. The Company has to maintain the financial ratio as specified in the agreement.

During the year, the movements of the long-term loans from financial institutions are as follows:

	CONSOLIDATED/ SEPARATE F/S	
	For the years end 31 December	
	2021	2020
Beginning Balance	31,800,000	48,600,000
Repayment during the year	(16,800,000)	(16,800,000)
Ending Balance	15,000,000	31,800,000

6. INVENTORIES

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Work in progress	4,931,287	3,325,316	4,931,287	3,325,316
Supplies and spare part	37,704,468	41,980,749	37,704,468	41,980,749
Total	42,635,755	45,306,065	42,635,755	45,306,065
<u>Less</u> allowance for devaluation on inventories	(1,530,914)	(998,123)	(1,530,914)	(998,123)
Inventories - net	41,104,841	44,307,942	41,104,841	44,307,942

During the year, the movements of the allowance for devaluation on inventories are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Beginning Balance	998,123	1,269,564	998,123	1,269,564
Increase	532,791	-	532,791	-
Decrease	-	(271,441)	-	(271,441)
Ending Balance	1,530,914	998,123	1,530,914	998,123

7. INVESTMENT IN SUBSIDIARY COMPANY

Name	Type of business	Baht					
		Percentage of Shareholding (percent)		Paid-up Capital		Cost Method	
		2021	2020	2021	2020	2021	2020
Excelon Co., Ltd.	Provides foundation services including bored piles, ground improvement, and other construction services. (The company's operation was temporarily discontinued since 2019.)	100	100	1,999,997	1,999,997	10,199,981	10,199,981
Total						10,199,981	10,199,981

8. INVESTMENT PROPERTY

	(Unit : Baht)
	CONSOLIDATED/ SEPARATE F/S
	Building and improvements
Cost :	
1 January 2020	11,640,800
31 December 2020	11,640,800
31 December 2021	11,640,800
Accumulated depreciation :	
1 January 2020	(7,183,928)
Depreciation for the year	(486,933)
31 December 2020	(7,670,861)
Depreciation for the year	(486,933)
31 December 2021	(8,157,794)
Net book value	
31 December 2020	3,969,939
31 December 2021	3,483,006
Administrative expenses	
Depreciation for the year 2020	486,933
Depreciation for the year 2021	486,933

The relevant income and expenses are recognized in profit or loss for the years ended 31 December are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Rental income from investment property	1,866,800	1,906,800	1,866,800	1,906,800
Direct operating expenses generated income	95,340	95,340	95,340	95,340

(Unit : Baht)

During the year 2021, the Company reduced the rental fee of Baht 20,000 per month for 2 months totaling Baht 40,000 to relief the tenant due to the COVID-19 pandemic situation.

As at 31 December 2021, the fair value of above investment property is approximately Baht 8.39 million, based on the market price of other properties in the nearby area.

9. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED F/S						(Unit : Baht)
	Land	Building and construction	Machinery, tools and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Total
Cost :							
1 January 2020	107,211,580	51,003,588	946,742,140	18,309,662	50,028,364	3,235,766	1,176,531,100
Acquisitions	-	17,000	5,362,192	746,880	39,718	13,696,971	19,862,761
Disposals	-	-	(20,313,681)	(883,726)	(1,119,289)	-	(22,316,696)
Transfer in / (out)	-	2,381,394	12,505,230	-	-	(14,886,624)	-
Reclassify to Right-of-use assets	-	-	(69,192,935)	-	(14,315,475)	-	(83,508,410)
31 December 2020	107,211,580	53,401,982	875,102,946	18,172,816	34,633,318	2,046,113	1,090,568,755
Acquisitions	-	-	38,922,294	635,691	-	3,369,637	42,927,622
Disposals	-	-	(8,113,828)	(3,358,601)	(2,501,233)	-	(13,973,662)
Transfer in / (out)	-	-	3,337,227	-	-	(3,337,227)	-
31 December 2021	107,211,580	53,401,982	909,248,639	15,449,906	32,132,085	2,078,523	1,119,522,715
Accumulated depreciation :							
1 January 2020	-	(27,330,639)	(463,302,030)	(11,036,221)	(30,114,228)	-	(531,783,118)
Depreciation for the year	-	(3,895,647)	(75,248,038)	(2,119,480)	(3,882,253)	-	(85,145,418)
Depreciation for disposals	-	-	19,501,747	799,829	1,119,288	-	21,420,864
Depreciation for reclassification	-	-	6,811,304	-	3,607,519	-	10,418,823
31 December 2020	-	(31,226,286)	(512,237,017)	(12,355,872)	(29,269,674)	-	(585,088,849)
Depreciation for the year	-	(4,017,020)	(73,929,903)	(1,988,101)	(3,284,709)	-	(83,219,733)
Depreciation for disposals	-	-	7,850,608	3,252,227	2,501,228	-	13,604,063
31 December 2021	-	(35,243,306)	(578,316,312)	(11,091,746)	(30,053,155)	-	(654,704,519)
Net book value :							
31 December 2020	107,211,580	22,175,696	362,865,929	5,816,944	5,363,644	2,046,113	505,479,906
31 December 2021	107,211,580	18,158,676	330,932,327	4,358,160	2,078,930	2,078,523	464,818,196
Depreciation for the year 2020							
Costs of services							81,542,635
Administrative expenses							3,602,783
Total							85,145,418
Depreciation for the year 2021							
Costs of services							79,909,629
Administrative expenses							3,310,104
Total							83,219,733

(Unit : Baht)

	SEPARATE F/S						
	Land	Building and construction	Machinery, tools and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	
Cost :							
1 January 2020	107,211,580	51,003,588	942,022,825	18,243,686	50,028,364	3,235,766	1,171,745,809
Acquisitions	-	17,000	5,362,192	746,880	39,718	13,696,971	19,862,761

	SEPARATE F/S						(Unit : Baht)
Disposals	-	-	(20,313,681)	(883,726)	(1,119,289)	-	(22,316,696)
Transfer in / (out)	-	2,381,394	12,505,230	-	-	(14,886,624)	-
Reclassify to Right-of-use assets	-	-	(69,192,935)	-	(14,315,475)	-	(83,508,410)
31 December 2020	107,211,580	53,401,982	870,383,631	18,106,840	34,633,318	2,046,113	1,085,783,464
Acquisitions	-	-	(3,394,513)	(3,358,602)	(2,501,233)	-	(9,254,348)
Transfer in / (out)	-	-	3,337,227	-	-	(3,337,227)	-
31 December 2021	107,211,580	53,401,982	909,248,639	15,383,929	32,132,085	2,078,523	1,119,456,738
Accumulated depreciation :							
1 January 2020	-	(27,330,639)	(458,583,033)	(10,970,258)	(30,114,228)	-	(526,998,158)
Depreciation for the year	-	(3,895,647)	(75,248,038)	(2,119,480)	(3,882,253)	-	(85,145,418)
Depreciation for disposals	-	-	19,501,747	799,829	1,119,288	-	21,420,864
Depreciation for reclassification	-	-	6,811,304	-	3,607,519	-	10,418,823
31 December 2020	-	(31,226,286)	(507,518,020)	(12,289,909)	(29,269,674)	-	(580,303,889)
Depreciation for the year	-	(4,017,020)	(73,929,903)	(1,988,101)	(3,284,709)	-	(83,219,733)
Depreciation for disposals	-	-	3,131,611	3,252,228	2,501,228	-	8,885,067
31 December 2021	-	(35,243,306)	(578,316,312)	(11,025,782)	(30,053,155)	-	(654,638,555)
Net book value :							
31 December 2020	107,211,580	22,175,696	362,865,611	5,816,931	5,363,644	2,046,113	505,479,575
31 December 2021	107,211,580	18,158,676	330,932,327	4,358,147	2,078,930	2,078,523	464,818,183
Depreciation for the year 2020							
Costs of services							81,542,635
Administrative expenses							3,602,783
Total							85,145,418
Depreciation for the year 2021							
Costs of services							79,909,629
Administrative expenses							3,310,104
Total							83,219,733

As of 31 December 2021, some fully depreciated assets are still in use with a total costs of Baht 299.17 million (2020 : Baht 272.95 million) in consolidated financial statements and with a total costs of Baht 299.10 million (2020 : Baht 268.16 million) in the separate financial statements.

10. RIGHT-OF-USE ASSETS

	CONSOLIDATED/ SEPARATE F/S				(Unit : Baht)
	Machinery	Vehicles	Office Building	Total	
Cost :					
1 January 2020	-	-	-	-	
Change in accounting policy	-	-	16,613,675	16,613,675	
Reclassify from property, plant and equipment	69,192,935	14,315,475	-	83,508,410	
Addition	-	3,441,393	-	3,441,393	
31 December 2020	69,192,935	17,756,868	16,613,675	103,563,478	
Reduce from change in lease	-	-	(269,379)	(269,379)	
31 December 2021	69,192,935	17,756,868	16,344,296	103,294,099	
Accumulated depreciation :					
1 January 2020	-	-	-	-	
Change in accounting policy	-	-	(2,474,377)	(2,474,377)	
Depreciation for the year	(6,919,293)	(3,469,537)	(2,156,704)	(12,545,534)	
Depreciation of reclassification	(6,811,304)	(3,607,519)	-	(10,418,823)	
31 December 2020	(13,730,597)	(7,077,056)	(4,631,081)	(25,438,734)	

	(Unit : Baht)			
	CONSOLIDATED/ SEPARATE F/S			
	Machinery	Vehicles	Office Building	Total
Depreciation for the year	(6,919,292)	(3,551,369)	(2,140,473)	(12,611,134)
31 December 2021	(20,649,889)	(10,628,425)	(6,771,554)	(38,049,868)
Net book value :				
31 December 2020	55,462,338	10,679,812	11,982,594	78,124,744
31 December 2021	48,543,046	7,128,443	9,572,742	65,244,231
Depreciation for the year 2020				
Costs of services				9,102,620
Administrative expenses				3,442,914
Total				12,545,534
Depreciation for the year 2021				
Costs of services				9,154,062
Administrative expenses				3,457,072
Total				12,611,134

In September 2021, the lease modification by lowering the rental fee impact the value of right-of-use assets decreased of Baht 0.27 million, lease liabilities decreased of Baht 0.30 million, and gain from lease modification occurring of Baht 0.03 million.

11. INTANGIBLE ASSETS

	(Unit : Baht)		
	CONSOLIDATED/ SEPARATE F/S		
	SOFTWARE COMPUTER	SOFTWARE COMPUTER UNDER DEVELOPMENT	Total
Cost			
1 January 2020	812,501	3,101,610	3,914,111
Purchases	25,600	929,235	954,835
31 December 2020	838,101	4,030,845	4,868,946
Purchases	81,750	938,125	1,019,875
Transfer in / (out)	2,083,223	(2,083,223)	-
31 December 2021	3,003,074	2,885,747	5,888,821
Accumulated amortisation			
1 January 2020	(67,821)	-	(67,821)
Amortisation for the year	(168,514)	-	(168,514)
31 December 2020	(236,335)	-	(236,335)
Amortisation for the year	(357,730)	-	(357,730)
31 December 2021	(594,065)	-	(594,065)
Net book value			
31 December 2020			4,632,611
31 December 2021			5,294,756

	(Unit : Baht)
CONSOLIDATED/ SEPARATE F/S	
Amortisation for the year 2020	
Administrative expenses	168,514
Amortisation for the year 2021	
Administrative expenses	357,730

12. OTHER CURRENT LIABILITIES

The entire other current liabilities are undue output vat from receivables.

13. EMPLOYMENT BENEFITS

13.1 Employee benefit expenses

Employee benefit are expensed for the year ended 31 December as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Wages and salaries	143,760,187	193,421,214	143,760,187	193,421,214
Bonus (reverse)	(1,023,092)	8,504,651	(1,023,092)	8,504,651
Social security expenses	2,372,669	3,885,547	2,372,669	3,885,547
Workmen's Compensation Fund	379,660	361,243	379,660	361,243
Contribution for provident fund	1,278,781	1,385,662	1,278,781	1,385,662
Contribution for EJIP (refund)	(56,168)	1,021,999	(56,168)	1,021,999
Other employee benefits	10,597,312	9,745,525	10,597,312	9,745,525
Post - employment benefits	884,996	2,118,922	884,996	2,118,922
Other benefits	2,263,026	2,903,687	2,263,026	2,903,687
Total	160,457,371	223,348,450	160,457,371	223,348,450

13.1 Defined contribution plan

13.1.1 The Company and staff have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, staff has to contribute to the fund at the specific rate and will be entitled to receive the benefits when they are no longer a member of the plan in accordance with regulation of the fund. The Company's contribution to the Fund for the year 2021, amounted to Baht 1.28 million (2020 : Baht 1.39 million).

13.1.2 The Employee Joint Investment Program of PYLON Public Company Limited ("PYLON - EJIP") has objective of serving as another method of compensation to the Company's executives and employees to motivate and retain them in long run whilst fostering a

sense of ownership. In this regard, the Company and its employees will contribute to the Project for one year. The Project will purchase stocks of PYLON Public Company Limited which participants are entitled to sell up to 50% of the accumulated shares when the program reaches 3 years, and the remaining accumulated shares when the program reaches 4 years. The Project has been approved by the Office of the Securities and Exchange Commission, are as follows:

Approved by the Board of Directors' Meeting	EJIP No.	Period of payment	The program reaches 3 years	Date of entitled to sell up (4th year)	Contribution (Unit : Million Baht)	
					2021	2020
No. 4/2018 (Date 9 Aug 2018)	2	1 Oct 2018 - 30 Sep 2019	30 Sep 2021	30 Sep 2022	-	-
No. 4/2019 (Date 14 Aug 2019)	3	1 Oct 2019 - 30 Sep 2020	30 Sep 2022	30 Sep 2023	-	1.02

13.2 Defined benefit plans

During the years ended 31 December 2021 and 2020, movements in employee benefits obligation are as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Balance as at 1 January	20,955,350	20,512,542	20,955,350	20,512,542
Service cost recorded as expenses	884,996	2,118,922	884,996	2,118,922
Interest cost recorded as expenses	411,803	433,908	411,803	433,908
Benefits paid during the year	(1,300,360)	(2,110,022)	(1,300,360)	(2,110,022)
Loss from actuarial estimate	4,738,351	-	4,738,351	-
Ending balance as at 31 December	25,690,140	20,955,350	25,690,140	20,955,350
<u>Less</u> Current portion	(1,485,684)	(1,073,460)	(1,485,684)	(1,073,460)
Amount due more than one year	24,204,456	19,881,890	24,204,456	19,881,890

Loss from actuarial estimate will be included in item that will be not reclassified subsequently to the statements of profit or loss.

Loss from actuarial estimate recognised in other comprehensive income for the years ended 31 December 2021 are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Demographic assumptions	(5,572,184)	(5,572,184)
Financial assumptions	4,576,866	4,576,866
Experience improvement	(3,743,033)	(3,743,033)
Total	4,738,351	4,738,351

Principal actuarial assumptions

Principal actuarial assumptions as at 31 December 2021 and 2020 are as follows:

	CONSOLIDATED AND SEPARATE F/S	
	2021	2020
Discount rate for salary	1.12 percent per annum	1.94 percent per annum
Discount rate for wage	1.86 percent per annum	1.43 percent per annum
Mortality rate	The Mortality Table 2017	The Mortality Table 2017
Future salary expense increment rate	4.5 percent per annum	6.68 percent per annum
Future wage expense increment rate	2.5 percent per annum	1.77 percent per annum
Normal retirement age	55-60 years	60 years
Number of employees	509 persons	789 - 790 persons

Sensitivity analysis

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

	(Unit : Baht)
	CONSOLIDATED AND SEPARATE F/S
	Increase (decrease) in the defined benefit obligation
Discount rate (0.5% increment)	(1,258,313)
Discount rate (0.5% decrement)	1,358,257
Future salary growth (0.5% increment)	1,248,582
Future salary growth (0.5% decrement)	(1,170,534)
Employee turnover (1.0% increment)	(107,541)
Employee turnover (1.0% decrement)	108,371

The average duration of the provision of employee benefits obligation as at 31 December 2021 and 2020, are 21 years for salary and 7 years for wage. An analysis of the maturity of employee benefit payments expected to be paid before discounted to present value is as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2021	2020
Within one year	1,485,684	1,073,460
Between 2 - 5 years	9,729,320	3,889,925
Between 6 - 10 years	10,311,428	10,102,301
More than 10 years	69,132,177	57,027,679
Total	90,658,609	72,093,365

14. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Unit : Thousand Baht)

	CONSOLIDATED AND SEPARATE F/S	
	2021	2020
1 January	Lease liabilities	Lease liabilities
	55,414	62,276
Cash-flows:		
Repayment	(26,035)	(25,923)
Non-cash:		
Acquisition from increasing leases during the year	-	3,441
Amortised finance cost	1,642	2,483
Increase from changes in accounting policies	-	13,137
Change estimates	(302)	-
31 December	30,719	55,414

15. DIVIDEND PAYMENT

15.1 At the Annual General Shareholders Meeting for the year 2021 held on 28 April 2021, the shareholders passed a resolution to approve the payment of dividend from operating results for the year ended 31 December 2020 at Baht 0.14 per share, to the common shareholders of 749,873,396 shares, totalling Baht 104.98 million. The dividend was paid on 21 May 2021.

15.2 At the Annual General Shareholders Meeting for the year 2020 held on 28 September 2020, the shareholders passed a resolution to approve the payment of dividend from operating results for the year ended 31 December 2019 at Baht 0.27 per share, to the common shareholders of 749,873,396 shares, totalling Baht 202.46 million and paid such dividend as the interim dividend by payment on 14 May 2020.

16. Revenues from construction*Contracts with customers*

The Group have revenue from contracts with customers are as follows:

Description	Description of Contract
Type of contract	Construction
Type of goods or service	The provision of foundation services including bored piles, ground improvement and diaphragm walls
Performance obligation	During of service
Determine the transaction price	Estimated cost plus margin
Allocate the transaction price	Estimated cost plus margin of performance obligation

Description	Description of Contract
The payment terms	The customer has accepted service and billing which due is within 7 - 60 days after billing
Right of return	None
Warranties	6 months - 5 years
Contract duration	Less than 24 months
Type of revenue recognition	Over time by output method

Contract balances

The following table provides information about receivables, and contract assets and liabilities from contracts with customers.

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Trade accounts receivable - Net	93,270,516	173,331,112	93,270,516	173,331,112
Retention receivable - Net	21,465,917	36,963,180	21,465,917	36,963,180
Contract assets - current				
Unbilled accrued income				
Revenue recognition period as below:				
0 - 30 days	17,953,414	10,428,303	17,953,414	10,428,303
31 - 60 days	7,309,137	60,370,142	7,309,137	60,370,142
61 - 90 days	73,500	102,769	73,500	102,769
91 - 180 days	95,760	609,288	95,760	609,288
181 - 360 days	68,670	4,001,641	68,670	4,001,641
more than 360 days	9,841,547	153,977	9,841,547	153,977
Total	35,342,028	75,666,120	35,342,028	75,666,120
Contract liabilities	30,531,641	19,094,602	30,531,641	19,094,602

Other disclosures

(1) The amount of revenue recognised in period from contract liabilities of prior period

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<i>Construction Contracts</i>	18,315,971	67,316,492	18,315,971	67,316,492

(2) The amount of revenue recognized in period from complete of a performance obligation of prior period

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<i>Construction Contracts</i>	5,825,890	1,702,359	5,825,890	1,702,359

(3) Performance obligations of Construction Contract balances

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
The amount of obligations balances				
as period ended	1,314,369,382	274,230,583	1,314,369,382	274,230,583
period of revenue recognition				
wihtin 12 months	859,728,088	273,561,992	859,728,088	273,561,992
1 - 2 years	430,314,346	668,591	430,314,346	668,591
more than 2 years	24,326,948	-	24,326,948	-

17. OTHER INCOME

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Revenue from sales of construction materials				
and scraps	344,518	40,667	344,518	40,667
Rental income and office services	1,866,800	1,906,800	1,866,800	1,906,800
Compensation from government agencies	1,200,000	-	1,200,000	-
Others	2,665,139	3,050,651	1,433,938	2,949,313
Total	6,076,457	4,998,118	4,845,256	4,896,780

18. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2021 and 2020 are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Raw materials and consumable supplies used	379,832,946	645,408,625	379,832,946	645,408,625
Changes in contracted construction work				
in progress	(1,605,971)	(370,567)	(1,605,971)	(370,567)
Salaries, wages and other employee benefits	160,457,371	223,348,450	160,457,371	223,348,450
Subcontractor expenses	22,755,311	43,706,491	22,755,311	43,706,491
Depreciation and amortization	96,675,530	98,346,399	96,675,530	98,346,399
Rental expenses	7,520,291	36,301,496	7,520,291	36,301,496
Repair and maintenance expenses	25,369,301	33,347,146	25,369,301	33,347,146
Transportation	16,088,699	23,145,356	16,088,699	23,145,356

Allowance (reversal) for expected credit losses	(3,013,449)	9,447,292	(3,013,449)	9,447,292
Bad debt expenses	51,884	-	51,884	-
Reversals of provisions	(20,219,049)	(24,507,530)	(20,219,049)	(24,507,530)
Allowance (reversal) for devaluation on inventories	532,791	(271,441)	532,791	(271,441)
Other expenses	64,252,748	119,213,231	64,193,779	119,146,703
Total expenses by nature	<u>748,698,403</u>	<u>1,207,114,948</u>	<u>748,639,434</u>	<u>1,207,048,420</u>

19. SEGMENT REPORTING

The Company and subsidiary are engaged only in the construction business, and operate in one geographical area in Thailand. Therefore, these financial statements do not present the financial information by segment.

Major customer

For the years ended 31 December 2021 and 2020, the Company earns revenue more than 10 % of revenues in the consolidated and separate financial statements from 2 and 3 customers amounting to Baht 219.45 million and Baht 514.13 million respectively.

20. DEFERRED INCOME TAX ASSET/LIABILITY AND INCOME TAX EXPENSES

Deferred income tax asset and liability

The movements of deferred income tax assets/liabilities for the year ended 31 December 2021 are as follows:

				(Unit : Baht)
	CONSOLIDATED F/S			
	Recognised as income (expense)			
	1 January 2021	Statement of profit or loss	Shareholders' equity	31 December 2021
Deferred income tax asset from:				
Allowance for expected credit loss	2,602,244	(602,690)	-	1,999,554
Allowance for devaluation on inventories	199,625	106,558	-	306,183
Provision for warranties	4,000,234	(2,778,794)	-	1,221,440
Provisions for employee benefit	4,191,070	(712)	947,670	5,138,028
Estimate decommissioning costs	49,284	49,284	-	98,568

Loss carrying forward	-	3,859,891	-	3,859,891
Total	11,042,457	633,537	947,670	12,623,664

Deferred income tax liability from:

Difference in accumulated depreciation for machines	(144,410)	3	-	(144,407)
Right-of-use assets net with lease liabilities	(3,964,649)	(2,501,406)	-	(6,466,055)
Total	(4,109,059)	(2,501,403)	-	(6,610,462)

Deferred income tax asset (liability) - net	6,933,398	(1,867,866)	947,670	(6,013,202)
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(Unit : Baht)

SEPARATE F/S

		Recognised as income (expense)		
	1 January	Statement of	Shareholders'	31 December
	2021	profit or loss	equity	2021
Deferred income tax asset from:				
Allowance for expected credit loss	2,602,244	(602,690)	-	1,999,554
Allowance for devaluation on inventories	199,625	106,558	-	306,183
Provision for warranties	4,000,234	(2,778,794)	-	1,221,440
Provisions for employee benefit	4,191,070	(712)	947,670	5,138,028
Estimate decommissioning costs	49,284	49,284	-	98,568
Loss carrying forward	-	3,859,891	-	3,859,891
Total	11,042,457	633,537	947,670	12,623,664

Deferred income tax liability from:

Gain from decremental capital of the subsidiary	(5,877,030)	-	-	(5,877,030)
Difference in accumulated depreciation for machines	(144,410)	3	-	(144,407)
Right-of-use assets net with lease liabilities	(3,964,649)	(2,501,406)	-	(6,466,055)
Total	(9,986,089)	(2,501,403)	-	(12,487,492)

Deferred income tax asset (liability) - net	1,056,368	(1,867,866)	947,670	136,172
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Income tax recognised in profit or loss

Reconciliation of income tax expenses are as follows:

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Income tax recognised in profit or loss				
Profit before income tax expense	43,817,511	215,295,350	41,874,863	215,069,588

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Tax rate percent	20	20	20	20
Expected tax expense	8,763,502	43,059,070	8,374,973	43,013,918
Adjustment for				
- Reverse accounting estimate	(5,473,131)	-	(5,473,131)	-
- Non-taxable income	-	(10,510,563)	-	(10,510,563)
- Addition taxable expenses	(4,917,007)	(1,918,122)	(4,917,007)	(1,918,122)
- Deductible expenses	(5,165,793)	-	(5,165,793)	-
- Non-deductible expenses	3,321,093	3,307,984	3,321,068	3,305,214
Adjustments of prior periods	1,804,618	(493,147)	1,804,618	(493,147)
Current deferred income tax assets	1,867,867	-	1,867,867	-
Prior year unrecognised deferred income tax assets	-	(688,857)	-	(688,857)
Income tax expenses	4,061,040	32,756,365	3,672,485	32,708,443

Tax expense consisted of:

Current income tax:

For the year	388,555	35,258,112	-	35,210,190
Adjustments of prior periods	1,804,618	(493,147)	1,804,618	(493,147)

Deferred income tax expense:

Temporary differences	1,867,867	(2,008,600)	1,867,867	(2,008,600)
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Net tax expenses

	4,061,040	32,756,365	3,672,485	32,708,443
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Accrued income tax consisted of:

Current income tax	388,555	35,258,112	-	35,210,190
<u>Less</u> Prepaid of income tax	(27,858,539)	(37,115,990)	(27,730,303)	(37,084,987)
Corporate income tax payable	260,319	16,919	-	-
(Current tax assets)	(27,730,303)	(1,874,797)	(27,730,303)	(1,874,797)

Income tax recognised in other comprehensive income

(Unit : Baht)

	CONSOLIDATED AND SEPARATE F/S					
	2021			2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	(4,738,351)	947,670	(3,790,681)	-	-	-

21. BASIC EARNINGS PER SHARE

For the years ended 31 December 2021 and 2020 are as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Number of common shares (Thousand shares)	749,873	749,873	749,873	749,873
Profit for the year (Thousand Baht)	39,756	182,539	38,202	182,361
Basic earnings per share (Baht per shares)	0.05	0.24	0.05	0.24

22. FINANCIAL RISK MANAGEMENT

Financial risks that could affect the group's future financial performance are as follow:

22.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

22.2 Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to receivables from services.

(1) Risk management

Credit risk is managed on a group basis as follow.

1. For banks and financial institutions, only independently rated parties with a minimum rating of 'AAA' are accepted. (reference from independent credit rating institute)
2. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

(2) Security

For majority receivables the group may obtain partial deposit or advance to secure the operation under the terms of the agreement.

(3) Impairment of financial assets

The group has 2 types of financial assets that are subject to the expected credit loss model as follow:

(1) Trade and other current accounts receivable

(2) Contract assets

Trade and other current accounts receivable and contract assets are applied simplified approach to measuring expected credit losses. Details as at 31 December 2021 and 2020 are as follow.

CONSOLIDATED AND SEPARATE F/S

		(Unit : Million Baht)						
		Past due						Total
		1-30 days	31-60	61-90	91-180	181-365	More than 365	
		Current	days	days	days	days	days	
As at 31 December 2020								
Expected credit losses rate (percent)	0.05	0.07	0.37	0.89	25.76	60.56	100.00	
Trade accounts receivable	99.21	8.37	32.24	6.60	11.63	24.08	0.08	182.21
Retention receivable	30.19	2.92	1.45	-	2.39	0.01	4.14	41.10
Contract assets	-	10.42	60.37	0.10	0.61	4.00	0.15	75.66
Liabilities and subsequent repayment	(129.40)	(21.71)	(94.06)	(6.70)	(5.84)	(28.09)	(0.15)	(285.96)
Net value for calculation	-	-	-	-	8.79	-	4.22	13.01
Allowance for expected credit losses	-	-	-	-	(8.79)	-	(4.22)	(13.01)

		(Unit : Million Baht)						
		Past due						Total
		1-30 days	31-60	61-90	91-180	181-365	More than 365	
		Current	days	days	days	days	days	
As at 31 December 2021								
Expected credit losses rate (percent)	0.23	0.45	2.22	7.21	23.85	48.55	100.00	
Trade accounts receivable	52.26	39.55	1.36	0.11	-	-	5.87	99.14
Retention receivable	20.50	0.90	-	0.02	0.05	-	4.13	25.60
Contract assets	-	17.95	7.38	-	0.10	0.07	9.84	35.34
Liabilities and subsequent repayment	(72.76)	(58.40)	(8.74)	(0.13)	(0.15)	(0.07)	(9.85)	(150.09)
Net value for calculation	-	-	-	-	-	-	9.99	9.99
Allowance for expected credit losses	-	-	-	-	-	-	(9.99)	(9.99)

The movements in allowance for expected credit losses are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Beginning balance	13,011,220	3,563,928	13,011,220	3,563,928
Increased	-	9,447,292	-	9,447,292
Decreased	(2,961,565)	-	(2,961,565)	-
Written-off bad debt	(51,884)	-	(51,884)	-
Ending Balance	9,997,771	13,011,220	9,997,771	13,011,220

(Unit : Baht)

22.3 Market risk

Exchange risk

The Group has minimum exchange risk because most of its financial assets and liabilities have been executed in Baht. Where the Group does enter into significant foreign currency transactions, they will utilise forward foreign exchange contracts to hedge exchange risk.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's cash flows because loan interest rates are floating rates. The group has interest rate risk expose to cash flow arising from loan which interest rate risk arising from changes in market interest rates.

As at 31 December 2021 and 2020, financial assets and financial liabilities with risk on prices and cash flow arising from changed in market interest rates are summarized as follow.

	(Unit : Thousand Baht)									
	2021									
	CONSOLIDATED F/S					SEPARATE F/S				
	Principal			Average interest rate (%)		Principal			Average interest rate (%)	
	Floating					Floating				
	Interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed	interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed
Financial assets										
Cash at banks	233,389	-	233,389	0.05-0.35	-	230,000	-	230,000	0.05-0.35	-
- saving account	130,001	-	130,001	0.325-0.350	-	130,001	-	130,001	0.325-0.350	-
Short-term investment	-	20,000	20,000	-	0.50	-	-	-	-	-

(Unit : Thousand Baht)

	2021									
	CONSOLIDATED F/S					SEPARATE F/S				
	Principal			Average interest rate (%)		Principal			Average interest rate (%)	
	Floating					Floating				
	Interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed	interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed
Financial liabilities										
Long-term loan from										
financial institutes	15,000	-	15,000	MLR-2	-	15,000	-	15,000	MLR-2	-
Lease liabilities	-	30,720	30,720	-	3.40 - 4.025	-	30,720	30,720	-	3.40 - 4.025

(Unit : Thousand Baht)

	2020									
	CONSOLIDATED F/S					SEPARATE F/S				
	Principal			Average interest rate (%)		Principal			Average interest rate (%)	
	Floating									
	Interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed	Floating interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed
Financial assets										
Cash at banks										
- saving account	170,352	-	170,352	0.05 - 1.30	-	147,540	-	147,540	0.05 - 1.30	-
Short-term investment	-	150,000	150,000	-	0.50	-	150,000	150,000	-	0.50
Financial liabilities										
Long-term loan from										
financial institutes	31,800	-	31,800	MLR-2	-	31,800	-	31,800	MLR-2	-
Lease liabilities	-	55,414	55,414	-	3.40 - 4.025	-	55,414	55,414	-	3.40 - 4.025

Sensitivity analysis

(Unit : Thousand Baht)

CONSOLIDATED AND SEPARATE F/S	
2021	
Finance cost increase (decrease)	
Interest rate - 1% increment	60
Interest rate - 1% decrement	(60)

23. CAPITAL MANAGEMENT

Risk Management

The Group's objectives in the management of capital is

- to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders,
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment policy or issue new shares or new debentures to finance debts or sell assets to reduce debts.

According to condition of the credit facilities agreement, the Group monitor and examine the capital structure to maintain debt-to-equity ratio which not less than 0 and does not exceed 2 times. As at 31 December, details of debt to equity ratio are as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
Net liabilities	234,806	274,264	234,510	272,991
Shareholders' Equity	977,510	1,046,526	958,738	1,029,308
Debt to Equity ratio	0.24	0.26	0.24	0.27

(Unit : Thousand Baht)

24. COMMITMENTS

As at 31 December 2021, the Company has commitments as follow:

- 24.1 The Company has a service agreement for its office for a period of 3 years commencing from 1 September 2018 to 31 August 2021 and renewal from 1 September 2021 to 31 August 2024 as follows:

	Thousand Baht
<u>Commitments of service agreements</u>	
Due within 1 year	3,276
Due after 1 year but within 3 years	5,460
Total	8,736

24.2 The Company has commitments for purchases of software of approximately Baht 2.24 million.

24.3 As at 31 December 2021, the Company has a lawsuit pending litigation from individuals and companies which the Company is a co-defendant in the offense of violate. The estimated damages amounting to Baht 3.56 million being in consideration by the civil court. However, the Company does not expect to pay for damages arising from those litigation and does not recognise liabilities in the financial statements.

24.4 As at 31 December 2021, the credit facilities of the Company and subsidiary are as follows:

		CONSOLIDATED F/S			SEPARATE F/S		
	Currency	Total	Utilised	Remained	Total	Utilised	Remained
							(Unit : Million Baht)
Letters of guarantee	Baht	2,467	159	2,308	2,467	159	2,308
Bank overdraft	Baht	67	-	67	62	-	62
Short-term loans	Baht	470	-	470	470	-	470
Long-term loans	Baht	80	15	61	80	15	61
Forward foreign currency	Baht	135	-	135	135	-	135
							(Unit : Million USD)
Forward foreign currency	US Dollars	5	-	5	5	-	5

The above of the credit facilities has no collateral and has conditions to maintain important financial ratios under the credit facilities agreements.

25. RECLASSIFICATION

Financial statements for the year ended 31 December 2020 have been reclassified for comparison to financial statement for the year period 31 December 2021, details are as follows:

	(Unit : Baht)		
	CONSOLIDATED F/S		
	Before Reclassification	Increase (Decrease)	After Reclassification
Statements of financial position			
Trade and other current accounts payable	116,267,516	550,535	116,818,051
Other current liabilities	12,419,486	(550,535)	11,868,951

(Unit : Baht)

	CONSOLIDATED F/S		
	Before Reclassification	Increase (Decrease)	After Reclassification
Statements of profit or loss and other comprehensive income			
Revenues from construction	1,415,214,674	818,992	1,416,033,666
Other income	5,817,110	(818,992)	4,998,118

(Unit : Baht)

	SEPARATE F/S		
	Before Reclassification	Increase (Decrease)	After Reclassification
Statements of financial position			
Trade and other current accounts payable	115,011,316	550,535	115,561,851
Other current liabilities	12,419,486	(550,535)	11,868,951
Statements of profit or loss and other comprehensive income			
Revenues from construction	1,415,214,674	818,992	1,416,033,666
Other income	5,715,772	(818,992)	4,896,780

26. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors Meeting of the Company held on 23 February 2022, the directors passed the resolution to approve the payment of dividend from retained earnings as at 31 December 2021 at Baht 0.06 per share, to the common shareholders of 749,873,396 shares, totalling Baht 44.99 million. The dividend payment has to be approved from the Annual General Meeting.

27. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 23 February 2022.

The Positions of Company's Directors and Executives

Mr. Seri Chintanaseri

80 Years

Chairman

Independent Director



Date of appointment (First) : 20 July 2005

Date of appointment (Latest) : 24 April 2019

No. of years to be Director : 17 Years

Education :

- Barrister-at-Law, The Honourable Society of Lincoln's Inn, England
- Barrister-at-Law, Institute of Legal Education, Thailand
- Bachelor of law, Thammasart University

Directorship training program :

- Directors Certification Program, Thai Institute of Directors Association (65/2005)

Current Position in PYLON :

2005 – Present Chairman/ Independent Director, Pylon PLC.

Current Position in Other :

- | | |
|--|--|
| ■ Position in other listed company | None |
| ■ Position in other non listed company | 2 being |
| 2014 – Present | Director/ Executive Director, Double A (1991) PLC. |
| 1997 – Present | Chairman, Seri Manop & Doyle Ltd. |

Work Experience :

2003 – 2014 Director/ Member of the Audit Committee, Double A (1991) PLC.
2010 - 2014 Legal Subcommittee, The Stock Exchange of Thailand
2007 - 2009 Director/ Member of the Audit Committee,
 Sammitr Motors Manufacturing PLC.

Percentage of Shareholding (as of 21 December 2021) : 0.498

Family relationship between directors and executives : None

Mr. Vongchai Sangarayakul

75 Years

Founder Chairman

Director

Member of the Nomination and Remuneration Committee



Date of appointment (First) : 20 July 2005

Date of appointment (Latest) : 24 April 2019

No. of years to be Director : 17 Years

Education :

- High School

Directorship training program :

- Directors Accreditation Program, Thai Institute of Directors Association (44/2005)

Current Position in PYLON :

2005 – Present Director/ Member of the Nomination and Remuneration Committee, Pylon PLC.

Current position in Other :

- Position in other listed company None
- Position in other non listed company 1 being
1967 – Present Owner, Siam Pharmacy

Work Experience :

2004 - 2005 Director, Pylon Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : 6.668

Family relationship between directors and executives : Father's Dr. Chanet and Mr. Bordin
Sangarayakul

Dr. Panja Senadisai

74 Years

Independent Director

Chairman of the Audit and CG Committee



Date of appointment (First) : 20 July 2005

Date of appointment (Latest) : 24 April 2019

No. of years to be Director : 17 Years

Education :

- Ph.D.Industrial Business Administration, Administration&Management College,King Mongkut's University of Technology, Ladkrabang
- Master of Business Administration (MBA), Suffolk University (USA)

Directorship training program :

- Directors Certification Program, Thai Institute of Directors Association (20/2002)
- Audit Committee Program, Thai Institute of Directors Association (2004)
- Certificate of Attendance Role of Compensation Committee Program (2/2007)
- Corporate Governance for Capital Market Intermediaries

Current Position in PYLON :

2005 – Present Chairman of the Audit and CG Committee/ Independent Director, Pylon PLC.

Current Position in Other :

Position in other listed company	3 being
2000 – Present	Director, Somboon Advance Technology PLC.
2006 - Present	Chairman of the Audit Committee/ Member of the Remuneration Committee, Somboon Advance Technology PLC.
2002 – Present	Director/ Member of the Audit Committee/ Chairman of the Compensation Committee, Trinity Wattana PLC.
1983 – Present	Director, KCE Electronics PLC.

- ### Work Experience :

Percentage of Shareholding (as of 21 December 2021) : 0.137

Family relationship between directors and executives : None

Professor Emeritus Dr. Vinit Chovichien

76 Years

Independent Director

Chairman of the Nomination & Remuneration Committee

Member of the Audit and CG Committee



Date of appointment (First) : 20 July 2005
Date of appointment (Latest) : 28 September 2020
No. of years to be Director : 17 Years

Education:

- Doctor of Philosophy, Purdue University, Indiana (USA)
- Master of Science in Civil Engineering, Purdue (USA)
- Bachelor of Civil Engineering, Chulalongkorn University

Directorship training program :

- Directors Accreditation Program, Thai Institute of Directors Association (44/2005)

Current Position in PYLON :

2013 – Present Independent Director/ Member of the Audit and CG Committee/
Chairman of the Nomination and Remuneration Committee, Pylon PLC.

Current Position in Other :

- Position in other listed company None
- Position in other non listed company 1 being
2007 – Present Special Instructor, Faculty of Engineering, Chulalongkorn University

Work Experience :

2015 – 2018 Board Member – Council of Engineers (Term6)
2005 – 2013 Independent Director/ Member of the Audit and CG Committee/
Member of the Nomination & Remuneration Committee, Pylon PLC.

2012 – 2015 Board Member – Council of Engineers (Term5)
1972 – 2007 Lecturer, Faculty of Engineering, Chulalongkorn University
2000 – 2006 Board Member – Council of Engineers (Term1 and Term2)

Percentage of Shareholding (as of 21 December 2021) : -

Family relationship between directors and executives : None

Dr. Chanet Sangarayakul

48 Years

Director

Chairman of the Executive and Risk Management Committee

President

Date of appointment (First) : 20 July 2005
Date of appointment (Latest) : 28 September 2020
No. of years to be Director : 17 Years



Education :

- Doctor of Engineering, Asian Institute of Technology
- Master of Science in structure, Asian Institute of Technology
- Bachelor of Civil Engineering, Chulalongkorn University

Directorship training program :

- Directors Accreditation Program, Thai Institute of Directors Association (44/2005)

Current Position in PYLON :

2016 – Present Director/ Chairman of the Executive and Risk Management Committee/
President, Pylon PLC.

Current Position in Other :

- Position in other listed company None
- Position in other non listed company 1 being
2008 – Present Chairman, Excelon Co., Ltd.

Work Experience :

2005 – 2016 Director/ Chairman of the Executive Committee/ President, Pylon PLC.
2011 – 2015 Director, Thai Listed Companies Association
2011 – 2015 Director, mai Listed Companies Association
2002 – 2005 Chairman/ President, Pylon Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : 35.005

Family relationship between directors and executives : The eldest son of
Mr. Vonchai Sangarayakul

Dr. Chaipat Sahasakul

67 Years

Independent Director

Member of the Audit and CG Committee

Member of the Nomination and Remuneration Committee

Date of appointment (First) : 20 July 2005
Date of appointment (Latest) : 26 April 2018
No. of years to be Director : 17 Years



Education :

- Ph.D. in Economics, University of Rochester, USA
- Master of Arts in Economics, Thammasat University
- Bachelor of Economics, Thammasat University

Directorship training program :

- Directors Certification Program, Thai Institute of Directors Association (21/2002)
- Audit Committee Program, Thai Institute of Directors Association (33/2010)
- Accounting for Non-Accounting Audit Committee, The Stock Exchange of Thailand
- Managing Conflicts in the Boardroom, Thai Institute of Directors Association
- Corporate Disclosures : What are investors looking for beyond financial measures?, Thai Institute of Directors Association
- Audit Committee and Continuing Development Program ,Thai Institute of Director Association
- Monitoring Fraud Risk Management , Thai Institute of Director Association
- Monitoring the System of Internal Control and Risk Management, Thai Institute of Director Association
- Monitoring the Quality of Financial Reporting ,Thai Institute of Director Association
- Monitoring the Internal Audit Function ,Thai Institute of Director Association
- The Board's Role in Fraud Prevention ,Thai Institute of Director Association
- "Steering Governance in a Changing World" IOD International Director Conference 2017 Thai Institute of Director Association

- “Corporate Disclosure : What are investors looking for beyond financial measures ?” IOD Breakfast Talk 3/2017, Thai Institute of Director Association
- Rising above disruption : A Call for Action, National Director Conference 2018 , Thai Institute of Director Association
- “Anti-Corruption : The Practical Guide”, Thai CAC
- EVERST – Entire Business Innovation Transformation (EBIT),Case study IRPC , Thai Institute of Director Association
- National Director Conference 2021 , Thai Institute of Director
- Easy listening: Accounting Knowledge of Audit Committee, The Securities and Exchange Commission

Current Position in PYLON :

2013 – Present	Member of the Nomination and Remuneration Committee, Pylon PLC.
2005 – Present	Independent Director/ Member of the Audit and CG Committee, Pylon PLC.

Current Position in Other :

- **Position in other listed company** **1 being**

2010– Present	Independent Director/Member of the Audit Committee/ Member of Environmental, Social, Risk Management and Compliance Policy Committee, Thai Vegetable Oil PLC.
---------------	---
- **Position in other non listed company** **None**

Work Experience :

2010 – Present	Member of Sub-committee on Performance Evaluation of and Agreement with State Enterprises (Financial institution Sector, Agriculture and Natural Resources Sector), Office of State Enterprise Policy Committee, Ministry of Finance
2018 – 2019	Director, National Housing Authority
2017 – 2019	Member of Screening Sub-committee on State Enterprises Problem Solving Plans
2014 – 2019	Member of Sub-committee on Monetary, Public Finance and Government Budget Policies and Monitoring Macroeconomic Situation,

	National Legislative Assembly
2015 - 2017	Chairman, Sub-committee on Project Evaluation under the Energy Conservation Promotion Fund
2016 – 2018	Director, Eastern Water Resources Development and Management PLC.
2014 – 2016	Chairman, Agriculture Futures Exchange of Thailand
2013 – 2016	Director, Faculty of Economics, Thammasat University
2012 - 2016	Director, National Research Council of Thailand
2010 – 2012	Honorary Director, The Stock Exchange of Thailand
2002 – 2012	Independent Director/ Chairman of the Audit Committee, the Electricity Generating PLC.
2001 – 2009	Secretary - General, Agriculture Futures Trading Commission
2005 – 2008	Member of Financial Institutions Policy Committee, Bank of Thailand
2005 – 2006	Director, Member of the Audit Committee/ Chairman of Risk Management Committee, the Government Housing Bank

Percentage of Shareholding (as of 21 December 2021) : 0.333 held by his spouse

Family relationship between directors and executives : None

Mr. Bordin Sangarayakul

47 Years

Director

Member of the Executive and Risk Management Committee

Senior Executive Vice President-Finance & Management

Chief Financial Officer



Date of appointment : 25 April 2017
Date of appointment (Latest) : 28 September 2020
No. of years to be Director : 5 Years

Education:

- Master of Science (Construction Engineering and Management), Virginia Tech (USA)
- Bachelor of Civil Engineering, Chulalongkorn University

Directorship training program :

- Directors Accreditation Program, Thai Institute of Directors Association (44/2005)

Current Position in PYLON :

2017 - Present Director/ Member of the Executive and Risk Management Committee/
Senior Executive Vice President-Finance & Management, Pylon PLC.

Current Position in Other :

- Position in other listed company None
 - Position in other non listed company 2 being
- 2017 – Present Director, Innovy Co., Ltd.
- 2008 – Present Director, Excelon Co., Ltd.

Work Experience:

2016 – 2017 Senior Executive Vice President – Finance & Management, Pylon PLC.

2005 – 2016 Director/ Member of the Executive Committee/
Senior Executive Vice President-Finance & Management, Pylon PLC.

2010 – 2012	Director, Aun Jung Co., Ltd.
2004 – 2005	Director/ Deputy Managing Director – Finance & Administration, Pylon Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : 8.001

Family relationship between directors and executives : The second son of
Mr. Vongchai Sangarayakul

Mr. Somsak Viriyapipat

63 Years

Director

Member of the Executive and Risk Management Committee

Senior Executive Vice President – Equipment & Facilities

Acting Vice President-Equipment & Facilities



Date of appointment (First) : 20 July 2005

Date of appointment (Latest) : 28 April 2021

No. of years to be Director : 17 Years

Education :

- Bachelor of Mechanical Engineering, King Mongkut's University of Technology North Bangkok

Directorship training program :

- Directors Accreditation Program, Thai Institute of Directors Association (44/2005)

Current Position in PYLON :

2016 – Present Director / Member of the Executive and Risk Management Committee/ Senior Executive Vice President – Equipment & Facilities, Acting Vice President – Equipment, Pylon PLC.

Current Position in Other :

- Position in other listed company None
- Position in other non listed company 1 being
2021 – Present Director, Excelon Co., Ltd.

Work Experience :

2005 – 2016 Director / Member of the Executive Committee/ Senior Executive Vice President – Equipment & Facilities, Acting Vice President – Equipment, Pylon PLC.

2002 – 2005 Director/ Deputy Managing Director– Equipment & Facilities, Pylon Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : 1.160

Family relationship between directors and executives : None

Mr. Pisun Sirisulsakulchai

48 Years

Director

Member of the Executive and Risk Management Committee

Senior Executive Vice President – Engineering & Marketing



Date of appointment (First) : 17 April 2009

Date of appointment (Latest) : 28 April 2021

No. of years to be Director : 13 Years

Education:

- Master of Art in Business Law, Chulalongkorn University
- Master of Business Administration (MBA), Rockhurst University (USA)
- Master of Science-Construction Management, University of Wisconsin-Madison (USA)
- Bachelor of Civil Engineering, Chulalongkorn University

Directorship training program:

- Directors Accreditation Program, Thai Institute of Directors Association (79/2009)

Current Position in PYLON:

2016 – Present Director / Member of the Executive and Risk Management Committee/
Senior Executive Vice President – Engineer & Marketing, Pylon PLC.

Current Position in Other:

- | | |
|--|-----------------------------|
| ▪ Position in other listed company | None |
| ▪ Position in other non listed company | 1 being |
| 2008 – Present | Director, Excelon Co., Ltd. |

Work Experience:

2009 – 2016 Director/ Member of the Executive Committee/ Senior Executive Vice President-
Engineering and Marketing, Pylon PLC.

2008 – 2009 Executive Vice President – Engineering, Pylon PLC.

2008 – 2011 Director, Thaicar dot com Co., Ltd.

2006 – 2007 Project Manager, Pylon PLC.

Percentage of Shareholding (as of 21 December 2021) : 1.965

Family relationship between directors and executives : None

Mr. Chaiyaphol Sutthamanuswong

49 Years

Executive Vice President – Accounting and Finance

Education:

- Master of Business Administration (MBA), Kasetsart University
- Bachelor of Civil Engineering, Chulalongkorn University

Work Experience:

- 2015 – Present Executive Vice President – Accounting and Finance, Pylon PLC.
- 2013 – 2014 Executive Vice President – Finance, Pylon PLC.
- 1996 – 2013 VP Relationship Manager Bangkok Bank PLC.

Percentage of Shareholding (as of 21 December 2021) : -

Mr. Veeratas Chiradechvirot

42 Years

Executive Vice President – Management

Education:

- Master of Business Administration (MBA), Thammasart University
- Bachelor of Mechanical Engineering, King Mongkut's University of Technology North Bangkok

Work Experience:

- 2013 – Present Executive Vice President – Management, Pylon PLC.
- 2008 – 2012 Vice President – Purchasing, Pylon PLC.
- 2006 – 2007 Operating System Manager, Pylon PLC.

Percentage of Shareholding (as of 21 December 2021) : -

Miss Nipawan Rojjanabandit

50 Years

Vice President Accounting and Finance/ Chief Accountant

Education

- Master of Public and Private Management (MPPM), National Institute of Development Administration
- Bachelor of Accountancy, The University of the Thai Chamber Commerce
- Bachelor of Business Administration, Rajabhat Rajanagarindra University

Work Experience

- 2019 – Present Vice President Accounting and Finance, Pylon PLC.
- 2017 – 2018 Vice President Accounting and Finance, Siam Technic Concrete PLC.
- 2004 – 2017 Accounting and Finance Department Manager, SNC Former PLC. and Subsidiaries in SNC Group

Percentage of Shareholding (as of 21 December 2021) : -

Mr. Korn Thongsri

49 Years

Vice President – Human Resource

Education:

- Bachelor of Law, Ramkhamhaeng University

Work Experience:

- 2011 – Present Vice President - Human Resource, Pylon PLC.
- 2009 – 2011 Human Resource Manager, TPP Group Co., Ltd.
- 2002 – 2009 Human Resource Manager, JVK International Logistics and Moving Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : -

Mr. Ratthakorn Nakachai

51 Years

Vice President - Construction

Education:

- Master of Infrastructure Engineering and Management, Kasetsart University
- Bachelor of Civil Engineering, Khonkan University

Work Experience:

- 2015 – Present Vice President – Construction, Pylon PLC.
- 2013 – 2015 Project Director, Pylon PLC.
- 2008 – 2013 Senior Project Manager, Pylon PLC.
- 2003 - 2008 Project Manager, Pylon Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : -

Mr. Wirote Matoop

47 Years

Vice President – Quality Control

Education:

- Master of Science in Technical Education Program in Business Industries
- Bachelor of Engineering – Textile Engineering

Work Experience :

- 2020 - Present Vice President – Quality Control, Pylon PLC.
- 2012 – 2020 Manager - Quality Control, Pylon PLC.

Percentage of Shareholding (as of 21 December 2021) : -

Mr. Atthakorn Thongthanom

41 Years

Vice President Strategy & Process

Education:

- Master of Management (M.M.) in General Management, College of Management Mahidol University (2007)
- Bachelor of Engineering (B.Eng.) in Information Engineering, King Mongkut's Institute of Technology Ladkrabang (2004)

Work Experience :

- 2021 – Present Vice President Strategy & Process, Pylon PLC.
- 2019 - 2021 Process improvement & IT Manager, Pylon PLC.
- 2017 - 2019 Senior Office Engineer, Pylon PLC.

Percentage of Shareholding (as of 21 December 2021) : -

Miss Thitima Taiwprateep

43 Years

Company Secretary

Education:

- Bachelor of Accounting (Management), The University of Thai Chamber of Commerce

Training Program :

- Company Secretary Program Class 72/2016
- Board Reporting Program-BRP (26/2018)
- ESG Showcase on one report
- Financial Professional (Live Training)

Work Experience :

- 2007 – Present Company Secretary, Pylon PLC.
- 2005 – 2007 Human Resource Officer, Pylon PLC.
- 2002 – 2005 Accounting Officer, Pylon Co., Ltd.
- 2000 – 2002 Accounting and Finance Officer, World United Shipping Co., Ltd.

Percentage of Shareholding (as of 21 December 2021) : -

Details of the directors of subsidiaries

Name - Surname	Company	
	Pylon Plc.	Excelon Plc.
Mr. Seri Chintanaseri	<i>I</i> <i>CB</i>	
Mr. Vongchai Sangarayakul	<i>I</i> <i>III</i>	
Dr. Panja Senadisai	<i>I</i> <i>CA</i>	
Professor Emeritus Dr. Vinit Chovichien	<i>I</i> <i>CN</i> <i>II</i>	
Dr. Chaipat Sahasakul	<i>I</i> <i>II</i> <i>III</i>	
Dr. Chanet Sangarayakul	<i>I</i> <i>CE</i>	<i>I</i> <i>CB</i> <i>IV</i>
Mr. Bordin Sangarayakul	<i>I</i> <i>IV</i>	<i>I</i> <i>IV</i>
Mr. Somsak Viriyapipat	<i>I</i> <i>IV</i>	<i>I</i> <i>IV</i>
Mr. Pisun Sirisuksakulchai	<i>I</i> <i>IV</i>	<i>I</i> <i>IV</i>
Mr. Veeratas Jiradachviroj	<i>V</i>	
Mr. Chaiphaphol Sutimanusawong	<i>V</i>	
Miss Nipawan Rojanabandit	<i>V</i>	
Mr. Korn Thongsri	<i>V</i>	
Mr. Ratthakorn Nakachai	<i>V</i>	
Mr. Wiroj Mathup	<i>V</i>	

Name - Surname	Company	
	Pylon Plc.	Excelon Plc.
Mr. Atthakorn Thongthanom	V	

หมายเหตุ :- *CB Chairman*
 CA Chairman of the Audit and CG Committee
 CN Chairman of the Nomination and Remuneration
 CE Chairman of the Executive and Risk Management Committee
 I Director
 II Member of the Audit and CG Committee
 III Member of the Nomination and Remuneration
 IV Member of the Executive and Risk Management Committee
 V Management Team

Details of the Heads of the Internal Audit

Mr. Suvit Chanamporn

Professional qualification

- Certified Public Accountant (CPA Thailand) License no. 3800

Education Background:

- Faculty of Commerce and Accountancy, Chulalongkorn University
- Business Administration - Majoring Accounting, Assumption University
- Faculty of Law, Ramkhamhaeng University

Working experience:

- Audit Supervisor, Price Waterhouse Cooper ABS Co., Ltd
- Group Accounting Manager, Bangkok Land Public Company Limited
- Internal Audit Manager, IBM Thailand Co., Ltd.
- Internal Audit Manager, IBM Corporation - USA
- Senior Internal Audit Director, UTAC Thai Co., Ltd.
- Managing Director, EL Business Advisory Co., Ltd.

Training Program:

Year	Training Program
2019	Financial reporting for Listed Company
	Taxation for transfer pricing of related parties
	Update accounting standard for PAEs and NPAEs
	Risk Management for construction project
2018	Review the strategy process and monitoring
	CIA review
	Audit Standard on Quality control
	Auditing of corporate governance
	Audit Working paper for Collective Action Coalition Against Corruption
	Data Analytics for internal auditor

Year	Training Program
2017	Orientation course for Chief Accountants focusing on financial reporting
	Enhancing Good Corporate Governance

Address : EL Business Advisory Co., Ltd.
98/163, Ramkhamhaeng Road, PlabPhra Subdistrict,
Wangthonglang District, Bangkok
Tel. 02 184 5979 Fax. 02 184 5923
Email: suvitch@elba.co.th

Operating Assets

Fixed and Intangible Assets

Core fixed and intangible assets in the Company and its subsidiary's operations as at 31 December 2021 were as follows:

(Unit: Baht Million)

Assets	Types of assets		Nature of ownership	Book value as at 31 December 2021	Obligations
	Fixed assets	Intangible assets			
Land at Lad Lum Kaeo District, Pathum Thani (repairs and maintenance facilities)	x		Owner	107.21	No
Factories and building structures, Lad Lum Kaeo District, Pathum Thani (repairs and maintenance facilities)	x		Owner	13.54	No
Machines (1)	x		Financial	48.54	Yes
Machines	x		lease Owner	284.98	No
Tools and equipment	x		Owner	45.95	No
Fixtures and office supplies	x		Owner	4.36	No
Vehicles (1)	x		Financial	7.13	Yes
Vehicles	x		lease Owner	2.08	No
- Building improvements	x		Financial	2.64	No
- Building improvements	x		lease Owner	1.98	No
Assets under construction	x		Owner	2.08	No

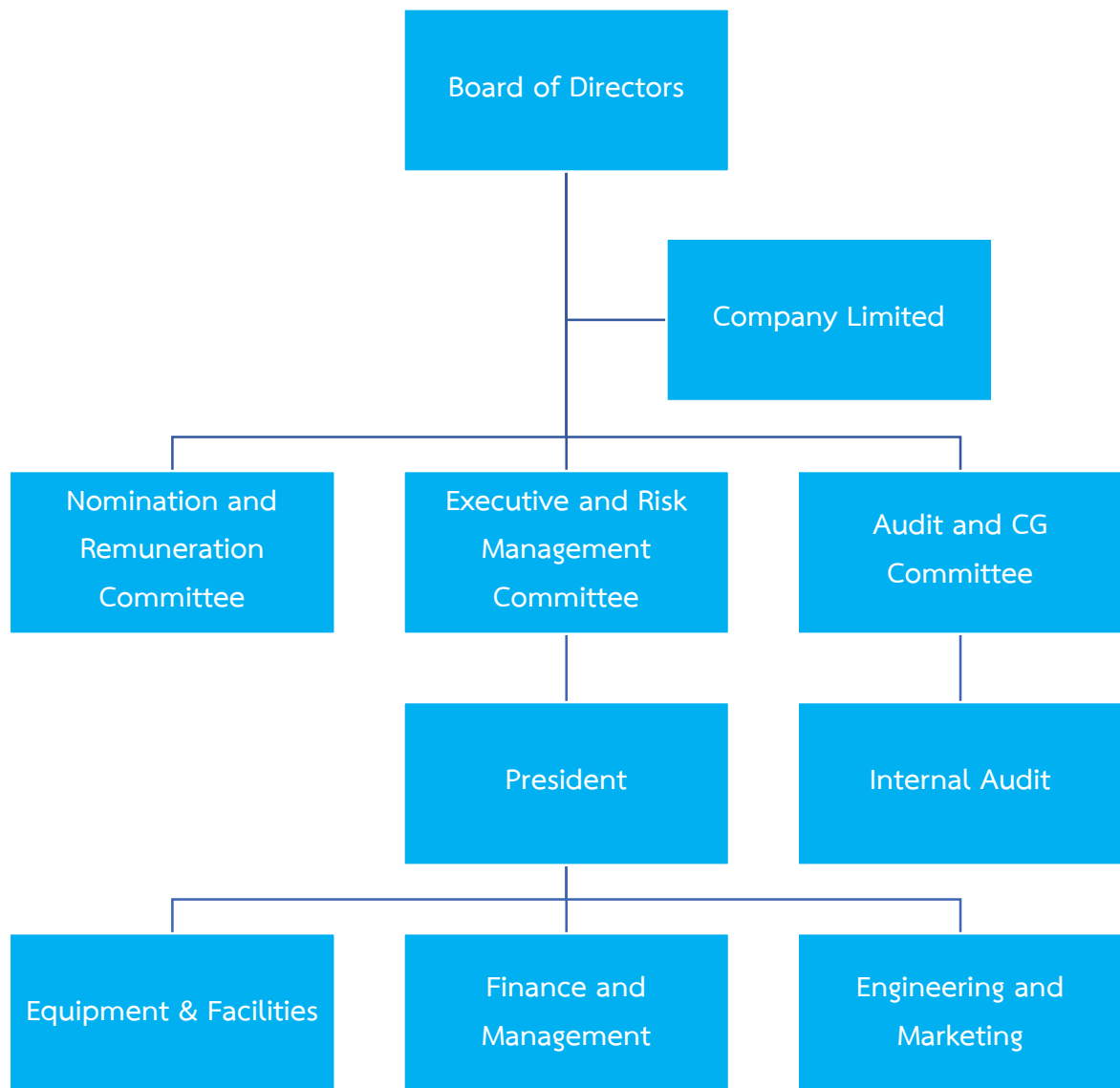
Assets	Types of assets		Nature of ownership	Book value as at 31 December 2021	Obligations
	Fixed assets	Intangible assets			
Computer software		x	Owner	2.41	No
Computer software under development		x	Owner	2.89	Yes
Total				525.79	

Remark: The Company entered into financial leases for 24 vehicles and 11 units of drilling machines, excavator, and others. As at 31 December 2021, the Company's outstanding debt under its financial leases totaled Baht 21.25 million. The net book value of machinery and vehicles under financial leases was Baht 55.67 million.

Management

Management Structure

As of December 31, 2021 The Company's management structure is shown in the following organization chart



The structure of the Company consists of the Board of Directors and three committees which are the Audit and CG Committee, the Nomination and Remuneration Committee and the Executive and Risk Management Committee. Members of Board of Directors and each committee and the scope of their authorities are as follows:

The Board of Directors

As of December 31, 2021, The Company's Board of Directors comprises 9 members in which:

- 5 Non-Executive Directors, representing 55.56 percent of the Board of Directors consists of
 - 4 Independent Directors, representing 44.44 percent of the Board of Director who are independent of management and major shareholders.
 - 1 Non – Executive director, representing 11.11 percent of the Board of Directors
- 4 Executive Directors, representing 44.44 percent of the Board of Directors

As of December 31, 2021 The Board of Directors were as follows:

Name - Surname	Position
1. Mr. Seri Chintanaseri	Chairman/ Independent Director
2. Dr. Panja Senadisai ¹	Independent Director/ Chairman of the Audit and CG Committee
3. Professor Emeritus Dr. Vinit Chovichien	Independent Director/ Member of the Audit and CG Committee/ Chairman of the Nomination and Remuneration Committee
4. Dr. Chaipat Sahasakul ¹	Independent Director/ Member of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee
5. Mr. Vongchai Sangarayakul	Director/ Member of the Nomination and Remuneration Committee
6. Dr. Chanet Sangarayakul	Director/ Chairman of the Executive and Risk Management Committee
7. Mr. Somsak Viriyapipat	Director/ Member of the Executive and Risk Management Committee
8. Mr. Pisun Sirisuksakulchai	Director/ Member of the Executive and Risk Management Committee
9. Mr. Bordin Sangarayakul	Director/ Member of the Executive and Risk Management Committee

Company Secretary was Ms.Thitima Tiawprateep

Remark

1. Having knowledge and experience in review of Financial Statements.

Prof. Emeritus Dr. Vinit Chovichien, non-executive director/ independent director, is an expert in structural engineering which is directly related to the Company's business.

The Board of Directors consists of members from various professional fields with extensive knowledge, capabilities and experience necessary and beneficial to the Company's business as follows:

Expertise	No.	Percentage
● Foundation Construction and Engineering	4	44.45
● Accounting Finance Economic and Business Administration	3	33.33
● Law	1	11.11
● Heavy Machine	1	11.11
Total	9	100.00

The Board of Directors have the duty to manage and supervise the Company's operations to ensure compliance with applicable laws, rules, and regulations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the Capital Market Supervisory Board, along with the Company's objectives and articles of association. The Board of Directors shall perform duties with responsibility, integrity and prudence.

While the Board of Directors is appointed by shareholders, the Company secretary is appointed by the Board of Directors with the duties to give advice and assistance for the Board of Directors to function in compliance with the laws and regulations, and to work on the Board of Directors's Meetings and the Shareholders' Meetings, as well as to support the good corporate governance.

At the Board of Directors's meeting, the Chairman, the President and the Company secretary will consider and select the agendas together, making sure that every important issue has been incorporated. Each director has independency to propose meeting agendas.

The Company secretary will disseminate the meeting's agendas to the Board of Directors at least 5 days working day prior to the meeting. Those documents will provide adequate information for the directors consideration. However, if there is confidential information that cannot be revealed in writing, or if the disclosure of such information would negatively affect the Company, the Board of Directors can bring that issue up for discussion at the meeting.

During the meeting, the Chairman will allocate adequate time for the executives to present the agendas, and for the Board of Directors to discuss important issues thoroughly. The Chairman will also encourage the directors to use their discretion and to pay full attention to every issue brought up to the meeting, especially on corporate governance. Moreover, at the Board of Directors's meeting, high-level executives from each division will be invited to join and present information, problems and details of the issues for the Board of Directors's consideration, which helps create relationship between the directors and the executives. The Board of Directors can also get more information by inquiring from the executives or in the case of inadequacy, asking the Company secretary to provide more information.

Minutes of Board of Directors's meeting consist of key components such as date and time of the meeting (commencement and adjournment), name list of the directors present and absent, summary of the proposed agendas, summary of the discussions and observations, the meeting resolution and comments from those who disagreed. The Company compiles minutes of the meetings in hard copies for easy access but non-amendable. The directors attendance is recorded and revealed. The Board of Directors's meetings are scheduled to be held quarterly and at least 6 times per year, while the Executive and Risk Management Committee's meetings are held regularly. The results from the Executive and Risk Management Committee's meeting will be presented to the Board of Directors.

Authority to sign on behalf of the Company as of December 31, 2021

Mr. Chanet Sangarayakul and Mr. Bordin Sangarayakul are authorized to jointly sign their names together with the Company's seal affixed to enter into bond on the Company's behalf. Otherwise, one of the aforementioned directors may jointly sign his name with either Mr. Vongchai Sangarayakul or Mr. Somsak Viriyapipat or Mr. Pisun Sirisuksakulchai together with the Company's seal affixed to enter into bond on the Company's behalf.

Chairman

Roles and Responsibilities of Chairman

1. To chair the Board of Directors' and the shareholders' meetings to ensure successful conduct;
2. To guide the Board of Directors' meetings towards effective and productive results by encouraging every member to fully participate;
3. To cast the deciding vote in the case of a tie vote;
4. To hold responsibility as leader of the Board of Directors in monitoring, tracking and supervising the work of the Executive and Risk Management Committee and other committees in order to achieve the objectives as planned.

In 2021, the Board of Directors was of the view that the Chairman had done excellent job in leading the meetings and encouraging the members to give their opinions extensively.

In addition, each director must report the shareholding of him/herself and his/her spouse and minor child(ren) in Pylon Public Company Limited to the Board of Directors' meeting after he/she has been elected as the director. After that, if the director and his/her spouse and minor child(ren) have entered into any trading transactions of shares in Pylon Public Company Limited; they shall report such transactions to the Board of Directors at its next meeting. The shareholding details as at December 31, 2021 were as follows

Name		Number of shares				
		As of January 1, 2021		Increase/ Decrease (Jan1, 2021-Dec 31, 2021)	As of December 31, 2021	
		ownership	Spouse/ Minor Child		ownership	Spouse/ Minor Child
1	Mr.Seri Chintanaseri Chairman of the Board of Directors Independent Director	3,733,246	-	Not change	3,733,246	-
2	Dr.Panja Senadisai Independent Director	1,030,000	-	Not change	1,030,000	-
3	Professor Emeritus Dr. Vinit Chovichien Independent Director	-	-	Not change	-	-
4	Dr.Chaipat Sahasakul Independent Director	-	2,499,996	Not change	-	2,499,996
5	Mr.Vongchai Sangarayakul Director	50,000,000	-	Not change	50,000,000	-
6	Dr.Chanet Sangarayakul Director	262,490,132	-	Not change	262,490,132	-
7	Mr.Somsak Viriyapipat Director	8,695,746	-	Not change	8,695,746	-
8	Mr.Pisun Sirisuksakulchai Director	14,757,996	-	Not change	14,757,996	-
9	Mr. Bordin Sangarayakul Director	60,000,000	-	Not change	60,000,000	-
10	Mr.Chaiyaphol Sutthamanuswong Executive Vice President-Accounting and Finance	-	-	-	-	-
11	Mr.Veeratas Chiradechvirot Executive Vice President- Management	-	-	-	-	-
12	Miss Nipawan Rojjanabandit Vice President Accounting and Finance	-	-	-	-	-
13	Mr.Korn Thongsri Vice President-Human Resource	-	-	-	-	-
14	Mr.Ratthakorn Nakachai Vice President-Construction	-	-	-	-	-
15	Mr.Wirote Matoop Vice President-Quality Control	-	-	-	-	-
16	Mr.Atthakorn Thongthanom Vice President-Strategy&Process	-	-	-	-	-

Scope of Authorities of the Company's Board of Directors

The Board of Directors shall have authority to approve corporate matters according to its scope of duties and responsibilities to supervise and ensure that the Company complies with applicable laws, objectives, and articles of association as well as legal resolutions of shareholders' meetings. Also, the Board of Directors shall determine, review and approve visions, goals (in alignment with missions), strategies, and directions of operations each year. The Board of Directors shall monitor corporate performance to meet specified plans based on the principles of integrity and prioritizing corporate interests. There shall be a clear segregation of duties between the Board of Directors and the management team. The Board of Director's approval authority, duties and responsibilities shall be determined as follow;

1. To arrange the annual general shareholders' meeting within four months after the date ending the Company's fiscal year.
2. To arrange the Board of Directors' meeting at least once every quarter and at least 6 times per year.
3. To prepare the Company's balance sheet and income statement that would be audited by the external auditor and submitted to the shareholders' meeting for consideration and approval.
4. The Board of Directors may delegate authorities to one or more Directors or other persons to perform any duties on its behalf under its supervision. The Board of Directors may assign them with specific authorities and durations as deemed appropriate and reserve the right to change or revoke those authorities given.

The Board of Directors may delegate authorities to the Executive and Risk Management Committee to perform any tasks in accordance with the extent of its prescribed authorities. The assigned authorities, however, must not give the Executive and Risk Management Committee the opportunity to consider and approve any transactions that he/she or other persons may have interests or conflict of interests of any nature with the Company or Subsidiary except the transactions that comply with the policy and criteria that are already considered and approved by the Board of Directors.

5. To set goal, direction, policy, plan, and budget of the Company as well as monitor and supervise the administration and management of the Executive and Risk Management Committee so that it complies with the prescribed policy except for the matters required

by law to be approved by the resolution of the shareholders' meeting. These matters are such as acquisition and disposition of the asset, issuance of the Company's debenture, sale or transfer of ownership of the Company or a significant part thereof to another individual, purchase or transfer of business from other companies, and amendment of Memorandum of Association or Article of Association, etc. The Board of Directors' duty is also to supervise the Company so that its business operation complies with the Securities and Securities Exchange Act and the Stock Exchange of Thailand's regulations such as the matter of related party transactions and the sale and purchase of core assets in accordance with the regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business.

6. To consider the management structure as well as the appointments of the Executive and Risk Management Committee, President, and other committees as deemed appropriate.
7. To monitor the Company's operating performance to continually comply with the prescribed plan and budget.
8. The Director is prohibited from doing business, being partner of the ordinary partnership, being partner with unlimited liabilities of the limited partnership, or being director of the private company or other companies which conduct business of the same nature and directly compete with the Company. These matters are prohibited whether doing for his/her or other person interests unless the Director notifies the shareholders' meeting prior to the resolution for his/her appointment.
9. The Director must promptly inform the Company about his/her direct or indirect personal interest in contracts executed by the Company including debentures and shareholding status, whether increase or decrease, in the Company or its affiliates.

Audit and CG Committee

The Company shall appoint the Audit and CG Committee which consists of at least three independent directors. At least one director must have knowledge or experience in accounting or finance, and have consistent knowledge of events affecting the changes in the Company's financial report in order to increase the efficiency of the Audit and CG Committee. The Audit and CG Committee shall hold office on a three-year term.

When the term of service expires or there is any circumstance causing any member to be unable to hold office until expiration, thus making the number of committee members to be lower than three persons, the Board of Directors or the shareholders' meeting should appoint the new member to fill up the vacancy immediately or not later than three months from the date of vacancy to ensure the continual performance of the Audit and CG Committee.

As of December 31, 2021 the Audit and CG Committee were as follows:

Name - Surname	Position
1. Dr. Panja Senadisai	Chairman of the Audit and CG Committee / Independent Director
2. Dr. Chaipat Sahasakul	Member of the Audit and CG Committee / Independent Director
3. Professor Emeritus Dr. Vinit Chovichien	Member of the Audit and CG Committee / Independent Director

Remark : Secretary to the Audit and CG Committee was Ms. Thitima Tiawprateep

Dr. Panja Senadisai and Dr. Chaipat Sahasakul are members of the Company's Audit and CG Committee. They have more than 30 years and 20 years of experiences respectively in the revision of financial reports of the Company with accuracy and adequacy.

Scope of Authorities of the Audit and CG Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient as well as to determine an internal audit unit's independence;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To propose for an appointment, re-appointment, and termination of contract of external auditors, as well as offering their remuneration;
5. To approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;

6. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations and are reasonable for the highest benefits of the Company.
7. To review the Charter of the Audit and CG Committee at least once a year and propose to the Board of Directors for consideration;
8. To carry out any other tasks as assigned by the Board of Directors and approved by the Audit and CG Committee;
9. To prepare and disclose in the Company's annual report, the Audit and CG committee's report which must be signed by the Chairman of the Audit and CG Committee and consist of the following information required by the Stock Exchange of Thailand;
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interest,
 - (f) the number of the Audit and CG Committee meetings and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the Audit and CG committee from its performance of duties in accordance with charter, and
 - (h) other transactions which, according to the Audit and CG committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
10. To monitor and control Company's compliance with good corporate governance principles.
11. To screen and review the anti-corruption policy and guidelines; provide recommendations useful for the preparation and revision of the Anti-Corruption policy and guidelines in a concrete manner; and supervise the implementation of the anti-corruption measures and review relevant measures and internal controls.

12. To report the results of the Audit and CG Committee's work to the Board of Directors regularly at least once every quarter.

The Nomination and Remuneration Committee

The Company shall appoint the Nomination and Remuneration Committee which consists of not less than 3 members. At least half of the members, including the Chairman of the Nomination and Remuneration Committee, must be the independent directors. The Nomination and Remuneration Committee shall hold office on a three-year term.

In case of vacancy because of completion of term, or for other reasons than completion of term, the Board of Directors shall appoint a qualified person as a replacement member within 90 days to ensure that the composition of the Nomination and Remuneration Committee complies with the requirement of the Board of Directors.

As of December 31, 2021 the Nomination and Remuneration Committee were as follows:

Name - Surname	Position
1. Professor Emeritus Dr. Vinit Chovichien	Chairman of the Nomination and Remuneration Committee / Independent Director
2. Dr. Chaipat Sahasakul	Member of the Nomination and Remuneration Committee / Independent Director
3. Mr. Vongchai Sangarayakul	Member of the Nomination and Remuneration Committee

Remark : Secretary to the Nomination and Remuneration Committee was Mr. Korn Thongsri.

Scope of Authorities of the Nomination and Remuneration Committee

1. To consider the structure and composition of the Board of Directors and qualifications, as well as the appropriateness of knowledge and experience of the directors and the President.
2. To select and submit the names of the knowledgeable and experienced candidates who are suitable for the Company to be appointed as the directors and the president in case of vacancy for consideration and approval of the Board of Directors or at the shareholders' meeting as the case may be.

3. To select the Company's representative for positions in subsidiary and/or associated companies.
4. To determine the suitable remuneration structure of the directors and the president such as monthly remuneration, gratuity, bonus, welfare, meeting allowance and other cash and non-cash fringe benefits.
5. To set up the criteria for the president's assessment and present to the Board of Directors for consideration and approval.
6. To consider the terms and conditions in case of new securities (or warrants) offered to directors and employees (ESOP) as well as to consider and endorse in case that securities are allotted to any director or any employee more than 5 % of the total securities to be allotted. The Nomination and Remuneration Committee will be eligible to have such endorsement upon the condition that none of the Nomination and Remuneration Committee's members is granted the security allotment of more than 5%.
7. To report its activities to the Board of Directors' meeting subsequent to its meeting and report its performance in the past year to shareholders in the Company's annual report and the annual general meeting of shareholders.
8. To perform any other tasks, as assigned by the Board of Directors, in relation to nomination and remuneration.

The Executive and Risk Management Committee

The Board of Directors shall appoint a number of suitable persons to be members of the Executive and Risk Management Committee.

As of December 31, 2021 the Executive and Risk Management Committee are as follows:

Name - Surname	Position
1. Dr. Chanet Sangarayakul	Chairman of the Executive and Risk Management Committee
2. Mr. Somsak Viriyapipat	Member of the Executive and Risk Management Committee
3. Mr. Pisun Sirisuksakulchai	Member of the Executive and Risk Management Committee
4. Mr. Bordin Sangarayakul	Member of the Executive and Risk Management Committee

Scope of Authorities of the Executive and Risk Management Committee

Duties and responsibilities of the Executive and Risk Management Committee are to administer the Company's usual business practice and management. Its duties and responsibilities are also to set and submit to the Board of Directors' meeting for consideration and approval and/or endorsement the policies, business plans, budget, management structure, risk management and power of management authorities, as well as the criteria in conducting the Company's business that complies with the economic environment. The Executive and Risk Management Committee shall investigate and monitor the Company's performance to ensure the compliance with the prescribed policies. Major duties and responsibilities of the Executive and Risk Management Committee are as follows:

Management

1. To set policy, direction, strategy, and core management structure regarding the Company's business conduct and submit to the Board of Directors for approval.
2. To set business plan, budget, and management authorities and submit to the Board of Directors for approval.
3. To consider the Company's investment project and submit to the Board of Directors for approval.
4. To approve important investment expenditures prescribed in the annual budget as assigned by the Board of Directors or investment expenditures that are already approved in principle by the Board of Directors.
5. To approve procurement or hiring contracts for the office management task as follow the Authority List.
6. To negotiate and sign contracts, agreements, and documents for any construction project including the procurement or hiring of those projects that are normal business practices of the Company in accordance with The Authority List.
7. To act as the management's advisory committee in the matter of financial, marketing, operation and other policies.
8. To approve the opening or closing of the bank deposit account, to specify the authorized person who shall withdraw money from the Company's account, as well as to handle the matters concerning the bank deposit account.

9. To have authority to approve requests for credit facilities, entering into credit facility contracts, and cancellation of all types of credit facilities; and to have authority to consider the suitability of putting the Company's securities such as land, buildings, deposits and bonds, as collateral for applying for credit facilities from all financial institutions
10. To conduct any necessary operations to support and protect the Company's benefits.
11. To perform other duties as assigned by the Board of Directors

Risk Management

12. The Executive and Risk Management Committee shall be responsible for assessing corruption risk and determining anti-corruption measures; preparing, reviewing and revising guidelines to comply with the anti-corruption policy to keep up with the current situation; and disseminating and communicating the anti-corruption policy to its employees comprehensively for their understanding.
13. To consider and provide opinions regarding the draft risk management policy and framework before submission thereof to the Audit and CG Committee for consideration and approval. The policy encompasses a number of important risks including strategic risk, operational risks, reporting risk, and compliance risk.
14. To consider and provide opinions on risk appetite and risk tolerance levels before submission thereof to the Audit and CG Committee for consideration and approval
15. To acknowledge, consider and provide opinions on the risk ratings, guidelines and measures to address the risks, and action plans to manage the residual risks to the Company, to ensure that the Company's risk management is adequate and appropriate
16. To supervise and supports the Company's risk management to achieve a successful result; recommend preventive measures and ways to mitigate risks to acceptable levels; follow up on action plans to reduce risks consistently and to keep up with business circumstances, to ensure that all risks are managed adequately and appropriately
17. To provide suggestions and supports on enterprise risk management for the executives and the risk management team; and to promote and encourage improvements and developments of the enterprise risk management system on a consistent and regular basis

18. To supervise and support the review and revision of the enterprise risk management policy and framework at least once per year to ensure that the said risk management policy and framework are aligned and commensurate with the overall business conditions
19. To report key enterprise risks, risk status and ways to address them; progress updates; and results of risk management to the Audit and CG Committee and the Board of Directors for acknowledgement on a quarterly basis
20. On the Company's expenses, the Executive and Risk Management Committee may hire external advisors to provide advice.

According to the regulations of the Securities and Securities Exchange Commission and the Stock Exchange of Thailand, the authorities of the Executive and Risk Management Committee shall not include the approval of transactions that member of the Executive and Risk Management Committee or other persons may have interests or conflict of interests of any nature with the Company or its subsidiaries (if any). These transactions must be submitted to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval as specified by the Company's regulations and other related laws unless it is the approval of transactions that are the nature of the Company's normal business practices and the framework for consideration is clearly set by the Board of Directors.

Management Team

As of December 31, 2021 Management Team were as follows:

	Name - Surname	Position
1.	Dr. Chanet Sangarayakul	President
2.	Mr. Pisun Sirisuksakulchai	Senior Executive Vice President – Engineering & Marketing
3.	Mr. Somsak Viriyapipat	Senior Executive Vice President - Equipment & Facilities Acting Vice President – Equipment & Facilities
4.	Mr. Bordin Sangarayakul ¹	Senior Executive Vice President - Finance & Management
5.	Mr. Veeratas Chiradechviro	Executive Vice President – Management Acting Vice President - Procurement
6.	Mr. Chaiyaphol Sutthamanuswong	Executive Vice president - Accounting and Finance
7.	Miss Nipawan Rojjanabandit ²	Vice President Accounting and Finance

	Name - Surname	Position
8.	Mr. Korn Thongsri	Vice President - Human Resource
9.	Mr. Ratthakorn Nakachai	Vice President - Construction
10.	Mr. Wirote Martoop	Vice President – Quality Control
11.	Mr. Atthakorn Thongthanom	Vice President – Strategy & Process

Remark : 1. Serve as the Chief Financial Officer

2. Serve as the Chief Accountant

Scope of Authorities of the President

1. To take responsibilities on daily routine management as well as control and supervise staffs and employees of the Company.
2. To conduct or operate the Company's business in compliance with the policy, plan, and budget approved by the Board of Directors and/or the Executive and Risk Management Committee.
3. To manage, on behalf of the Company, the Company's business to fully comply with the prescribed objectives, regulations, policies, rules, orders as well as the resolutions of the shareholders' meeting and/or the resolutions of the Board of Directors' meeting and/or the resolutions of the Executive and Risk Management Committee's meeting.
4. To approve procurement or hiring contracts for the office management tasks in the amount of not exceeding Baht 5 million per transaction.
5. To negotiate and sign contracts, agreements and documents for any construction project including the procurement or hiring of those projects that are normal business practices of the Company in accordance with the authority list.
6. To hire and determine the remunerations of all the Company's employees as well as to appoint the employer's representative in the Provident Fund Committee.

However, according to the regulations of the Securities and Securities Exchange Commission and the Stock Exchange of Thailand, the authorities of the President shall not include the approval of transactions that he/she or other persons may have interests or conflict of interests of any nature with the Company or its subsidiaries. These transactions must be submitted to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval as specified by the Company's regulations and other related laws

unless it is the approval of transactions that are the nature of the Company's normal business practices and the framework for consideration is clearly set by the Board of Directors.

The Selection of Directors and Executives

Nomination of Independent Directors

Composition and Criteria for the Nomination of Independent Directors

The Company has determined the composition of the Board of Directors in compliance with the criteria set by the Securities and Exchange Commission of Thailand, that is to have Independent Directors at least one-third of the directors and not less than three. The criteria of the nomination are in line with the definition of independent directors, which is stricter than the requirements of the Securities and Exchange Commission. This also complies with the announcement of the Capital Market Supervisory Board regarding the request for permission and the permission to offer newly issued shares. The criteria for the nomination are as follows:

Definition of Independent Director

Independent Director is defined by the Company's Board of Directors as follows:

1. Holding shares not exceeding 1 percent of the total shares with voting rights of its parent company, its subsidiary, its associated company or potential conflicting juristic person (provided that any shares held by his or her related person as stipulated in section 258 of securities laws (No.4) 2008 must be taken into account).
2. Not being (at present) nor having been (2 years prior to appointment) an executive director (including the director who has the same responsibility as management and authorized director except for the signature in transactions approved by the Board of Directors and joint signing with other directors), employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary (subsidiary of the same holding company) or potential conflicting juristic person.

3. Not being a person related by blood or by registration under laws such as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person or such other persons who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary.
4. Not having (at present) nor having had (2 years prior to appointment) a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person that might interfere his or her use of independent discretion, including not being (at present) nor having been (2 years prior to appointment) a major shareholder, a director who is not an independent director, or an executive of a company that has a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person with transaction value equal to or more than 3 percent of net tangible assets (NTA) of the Company; or equal to or more than Baht 20 million, whichever is lower. The calculation of such transaction value must include the transaction incurred during 1 year prior to the date entering into the business relationship with the same person. The aforementioned business relationship includes any trading transaction in the ordinary course of business, taking or granting a lease of real property, any transaction relating to assets or services, and granting or acceptance of financial assistance.
5. Not being (at present) nor having been (3 years prior to appointment) an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person as well as not being a major shareholder, a director who is not an independent director, an executive, or a managing partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person.
6. Not being (at present) nor having been (2 years prior to appointment) any professional service providers, including a legal advisor or a financial advisor, obtaining service fees of more than Baht two million per annum from the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person. If a professional service provider is a juristic person, this

will include a major shareholder, a director who is not an independent director, an executive or a managing partner of such professional service provider.

7. Not being a director appointed to represent any director of the Company, a major shareholder or a shareholder who is a related person to the Company's major shareholder.
8. Not having any other characteristic which makes him or her incapable of expressing an independent opinion with regard to the Company's operation.

The selection process is the same as that of the Company's New Directors and the Top Executive explained in the next part.

Composition and Criteria for Selection of the Company's New Directors and the Top Executive.

Criteria for nomination, appointment and dismissal or termination of members of the Board of Directors.

In selecting and appointing a new director including the president, the Nomination and Remuneration Committee shall consider any person meeting the qualifications to be a director, regardless of whether such director is a shareholder's representative or an independent director. In searching for a new director, a professional search firm or director pool may be utilized to find a candidate before submitting the nominee to the Board of Directors for consideration, endorsement and submission to the shareholders' meeting for approval. The criteria for selecting a new director are as follows:

1. Business knowledge and skills, ability and experiences necessary for and agreeable to the Company strategies, in order to strengthen the Board of Directors in overseeing the Company;
2. Qualifications as required by law and announcements of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand, as well as the Company's regulations;
3. Transparent and ethical working history, with high morality, responsibility, maturity and professionalism;
4. No sexual bias

Composition and selection, appointment, dismissal or termination from the position of the Company's Director is prescribed in the Company's article of association which can be concluded as follows.

The Company's Board of Directors comprises at least 5 members and not less than half of the Directors must reside in Thailand. All Directors must meet the qualification required by law.

At every annual general meeting, one-third of the Directors, or if the number is not a multiple of three, then the number nearest to one-third shall retire from the office. The Directors retiring on the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. Directors whose terms expire may be re-elected.

The annual meeting of shareholders shall elect members of the Board of Directors in accordance with the following criteria and procedures.

1. Each shareholder shall have one vote for each share he/she holds.
2. Each shareholder shall exercise all votes in electing one or more persons to be Directors, provided that a vote shall not be divisible.
3. Persons who receive the highest votes are, in descending order, elected to the Board of Directors until the required number is met. In the case that two or more candidates have an equality of votes but exceed the number of Directors which the meeting of shareholders is to appoint, the presiding Chairman will cast the deciding vote.

In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall choose any person who is qualified and not subject to prohibition by law as a replacement director at the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than two months.

The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. The resolution of the Board of Directors must be passed by votes of not less than three-fourth of the number of the remaining directors.

The meeting of shareholders may pass a resolution to dismiss the director before the expiration of his/her service term with the votes of at least three-fourth of the number of attendant shareholders entitled to vote and at least one half of shares held by the attendant shareholders entitled to vote.

Remuneration of Directors and Executives.

Remuneration of Directors

The Company has issued a clear policy and criteria for remuneration on the basis of transparency, accountability and at appropriate and satisfying level, in order to attract the high-calibre directors and keep them on continuing their good performances. The remuneration rates are compatible to the levels practiced in the business, in accordance with their experiences, positions, accountability and responsibilities, as well as the gains that the Company will retrieve from each director. The remuneration can be divided into three parts, as follow:

1. Monthly remuneration that reflects the responsibilities as the directors;
2. Meeting allowance that shows the importance and the time devoted to the Company's meetings;
3. Annual bonus which is a special remuneration given to the directors for their shareholder value added.

The Nomination and Remuneration Committee shall consider remuneration of directors and propose to the Board of Directors and then at the shareholders' meeting for approval.

Remuneration of Executives

The President shall consider appropriate rates of remuneration of executives and adjustments thereto each year. The executives shall receive remuneration in forms of salary and bonus linked to corporate and individual performance using the Key Performance Indicators (KPI) system.

Remuneration of Directors

(1) Monetary Remuneration

The remuneration of the Company's directors for Year 2021 was approved by the AGM on April 28, 2021 detailed as follows:

1. Monthly remuneration

	2020	2021
	(Baht per month)	(Baht per month)
- Chairman of the Board of Directors	50,000	50,000
- Chairman of the Audit and CG Committee	35,000	35,000
- Audit and CG Committee each	31,000	31,000
- Director each	21,000	21,000

Remark: The directors who are executives of the Company shall not be entitled to receive this monthly remuneration.

2. Meeting allowance

	2020	2021
	(Baht per meeting)	(Baht per meeting)
- Director each	5,000	5,000
- Audit and CG Committee each	5,000	5,000
- Nomination and Remuneration Committee each	5,000	5,000

3. Bonus:

3,000,000 3,000,000

The Company's directors declined to receive a performance bonus for 2020 and 2021 to help ease the Company's financial burden.

In conclusion, non-executive committee remuneration structure includes 1, 2, and 3. However, executive committee remuneration structure includes only 2 and 3. The said structure was commensurate with the scope of responsibilities and served as a key catalyst for the directors and executives to drive the organization towards its short- and long-term objectives. The structure was also comparable to the industry benchmark.

Directors' Remuneration in 2021

Name - Surname	Year 2021 Remuneration					
	Monthly Remuneration	Meeting Allowance			Bonus	Total
		Board of Director	Audit and CG Committee	Nomination and Remuneration Committee		
1. Mr. Seri Chintanaseri	600,000.00	30,000.00			-	630,000.00
2. Dr. Panja Senadisai	420,000.00	30,000.00	30,000.00		-	490,000.00
3. Dr. Chaipat Sahasakul	372,000.00	30,000.00	30,000.00	10,000.00	-	452,000.00
4. Professor Emeritus Dr. Vinit Chovichien	372,000.00	30,000.00	30,000.00	10,000.00	-	442,000.00
5. Mr. Vongchai Sangarayakul	252,000.00	30,000.00		10,000.00	-	292,000.00
6. Dr. Chanet Sangarayakul		30,000.00			-	30,000.00
7. Mr. Bordin Sangarayakul		30,000.00			-	30,000.00
8. Mr. Somsak Viriyapipat		30,000.00			-	30,000.00
9. Mr. Pisun Sirisuksakulchai		30,000.00			-	30,000.00
10. Mr. Suchart Boonbanjerd Sri	147,000.00	15,000.00			-	162,000.00
Total	2,163,000	285,000.00	90,000.00	30,000.00	-	2,568,000.00

Executives' Remuneration

Executives receive remuneration including salaries, bonuses and other benefits which are directly based on both corporate and personal KPI-based performance. In 2021 the total remuneration for executives was as follows :

In 2021, total executive remuneration, consideration, consisting of salaries, bonuses, provident fund contribution, and social security fund contributions, was Baht 15.86 million, accounting for 9.35% of the Company's total employee remuneration.

(2) Other Remuneration

None

Number of Meeting Attendance

Name - Surname	Position in The Company's Board of Directors	Year 2021		
		Board of Directors (6 Times)	Audit and CG Committee (6 Times)	Nomination and Remuneration Committee (2 Times)
1. Mr. Seri Chintanaseri	Chairman of the Board of Directors/ Independent Director	6/6		
2. Dr. Panja Senadisai	Independent Director/ Chairman of the Audit and CG Committee	6/6	6/6	
3. Professor Emeritus Dr. Vinit Chovichien	Independent Director/ Chairman of the Nomination and Remuneration Committee/ Member of the Audit and CG Committee	6/6	6/6	2/2
4. Dr. Chaipat Sahasakul	Independent Director/ Member of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee	6/6	6/6	2/2
5. Mr. Suchart Boonbunjerd Sri ¹	Director	3/3		
6. Mr. Vongchai Sangarayakul	Director/ Member of the Nomination and Remuneration Committee	6/6		2/2
7. Dr. Chanet Sangarayakul	Director/ Chairman of the Executive and Risk Management Committee	6/6		
8. Mr. Bordin Sangarayakul	Director/ Member of the Executive and Risk Management Committee	6/6		
9. Mr. Somsak Viriyapipat	Director/ Member of the Executive Risk and Management Committee	6/6		
10. Mr. Pisun Sirisuksakulchai	Director/ Member of the Executive Risk and Management Committee	6/6		

1. Rights and Equitable Treatment of Shareholders

The Company must recognize shareholders' rights and ensure equitable treatment to all shareholders in respect of both statutory rights, such as the right to attend and vote in shareholders' meetings, the right to approve dividend payment and the right to specify remuneration for directors; and non-statutory rights such as disclosure of information and news to shareholders via the Company's website.

With regard to shareholders' meetings, all shareholders are allowed to propose the meeting agendas and the names of candidate directors to the Company in advance from beginning of November 17, 2020 prior to the Company's Annual General Meeting of Shareholders. Additionally, the Board of Directors has set various criteria such as the shareholding percentage of those proposing candidate directors, support data for consideration, various channels for submission of information and the submission deadline. Relevant information will be published through the channel of the SET and details of the said criteria are also available on the Company's website. The Company's meeting invitation contains supporting information for each agenda and various proxy forms as well as a list of independent directors in case any shareholders are unable to attend the meeting but would like to assign proxy to attend the meeting on their behalf. The Company has posted the meeting invitation and related attachments in both Thai and English via its website in advance of the meeting so that shareholders can study all information prior to receiving the invitation.

At the Annual General Meeting of Shareholders, all members of the Board of Directors shall attend the meeting unless having inevitable matter. In 2021, All of Board member did attend the meeting and the meeting Chairman, who is also Chairman of the Board of Directors, informed all the attendees about regulations governing the meeting, enabled the shareholders to use their right to elect each individual director, as well as allowed the shareholders to express their opinions and pose any inquiries relating to the meeting or the Company. Furthermore, the Company has encouraged the shareholders to send their questions to the Company in advance via the Company's email.

Additionally, the Company will not immediately disseminate additional important documents during the Annual General Meeting of shareholders, not add any agendas or change the important information without notifying the shareholders in advance and not deprive of shareholders rights, (Any Shareholders who are late for the Meeting still have the rights to attend and vote on the next agendas).

After the Company's Annual General Meeting of Shareholders, the meeting minutes shall be prepared for dissemination through the Company's website within 14 days.

With regards to control of usage of internal information, the Board of Directors has a policy to prevent directors, executives, and employees from using internal information they may acquire through their status for their own or other persons' benefits. Details of this policy are presented under the section "Supervision of Inside Information Usage". In addition, the Company has prescribed measures and procedures on the approval of connected transactions between the Company and its stakeholders or relevant parties to ensure that the directors who have conflicts of interest or participated in such transactions do not have the right to vote in the decision making process.

2. Role of Stakeholders

2.1 Treatment of Stakeholders rights

The Company shall treat its stakeholders according to their rights as prescribed by laws and shall promote cooperation with its stakeholders in building business growth and sustainability. The Company realizes the importance and gives due care to all groups of stakeholders both inside and outside the Company, such as the shareholders, employees, customers, suppliers and competitors with respect to their legal rights, as well as undertakes responsibility for the society and the public. The Board of Directors therefore stipulates and disclosures a code of business ethics and best practices in work on the company's website as guidelines for the Board of Directors, the management team and employees in their operations. It is the duty and responsibility of everyone to comply with this code. The synopsis is as follows:

Shareholders Treatment Policy

To ensure that the Company observes the principles of equitable treatment of shareholders; the following guidelines were determined:

1. To operate business with honesty and integrity, prudent decision-making, and fair treatment of all shareholders for their maximum benefits.
2. To supervise operations to ensure a solid financial position with strong management to protect and add shareholders' benefits.
3. To be committed to building quality and stable growth to ensure that the shareholders receive good rates of return in line with economic and industry circumstances.
4. To respect the shareholders' rights to equally obtain necessary information to evaluate the Company as well as to disclose its operating results, financial position, and supporting information according to facts and requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
5. To treat all shareholders with equality at shareholders' meetings and in other cases.
6. To manage the organization by adhering to the principles of integrity and ethics. To promote integrity and ethics at all levels of the organization. To monitor, supervise, and manage possible conflicts of interest within Company.

In 2021, the Company had no disputes, lawsuits, or complaints with its shareholders.

Policy regarding best practice on employees

The Company realizes that every employee is an important resource of the Company and a key success factor to achieve the Company's goals. The Company, therefore, ensures that they all receive equitable treatment in respect of opportunity, compensation and development of their ability.

The Company adheres to the following remuneration principles:

1. To treat the employees with respect for their honour, dignity and personal rights;

2. To maintain the working environment for the safety of lives and personal properties of the employees;
3. To promote, reassign, take disciplinary action against and give reward to employees on the basis of their knowledge, performances, eligibility and good faith;
4. To place importance on the development of employees' competency through various activities such as seminars, training, etc.;
5. To adhere to fair employee compensation and welfare policies which are consistent with the Company's short-term performance, relating to market conditions, business competition, nature of work, employee performance and Company's profitability etc. In the long term, it will include the performance measurement in accordance with Balance Scorecard, etc.;
6. To listen to employees' opinions and suggestions based on their knowledge and skills.

In 2021, there was no complaint between the Company and employees.

Policy regarding best practice on customers

The Company stresses the importance of customer satisfaction and confidence. Thus, the Company makes a policy to treat our customers as follows:

1. To provide high quality product and services at reasonable prices;
2. To give true and correct information to customers without exaggeration that may mislead about the quality, quantity or conditions of those services;
3. To maximize customers' benefits with integrity and honesty, including giving beneficial advice to the customers;
4. Not to claim or receive any benefits from the customers by abuse of the employee's position;
5. Not to use the customers' information for personal interests.

In 2021, there was no legal dispute or complaint between the Company and customers.

Policy regarding best practice on creditors

The Board of Directors has defined the policy about fair treatment and responsibilities towards the creditors, especially for the terms of guarantee, capital management and delinquency. For examples, as regards the capital management, it is the Company policy to maintain high current ratio and appropriate debt to equity ratio. This means the Company's ability to pay debts to its creditors and suppliers continuously and punctually. As for the terms of guarantee, the policy is not to let the guarantor become affected and to be responsible should any problems arise. Regarding the delinquency, the Company will find an expedient solution to the problems in order to pay off the debts to the creditors.

In 2021, the Company fulfilled the creditors' terms and conditions without any debt default incident.

Policy regarding best practice on trading partners and contract parties

The Company treats its suppliers equally and fairly based on mutual benefits as suppliers are the major factor in the Company's accomplishments. The Company's principles are as follows:

1. The procurement of goods and services must be systematic and up to standards under the following rules:
 - A competition on equal information;
 - Having criterias for suppliers assessment and selection;
 - A preparation of appropriate and fair contract;
 - Having a monitoring system to ensure the full compliance with the contract conditions, and also to prevent fraud or misconduct in every step of procurement;
 - A punctual payment to suppliers in accordance with the mutually agreed terms and conditions.

2. Developing and maintaining a sustainable relationship with suppliers and contract counterparties through mutual trust without false advertising or misleading.
3. The Company shall treat its trading partners and contract parties with equality and fairness and based on fair compensation for both parties. All contracts and provisions agreed upon by both parties shall be strictly complied with.
4. The Company aims to build and maintain long-lasting relationships with its trading partners and contract parties with clear objectives on the quality of goods and services which is worth the money, the quality of techniques, and mutual trust.

In 2021, there was no legal dispute or complaint between the Company and suppliers.

Policy regarding best practice on competitors

The Company competes fairly with all business competitors under the justified framework as follow:

1. Not to seek confidential data of its competitors by dishonest or inappropriate methods;
2. Not to damage the reputation of its competitors by making false accusation;
3. Not to violate the intellectual property of any individual or competitors.

In 2021, there was no legal dispute or complaint between the Company and its competitors.

Social and Public Responsibility

The Company places importance on taking responsibility for society and all groups of stakeholders as follows:

1. To comply with statutes, laws, and regulations concerned.
2. To take into consideration environmental conservation and safety management aspects.

In 2021, The Company emphasizes the importance of the social and public responsibility through its compliance with laws and related regulations, management of environment issues, and adoption of safety measures for business operations. With regards to environment, the Company has determined measures to reduce environmental impact at the job sites and the maintenance yard. Furthermore, the Company has promoted the resources and energy saving campaign among employees through reduction in use of electricity, water, and especially fuel. Our survey shows that the fuel has been used in a more efficient manner.

It is the Company's policy to allow stakeholders, both insiders and outsiders, to blow the whistle or file a complaint regarding illegal or unethical acts, inaccurate financial reporting or internal control system faults through the Member of the Audit and CG Committee or the company secretary, who will forward to the Audit and CG Committee for investigation and then submit the report to the Company's Board of Directors for consideration and further actions as deemed appropriate.

2.2 Respect for Human Right

The Board of Directors has set up a policy to avoid human rights violations by providing guidelines on the respect of human rights for its directors, management and employees as follows:

- The Company treats all employees with respect for their honor and dignity;
- The Company provides the employees with communication channel to voice their suggestions and complaints about their work. Those suggestions and complaints will be seriously considered and solved for the benefits of all concerned parties and for the good relations in the organization;
- The Company encourages the employees to exercise their civil rights in accordance with the Constitution and laws;
- Any biography, biodata, work history, etc. of each employee will be kept confidential. Employee's personal data cannot be disclosed or transferred to the public without the

employee's permission. Violation of this rule is regarded as a disciplinary offense, except when acting in compliance with laws or the Company's regulations;

- The Company is against any violation of human rights and corruption;
- All employees must not verbally or physically abuse other people on the basis of race, sex, religion, age and mental or physical disability.

In addition, the Company has issued operating guidelines on the employment in compliance with the labor law for both the Company's employees and its suppliers. This includes the employment of child labor or forced labor, as well as the installation of appropriate safety and sanitary system at workplace. In 2021, there is no report or complaint on human rights abuse.

2.3 Intellectual Property or Copyrights

The Board of Directors has set out a strict policy not to violate intellectual property or copyright and has laid down operating guidelines to check the work or information obtained, which belonged to others, prior to using in the Company. This is to prevent the violation of intellectual property or copyright of other people. Should there be a case of violation; the company will expedite the solution to the problem along with compensation to those being abused.

2.4 Anti-Corruption and Corruption Control

The Board of Directors adheres to the importance of conducting business with honesty, fairness and transparency. Thus, in 2016, it was agreed by the Board of Directors that the company sign a Declaration of Intent to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to fight against corruption in private sector with IOD, Thai Chamber of Commerce, Joint Foreign Chambers of Commerce and Thai Listed Companies

Association. This project is supported by the Government and the Office of the National Anti-Corruption Commission.

The company has a corruption risk assessment process and an internal control system to control, prevent, monitor and evaluate whether the Company has adequately and appropriately complied with its internal control policy, which is beneficial to the Company's awareness about its internal frauds.

The employees were occasionally trained in business ethics, especially anti-corruption measures. On 11 February 2014, the executives, project managers, engineers and foremen of the Company jointly declared their commitment towards fighting against frauds and inappropriate behaviors within the organization and outside of the organization to prevent all forms of corruption, whether direct or indirect. Also, the anti-corruption policy and the anti-corruption measure handbook were developed for use as guidelines for the Company and its subsidiaries. Details of them were disclosed on the Company's website. On 2 March 2018, the Company submitted the documents to apply for membership with Thailand's Private Sector Collective Action Against Coalition Corruption (CAC). Now, the Company was certified to be a member of the Thailand Private Sector Collective Action Coalition Against Corruption on 5 November 2018.

In 2021, the Company continued to communicate the anti-corruption policy and the anti-corruption measure manual to all groups of stakeholders through channels as stated in the manual, such as website email. The Company always provided relevant trainings for employees after construction completion.

In Q2/2021, the Company already submitted relevant documents to request its membership renewal certification on 30 June 2021 and the first recertification was completed on 6 October 2021.

Policy Regarding Reports on Misconduct (Whistle-blowing)

It is the Company's policy to allow stakeholders, both insiders and outsiders, to blow the whistle or file a complaint regarding illegal or unethical acts, inaccurate financial reporting or internal control system faults through the Member of the Audit and CG Committee or the company secretary, who will forward to the Audit and CG Committee for investigation and then submit the report to the Company's Board of Directors for consideration and further actions as deemed appropriate.

Operational Process upon Receiving Whistle-blowing Reports or Complaints

1. Gathering facts for the Audit and CG Committee.

After receiving whistle-blowing reports or complaints, the Audit and CG Committee or the Company secretary will gather all relevant facts related to illegal or unethical acts, inaccurate financial reporting or internal control system faults. The recipients of such reports or complaints may address the matter by themselves or assign relevant people to proceed on their behalf.

2. The Audit and CG Committee organizes a meeting.

A meeting will be organized among the Audit and CG Committee to look into the whistle-blowing reports or complaints based on all facts gathered. The process can also include interrogation or request for information from the management, as the case may be, and then a report will be compiled for submission to the Board of Directors.

3. The Board of Directors considers the report from the Audit and CG Committee.

The Audit and CG Committee's report will be considered by the Board of Directors, and appropriate actions will be taken in due course.

4. Informing the results to the whistle-blowers or the complainants.

The Board of Directors will inform the whistle-blowers or the complainants about the results of the investigation, in case they reveal themselves.

Guidelines for the Protection of Whistle-blowers or Complainants

There are guidelines issued by the Company in order to protect the whistle-blowers or complainants from being bullied or intimidated, and the evidence from being destroyed, including:

- The Company will provide protections for whistle-blowers by not disclosing their names;
- The information received will be treated as confidential and revealed only deemed necessary for the safety of the whistle-blowers, the complainants and those involved.
- In addition to the above-mentioned guidelines, if the whistle-blowers or complainants still feel unsafe or get victimized, they can make a request for protection measures from the company.

Channels for the Whistle-blowers or Complainants

The whistle-blowing reports or complaints can be forwarded to the Company through the following channels:

1. All three members of the Audit and CG committee via Email:

- Dr. Panja Senadisai Chairman of the Audit and CG Committee
panja.sena@gmail.com
- Professor Emeritus Dr. Vinit Chovichien Member of the Audit and CG Committee
c_vinit@hotmail.com
- Dr. Chaipat Sahasakul Member of the Audit and CG Committee
chaipats@icloud.com

2. The Company secretary via post, telephone or Email:

- Address:

Ms. Thitima Taiwprateep

Company Secretary

Pylon Public Company Limited

252 SPE Tower, 14th Floor Phahon Yothin Rd.,

Sam Sen Nai Subdistrict, Phayathai District, Bangkok 10400

- Tel : 02-615-1259 ext 108
- Email: thitima@pylon.co.th

In 2021, the Audit and CG Committee did not receive any complaints.

3. Disclosure and Transparency

The Company discloses all of its important information, both financial and non-financial, via the Company's website. This includes information about the organization, corporate governance policy, shareholding structure, structure of the Board of Directors and its committees as well as news inside and outside the organization, which is mostly available in both Thai and English. Shareholders and investors are also provided with an easy access to the Company's website to download the Annual Report, the Annual Registration Statement (Form 56-1) and the financial statements.

In addition, the Company sets up an investor relations unit to communicate with shareholders, investors, and securities analysts equally. It is required that no appointments or responses shall be made to answer questions regarding operating results in the near future to analysts and investors during the "Quiet Period" or which is one month before financial statements disclosure. In 2021, many activities were conducted as follows:

- Road Shows: None
- Analyst and Investor Meetings: 2 times (Online Meeting)
- 4 Opportunity Days on the Company's operating results and business direction;

The Company's information on the website, both in Thai and English, has constantly been updated for completion and accuracy. The main topics are:

- Nature of the Company's business
- Financial summary
- Press Release
- Capital structure
- Management structure
- Information on the Board of Directors and the executives
- Data about investors' relations
- Rules and regulations
- Annual report (downloadable)
- Notification letter to the Annual General Meeting of Shareholders (downloadable)
- Minutes of the Annual General Meetings of Shareholders (downloadable)

In the past year, the Company has never been requested by the Securities and Exchange Commission of Thailand to amend its financial statements. Besides, our annual and quarterly financial summaries to shareholders and investors were released prior to the due date.

It is utterly important to the Company to disclose correct, transparent and holistic information to investors. Thus, a team of investors' relations has been formed to coordinate with the shareholders and investors, keeping in constant communication through email info@pylon.co.th or contact:

1. Ms. Thitima Taiwprateep Telephone No. 02-615-1259 ext. 108
Email : thitima@pylon.co.th

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|----|---------------------------------|--|
| 2. | Mr. Veeratas Chiradeachwiroj | Telephone No. 02-615-1259 ext. 401
Email : veeratas@pylon.co.th |
| 3. | Mr. Chaiphaphol Sutthamanuswong | Telephone No. 02-615-1259 ext. 301
Email : chaiphaphol@pylon.co.th |
| 4. | Miss Nipawan Rojjanabundit | Telephone No. 02-615-1259 ext. 304
Email : nipawan@pylon.co.th |

4. Responsibilities of the Board of Directors

The Board of Directors is made up of 9 members, consisting of 4 independent directors, 4 executive directors, and 1 non-executive director. The structure of the Board of Directors consists of directors with extensive knowledge and experience in various fields relating to the Company's business, e.g. law, accounting, financial, banking, economics, corporate governance and engineering. The Company's Board of Directors set up the qualifications of an independent director which are stricter than the requirements of the SEC and the SET. The Board of Directors directly appoints three committees: the Audit and CG Committee, the Executive and Risk Management Committee, and the Nomination and Remuneration Committee. All these committees have a scope of authority, responsibility and qualifications as specified by the Board of Directors and report directly to the Board of Directors on a quarterly basis. The Executive and Risk Management Committee reports the Company's operating results to the Board of Directors on a quarterly basis.

4.1 Roles, Duties and Responsibilities of the Board of Directors

Duties of the Board of Directors

The Board of Directors approves the Company's vision, mission and income projection of the following year as well as an annual investment budget. The Board of Directors also revises standards of corporate governance, risk management policy and transactions that may cause conflicts of interest (if any), and expresses opinions on the adequacy of the internal control system. Since 2007, the Board of Directors has commenced the performance evaluation in

group. Policy and criteria on payment of directors' remuneration are determined by the Board of Directors and approved by the shareholders. Considerations for remuneration are based on comparison with the industry and the Company's operating results. The Board of Directors also sets remuneration for committees except for the Executive and Risk Management Committee's members and the President who are paid as the Company's employees. The President's remuneration shall be determined based on performance evaluation by the Nomination and Remuneration Committee (since 2008).

Vision, Mission and Strategy of the Company

The Board of Directors has set a vision and goals in accordance with the Company's mission, and taken part in the consideration, review and approval of those visions, goals, strategies and operating direction annually, as well as in monitoring the implementation of its strategies.

Innovation Strategy

The Board of Directors promoted the creation of innovation to add value for the organization under today's ever-changing circumstances. Various efforts included the new business models, the ways of thinking and perspectives on designs and developments of products and services, the research and improvement, the production and work processes, and the partnerships with trading partners. The Company adopted digital technology systems to every level of its undertaking as follows:

- ERP system to collect databases and control uses of resources
- HR management software that can be run on mobile phones
- PYLON Mobile Application developed specifically for controlling and collecting data of all steps of bored pile works at full scale online and real-time
- Rigorous work control and inspection system
- Performance monitoring system that supports data analysis for developing and identifying improvement and corrective measures

The Company also supported new ideas, methods and patterns of organizational management, and operations and services, through the creation, development, advancement, and furtherance or application of knowledge and guidelines, for enhanced efficiency, effectiveness and quality of the organization's undertaking. The guidelines on internal knowledge management and promotion of creativity and innovation were as follows:

In the construction industry, knowledge, creativity and innovation of various fields are key to the Company's achievement of its goals and strategies. The Company encouraged its employees at all levels to take part in solving problems, exchanging knowledge, expressing opinions, and offering new ideas and innovations via different channels together with the high-level executives. Examples were as follows:

- The Company arranged exchanges of knowledge through monthly meetings of its engineers with the CEO chairing the meetings. Problems experienced during operations, resolutions, guidelines to improve work processes were exchanged and discussed. Conclusions drawn at the meetings were used to prepare/revise operating manuals and improve key areas of audit further.
- The Company held the innovation project competition in which all employees were allowed to join for awards. Under the competition, many innovations were proposed and were put into great use within the Company.
- The Company provided channels to collect knowledge resources, innovations, and manuals for different types of operations for easy access by the employees through different applications such as "LINE". The "Alfresco" document management program was used to collect knowledge resources and key information through file sharing and compatible with the ERP system.

Examples of the innovations that created value for the customers and the Company as well as the ideas and participation of the executives were as follows:

- The Company initiated its own mobile application specifically designed to control and collect data of all steps of bored pile works at full scale real-time (believed to be the

first of its kind in the world.) Those steps included creation of construction drawings; bored pile locations; control and inspection of construction procedures such as steel fixing, boring, concrete placing, and quality checking; reporting system covering daily performance reports/monthly reports/project reports and reports on results of resource uses; and control and inspection of work quality at all steps on the Company's part. This is beneficial to the follow-up and analysis of the Company's operations for further advancement. In another 2 years, the application is expected to be further developed on the customers (users)' part. Relevant information can be provided to the customers online, as a means to promote transparency and maximize customer satisfaction.

- The Company developed algorithms for inspecting the construction process to identify any step that departs from specific standards and requirements. Relevant reports will be produced online immediately for timely verification and correction of issues by responsible engineers and departments.
- To reduce costs of imports of pricy machines, the Company devised its own machines for internal use, such as Venturi system-based mixing device, sand filtering device, high-pressure pumping machine for jet grouting, etc.

Criteria for nomination, appointment and dismissal or termination of members of the Board of Directors.

In selecting and appointing a new director including the president, the Nomination and Remuneration Committee shall consider any person meeting the qualifications to be a director, regardless of whether such director is a shareholder's representative or an independent director. In searching for a new director, a professional search firm or director pool may be utilized to find a candidate before submitting the nominee to the Board of Directors for consideration, endorsement and submission to the shareholders' meeting for approval. The criteria for selecting a new director are as follows:

1. Business knowledge and skills, ability and experiences necessary for and agreeable to the Company strategies, in order to strengthen the Board of Directors in overseeing the Company;

2. Qualifications as required by law and announcements of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand, as well as the Company's regulations;
3. Transparent and ethical working history, with high morality, responsibility, maturity and professionalism;
4. No sexual bias

Composition and selection, appointment, dismissal or termination from the position of the Company's Director is prescribed in the Company's article of association which can be concluded as follows.

The Company's Board of Directors comprises at least 5 members and not less than half of the Directors must reside in Thailand. All Directors must meet the qualification required by law.

At every annual general meeting, one-third of the Directors, or if the number is not a multiple of three, then the number nearest to one-third shall retire from the office. The Directors retiring on the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. Directors whose terms expire may be re-elected.

In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall choose any person who is qualified and not subject to prohibition by law as a replacement director at the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than two months.

The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. The resolution of the Board of Directors must be passed by votes of not less than three-fourth of the number of the remaining directors.

The meeting of shareholders may pass a resolution to dismiss the director before the expiration of his/her service term with the votes of at least three-fourth of the number of attendant shareholders entitles to vote and at least one half of shares held by the attendant shareholders entitled to vote.

Policies and Practices for those Who Become Directors of Other Company's Board of Directors

The Board of Directors deems it important that all directors fulfill their duties effectively and dedicate their times fully to the corporate governance. A policy has therefore been formulated to limit the numbers of registered companies, for a maximum of five, in which our directors can become their directors. At present, the numbers do not exceed the rules set.

Furthermore, the Board of Directors has established a policy regarding the assumption of duty of our Directors and President in other company's Board of Directors, that is to say our Directors and President are prohibited from doing business, being partner of an ordinary partnership, being partner with unlimited liabilities of a limited partnership, or being Director of a private company or other companies which conduct business of the same nature and directly compete with the Company. These matters are prohibited whether doing for his/her or other person interests unless the Director notifies the shareholders' meeting prior to the resolution for his/her appointment.

Currently, our Directors and President are not doing business, being partner of an ordinary partnership, being partner with unlimited liabilities of a limited partnership, or being Director of a private company or other companies which conduct business of the same nature and directly compete with the Company.

The Term of Office of the Board of Directors

The Company has adopted the Public Limited Company Act to retire one-third of the Board of Directors, at the Annual General Meeting of Shareholders. The Board of Directors consists

of a reasonable amount of knowledgeable and skillful persons suitable to the size of our business. There are currently 9 persons in the Board of Directors, 4 executive directors, 2 non-executive director, and 4 independent directors. Each director shall hold office for a term of three years.

However the Company established the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.

Business ethics and best practice in work

The Company has been operating business with ethics and focusing on the achievement according to the management objectives, based on ethical integrity and honesty which are the core values. It has also been looking after different groups of stakeholders, obeying the law, and avoiding conflicts of interest. The Company has prepared a document relating to business ethics and best practice in work as a manual for working achievement and given training to its directors, executives and employees in business ethics. In 2021, the directors, executives and employees followed business ethics strictly. Relating information can be found on the website of the Company.

Conflict of Interest Policy

The Board of Directors has set a policy on conflict of interest and guidelines for directors, executives and employees to prevent such incidents in the Company's code of ethics.

Furthermore, it is the policy for all directors to report every case involved in conflict of interest. The Company secretary will submit a copy of the report to the Chairman of the Board of Directors.

Internal Control System and Risk Management

The Board of Directors has always recognized the importance of internal control system. At the No.6/2021 Meeting on December 21, 2021, the Board of Directors evaluated the adequacy of the internal control system from the report of the Executive Committee previously reported to the Audit and CG Committee (at the No.6/2021 Meeting on December 21, 2021), which was in full compliance with the evaluation form improved and adopted on August 2013 by the Securities and Exchange Commission of Thailand in accordance with the 2013 framework of internal control practices of COSO. The framework includes five components of internal control system; Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring, extended into 17 principles.). From the report and the responses of the executives, it can be concluded that after the evaluation in five components of the internal control system, the Board of Directors considered that there was appropriate and sufficient internal controls in the Company.

Moreover, the Board of Directors has proceeded to ensure the efficiency of the Company's risk management policy and holistic management approach. The Executive and Risk Management Committee is therefore assigned to report on risk management to the Audit and CG Committee for their information and advice every quarter, and to provide effective management system covering the entire enterprise. The Audit and CG Committee must report further to the Board of Directors on any risk and the Company's method for risk management in order to modify strategies, operating plans and management practices in a timely manner.

Meetings of the Board of Directors

The Board will schedule its meetings in advance every year, and will organize at least six times per year including special meetings occasionally if need be. In the months when there were no board meetings, any negative changes in the Company's business would be reported by the management to the Board of Directors immediately. Moreover, in 2021 there will be a meeting, at least once a year, among non-executive members to discuss various management issues without the presence of the executives. At every Board of Directors' meeting, the Company Secretary will set clear agendas, either for information or for consideration, and will

circulate a complete set of meeting documents and agendas to the directors at least 5 working days prior to the meeting date, providing enough time for the directors to study the information. The Chairman of the Board of director's meeting will allocate adequate time for each director to discuss and give opinions freely, and will summarize the points and resolutions from the meeting. The Company secretary will report the results of the meeting in writing. After the report is approved by the Board of Directors, it will be kept in a file cabinet in the Company's file room for important documents, at the headoffice, on the 252 SPE Tower, 14th Floor, Phaholyothin Rd., Sam Sen Nai Subdistrict, Phayathai District, Bangkok 10400.

The Company has a policy regarding the minimum quorum of the Board of Directors before voting, which must be at least two-third of the total membership.

All directors shall have the duty to attend all Board of Directors' Meetings, except when otherwise excused. In 2019, the Board of Directors held 6 meetings. The meeting rate of attendance by directors was 100%.

Details of the meeting attendance of each director are disclosed in Item 8 "Management".

Evaluation of the Board of Directors, Committee and President

The Board of Directors will arrange for its annual collective evaluations once a year composing of 6 topics as follows:

1. Board structure and qualifications
2. Roles, duties and responsibilities of the Board
3. The Board meeting
4. Duties of directors
5. Relationship with management
6. Director's self improvement and management training

Evaluation Process is as follow:

The Company secretary will send out a form to each director to fill in and return for compilation and submission to the Board of Directors's meeting held regularly on December each year. If the score on any topic is lower than the level "C", there will be improvement measures. In 2019, the score of Self-Evaluation of the Board of Directors was excellent.

Individual performance evaluation of directors

Individual performance evaluation of directors covered the following 3 topics:

1. Composition and qualifications of the Board of Directors
2. Board of Directors' meetings
3. Roles, duties, and responsibilities of the Board of Directors

The performance evaluation process is as follows:

The Company secretary shall submit forms to individual directors for their evaluation and compile the completed forms to provide a summary to the meeting in December of every year.

It could be concluded that the Board of Directors had appropriate composition and the directors possessed required qualifications and performed duties with great accountability according to the desirable practices of directors. As a result, the Board of Directors' meetings were efficiently conducted.

Collective and individual performance evaluation of committee members

Collective and individual performance evaluation of committee members of the Company was conducted for the Audit and CG Committee and the Nomination and Remuneration Committee. Self-evaluation forms for such committees were used according to the sample

forms provided by the Stock Exchange of Thailand. This was in line with the good corporate governance principles and the roles and responsibilities of each respective committee.

In 2021, collective and individual performance evaluation of committee members covered the following 3 topics:

1. Composition and qualifications of committees
2. Committees' meetings
3. Roles, duties, and responsibilities of committees

The performance evaluation process is as follows:

The Company secretary shall submit forms to individual directors for their evaluation and compile the completed forms to provide a summary to the meeting in December of every year.

It could be concluded that the Audit and CG Committee as well as the Nomination and Remuneration Committee had appropriate composition and the respective committee members performed all duties according to the charter stipulated by the Company.

The President's Performance Evaluation and Remuneration Policy

It is the Board of Director's policy to arrange an annual performance evaluation of the President, using goals and evaluation criteria that link to KPI in order to benchmark appropriate remuneration.

Not only that the remuneration policy for the President is based on the result of KPI, but it also depends on personal qualifications and capabilities, as well as the status of the Company and the level of remuneration in the industry. There are remunerations such as bonus and pay raise.

Remuneration for the Directors and the Executives

Remuneration of Directors

The Company has issued a clear policy and criteria for remuneration on the basis of transparency, accountability and at appropriate and satisfying level, in order to attract the high-calibre directors and keep them on continuing their good performances. The remuneration rates are compatible to the levels practiced in the business, in accordance with their experiences, positions, accountability and responsibilities, as well as the gains that the Company will retrieve from each director. The remuneration can be divided into three parts, as follow:

1. Monthly remuneration that reflects the responsibilities as the directors;
2. Meeting allowance that shows the importance and the time devoted to the Company's meetings;
3. Annual bonus which is a special remuneration given to the directors for their shareholder value added.

The Nomination and Remuneration Committee shall consider remuneration of directors and propose to the Board of Directors and then at the shareholders' meeting for approval.

Remuneration of Executives

The President shall consider appropriate rates of remuneration of executives and adjustments thereto each year. The executives shall receive remuneration in forms of salary and bonus linked to corporate and individual performance using the Key Performance Indicators (KPI) system.

Development of the Directors and the Executives and Succession Plan for the Executives

Development of Directors

It is the policy of the Company's Board of Directors to encourage our Directors to develop their knowledge on a regular basis through trainings and education on relevant subject matters to increase their capability and constantly improve their performance. For example, Directors

will be encouraged to attend training courses or seminars to enhance their potential, knowledge and experiences.

The Board of Director encourages at least a director to attend courses or seminars for enhancing their working performances in the past year.

In 2021, one of the Company's directors attended the training course as follow:

No	Name-Surname	Position	Course and Institute
1.	Dr. Chaipat Sahasakul	Independent Director	National Director Conference 2021, Thai Institute of Directors (IOD)
			"Easy Listening: Accounting Tips Not to Be Missed by AC", Office of Securities and Exchange Commission (SEC)
2.	Mr. Bordin Sangarayakul	Director	TLCA CFO Professional Development Program (TLCA CFO CPD 2021 No. 2): "COVID-19 Implications for Financial Reporting and Audit"
			TLCA CFO Professional Development Program (TLCA CFO CPD 2021 No. 3): "How to Manage the Company's Finance & Accounting and Communicate with Stakeholders during COVID-19 Crisis"
			TLCA CFO Professional Development Program (TLCA CFO CPD 2021 No. 6): "ESG Integration in Sustainable Investing"
			Employee Engagement: How Personnel Engagement Plays a Key Role in Organization Management

which was very useful for the directors' operations.

In the case of new Directors, the Company has prepared and arranged for an orientation to equip them with knowledge and understanding on the Company's business and the relevant rules and regulations. It also provides an opportunity for the new Directors to meet with other executives to inquire about in-depth business information and to encourage them to attend IOD's training courses.

In 2021, there was no new directors. In the event that there are new directors, they will receive an orientation training covered the nature of business, structure and composition of the Board of Directors and other committees, code of conduct, good corporate governance, etc.

Development and Succession Plan for the Executives

The Board of Directors has entrusted the Executive and Risk Management Committee to create a succession plan, from CEO level down to Vice President, to ensure the continuity of suitable executives with ample knowledge and ability to run the Company. This succession plan also includes the Executives' Capability Development Plan and the specification of required education, capability and experiences of each position as a preparation in case any of the executives is unable to perform their duties.



Business Code of Conduct and Desirable Work Practices

Pylon Public Company Limited

(19 December 2017)

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1. Definitions

Code of Conduct	refers to	the undertaking of business according to best practices.
Pylon, Company	refers to	Pylon Public Company Limited.
Pylon Group, Business Group	refers to	Pylon and its subsidiary.
The Subsidiary	refers to	<ol style="list-style-type: none"> 1. A company or juristic person owned by or in which more than 50% of shares with voting rights are held by the Company through either direct or indirect shareholding. 2. A company or juristic person in which the Company has controlling authority in terms of financial and operating policies in order to gain benefits from activities of such company or juristic person.
Directors and Subcommittee Members	refers to	directors and subcommittee members of the Company.
Employees	refers to	executives as well as permanent, temporary, and contract employees.
Related Persons	refers to	<p>persons with relationships in one of the follow manners.</p> <ol style="list-style-type: none"> (1.) Persons with controlling authority in the Company, and in case of a juristic person, directors of such juristic person (2.) Spouses and children or adopted children (minors) of directors, executives, or persons as per (1) (3.) Juristic persons in which persons as per (1) or (2) have controlling authority (4.) Other persons with characteristics as prescribed by the Capital Market Supervisory Board's announcement
Stakeholders	refers to	persons related to the Company across different aspects such as shareholders, investors, directors, employees, customers, trading partners, creditors, business alliances, society, communities, and the environment.

Financial Disclosure	refers to	the disclosure of details of information regarding business activities of the Company according to the Public Limited Companies Act B.E. 2535 (A.D. 1992), the Securities and Exchange Act B.E. 2551 (A.D. 2008), and rules and regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).
Fraud/Corruption	refers to	all kinds of briberies such as offers, contracts, pledges or promises, or soliciting or accepting funds/assets or other benefits, with government agencies, private organizations, trading partners, customers, and stakeholders across all groups via direct or indirect means.
A Conflict of Interest	refers to	any activities that may involve a personal interest or a related person either through a bloodline or other means, which may influence a decision, or impede or obstruct the Company's maximum benefit.
Giving of Objects or Other Benefits	refers to	granting special privileges in forms of money, assets, objects or other benefits for a favor or as a reward or to build rapport
Bribery	refers to	offering to give or receive gifts, awards, or other benefits, to oneself or from other persons who would like to influence an action which is fraudulent, illegal, or in breach of the business code of conduct.
Customary Traditions	refers to	important festivals or activities that have been carried out as a symbolic tradition in society
Corporate Assets	refers to	movable or immovable assets, technologies, academic knowledge, information, rights, copyrights, or any resources owned or entitled to by the Company.

2. Message from the Chairman of the Board of Directors

Pylon Public Company Limited has been committed to doing business and managing operations based on its professional ethics and code of conduct, with a focus on achievement of management objectives. The Company developed a successful work practice manual by adhering to the code of conduct, integrity, and honesty in undertaking transactions. The manual also extends to the treatment of various groups of stakeholders, related party transactions, legal compliance, and prevention of a conflict of interest.

This document compiles a set of professional ethics and a business code of conduct of the Company. The implementation of those principles plays a crucial part in the Company's success. As such, the Company upholds this policy and expects its directors, executives, and employees to comply with the relevant code of conduct strictly.

Moreover, the Board of Directors deemed that there shall be revisions to or additions of clear guidelines regarding practices with the likelihood of corruption risks, such as giving or acceptance of gifts, giving or acceptance of entertainment, donations, etc., and that there shall be the development of whistleblowing channels and procedures for increasingly effective and transparent business operations, and earned recognition and trust from the stakeholders.

The Board of Directors believes that upholding the code of conduct in doing business will contribute to the Company's growth, secure advancement, and sustainability, as well as enhanced satisfaction and trust among all parties.



Mr. Seri Chintanaseri
Chairman of the Board of Directors
19 December 2017

3. Business Code of Conduct

3.1 Principles of Doing Business

The Company operates its business under the principles of good corporate governance. In so doing, it established a code of conduct for its directors, executives, and employees to comply with, as part of the corporate values. This code of conduct shall help to ensure transparent, clear, fair, and efficient management and operations, and to gain confidence and trust from the shareholders and stakeholders across all groups. It shall serve as a foundation for the Company's development and advancement toward secure and sustainable growth.

The Company aims for its stakeholders to understand and uphold this code of conduct as guidance for their performance of duties according to the Company's missions with honesty, integrity, and fairness toward the Company, its stakeholders, and the public and society.

Vision

To strive to be the leading foundation contractor in quality and efficiency

Commitments

The Company is committed to promoting core values and a corporate culture aligned with the principles of good corporate governance as follows:

- To fully take responsibility for its shareholders and stakeholders through safeguarding the Company's assets and reputation
- To take responsibility for the missions the Company is entrusted with by upholding discipline and being aware of risks in its operations at present and in the future
- To adopt a decision-making process and work procedures that are clear, transparent, and disclosable for anti-corruption purposes
- To treat its stakeholders equitably and avoid bias or a situation where there is a conflict of interest
- To strive to build stability, sustainability, and long-term value for its shareholders

- To adopt best practices in its operations for continuously enhanced competitiveness
- To provide support and hospitality for its communities and the environment

3.2 Anti-Corruption Policy

The Company is committed to preventing and combating against all forms of corruption through direct and indirect means and to ensuring that business operations with possible corruption risks are considered prudently. To this end, the Company established an “Anti-Corruption” policy in writing as approved by the resolution of the Board of Directors’ Meeting No. 6/2017 held on 19 December 2017. According to the policy, all directors, executives, and employees are prohibited from committing or accepting all forms of corruption through direct or indirect means. The policy extends to the business operations of the Company’s subsidiary which shall strictly comply with the policy. The compliance with this anti-corruption policy, implementation guidelines, and operating requirements shall be regularly reviewed to ensure alignment with Thailand’s changing business and regulatory circumstances toward anti-corruption.

All directors, executives, and employees are required to comply with the anti-corruption policy, the anti-corruption measure manual, and the business code of conduct.

4. Directors’ Code of Conduct

The Company aims for its directors and subcommittee members to perform duties within a set of ethics and establish themselves or perform their duties with honesty, integrity, cautiousness, and prudence for the utmost benefit of the Company’s operations and stakeholders on an ongoing and sustainable basis.

4.1 Compliance with laws and corporate rules

- 4.1.1 To comply with established rules and regulations as well as laws governing the Company’s business as follows:

- (1) Directors shall comply with laws, rules, regulations, and requirements of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC)
 - (2) Directors shall not avoid complying with concerned rules, regulations, and laws
 - (3) Directors shall provide collaboration with compliance functions established by the Company and report information regarding violations or non-compliance with relevant rules, regulations, and laws to such compliance functions
- 4.1.2 To perform duties with neutrality. At a meeting, a director with a possible conflict of interest on a particular matter shall leave the meeting room and refrain from participating in the decision-making process for such matter.
- 4.1.3 To avoid a conflict of interest for the transparency and efficiency in managing operations
- (1) Not to use information gained from the performance of duties for personal or others' gains
 - (2) Not to misuse or disclose confidential corporate data despite leaving or ending the employment status with the organization
 - (3) Not to seek personal interests from being a director
 - (4) Not to build an obligation that might later contradict one's own duties
 - (5) Not to accept objects or other benefits that may be deemed a conflict of interest for the organization
- 4.1.4 To protect confidential corporate data from leaking to irrelevant parties as leaks of such data could cause damage to the organization or its stakeholders, unless such data disclosure is required by law
- 4.1.5 Acquisitions or disposals of registered securities of directors, spouses, and minor children shall be in accordance with the SEC's Notification No. SorJor. 12/2552 Re: Preparation and disclosure of reports of securities holdings of directors, executives, and auditors.

4.2 A Conflict of Interest and Insider Information Use

4.2.1 A Conflict of Interest

The Board of Directors established a set of guidelines for its directors and employees to prevent a conflict of interest as follows:

- (1) To avoid a transaction involving oneself and possibly leading to a conflict of interest with the Company
- (2) In the case of a director having to undertake such transaction for the Company's benefit, one shall take relevant actions as if the transaction were done between the Company and an outside party with commercial terms and conditions similar to those entered into between a person of ordinary prudence and a general contract party. Also, the bargaining power must be free from the influence of directors or relevant parties; and such directors or relevant parties shall not take part in the consideration and approval process, and shall perform duties according to requirements of the SET and the SEC regarding disclosure of related party transactions.
- (3) In the case of a director of the Company assuming a position of director, shareholder, or advisor in another organization; such position assumption must neither involve a conflict of interest with the Company nor directly contradict the performance of duties for the Company.
- (4) Not to use opportunities or information gained from being a director or employee for personal gains or for doing business in competition with the Company's or other related business
- (5) To consider transactions with or possibly with conflicts of interest between shareholders, directors, executives and persons with other types of conflicts, the principles of fairness, transparency, reasonableness, and benefit for the Company shall be observed. Also, such transactions shall be undertaken based on relevant business conditions and the SEC's requirements; and information disclosure shall be correct and complete as well as integrated as part of the corporate annual report.

- (6) Insider information shall not be used for personal gains, for example, by purchasing and selling the Company's shares, or by sharing insider information with other persons as guidance for purchasing and selling the Company's shares.
- (7) A person with actions related to a conflict of interest with the Company's business through direct or indirect means shall have the duty to report such interest as follows:
 - Directors and executives shall report their stake immediately when a relevant transaction took place. To ensure the Company's regular audits, its corporate secretary is assigned to check all transactions involving a conflict of interest at year-end and report such transactions to the Board of Directors' meeting at least once per year.
 - Executives at supervisory levels, i.e. department manager through general manager, and relevant employees, in line with the good corporate governance policy, shall report their stake immediately when a relevant transaction took place and/or any transactions regularly involving a conflict of interest at year-end. The corporate secretary shall check and report such transactions to the President and present such matter to the Board of Directors' meeting for acknowledgement at least once per year.
- (8) The Company's directors, executives, and employees with knowledge of insider information shall adopt insider information guidelines for their operations. Also, directors and executives shall report their securities holdings according to the SEC's requirements to the Board of Directors.
- (9) It shall be generally announced that directors, executives, and employees with knowledge of material insider information that may lead to changes in securities trading prices must suspend their trading transactions of the Company's securities during one month before the Company's announcement of its operating results or public disclosure of such information.
- (10) For the benefit of keeping track of the conflicts of interest of directors, executives, or related persons with the Company and its subsidiary's business management

according to the Securities and Exchange Act, the Board of Directors requires that related party transaction data be reported on a quarterly basis (if any).

- (11) The employees shall not disclose any confidential corporate data for the benefit of any person during or after the employment with the Company.

4.2.2 Insider Information Use

- (1) It is prohibited to use opportunities or information gained from being a director or employee for personal gains or for committing a business in competition with the Company's or other related business.
- (2) It is prohibited to use insider information for personal gains from trading the Company's shares, or to share insider information with third parties for their gains from trading the Company's shares.
- (3) It is prohibited to use corporate assets for personal gains and/or gains of relevant parties.
- (4) It is prohibited to use corporate data for references with third parties for personal gains and/or gains of relevant parties.
- (5) It is prohibited to disclose corporate trade secrets to third parties, especially rivals, even after the end of the employment as a director, executive, or employee of the Company.

5. Code of Conduct for Stakeholders

The Company shall treat its stakeholders by holding their rights according to law. It shall promote collaboration between itself and its stakeholders in building its business growth and sustainability.

5.1 Shareholder Treatment Policy

The Company stipulated the following principles of equitable treatment of its shareholders.

- 5.1.1 To do business with honesty, integrity, prudent decision-making, and fairness toward its shareholders for the ultimate benefit of all shareholders
- 5.1.2 To supervise operations to ensure that the Company has a sound financial position as well as management and administration to protect and enhance the shareholders' interests
- 5.1.3 To strive to drive quality and sustainable growth for satisfactory returns to the shareholders aligned with changing economic and industrial conditions
- 5.1.4 To respect the shareholders' equitable right to access necessary data for corporate assessment, and to disclose operating results, financial positions, and supporting data according to facts as per requirements of the SET and the SEC
- 5.1.5 To treat all shareholders equally at shareholders' meetings and in other cases
- 5.1.6 The Company shall manage its organization with morality and ethics. It shall promote morality and ethics among its employees at all levels and monitor any possible conflict of interest.

5.2 Employee Treatment Policy

Employees are at the heart of the Company's operations. People plays a crucial part in the Company's achievement of its goals. Therefore, the Company must ensure their well-being and treat them fairly in terms of equal opportunities, remuneration, promotion, transfer, or capacity building. The guidelines on employee treatment can be summarized as follows:

- 5.2.1 To treat employees with respect for their honor, dignity, and privacy rights
- 5.2.2 To maintain a safe working environment for employees' life and property
- 5.2.3 To appoint or transfer, or to reward or punish employees based on their individual integrity, knowledge, capabilities, and suitable attributes
- 5.2.4 To focus on employees' knowledge and capacity building through different forms of development such as seminars and trainings
- 5.2.5 To determine fair remuneration rates and welfare schemes for employees in line with short- and long-term operating results. Short-term factors include market conditions, business competition, nature of work, corporate

performance, and profitability of each year. Long-term factors include balance scorecard performance evaluation.

5.2.6 To listen to opinion and suggestions based on professional knowledge of employees

5.3 Customer Treatment Policy

The Company believes in business value obtained from the continued building of customers' satisfaction and confidence as customers are always the main patron of the Company. The customer treatment policy can be summarized as follows:

5.3.1 To provide quality services at fair prices for customers

5.3.2 To provide accurate news and information to customers, avoiding any overstatements that might cause a misunderstanding about quality, quantity, or conditions of particular services

5.3.3 To protect customers' interests with honesty and integrity, and to provide advice on services suitable for and beneficial to the customers

5.3.4 Not to solicit or accept benefits from customers by abusing one's position or duty

5.3.5 Not to utilize customers' data for personal gains

5.4 Creditor Treatment Policy

The Company stipulated a policy regarding treatment of creditors with fairness and responsibility, especially in terms of credit guarantee, capital management, and defaults on payments, in a clear and concrete manner, including relevant operating procedures. For example, in terms of capital management, the Company shall maintain its liquidity ratio at sufficiently high levels and its debt to equity ratio at appropriate levels. This is to ensure that the Company can have continued debt servicing ability and make payments on time. In terms of credit guarantee, the Company shall ensure that there is no damage to credit guarantors, and shall take responsibility for any issues concerned. As for defaults on payments, the Company shall not default on payments, and shall expeditiously solve any problems arising in order to repay debts to its creditors.

5.5 Trading Partner and Contract Party Treatment Policy

The Company shall treat its trading partners who are a key driver of its success with equality while taking into consideration mutual interests according to the following principles.

5.5.1 To procure goods and services based on systems and standards as follows:

- To compete based on equal access to information
- To have criteria for assessing and selecting trading partners
- To provide decent contracts without taking advantage of contract parties
- To have in place a system of management and monitoring to ensure that contract conditions are fulfilled and to prevent corruption and misconduct at all steps of the procurement
- To make punctual payments to trading partners and contract parties according to mutually agreed upon payment terms

5.5.2 To develop and maintain sustainable relationships with trading partners and contract parties, earn mutual trust, and avoid any false advertisements or statements that mislead trading partners

5.5.3 To treat trading partners with equality and fairness based on fair share of compensation for both parties, and to strictly honor contract terms and conditions

5.5.4 To strive to build and maintain sustainable relationships with trading partners and contract parties with clear objectives in terms of quality of products and services of best value for money, quality of techniques, and mutual trust

5.6 Competitor Treatment Policy

The Company shall operate business within a fair competition framework by adhering to the following principles.

5.6.1 Not to seek competitors' confidential data through dishonest or indecent means

5.6.2 Not to damage competitors' reputation through defamation

- 5.6.3 Not to take any actions that violate intellectual property of competitors or others

5.7 Responsibility for Society and the Public

The Company places importance on its responsibility for society and the public as follows:

- 5.7.1 To comply with laws or rules concerned
- 5.7.2 To take into consideration environmental conservation and safety management

6. Employees' Code of Conduct

6.1 Treatment of the Company

Employees shall comply with laws, regulations, and rules and directives of the Company; and shall avoid being involved in activities that are illegal or detrimental to the peace and orderliness or morals of the people. Use of employees or corporate assets for illegal purposes is totally prohibited.

Apart from compliance with laws, all employees shall perform their duties according to the business code of conduct as a highly valuable asset of the Company.

6.1.1 Laws and Corporate Rules

- 1) Employees shall strictly comply with laws, regulations, and rules and directives of the Company.
- 2) Violations of laws, resolutions of shareholders' meetings, resolutions of the Board of Directors, and corporate regulations, rules or directives shall be inexcusable although such actions are claimed to be for increasing the Company's profit or for other purposes.
- 3) Employee shall perform their duties with honesty and integrity by focusing on the fair benefit of the Company despite the existence of legal loopholes or gaps in the Company's rules, regulations or directives.

6.1.2 Laws on Securities and Insider Information Disclosure

- 1) Employees shall strictly comply with requirements of the SEC and laws concerned.
The Company shall ensure equitable information disclosure to its shareholders and/or the public.
- 2) Use of insider information which has not yet been disclosed to the public or general shareholders in trading securities for personal gains is deemed as violating the Company's code of conduct.
- 3) Relevant executives and employees having knowledge of the financial statements shall be prohibited from buying and/or selling the Company's shares for one month prior to and 24 hours after the disclosure of information.
- 4) Disclosure of information that affects the Company's business and share prices must be subject to prior endorsement by the President. The President shall take relevant actions or assign another person to be responsible for such information disclosure.
- 5) A central unit responsible for sharing information with the public and investors is an investor relations function. Owners of information shall be responsible for supplying information to such central function.
- 6) Employees shall not provide their opinion in trading securities of the Company unless they are required to perform the Company's assignments.

6.1.3 Corporate Assets Protection

- 1) Employees shall have the duty and responsibility to economically use corporate assets to ensure the Company's optimized benefit and protect such assets from deteriorating or being lost.
- 2) Business data and documents are the Company's key assets so each function shall determine respective durations of retention and classification. Such documents must be kept properly and completely, and be available for auditing.
- 3) Employees shall prepare all business, accounting and finance, and reporting documents for submission to government agencies and other parties with prudence

and integrity. Transactions must be recorded according to accounting practices adopted by the Company and stipulated standards.

- 4) Employees shall strictly comply with the principles of accounting, finance, and internal control at all times. They shall inform their responsible persons in their functions or the working group on good corporate governance upon detection of any operating mistakes.

6.1.4 Computer System and Communications

- 1) Employees shall strictly comply with practical guidelines and directives relating to use of computer equipment and communications as well as electronic data for the benefit of the Company. They shall not take any actions that are illegal or for the benefit of one's own business. The Company shall have the right to check computer equipment usage, electronic data, or IT technologies, such as data transmission or storage, without prior authorization.
- 2) The employees shall avoid any websites deemed illegal or immoral by the Company. They shall refrain from disseminating such website or relevant content to others, and shall avoid visiting unknown websites or those suspicious of safety compromise.
- 3) The employees using the Company's computers must use software with copyrights and only those allowed by the Company to prevent any breaches of intellectual property.

6.1.5 Intellectual Property

- 1) Any outputs from the performance of duties shall be deemed as the Company's intellectual property.
- 2) Outputs or information subject to external parties' rights acquired for or to be used for internal purposes shall be verified to ensure no breaches of others' intellectual property.

- 3) After the end of the employment, the persons shall hand over all intellectual property items as well as outputs of invention, including information stored in any forms, to the Company.

6.2 Procurement and Undertaking of Transactions

The Company intends to procure goods and services according to standards while treating its trading partners and contract parties with fairness so as to obtain quality goods and services at reasonable prices for its benefit.

6.2.1 Procurement

- 1) The Company shall conduct procurement according to the following principles.
 - To ensure competition with equity access to information
 - To have criteria for assessing and selecting trading partners and contract parties
 - To prepare appropriate contract conditions
 - To have in place a system of management and monitoring to ensure that contract conditions are fulfilled completely and to prevent corruption and misconduct at all steps of the procurement
 - To make punctual payments to trading partners and contract parties according to mutually agreed upon payment terms
- 2) Employees are prohibited from using information gained from the procurement for personal gains or gains of a particular trading partner, contract party, or unrelated person. Also, they shall not be involved in the procurement with a contract party in connection with themselves, such as family members, close relatives, or businesses they own or partner with.
- 3) Procurement shall be conducted strictly according to the operating procedures and directives regarding procurement by responsible functions within the scope of authority to take actions.
- 4) Employees shall refrain from taking any actions that would enable trading partners from avoiding tax payments to authorities.

- 5) The Company prioritizes local employment to support Thailand's industry sector and save costs.

6.2.2 Undertaking of Transactions between the Company and/or its subsidiary

- 1) Employees shall carefully study criteria, methods, steps of action, and authority to take actions as per the Company's operating procedures before undertaking relevant transactions.
- 2) If the employee is required to be involved in a related party transaction, one must report the matter to one's supervisor, including relevant conditions, criteria, or nature of the transaction in detail.
- 3) Undertaking a project or a related party transaction must be in strict compliance with relevant regulations, laws, and rules of the Company.
- 4) Employees may reach out to their supervisors or the corporate secretary for any questions concerned.

6.2.3 Undertaking of Transactions with External Persons or Companies

- 1) Undertaking transactions must be based on considerations of amounts, values, prices, qualities, and service conditions, which must be according to market mechanisms or fair prices. There shall be neither discrimination nor obstruction of business by illegitimate or illegal means.
- 2) Employees shall refrain from undertaking transactions that may cause damage to the Company's reputation despite losses of business opportunities.
- 3) Employees are prohibited from using names of the Company and its directors or employees for undertaking transactions not relevant to the Company although there is no direct impact on the Company.

6.3 Prevention of a Conflict of Interest

The Company would like its employees to avoid a conflict of interest that may influence any decisions. In the performance of duties, the employees shall uphold the interests of the Company while complying with laws and the code of conduct.

6.3.1A Conflict of Interest

- 1) Employees shall avoid a conflict of interest with the Company when contacting trading partners or other parties.
- 2) During or after the employment with the Company, the employees shall not reveal any confidential corporate data, including electronic, financial, operating, business, future plan, and other information, for the benefit of any person.
- 3) The employees shall not operate or conduct any activity or make any investment that is deemed as in competition or may be in competition with the Company's business. In the case where the employees or their family members involve in or become a shareholder of any business at a significant level which may have a conflict of interest or a business conflict, they must report the matter to the President/Managing Director or top executive of the Company for acknowledgement in writing soonest.
- 4) The employees shall be abstaining from holding shares that lead them to have authority to make decisions in competitors' companies, especially if such action leads to their performing or refraining from performing duties. In the case where the employees obtain such shares before the employment with the Company or before the Company's entering into such business, or through inheritance, they shall report the matter to their respective supervisors.
- 5) Assuming a position of director or advisor in another company, organization, or association, must neither result in a conflict of interest nor contradict the performance of duties for the Company. Also, such action must be subject to prior approval by the Board of Directors or the Executive and Risk Management Committee/the President or top executive of the Company.

- 6) Employees shall not raise loans from the Company's trading partners as it could influence the performance of duties as the Company's representatives. An exception applies to the case of financial institutions.
- 7) Employees shall be prohibited from disbursing payments or delivering corporate assets to any persons without proper authorization.
- 8) Employees must not spend their working hours doing tasks of other employers unless such action is necessary and receives prior approval from respective supervisors.

6.4 Employees' Treatment toward Others

The Company realizes the value of human resources and would like its employees to be proud of their organization. A work atmosphere of collaboration and equal career advancement opportunities shall be encouraged. Employees shall be getting a chance to constantly develop themselves to have knowledge and capabilities at a broader scale for their enhanced value and business excellence.

- 1) Supervisors shall behave themselves to gain respect from their employees, and employees shall abstain from any actions that are disrespectful toward their supervisors.
- 2) All employees must not commit any acts that violate or harass others verbally or any offenses based on race, gender, religion, age, or physical and mental disabilities.
- 3) Employees shall perform their duties with honesty, integrity, due care, quality, and efficiency, bearing in mind the development of their organization toward excellence.
- 4) Employees shall not wrongly accuse executives or other employees using false statements.
- 5) Employees shall collaboratively foster and maintain an atmosphere with a sense of solidarity and unity among themselves.
- 6) Employees shall avoid any actions that may be damaging the Company's reputation or causing problems to the Company. Employees shall preserve their dignity and gain social acceptance.

6.5 Safety, Health, Society, and Environment

The Company is committed to ensuring the well-being of its employees, surrounding communities, and workplace while protecting the environment. To this end, it established a set of operating procedures for work safety according to relevant laws and regulations.

6.5.1 Safety and Health

- 1) The Company is striving to prevent occupational accidents, injuries, and sicknesses by seeking serious collaboration with all employees as well as limiting and mitigating safety-related risks in business operations.
- 2) The Company shall strictly comply with laws and regulations regarding safety, and shall adopt reliable safety measures for enforcement in case there is no relevant law or regulation applicable.
- 3) The Company shall provide or design tools, equipment, operating procedures, action plans, and trainings for its employees to educate and inform them of sufficient news and information about work safety to prevent hazards from machines, work procedures, or diseases and other perils.
- 4) The Company shall not allow its employees to perform work while being sick or not in good health condition to mitigate risks of work hazards.
- 5) Any employees checking in at work while having illegal substances in their body system or being under the influence of alcohol or other addictive substances at levels that can cause harm to their performance of duties shall be subject to disciplinary action.
- 6) Employees whose job duties may put their life or health at risk shall study information about hazardous or potentially hazardous work conditions and comply with proper work procedures.
- 7) At any step of work that involves risks, if not sure about potential outcomes, the employee shall cease or defer such operation and seek an expert's advice immediately.

- 8) Any irregularities at work areas that may cause harm to people's health and safety shall be reported to respective supervisors urgently.
- 9) Supervisors shall have the duty to determine or disseminate guidelines for the prevention and control of accidents and health issues for their employees and related parties. Medical check-up programs for the employees shall be conducted based on their respective risk levels.

6.5.2 Responsibility for Society and Environment

The Company places importance on its responsibility for society and the public. In so doing, it complied with laws and rules concerned, exercised environmental care, and adopted measures relating to safety management. In terms of the environment, it stipulated a set of measures to mitigate environmental impacts applicable to its internal functions and repairs and maintenance facilities. Moreover, the Company encouraged its employees to economically use resources and different kinds of energies, such as electricity, tap water, and especially fuels. Data through monitoring showed that fuel efficiency was enhanced.

6.6 Anti-Corruption Practices

To ensure a clear understanding of all directors, executives, and employees about proceeding with matters that may involve possible corruption risks, they shall comply with the anti-corruption measure manual with due care.

7. Supervision of Compliance with Code of Conduct and Review of Code of Conduct

It is the joint duty and responsibility of all directors, executives, and employees to acknowledge, understand, and comply with the policy on the code of conduct and desirable work practices strictly. Compliance with such policy is mandatory; and no one can cite a reason of lacking knowledge of such policy for their non-compliance therewith.

Executives at all levels must be responsible for and take it seriously when it comes to ensuring that the employees under their line of command acknowledge, understand, and comply with the code of conduct and desirable work practices vigorously.

The Company shall not tolerate any actions that are illegal or contradict professional ethics. If a director, executive, or employee is found to have committed a violation of the stipulated code of conduct, they shall be subject to strict disciplinary action. If such violation is believed to be violating laws, rules, or mandates of the government, the matter shall be submitted to a competent government official for further actions without delay.

The Board of Directors and the Audit and Corporate Governance Committee require that there be an annual review of the “Code of Conduct and Desirable Work Practices” manual.

8. Whistleblowing

The Company encourages its employees and stakeholders to partake in the monitoring of the compliance with laws, regulations, good corporate governance principles, and the business code of conduct and desirable work practices. Any illegal act or business misconduct or behavior indicating corruption or malfeasance of a person in the organization shall be reported or a complaint against such matter shall be filed in order to ensure more transparency and efficiency in business operations. Thus, the Company stipulated a set of whistleblowing measures as well as a mechanism to protect whistleblowers or complainants and reported persons. As confidentiality of data collected through whistleblowing is crucial, acquired data shall be known only by assigned persons and other concerned parties. This is to provide assurance for the whistleblowers or complainants.

Whistleblowing Policy

The Company allows its internal and external stakeholders to report activities that are deemed illegal or in violation of relevant regulations, ethics, or rights; incorrect financial reports; internal control system deficiencies; or behaviors possibly indicating misconduct of persons within the organization to the Board of Directors. The stakeholders may report a case to a member of the Audit and Corporate Governance Committee or the corporate secretary for further submission to the Audit and Corporate Governance Committee for fact-finding. After due consideration, the Audit and Corporate Governance Committee shall report the case to the Board of Directors for consideration and further actions as deemed appropriate.

Whistleblowing Measures

1. Definitions

- 1.1 “Whistleblowing” refers to reporting information about an activity believed to be wrongdoing according to Item 2.
- 1.2 “Whistleblower or Complainant” refers to any director, employee, stakeholder, or external party.
- 1.3 “Recipient of Whistleblowing Reports or Complaints” refers to a corporate secretary or a member of the Audit and Corporate Governance Committee.

2. Matters for Whistleblowing or Complaint Filing

The Company encourages all of its employees and stakeholders to report to it immediately upon detection of any misconduct or behavior indicating possible wrongdoing in the following matters.

- Non-compliance with laws or regulations concerned and the business code of conduct
- Corruption and fraud
- Activities suspicious of money-laundering or irregularities in terms of accounting, finance, and controls and audits

3. Channels for Stakeholders’ Whistleblowing or Complaint Filing

There shall be two channels for whistleblowing or complaint filing as follows:

Channel 1: Emails of three members of the Audit and Corporate Governance Committee as follows:

- Dr. Panja Senadisai panja.sena@gmail.com
Chairman of the Audit and Corporate Governance Committee
- Professor Emeritus Dr. Vinit Chovichien c_vinit@hotmail.com
Member of the Audit and Corporate Governance Committee
- Dr. Chaipat Sahasakul chaipats@icloud.com
Member of the Audit and Corporate Governance Committee

Channel 2: Corporate secretary through mail, telephone, and email as follows:

- Mailing to:
Ms. Thitima Tiewprateep, Corporate Secretary
Pylon Public Company Limited
252 SPE Tower Building, 14th Floor, Phaholyothin Road, Samsen Nai
Subdistrict, Phaya Thai District, Bangkok 10400
- Tel. No. 02 6151259 Ext. 108
- Email: thitima@pylon.co.th

Whistleblowing Report or Complaint Handling Process

- 1) Facts shall be collected and submitted to the Audit and Corporate Governance Committee.

A member of the Audit and Corporate Governance Committee or the corporate secretary who receives a whistleblowing report or complaint shall collect facts relating to fraud and corruption, violation or non-compliance with laws or codes of ethics, infringement of rights, incorrect financial reporting, or internal control system deficiencies. The recipient of the whistleblowing report or complaint may take relevant actions by oneself or assign other persons concerned to do so in one's stead.

- 2) The Audit and Corporate Governance Committee shall hold a meeting.

The Audit and Corporate Governance Committee shall hold a meeting to consider the report by the whistleblower or complainant based on all the facts collected, ask questions or seek further information from the management (as the case may be), and prepare a report for submission to the Board of Directors for endorsement.

- 3) The Board of Directors shall consider a report from the Audit and Corporate Governance Committee.

The Board of Directors shall consider a report from the Audit and Corporate Governance Committee and take actions as deemed appropriate accordingly.

4) Results shall be reported to the whistleblower or complainant.

The Board of Directors shall report results to the whistleblower or complainant if they disclosed themselves.

4. Information about Whistleblower or Complainant

The whistleblower or complainant shall provide their name-surname for the Company to contact them back and ask for more information.

In the case where the whistleblower or complainant does not intend to provide their name, the Company may conduct fact-finding based on the information received if it believes that such information could lead to a damage to the Company.

5. Guidelines to Protect Whistleblower or Complainant

Guidelines to protect the whistleblower or complainant from bullying, threatening, or disposal of evidence include the following.

- In fact-finding, the Company shall not reveal the name of the whistleblower or complainant.
- The Company shall keep relevant data confidential and make a disclosure only on a need-to-know basis. Safety and prevention of a possible damage to the whistleblower or complainant or relevant parties shall be priorities.
- Apart from the above, if the whistleblower or complainant still views that they could possibly be in trouble or subject to a damage, they may ask for the Company to provide protection measures for them.
- In the case where the whistleblower or complainant is an employee of the Company, there shall be no demotion, punishment or negative outcomes against the employee who says no to corruption.

6. Protection of the Reported Person

The Company realizes that it shall take responsibility for the reported person by keeping data relevant to the reported person confidential during the fact-finding, and shall consider fact-finding results before deciding on the matter. The Audit and Corporate

Governance Committee shall allow the reported person to explain the case before drawing a conclusion on the matter as well as acknowledge the fact-finding results.

7. Making an Intentionally False Report of Information

If the whistleblower or complainant intentionally makes a false report of information, they shall not be protected under the prescribed measures, and shall be subject to disciplinary action or legal action.

8. Punishment

If fact-finding results reveal that the reported person did commit wrongdoing or that the whistleblower or complainant intentionally made a false report, the recipient of the whistleblowing report or complaint shall submit the case together with their opinion and guidelines on disciplinary measures and legal action to authorized persons for further consideration and relevant actions.

In the case of a director, executive, or employee defying the anti-corruption measures, they shall be subject to relevant disciplinary measures by the Company, for example, through warning letters, work suspension, or termination of employment where necessary.

9. Report on Whistleblowing Cases

The Audit and Corporate Governance Committee shall prepare and present a report on all whistleblowing cases to the Board of Directors while the corporate secretary shall collect relevant data for submission to the Board of Directors for endorsement.

Ultimately, compliance with the business code of conduct and desirable work practices shall be on-going, and the Company shall exercise the best of its ability to maintain and comply with the business code of conduct and desirable work practices in good faith and without avoiding such obligations.

1. I have already received and read the content in “Business Code of Conduct and Desirable Work Practices”.
2. I thoroughly understand and shall comply with the business code of conduct and desirable work practices in this document as guidance for my operations.



Pylon Public Company Limited

Anti-Corruption Policy

(Version as of 19 December 2017)

Anti-Corruption Policy

The Company is committed to preventing and combating all forms of corruption through direct and indirect means and to ensuring that any business activities with possible corruption risks are considered prudently. To this end, the Company established an “Anti-Corruption” policy in writing as approved by the resolution of the Board of Directors’ Meeting No. 6/2017 held on 19 December 2017. According to the policy, all directors, executives, and employees are prohibited from committing or accepting all forms of corruption through direct or indirect means. The policy extends to the business operations of the Company’s subsidiary which shall strictly comply with the policy. The compliance with this corruption policy, implementation guidelines, and operating requirements shall be regularly reviewed to ensure alignment with Thailand’s changing business and regulatory circumstances towards anti-corruption.

Implementation Guidelines

1. All directors, executives, and employees shall comply with the anti-corruption policy and the business code of conduct without involving in all forms of corruption through direct or indirect means for the benefit of oneself or one’s family, friends, or associates.
2. No bribes shall be given or received through either direct or indirect means regardless of whether in monetary or non-monetary forms, to or from persons, agencies, or government and private organizations, for such persons, agencies or organizations to perform or refrain from performing duties, or to obtain or maintain any undue interests.
3. All forms of political aid shall not be given.
4. Money donations for charity or financial support must be accompanied by clear objectives and according to the scope of authority with transparency and auditability.

5. Giving or receiving gifts, reception service fees, and other expenses must be according to the scope of authority and based on transparency and auditability.
6. If an employee is seeking advice or having any inquiries relating to anti-corruption measures, they shall consult their supervisors or the Human Resources Department.
7. It shall be the duty of all employees to provide whistleblowing reports to or file complaints with responsible persons through whistleblowing report or complaint filing channels should they detect any behavior with an indication of corruption, and to provide collaboration in the fact-finding process.
8. The Company shall protect a whistleblower or a complainant according to the stipulated guidelines. There shall be neither demotions, punishments, nor negative outcomes against employees who say no to corruption.
9. Directors, executives, and employees defying anti-corruption requirements of the Company shall be subject to disciplinary action according to the Company's regulations and directives, and shall be punished according to relevant laws.
10. The Company realizes the importance of communications and internal relations to promote knowledge and an understanding among its directors, executives, employees, and related persons, as well as the importance of external communications to the general public and stakeholders for their compliance with the anti-corruption policy.

Duties and Responsibilities

1. The Board of Directors shall have the duty to consider, approve, and determine an anti-corruption policy and to supervise the set-up of anti-corruption implementation guidelines in an efficient manner. This is to ensure that directors, executives, and

employees attach importance to anti-corruption and embrace this norm as part of the corporate culture.

2. The Audit and Corporate Governance Committee shall have the duty to screen the anti-corruption policy and implementation guidelines, provide useful suggestions for the preparation and revision of such policy and guidelines in a concrete manner, supervise the compliance with the anti-corruption measures, and review other relevant measures and internal controls.
3. The Executive and Risk Management Committee shall be responsible for assessing risks and determining anti-corruption preventive measures, as well as preparing, reviewing, and revising anti-corruption policy implementation guidelines to ensure that they are up-to-date, before submission to the Audit and Corporate Governance Committee and the Board of Directors for consideration. The matter shall then be disseminated and communicated to the Company's employees for their acknowledgement.
4. The President and other executives shall have the duty to promote and support the anti-corruption policy, the performance of duties with integrity, and the non-involvement in any actions that may cause corruption or a violation of laws. They shall lead by example, and comply with the business code of conduct in order to convey a message of commitment to all employees and entities involved.
5. The internal control system auditor shall have the duty to audit and review the compliance with the policy, the scope of authority to take actions, the implementation guidelines and requirements, or any relevant laws to ensure the presence of an appropriate internal control system that can cope with possible corruption risks. The auditor shall then report the results to the Audit and Corporate Governance Committee.

Kindly be informed and comply accordingly. This shall be applicable to the Company and its subsidiary.

Given on the 19th day of December 2017

A handwritten signature in dark ink, appearing to be 'Seri Chintanaseri', with a long horizontal stroke extending to the right.

Mr. Seri Chintanaseri
Chairman of the Board of Directors



Pylon Public Company Limited

Anti-Corruption Measure Manual

(Version as of 19 December 2017)

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Message from the President

Pylon Public Company Limited is committed to driving its business towards sustainability and developing a transparent work system free from all forms of corruption. All of the Company's directors, executives, and employees take it seriously when it comes to fighting against corruption for shared business value and enhanced confidence among all stakeholders in moving the organization towards sustainable growth.

With such ambition, the Board of Directors passed a unanimous resolution for the Company to be a member of the Thai Private-Sector Collective Action Against Corruption (CAC) in 2016. The Company conducted corruption risk assessments as per details in the Annex, and also developed an anti-corruption policy and relevant measure manual to reflect the assessed risks, which should serve as guidance for operations. Such policy and manual were disseminated to the directors, executives, and employees as well as the business alliances and external parties.

I am confident that this anti-corruption policy and measure manual will yield benefits to all parties as they strive to ensure proper implementation which will propel our organization towards becoming free from all forms of corruption as per our ambition.



Dr. Chanet Sangarayakul

19 December 2017

Definition of “Corruption”

“Corruption” refers to the giving or receiving of bribes through direct or indirect means via presentations, promises, requests, or demands, whether in monetary or non-monetary forms such as gifts or services, to or from persons, agencies, or government and private organizations, for such persons, agencies, or organizations to perform or refrain from performing duties, or to obtain or maintain any undue interests.

Anti-Corruption Policy

The Company is committed to preventing and combating all forms of corruption through direct and indirect means and to ensuring that business operations with possible corruption risks are considered prudently. To this end, the Company established an “Anti-Corruption” policy in writing as approved by the resolution of the Board of Directors’ Meeting No. 6/2017 held on 19 December 2017. According to the policy, all directors, executives, and employees are prohibited from committing or accepting all forms of corruption through direct or indirect means. The policy extends to the business operations of the Company’s subsidiary which shall strictly comply with the policy. The compliance with this corruption policy, implementation guidelines, and operating requirements shall be regularly reviewed to ensure alignment with Thailand’s changing business and regulatory circumstances towards anti-corruption.

Implementation Guidelines

1. All directors, executives, and employees shall comply with the anti-corruption policy and the business code of conduct without involving in all forms of corruption through direct or indirect means for the benefit of oneself or one’s family, friends, or associates.
2. No bribes shall be given or received through either direct or indirect means regardless of whether in monetary or non-monetary forms, to or from persons, agencies, or government and private organizations, for such persons, agencies, or organizations to perform or refrain from performing duties, or to obtain or maintain any undue interests.
3. All forms of political aid shall not be given.
4. Money donations for charity or financial support must be accompanied by clear objectives and according to the scope of authority with transparency and auditability.
5. Giving or receiving gifts, reception service fees, and other expenses must be according to the scope of authority and based on transparency and auditability.

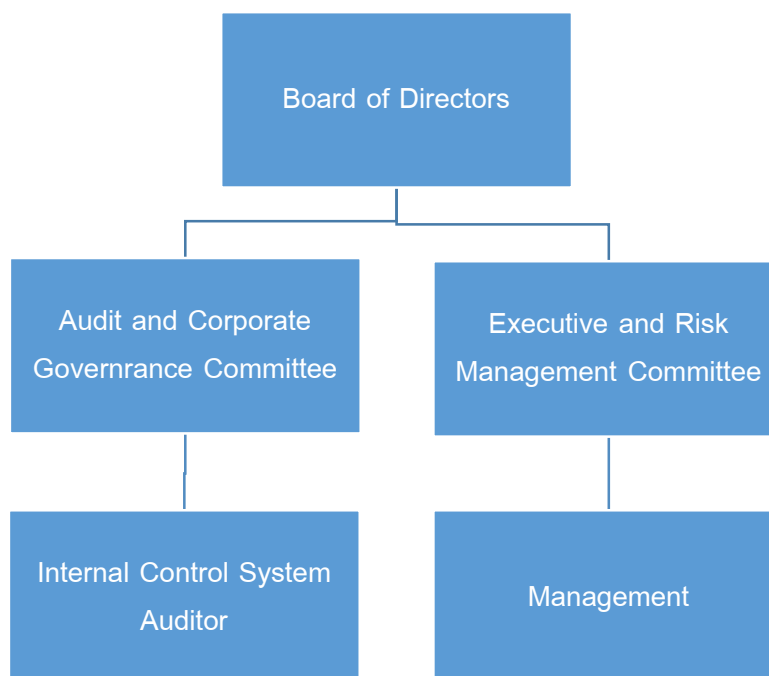
6. If an employee is seeking advice or having any inquiries relating to anti-corruption measures, they shall consult their supervisors or the Human Resources Department.
7. It shall be the duty of all employees to provide whistleblowing reports to or file complaints with responsible persons through whistleblowing report or complaint filing channels should they detect any behavior with an indication of corruption, and to provide collaboration in the fact-finding process.
8. The Company shall protect a whistleblowing or a complainant according to the stipulated guidelines. There shall be neither demotions, punishments, nor negative outcomes against employees who say no to corruption.
9. Directors, executives, and employees defying anti-corruption requirements of the Company shall be subject to disciplinary action according to the Company's regulations and directives, and shall be punished according to relevant laws.
10. The Company realizes the importance of communications and internal relations to promote knowledge and an understanding among its directors, executives, employees, and related persons, as well as the importance of external communications to the general public and stakeholders for their compliance with the anti-corruption policy.

Duties and Responsibilities

1. The Board of Directors shall have the duty to consider, approve, and determine an anti-corruption policy and to supervise the set-up of anti-corruption implementation guidelines in an efficient manner. This is to ensure that directors, executives, and employees attach importance to anti-corruption and embrace this norm as part of the corporate culture.

2. The Audit and Corporate Governance Committee shall have the duty to screen the anti-corruption policy and implementation guidelines, provide useful suggestions for the preparation and revision of such policy and guidelines in a concrete manner, supervise the compliance with the anti-corruption measures, and review other relevant measures and internal controls.
3. The Executive and Risk Management Committee shall be responsible for assessing risks and determining anti-corruption preventive measures, as well as preparing, reviewing, and revising anti-corruption policy implementation guidelines to ensure that they are up-to-date, before submission to the Audit and Corporate Governance Committee and the Board of Directors for consideration. The matter shall then be disseminated and communicated to the Company's employees for their acknowledgement.
4. The President and other executives shall have the duty to promote and support the anti-corruption policy, the performance of duties with integrity, and the non-involvement in any actions that may cause corruption or a violation of laws. They shall lead by example, and comply with the business code of conduct in order to convey a message of commitment to all employees and entities involved.
5. The internal control system auditor shall have the duty to audit and review the compliance with the policy, the scope of authority to take actions, the implementation guidelines and requirements, or any relevant laws to ensure the presence of an appropriate internal control system that can cope with possible corruption risks. The auditor shall then report the results to the Audit and Corporate Governance Committee.

Anti-Corruption Organizational Chart



Scope of Enforcement

The scope of enforcement of this policy shall cover all directors, executives, and employees.

Implementation Guidelines

To ensure a clear understanding of all directors, executives, and employees about proceeding with matters that may involve possible corruption risks, they shall exercise due care in taking actions in the following matters.

1. Political Aid

Political aid shall refer to any assistance in monetary or non-monetary forms to support political activities, including granting loans and other kinds of support through, for example, giving of supplies or services, campaigns to promote or support political parties, purchases of tickets for fundraising activities, money donations to organizations with close relationships with

political parties, granting of unpaid leaves to employees, or being corporate representatives to join political campaigning activities. The Company has guidance for handling this matter as follows:

1. The Company currently does not provide any forms of political aid. Relevant operating procedures are as follows:
 - 1.1 Should there be any request by a political party or organization with a close relationship with a political party, seeking the Company's political aid, the matter shall be proposed to the Executive and Risk Management Committee's meeting for consideration. The meeting shall not grant approval for the matter as it is in breach of the Company's anti-corruption policy.
 - 1.2 Results of consideration shall be reported to the relevant political party.
 - 1.3 A summary report on concerned matters shall be submitted to the Board of Directors' meeting for acknowledgement on a quarterly basis (if any).

Moreover, the Company shall communicate and disclose its policy of not giving political aid through various channels including management meetings, trainings for directors, orientation sessions for new hires, communications bulletin boards, leaflets, the corporate website, annual reports, or other means as appropriate. Also, punishments for those defying the policy shall be communicated.

2. All directors, executives, and employees shall be deemed to have the right and duty to independently participate in or support political activities for their personal purposes without misusing corporate assets and times in so doing.

2. Charitable Donations

It is the Company's policy to make charitable donations through granting approvals for charitable donations according to the scope of authority to take actions. The Company shall exercise due care in making donations of money or supplies based on donation requests as donations could be deemed as or linked to an indirect way of giving of bribes for the Company to obtain a project contract in the future.

3. Acceptance of Donations

The Company does not have a policy to accept donations in monetary or non-monetary forms from government or private organizations.

4. Giving of Financial Support

Financial support shall refer to money paid to customers or other persons on a reasonable basis with an aim to promote the Company's business, reputation, or business relationships. The transaction shall be made on an appropriate occasion, based on transparency, and accompanied by evidence for bookkeeping purposes. Also, names of related persons, amounts of financial support, and other details shall be identified. The Company shall exercise due care in providing financial support according to requests as such action could be deemed as or linked to an indirect way of giving of bribes for the Company to obtain a project contract in the future.

The Company put in place a process of controlling and checking to ensure that the supporting funds were not used to conceal an act of corruption. The steps of granting approval for and disbursing supporting funds shall be in accordance with the internal control process.

5. Acceptance of Financial Support

The Company does not have a policy to accept financial support from its customers, trading partners, joint investors, or other persons, regardless of purposes.

6. Giving of Gifts or Reception Service Fees

The Company does not have a policy to give gifts or any forms of reception service fees to its customers for bribery or building rapport in order to obtain future project contracts. An exception applies to the case of giving gifts or any forms of reception service fees based on the customary business practice with justification in order to maintain good relationships with customers provided that there shall be no expectations to receive any services or objects in return in a specific manner that breaches the code of conduct.

7. Acceptance of Gifts or Reception Services

1. Any gifts with a value of more than Baht 5,000 must be rejected. If rejection cannot be done, the recipient shall report the issue to the division chief. A report form of acceptance of gifts or other benefits shall be filled out and such gifts shall be handed over to the Company to be part of its assets. Any gifts in forms of cash, cashier's cheque, and gold must be rejected in all circumstances.
2. Acceptance of reception services must be according to customary traditions and appropriate for occasions. Transparency must be a priority.

8. A Process to Control and Consider Requests for Charitable Donations, Financial Support, and Giving of Gifts and Reception Service Fees

- 1) Charitable donations, financial support, and giving of gifts or reception service fees must be in accordance with the Company's policy.
- 2) There shall be clear objectives in making charitable donations, financial support, or giving of gifts and reception service fees.
- 3) In case of ongoing charitable donations, financial support, or giving of gifts or reception service fees, there must be a start date and an end date of such activity.
- 4) Name lists of persons, agencies, or organizations asking for donations, financial support, gifts, or reception service fees for various purposes must be provided.
- 5) There must be valid evidence of acceptance of things or cash receipts or other types of evidence of money acceptance such as thank you letters. Or, there shall be evidence indicating that an activity was committed to support a particular charitable project to achieve a specific objective. There shall be an indication that such charitable project took place, was for the benefit of the public, and corresponded to the Company's corporate social responsibility (CSR) objective.
- 6) An internal memorandum shall be prepared to propose a concerned matter to a person with approval authority. This shall be according to the Company's regulations and the scope of authority to take actions.

9. Related Companies and Persons

The Company has a policy of advising its subsidiary to implement the anti-corruption measures. The subsidiary shall be informed of the matter in writing and provide a response back to the Company.

10. Sales and Marketing

The Company has a policy about sales and marketing based on sound competition practices with fairness and good corporate governance. All biddings must be subject to approval according to the Company's scope of authority to take actions.

Sales and marketing with customers must be conducted based on the Company's code of conduct towards its stakeholders. The Company does not have a policy of proposing or giving financial or non-financial interests to any person or agency in order to obtain business contracts, privileges, special treatments or exceptions in violation of laws or codes of ethics.

11. Procurement and Contract Execution

The Company observes the principles of fair and transparent procurement and contract execution with all parties as all purchases and contract signings must be subject to approval by authorized persons according to the Company's scope of authority to take actions.

The Company does not have a policy of soliciting or accepting financial or non-financial interests from any trading partners in order to allow procurement of assets or equipment with conditions or qualifications lower than specified standards or services with substandard quality or not according to specifications stated in purchase orders.

12. Human Resources Operations

The Company has a policy and process of human resources management, including candidate selection, trainings, performance evaluation, giving of remuneration, and promotion for its employees, which reflects its commitment towards anti-corruption measures, gist as follows:

1. The process of candidate selection, performance evaluation, giving of remuneration, and promotion for the employees shall be undertaken based on the employees' knowledge, capabilities, experience, and proven achievements without any bias, prejudice, or personal relationships.

2. The Company shall facilitate trainings to enhance knowledge and experience in particular fields necessary for the performance of duties of respective employees in relevant positions. Also, there shall be orientation sessions in the Company's anti-corruption policy and measures for new hires and once-per-year recurring trainings in the said matter for existing employees. This is to show the Company's commitment to and expectations about its employees' awareness of the anti-corruption measures and punishments against violations thereof.

3. The Company shall not implement a policy or involve in a process of demoting, punishing or resulting in negative outcomes against employees who say no to corruption despite losses of business opportunities, gist as follows:

3.1 The President or high-level executives shall express their firm stance or commitment at anti-corruption measure training meetings that there shall be no demotions, punishments or negative outcomes against employees who say no to corruption despite losses of business opportunities.

3.2 The Company has in place a process of communicating such matter through various channels.

13. Communications and Disclosure of Information

The Company shall conduct internal and external communications about the anti-corruption policy and measures, the whistleblowing channels, and the policy of not demoting, punishing or resulting in negative outcomes against employees who say no to corruption despite losses of business opportunities, as well as other relevant information. This is to ensure that all directors, executives, employees, shareholders, customers, trading partners, and other stakeholders and relevant business parties can be aware of such policies. Communications channels range from management meetings, directors' training meetings,

orientation sessions for new hires, and employee trainings, to other activities such as bulletin board communications, leaflets, publications in the corporate website, annual reports, and other appropriate means. This is to reinforce the vigorous implementation of the said policies and to reassure that the Company's resources and personnel are equipped with skillsets adequate for the implementation of the said measures.

Communications of the anti-corruption policy to customers and trading partners shall start since the beginning of a business relationship and proceed at later stages as appropriate.

With the Company's announcement of its anti-corruption policy, it will facilitate trainings to its existing directors, executives and employees. It will also facilitate orientation sessions for new hires covering directors, executives, and employees prior to the commencement of their work.

14. Data Recording and Keeping

The Company shall comply with standards, principles, and legal provisions mandating accounting and financial reports. It shall not allow false, incorrect, manipulated accounting records, or accounts outside of the financial statements to support or conceal corruption. The Company's practices regarding accepting or disbursing funds are as follows:

The Company's practices regarding accepting or disbursing funds are as follows:

1. Payments from customers, juristic persons, or other persons
 - 1.1 Prior to accepting payments, the financial function shall verify the details and correctness of relevant transactions.
 - 1.2 The financial function shall neither solicit nor accept financial and non-financial interests from customers to delay payments to the Company.
2. Payments to trading partners, juristic persons, or other persons
 - 2.1 Prior to making payments, purposes of such transactions shall be verified, and such transactions must be posted in the books of accounts by the accounting function and conform to accounting principles and relevant laws. Any incorrect or inappropriate transactions must be reported to respective supervisors for acknowledgement, and preventive and corrective solutions according to accounting principles and relevant laws must be identified.

2.2 In all payments, approval authority shall be according to the scope of authority to take actions, and there shall be evidence of receipts of payments from trading partners.

2.3 Payments to trading partners shall be based on agreed upon payment terms.

2.4 There shall be no acts of soliciting or accepting financial or non-financial interests from trading partners in order to speed up payments to them.

The steps of keeping data available for auditing to confirm correctness and suitability of financial reports and to assure that there were no transactions being unrecorded or unexplainable or false can be summarized as follows:

1. To comply with the steps of accepting or disbursing funds mentioned above
2. All documents and records supporting making and accepting payments shall be attached to payment vouchers, and shall be placed in separate folders according to specific categories.
3. Data kept by electronic means shall be handled as follows:
 - Each person shall be granted a different level of access to specific data.
 - The file backup process shall be conducted at day end.
 - There shall be a modern data security maintenance system at international standards.
 - There shall be an IT team dedicated to database system management.
4. Various data shall be subject to audits by the auditors endorsed by the Securities and Exchange Commission (SEC) whose auditing work shall be based on auditing standards and independent from the Company according to the code of professional ethics defined by the Federation of Accounting Professions (FAP) and other relevant codes of ethics. The auditors' auditing work is to provide reasonable assurance that the consolidated financial statements and the Company's financial statements are free from any material misstatements.

15. Audit Process/Internal Control

The Company has in place an internal audit process (covering risk assessments, sales and marketing system, procurement system, and measures to take corrective actions as appropriate as specified in the Annex) which shall be conducted annually by an internal

control system auditor. The auditor shall be independent and one's scope of audit shall not be limited when performing the duties. The auditor performed the audits according to the internal control system audit plan which also covered anti-corruption. Moreover, quarterly and year-end audits were performed by the external auditors with CPA licenses according to requirements of the SEC, the Business Development Department, and the Revenue Department.

The steps of reporting audit results are as follows:

- 1.) The internal control system auditor shall report audit results and findings as well as relevant suggestions at least once per quarter to respective operating officers.
- 2.) The internal control system auditor shall report audit results and findings as well as relevant suggestions at least once per quarter to high-level executives for further presenting to the Audit and Corporate Governance Committee accordingly.
- 3.) The Chairman of the Audit and Corporate Governance Committee shall be presenting audit results to the Board of Directors accordingly.
- 4.) The internal control system auditor may directly report any urgent issues to high-level executives and the Board of Directors immediately.

16. Follow-Up and Review

The Company requires regular follow-ups on the implementation of the anti-corruption policy through the internal control system audit process. Any additional issues or risks shall be reported through the management and the Audit and Corporate Governance Committee for reviews and updates of the anti-corruption measure manual to ensure appropriateness.

17. Whistleblowing

The Company encourages its employees and stakeholders to partake in the monitoring of the compliance with laws, regulations, good corporate governance principles, and the business code of conduct and desirable work practices. Any illegal act or business misconduct or behavior indicating corruption or malfeasance of a person in the organization shall be reported or a complaint against such matter shall be filed in order to ensure more transparency and efficiency in business operations. Thus, the Company stipulated a set of

whistleblowing measures as well as a mechanism to protect whistleblowers or complainants and reported persons. As confidentiality of data collected through whistleblowing is crucial, acquired data shall be known only by assigned persons and other concerned parties. This is to provide assurance for the whistleblowers or complainants.

Whistleblowing Policy

The Company allows its internal and external stakeholders to report activities that are deemed illegal or in violation of relevant regulations, ethics, or rights; incorrect financial reports; internal control system deficiencies; or behaviors possibly indicating misconduct of persons within the organization to the Board of Directors. The stakeholders may report a case to a member of the Audit and Corporate Governance Committee or the corporate secretary for further submission to the Audit and Corporate Governance Committee for fact-finding. After due consideration, the Audit and Corporate Governance Committee shall report the case to the Board of Directors for consideration and further actions as deemed appropriate.

Whistleblowing or Complaint Filing Measures

1. Definitions

- 1.1 “Whistleblowing or Complaint Filing” refers to reporting information about an activity believed to be wrongdoing according to Item 2.
- 1.2 “Whistleblower or Complainant” refers to any director, employee, stakeholder, or external party.
- 1.3 “Recipient of Whistleblowing Reports or Complaints” refers to a corporate secretary or a member of the Audit and Corporate Governance Committee.

2. Matters for Whistleblowing or Complaint Filing

The Company encourages all of its employees and stakeholders to report to it immediately upon detection of any misconduct or behavior indicating possible wrongdoing in the following matters.

- Non-compliance with laws or regulations concerned and the business code of conduct

- Corruption and fraud
- Activities suspicious of money-laundering or irregularities in terms of accounting, finance, and controls and audits

3. Channels for Stakeholders' Whistleblowing or Complaint Filing

There shall be two channels for whistleblowing or complaint filing as follows:

Channel 1: Emails of three members of the Audit and Corporate Governance Committee as follows:

- Dr. Panja Senadisai panja.sena@gmail.com
Chairman of the Audit and Corporate Governance Committee
- Professor Emeritus Dr. Vinit Chovichien c_vinit@hotmail.com
Member of the Audit and Corporate Governance Committee
- Dr. Chaipat Sahasakul chaipats@icloud.com
Member of the Audit and Corporate Governance Committee

Channel 2: Corporate secretary through mail, telephone, and email as follows:

- Mailing to:
Ms. Thitima Tiewprateep, Corporate Secretary
Pylon Public Company Limited
No 252 SPE Tower, 14th Fl., Phaholyothin Rd., Samsannai District,
Phayathai District, Bangkok 10400
- Tel. No. 02 615 1259 Ext. 108
- Email: thitima@pylon.co.th

4. Whistleblowing Report or Complaint Handling Process

1) Facts shall be collected and submitted to the Audit and Corporate Governance Committee.

A member of the Audit and Corporate Governance Committee or the corporate secretary who receives a whistleblowing report or complaint shall collect facts relating to fraud and corruption, violation or non-compliance with laws or codes of ethics, infringement of rights, incorrect financial reporting, or internal control system deficiencies. The recipient of the whistleblowing

report or complaint may take relevant actions by oneself or assign other persons concerned to do so in one's stead.

- 2) The Audit and Corporate Governance Committee shall hold a meeting.

The Audit and Corporate Governance Committee shall hold a meeting to consider the report by the whistleblower or complainant based on all the facts collected, ask questions or seek further information from the management (as the case may be), and prepare a report for submission to the Board of Directors for endorsement.

- 3) The Board of Directors shall consider a report from the Audit and Corporate Governance Committee.

The Board of Directors shall consider a report from the Audit and Corporate Governance Committee and take actions as deemed appropriate accordingly.

- 4) Results shall be reported to the whistleblower or complainant.

The Board of Directors shall report results to the whistleblower or complainant within 2-4 weeks after receiving the whistleblowing report. In the case where the whistleblower or complainant disclosed themselves, if fact-finding could not be finished within a specified time frame, the member of the Audit and Corporate Governance Committee or the corporate secretary shall give a progress report to the whistleblower or complainant every two weeks.

5. Information about Whistleblower or Complainant

The whistleblower or complainant shall provide their name-surname for the Company to contact them back and ask for more information. In the case where the whistleblower or complainant does not intend to provide their name, the Company may conduct fact-finding based on the information received if it believes that such information could lead to a damage to the Company.

6. Guidelines to Protect Whistleblower or Complainant

Guidelines to protect the whistleblower or complainant from bullying, threatening or disposal of evidence are as follows:

- In fact-finding, the Company shall not reveal the name of the whistleblower or complainant.
- The Company shall keep relevant data confidential and make a disclosure only on a need-to-know basis. Safety and prevention of a possible damage to the whistleblower or complainant or relevant parties shall be priorities.
- Apart from the above, if the whistleblower or complainant still views that they could possibly be in trouble or subject to a damage, they may ask for the Company to provide protection measures for them.
- In the case where the whistleblower or complainant is an employee of the Company, there shall be no demotion, punishment or negative outcomes against the employee who says no to corruption.

7. Protection of the Reported Person

The Company realizes that it shall take responsibility for the reported person by keeping data relevant to the reported person confidential during the fact-finding, and shall consider fact-finding results before deciding on the matter. The Audit and Corporate Governance Committee shall allow the reported person to explain the case before drawing a conclusion on the matter as well as acknowledge the fact-finding results.

8. Making an Intentionally False Report of Information

If the whistleblower or complainant intentionally makes a false report of information, they shall not be protected under the prescribed measures, and shall be subject to disciplinary action or legal action.

9. Punishment

If fact-finding results reveal that the reported person did commit wrongdoing or that the whistleblower or complainant intentionally made a false report, the

recipient of the whistleblowing report or complaint shall submit the case together with their opinion and guidelines on disciplinary measures and legal action to authorized persons for further consideration and relevant actions.

In the case of a director, executive, or employee defying the anti-corruption measures, they shall be subject to relevant disciplinary measures by the Company, for example, through warning letters, work suspension, or termination of employment where necessary.

10. Report on Whistleblowing Cases

The Audit and Corporate Governance Committee shall prepare and present a report on all whistleblowing cases to the Board of Directors while the corporate secretary shall collect relevant data for submission to the Board of Directors for endorsement.

Whistleblowing Report or Complaint Filing Form

Whistleblower's/complainant's name-surname	
Supervisory function	
Email	
Tel.	
Date of witnessing an incident or detecting relevant data	
Place of incident	
Functions concerned	
Names of persons involved	
Incident details	

Remark:

The whistleblower or complainant shall be contacted back by the recipient of the whistleblowing report or complaint and informed about the progress of the proceeding as well as if the report has enough information for the Company to conduct fact-finding within a specified time frame according to the whistleblowing report or complaint handling measures. The whistleblower or complainant, if preferring not to reveal their name or phone number, shall not be contacted back. The whistleblower or complainant, if intentionally making a false report or maliciously causing a damage to other people's reputation or creditability, shall be subject to disciplinary action and/or legal action.

Report Form of Acceptance of Gifts or Other Benefits

- To ☐ The Board of Directors (in case the Chairman is the recipient)
- ☐ The Chairman of the Board of Directors
- ☐ The President
- ☐ Division Chief (through supervisors according to the line of command)

On (date) _____, I _____,

Position _____, Function _____,

received a gift of (gift description) _____.

Signed _____

(_____)

Date _____

Instruction

☐ There is justification and the person shall be permitted to have such item to oneself.

☐ There is no justification for the person to have such item to oneself. The item shall be handed over to a central administration function for further consideration and submission to another function that should properly benefit from using such item.

Signed _____

(_____)

Date _____

Statement of the Audit and CG Committee

The Company's Audit and CG Committee consists of 3 independent directors possessing full qualifications in compliance with the Notification of the Securities and Exchange Commission (SEC). Dr. Panja Senadisai is the Chairman and Dr. Chaipat Sahasakul and Professor Emeritus Dr. Vinit Chovichien are the other members of the Audit and CG Committee. The term of office of the Audit and CG Committee is 3 years.

The Audit and CG Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Audit and CG Committee's Charter which is in compliance with those specified by The Stock Exchange of Thailand (SET): The Audit and CG Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551. The Audit and CG Committee regularly reports the Committee's Minutes of Meeting to the Board of Directors

In 2021, a total of 6 Audit and CG Committee's meetings were held with all members present in every meeting. The meetings were conducted to consider and proceed with the following matters:-

1. Review of financial reporting

The Audit and CG Committee has reviewed the quarterly and annual financial statements for the year 2021 in collaboration with the auditor and the management. This is to give assurance that the Company's financial statements are in compliance with the Generally Accepted Accounting Principles

according to the Accounting Act B.E. 2543 and the relevant notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, and that the disclosure of information is made in an adequate, complete, timely and reliable manner which is beneficial to and supports decisions made by shareholders and general investors as well as aligns with applicable laws and notifications. The Audit and CG Committee has also supported and monitored the compliance with the International Financial Reporting Standards (IFRS) in

accordance with the guidelines specified by the Federation of Accounting Professions and the Office of Securities and Exchange Commission. In addition, in 2021 the Audit and CG Committee held one meeting with the auditor without the participation of the management to ensure that the auditor independently performed his/her duties.

2. Review of the adequacy and appropriateness of internal control system

The Audit and CG Committee has reviewed the adequacy and appropriateness of the internal control system by considering the reports of the Independent Internal Auditor and the external auditor. The auditor has mutually agreed that no significant operational faults were identified in 2021. In addition, the Audit and CG Committee has considered the result of the evaluation of the internal control system of the Company and its subsidiary as well as the questions used in the evaluation form prepared according to the guidelines specified by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the evaluation result for 2021, the internal audit function is independent and the internal control system of the Company is adequate, appropriate and effective.

3. Supervision of internal audit operations

The Audit and CG Committee has considered and selected EL Business Advisory Co., Ltd. to be an independent internal auditor for 2022 as well as approved the internal audit scope and plan for the year 2022 whereas the internal auditor shall report the result directly to the Audit and CG Committee.

4. Review of the Company's compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand or laws relevant to the Company's business

The Audit and CG Committee has reviewed if the Company has in place the processes to ensure that the operations are in compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws relevant to the Company's business.

5. Connected transactions or transactions which may involve a conflict of interest

In 2021, the Company had connected transaction or transaction which may involve a conflict of interest prescribed by the Stock Exchange of Thailand regulations regarding the connected transactions and/or the acquisition or disposition of the Company's asset.

The Audit and CG Committee has reviewed the Company's disclosure of information in the case of any connected transactions or transactions which may involve a conflict of interest to ensure that the information is correctly and completely disclosed in the notes to the annual and quarterly financial statements and that the transactions incurred are reasonable, beneficial to the Company and are in compliance with the business conditions and requirements of the Securities and Exchange Commission.

6. Consideration, selection and nomination of an independent person for appointment as the auditor of the Company

The Audit and CG Committee has reviewed the operations of the auditor from Proud in Pro Company Limited and opined that the auditor performed professional duties in an independent, impartial and timely manner, thoroughly understood the Company's business and has duly been granted approval from the Securities and Exchange Commission. It is therefore deemed appropriate that Ms. Sansanee Poolsawat, CPA license No. 6977 or Ms. Witita Sujitranuch, CPA License no.7408 or Ms. Pitinun Pattaraklitidej, CPA license No. 10467 of Proud in Pro Company Limited

as the auditor of the Company for Year 2022. The above-mentioned auditors have full qualifications in compliance with the rules of the Stock Exchange of Thailand. The Auditors have had no relation and/or conflict with the Company, its subsidiaries, major shareholders or relevant persons. In case those auditors cannot do their job, Proud in Pro Company Limited shall provide the substituted auditors with approval from the Company's Board of Directors. However, in case Proud in Pro Company Limited still cannot provide the substituted auditors, the Board of Directors shall then consider and appoint other auditor in replacement. The AGM shall be requested to give the authority to the Board of Directors to consider and approve the appointment of new auditor in both cases.

7. Review of risk management

The Audit and CG Committee has reviewed risk management operations with the management and the independent internal auditor and opined that the management has in place appropriate and adequate risk management.

8. Annual review and amendment of the Audit and CG Committee Charter

The Audit and CG Committee shall review the Audit and CG Committee Charter to ensure that the past year's operations were undertaken completely as assigned and the duties and responsibilities were in alignment with the good practice guidelines by the Stock Exchange of Thailand.

9. The Audit and CG Committee reported its work performance to the Board of Directors for acknowledgement at least once a quarter.

Based on the Audit and CG Committee's performance of duties as mentioned above, the Audit and CG Committee was of the opinion that the Company adopted an adequate and appropriate internal control system, that the Company put in place the appropriate procedures to ensure that the Company's operations are in compliance with relevant laws,

and that the preparation and disclosure of information in the financial reports of the Company were correct, complete, reliable, and in a timely manner as well as disclosed connected transactions or transactions which may involve a conflict of interest in a correct and complete manner.

A handwritten signature in blue ink, reading "Panja S.", is centered on the page.

(Dr. Panja Senadisai)

Chairman of the Audit and CG Committee

Statement of the Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee consists of 2 independent directors and 1 non-executive director possessing full qualifications in compliance with the Notification of the Securities and Exchange Commission (SEC). Professor Emeritus Dr. Vinit Chovichien is the Chairman and Mr. Vongchai Sangarayakul and Dr. Chaipat Sahasakul are the other members of the Nomination and Remuneration Committee. The term of office of the Nomination and Remuneration Committee is 3 years.

The Nomination and Remuneration Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Nomination and Remuneration Committee's Charter. In 2021, a total of 2 Nomination and Remuneration Committee's meetings were held with all members present in every meeting. The meetings were conducted to consider and proceed with the following matters:

1. Considered the structure and composition of the Board of Directors and qualifications, as well as the appropriateness of knowledge and experience of the directors and the President.
2. Determined the Company's Board of Directors structure including additional committees commensurated with the nature and size of business and qualifications of each director in terms of knowledge, skill, experience, specific capabilities which are beneficial to the company's business.
3. Considered, selected, and nominated a person equipped with the qualifications, knowledge and capability suitable to the Company's business for the director position and proposed to the Board of Directors for consideration and endorsement and then at the shareholders' meeting for consideration on appointment.

4. Considered the allocation of directors' remuneration for the year 2020 operating results within the amount limit as approved by the shareholders and in compliance with the specified allocation criteria.
5. Evaluated the president's performance for the year 2020, allocated his remuneration in accordance with the specified criteria, and proposed the results to the Board of Directors for endorsement.
6. Considered the budget of directors' remuneration, consisting of monthly remuneration, bonus, and meeting fees for the year 2021 by taking into account the average remuneration of the same industry, the average remuneration of the listed companies, the average remuneration of the companies with similar revenues and profits, workloads and the scope of responsibilities of the Board of Directors, to be proposed to the Board of Directors and then at the shareholders' meeting for approval.
7. Considered the criteria for assessing the president's performance and setting his remuneration for the year 2021 and proposed that to the Board of Directors for endorsement.
8. Reviewed and amended the Nomination and Remuneration Committee's Charter so as to enhance its coverage and clarity in correspondence with amendments of law.

Based on the Nomination and Remuneration Committee's performance of duties as mentioned above, the Nomination and Remuneration Committee was of the opinion that the Company selected and nominated the person having full qualifications in compliance with the Securities and Exchange Act and relevant business laws by taking into account his/her knowledge, capability, and experience suitable for such a director position. The Nomination and Remuneration Committee also considered that the Company had in place the proper structure and composition of the Board of Directors and that the Company appropriately set the directors' remuneration in compliance with the specified criteria and within the amount limit as approved by the shareholders' meeting. Additionally, the Nomination and

Remuneration Committee reported its work performance to the Board of Directors for acknowledgement after every meeting.



(Professor Emeritus Dr.Vinit Chovichien)

Chairman of the Nomination and Remuneration Committee

Report of the Executive and Risk Management Committee

The Executive and Risk Management Committee consists of four members with qualifications in full compliance with requirements of the Office of the Securities and Exchange Commission (SEC). Dr. Chanet Sangarayakul serves as Chairman while Mr. Bordin Sangarayakul, Mr. Somsak Viriyapipat, and Mr. Pisun Sirisuksakulchai are members of the Executive and Risk Management Committee. The office term is three years.

In 2021, there were a total of eight meetings attended by all members. All aspects of business management were considered and executed. Amid the COVID-19 situation, business risks across various dimensions were present. The Committee performed its duties cautiously and prudently, and submitted quarterly reports of its performance and management of risks with potential significant impacts on business operations to the Board of Directors. Included in the reports were details of strategic, financial, operating and regulatory compliance risks, risk management plans, and appropriate risk control guidelines aimed at managing risks to be within acceptable levels or reducing the risk probability in the future.

The Committee is committed to performing its duties to the best of its ability so as to control risks to be within acceptable levels and to have no significant impacts on the Company for the utmost benefit of its shareholders and all other stakeholders.



(Dr. Chanet Sangarayakul)

Chairman of the Executive and Risk Management Committee

Scope of Authorities of the Company's Board of Directors

The Board of Directors shall have authority to approve corporate matters according to its scope of duties and responsibilities to supervise and ensure that the Company complies with applicable laws, objectives, and articles of association as well as legal resolutions of shareholders' meetings. Also, the Board of Directors shall determine, review and approve visions, goals (in alignment with missions), strategies, and directions of operations each year. The Board of Directors shall monitor corporate performance to meet specified plans based on the principles of integrity and prioritizing corporate interests. There shall be a clear segregation of duties between the Board of Directors and the management team. The Board of Director's approval authority, duties and responsibilities shall be determined as follow;

1. To arrange the annual general shareholders' meeting within four months after the date ending the Company's fiscal year.
2. To arrange the Board of Directors' meeting at least once every quarter and at least 6 times per year.
3. To prepare the Company's balance sheet and income statement that would be audited by the external auditor and submitted to the shareholders' meeting for consideration and approval.
4. The Board of Directors may delegate authorities to one or more directors or other persons to perform any duties on its behalf under its supervision. The Board of Directors may assign them with specific authorities and durations as deemed appropriate and reserve the right to change or revoke those authorities given.

The Board of Directors may delegate authorities to the Executive and Risk Management Committee to perform any tasks in accordance with the extent of its prescribed authorities. The assigned authorities, however, must not give the Executive and Risk Management Committee the opportunity to consider and approve any transactions that he/she or other persons may have interests or conflict of interests of any nature with the Company or its subsidiary except the transactions that comply with the policy and criteria that are already considered and approved by the Board of Directors.

5. To set goal, direction, policy, plan, and budget of the Company as well as monitor and supervise the administration and management of the Executive and Risk Management Committee so that it complies with the prescribed policy except for the matters required by law to be approved by the resolution of the shareholders' meeting. These matters are such as acquisition and disposal of the asset, issuance of the Company's debenture, sale or transfer of ownership of the Company or a significant part thereof to another individual, purchase or transfer of business from other companies, and amendment of Memorandum of Association or Article of Association, etc. The Board of Directors' duty is also to supervise the Company so that its business operation complies with the Securities and Securities Exchange Act and the Stock Exchange of Thailand's regulations such as the matter of related party transactions and the sale and purchase of core assets in accordance with the regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business.
6. To consider the management structure as well as the appointments of the Executive and Risk Management Committee, President, and other committees as deemed appropriate.
7. To monitor the Company's operating performance to continually comply with the prescribed plan and budget.
8. The Director is prohibited from doing business, being partner of the ordinary partnership, being partner with unlimited liabilities of the limited partnership, or being director of the private company or other companies which conduct business of the same nature and directly compete with the Company. These matters are prohibited whether doing for his/her or other person interests unless the director notifies the shareholders' meeting prior to the resolution for his/her appointment.

The Director must promptly inform the Company about his/her direct or indirect personal interest in contracts executed by the Company including debentures and shareholding status, whether increase or decrease, in the Company or its affiliates.

Pylon Public Company Limited
Audit and Corporate Governance Committee's Charter
(Revised on 14 August 2019)

1. Objectives

Realizing the importance of a good corporate governance system, the Board of Directors of Pylon Public Company Limited set up an Audit and Corporate Governance Committee to serve as a key tool or mechanism to help relieve the Board of Directors' burdens of supervising the Company's operations. This is to ensure effectiveness, transparency, reliable financial disclosure, and an adequate internal control system and supervisory process. In order to ensure consistency with such policy, the Board of Directors stipulated the Audit and Corporate Governance Committee's Charter as stated herein.

2. Composition of the Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee shall consist of the following composition.

- 2.1 The Audit and Corporate Governance Committee shall consist of at least three independent directors.
- 2.2 The Board of Directors shall appoint a member of the Audit and Corporate Governance Committee as committee chairman.
- 2.3 The Audit and Corporate Governance Committee shall appoint one employee of the Company as committee secretary. Such employee shall not have a conflict of interest in the performance of such secretary's duties.

3. Term of Office

Each committee member shall have a term of office of three years. A committee member retiring by rotation may be re-appointed for another term.

Apart from retiring by rotation, a committee member may leave the office because of the following.

3.1 Decease

3.2 Resigning as a member of the Audit and Corporate Governance Committee

3.3 Lacking qualifications as a member of the Audit and Corporate Governance Committee under this Charter or as announced by the Office of the Securities and Exchange Commission (SEC)

3.4 A resolution by the Board of Directors to discharge the member from office

3.5 Lacking a director status

Any member of the Audit and Corporate Governance Committee wishing to resign from office shall submit a resignation letter with justification one month in advance to the Chairman of the Board of Directors. In the case where a member of the Audit and Corporate Governance Committee leaves office prior to the end of the office term, the Company shall provide a reason of such leaving to the Stock Exchange of Thailand (SET) immediately and further send relevant information to the SET according to the method specified by the SET through e-reporting.

In case of a vacancy on the Audit and Corporate Governance Committee for any reason other than retiring by rotation, the Board of Directors shall appoint a person with required qualifications as a substitute committee member within 90 days so that the committee has the number of members as per the Board of Directors' requirement in this Charter. The replacing committee member shall hold office only for the remaining term of office of the replaced committee member.

4. Qualifications of the Audit and Corporate Governance Committee's Members

To comply with the SEC's guidelines, the Audit and Corporate Governance Committee's members shall have the following qualifications.

4.1 To be appointed by the Board of Directors

4.2 To be an independent director

- 4.3 Not to be a director appointed by the Board of Directors to have authority to make decisions relating to business operations of the Company, the parent company, subsidiaries, associates, subsidiaries of the same tier, or juristic persons with a possible conflict of interest
- 4.4 Not to be a director of the parent company, subsidiaries, or subsidiaries of the same tier, which are listed companies
- 4.5 To possess knowledge and adequate experience to perform the duties as a member of the Audit and Corporate Governance Committee. There must be at least one member of the Audit and Corporate Governance Committee with knowledge and adequate experience to perform the duties of reviewing the reliability of financial statements.

5. Scope of Authority, Duties, and Responsibilities

The Audit and Corporate Governance Committee shall have the scope of duties and responsibilities as assigned by the Board of Directors and shall report to the Board of Directors as follows:

- 5.1 To review the Company's financial reports to ensure correctness and adequacy
- 5.2 To review the Company's internal control system and internal audit to ensure suitability and effectiveness and to consider the independence of the internal audit function
- 5.3 To review and ensure the Company's compliance with the securities and exchange law, the SET's requirements, and laws relating to the Company's business
- 5.4 To consider, nominate, appoint, re-appoint, and terminate the employment of an external auditor, as well as to propose an external audit fee applicable to the Company
- 5.5 To jointly endorse the consideration, selection, nomination, appointment, fixing of remuneration, transfer, and termination of the employment of the head of an internal audit function or other function with responsibilities related to internal audit

- 5.6 To consider related party transactions or transactions with a possible conflict of interest to ensure that they are undertaken according to law and the SET's requirements. This is to ensure that such transactions are reasonable and for the Company's ultimate benefit.
- 5.7 To review its Charter at least once per year for further submission to the Board of Directors' meeting for consideration.
- 5.8 To perform other missions as assigned by the Board of Directors and as agreed upon by the Audit and Corporate Governance Committee
- 5.9 To prepare a report on its operations for disclosure in the Company's annual report. Such report must be signed by the Chairman of the Audit and Corporate Governance Committee and must contain items required by the SET as follows:
- A) Opinion regarding the correctness, completeness, and reliability of the Company's financial reports
 - B) Opinion regarding the adequacy of the Company's internal control system
 - C) Opinion regarding the compliance with the securities and exchange law, the SET's requirements, or laws relating to the Company's business
 - D) Opinion regarding suitability of the auditor
 - E) Opinion regarding transactions with a possible conflict of interest
 - F) The number of meetings of the Audit and Corporate Governance Committee, and the meeting attendance statistics of each individual committee member
 - G) Overall opinion or observations regarding the Audit and Corporate Governance Committee's performance of duties according to the Charter
 - H) Other items deemed to be learned of by the shareholders or general investors within the scope of duties and responsibilities assigned by the Board of Directors
- 5.10 To perform the duties of supervising the operations according to the good corporate governance principles

5.11 To deliberate over anti-corruption policies and review anti-corruption practices, to give useful suggestions for the preparation and revision of the anti-corruption policies and practices in a concrete manner, to supervise the implementation of the anti-corruption measures, and to review relevant measures and internal controls

5.12 To report its operating results to the Board of Directors at least once per quarter

6. Meeting

There shall be at least four meetings of the Audit and Corporate Governance Committee and there shall be at least one meeting with the auditor without the management's participation each year.

In convening a meeting of the Audit and Corporate Governance Committee, the committee chairman or the committee secretary by the committee chairman's order shall submit an invitation letter to each committee member at least 7 days before the meeting. However, if it is an urgent matter, an invitation may be communicated through other means or a meeting could be scheduled sooner.

7. Meeting Quorum

At a meeting of the Audit and Corporate Governance Committee, at least half of the members appointed by the Board of Directors shall be present to constitute a quorum. In the case of the committee chairman not present at the meeting or unable to perform one's duties, the committee members present at the meeting shall choose one of the members as chairman of the meeting.

A final decision at the meeting shall be made by a majority vote.

Members of the Audit and Corporate Governance Committee each shall have one vote. Any member with a possible conflict of interest shall not have the right to vote on that particular matter. The chairman of the meeting shall cast a decisive vote in case of equal voting.

8. Responsible Functions

Heads of functions or functions and management teams relevant to the performance of duties of the Audit and Corporate Governance Committee shall be responsible for preparing, collecting, checking, and reporting relevant issues to the Audit and Corporate Governance Committee for further relevant actions on a case by case basis.

The Audit and Corporate Governance Committee's Charter shall be in accordance with the resolution of the Board of Directors' Meeting No. 4/2019 held on 14 August 2019, and shall be effective from the 14th day of August 2019 onwards.



(Mr. Seri Chintanaseri)

Chairman of the Board of Directors

Pylon Public Company Limited
Nomination and Remuneration Committee's Charter
(Version as of 20 December 2018)

1. Objectives

Realizing the importance of a good corporate governance system, the Board of Directors of Pylon Public Company Limited set up a Nomination and Remuneration Committee to consider and select candidates for nomination and election as directors and a candidate for nomination and appointment as President once there is a vacancy, as well as to consider remuneration rates for such directors based on standard procedures and transparency. The matters shall then be proposed to the shareholders' meeting or the Board of Directors' meeting, as the case may be, for consideration.

2. Composition and Qualifications of the Nomination and Remuneration Committee

- 2.1 The Nomination and Remuneration Committee's members must be directors appointed by the Board of Directors.
- 2.2 The Nomination and Remuneration Committee must have at least three members and half of them must be independent directors. The committee chairman must be an independent director.
- 2.3 The Nomination and Remuneration Committee must consist of non-executive directors so as to prevent any conflict of interest and to dedicate enough time to the performance of duties as committee members.
- 2.4 The Nomination and Remuneration Committee shall appoint one employee of the Company as committee secretary.

3. Term of Office

Each committee member shall have a term of office of three years. A committee member retiring by rotation may be re-appointed for another term.

Apart from retiring by rotation, a committee member may leave the position because of the following.

- 3.1 Decease
- 3.2 Resigning as a member of the Nomination and Remuneration Committee
- 3.3 Lacking qualifications as a member of the Nomination and Remuneration Committee as per Item 2 of the Charter
- 3.4 A resolution by the Board of Directors to discharge the member from the position
- 3.5 Lacking a director status

Any member of the Nomination and Remuneration Committee wishing to resign from the office shall submit a resignation letter with justification one month in advance to the Chairman of the Board of Directors.

In case of a vacancy on the Nomination and Remuneration Committee for any reason other than retiring by rotation, the Board of Directors shall appoint a person with required qualifications as a substitute committee member within 90 days so that the committee has the number of members as per the Board of Directors' requirement. The replacing committee member shall hold office only for the remaining term of office of the replaced committee member.

4. Scope of Authority, Duties, and Responsibilities

The Nomination and Remuneration Committee shall have the scope of authority, duties, and responsibilities as follows:

- 4.1 To consider a structure and composition of the Board of Directors as well as the appropriateness of directors and the President's qualifications, knowledge, and experience
- 4.2 To screen and select candidates with proper knowledge and capabilities for the Company's business for nomination as directors and the President, when there is a vacancy, to the Board of Directors or the shareholders' meeting, as the case may be, for consideration and appointment
- 4.3 To consider and select directors to resume positions in subsidiaries and/or associates

- 4.4 To consider formats and criteria for payments of remuneration to directors and the President, including meeting remuneration, pensions, bonuses, welfare benefits, meeting allowances, and other monetary and non-monetary forms of benefits to ensure appropriateness
- 4.5 To determine criteria for performance evaluation for the President for submission to the Board of Directors for consideration and endorsement
- 4.6 To consider conditions in offering new securities for sales (or through stock warrants) to directors and employees, and to consider and endorse the case where a director or employee receives an allocation of more than 5% of total securities to be appropriated. None of the members of the Nomination and Remuneration Committee shall receive higher than 5% of the total securities to be appropriated; otherwise, they shall not have the right to express endorsement.
- 4.7 To report its operating results to the Board of Directors' meeting upon the end of its meeting; and to report its past year's performance to the shareholders in the Company's annual report and at the annual general meeting of shareholders (AGM)
- 4.8 To perform other nomination and remuneration related tasks as assigned by the Board of Directors

5. Meeting

- 5.1 There shall be at least one meeting of the Nomination and Remuneration Committee each year.
- 5.2 At a meeting of the Nomination and Remuneration Committee, at least half of the members shall be present to constitute a quorum.
- 5.3 At a meeting of the Nomination and Remuneration Committee, a resolution shall be passed by a majority vote. However, if there are two members of the Nomination and Remuneration Committee present at the meeting, a resolution shall be unanimously passed.

The Nomination and Remuneration Committee's Charter shall be in accordance with the resolution of the Board of Directors' Meeting No. 6/2018 held on 20 December 2018, and shall be effective from the 20th day of December 2018 onwards.



(Mr. Seri Chintanaseri)

Chairman of the Board of Directors

Pylon Public Company Limited
Executive and Risk Management's Charter
(Version as of 14 August 2019)

1. Objectives

Realizing the importance of a good corporate governance system, the Board of Directors of Pylon Public Company Limited set up an Executive and Risk Management Committee to perform the duties relating to management, control of operations, and review and monitoring of risk factors and impacts on the Company as assigned by the Board of Directors. This Charter was developed for the Executive and Risk Management Committee to understand their role, duties, and responsibilities and to use as guidelines in operations.

2. Composition

The Executive and Risk Management Committee shall have a composition as follows:

- 2.1 The Executive and Risk Management Committee's members shall be directors and/or executives totaling 4 persons or according to the number specified by the Board of Directors.
- 2.2 The Executive and Risk Management Committee shall select one of its members as committee chairman. The committee chairman may be the same person as the President, but must not be the same person as the Chairman of the Board of Directors.
- 2.3 The Executive and Risk Management Committee shall appoint one employee of the Company as committee secretary. Such employee shall not have a conflict of interest in the performance of such secretary's duties.

3. Qualifications of the Executive and Risk Management Committee

To comply with the Office of the Securities and Exchange Commission (SEC)'s guidelines, the Executive and Risk Management Committee's members shall have the following qualifications.

- 3.1 To be appointed by the Board of Directors
- 3.2 To be a director or an executive of the Company
- 3.3 To possess adequate knowledge and experience to perform the duties as a member of the Executive and Risk Management Committee

4. Term of Office

Each committee member shall have a term of office of three years. A committee member retiring by rotation may be re-appointed for another term.

Apart from retiring by rotation, a committee member may leave the position because of the following cases.

- 4.1 Decease
- 4.2 Resigning as a member of the Executive and Risk Management Committee
- 4.3 Lacking qualifications as a member of the Executive and Risk Management Committee under this Charter or as announced by the SEC
- 4.4 A resolution by the Board of Directors to discharge the member from the position
- 4.5 Lacking a director or executive status as the case may be

Any member of the Executive and Risk Management Committee wishing to resign from the office shall submit a resignation letter one month in advance to the Chairman of the Board of Directors.

In case of a vacancy on the Executive and Risk Management Committee for any reason other than retiring by rotation, the Board of Directors shall appoint a person with required qualifications as a substitute committee member within 90 days so that the committee has the number of members as per the Board of Directors' requirement in this Charter. The replacing committee member shall hold office only for the remaining term of office of the replaced committee member.

5. Scope of Authority, Duties, and Responsibilities

The Executive and Risk Management Committee shall have authority, duties, and responsibilities relating to the management of normal business operations and other management tasks, including the determination of corporate policies, business plans, budgets, a management structure, risk management, management authority, and principles for conducting business according to specific economic conditions, for submission to the Board of Directors' meetings for consideration and approval and/or endorsement. The committee shall also check and monitor results of the Company's implementation of respective policies. The scope of approval authority, duties, and responsibilities can be summarized as follows:

A. Business Management

- 1 To determine policies, directions, strategies, and a structure of core business management in the Company's operations for submission to the Board of Directors for endorsement
- 2 To determine corporate business plans, budgets, and management authority for submission to the Board of Directors for endorsement
- 3 To consider a corporate investment projects according to the scope of authority to take actions for submission to the Board of Directors for endorsement
- 4 To approve key investment expenditures as part of annual budget plans as assigned or as approved in principle by the Board of Directors
- 5 To approve procurement arrangements as per the scope of authority to take actions
- 6 To negotiate and enter into contracts, agreements, instruments, and documents, as well as procurement arrangements relating to construction projects in the ordinary course of business within the authorized limits as per the scope of authority to take actions
- 7 To supervise the management teams relating to financial, marketing, operating, and other management policies

- 8 To have authority to approve an opening or closing of bank deposit accounts, a list of authorized signatories for fund withdrawals from bank accounts, and other actions relating to such bank accounts
- 9 To have authority to consider and approve requests for credit facilities, entering into credit facility contracts, and cancellation of all types of credit facilities; as well as to consider appropriateness of placing corporate assets such as land, building structures, deposits, bonds, etc., as collateral when applying for credit facilities with all financial institutions
- 10 To take necessary actions to promote and protect the Company's interests
- 11 To perform other duties as assigned by the Board of Directors

B. Risk Management

- 12 The Executive and Risk Management Committee shall have duties and responsibilities to assess risks of corruption and determine relevant protective measures. Also, the committee shall prepare, review, and revise anti-corruption policy implementation guidelines to keep up with changing circumstances, and disseminate, communicate, and impart knowledge about the anti-corruption policy to the employees organization-wide.
- 13 To consider and express opinion about the draft enterprise risk management policy and framework before submission to the Audit and Corporate Governance Committee for consideration, opinion, and approval. This shall cover various key risks including strategic risk, operational risk, reporting risk, and compliance risk.
- 14 To consider and express opinion regarding risk appetite and risk tolerance before submission to the Audit and Corporate Governance Committee for consideration, opinion, and approval
- 15 To acknowledge, consider, and express opinion about results of risk assessment, guidelines, mitigation measures, and action plans to address the Company's residual risks. This is to ensure that the Company's risk management is adequate and appropriate.

- 16 To oversee and support the Company's risk management to ensure success; to provide suggestions on preventive measures and methods for mitigating risks to be at acceptable levels; and to follow up on the progress of the implementation of risk mitigation action plans to ensure continuity and appropriateness with changing business circumstances. This is to ensure that the risk management is adequate and appropriate.
- 17 To give suggestions and support to the management and the risk management working group in managing enterprise risks; and to promote and encourage ongoing and regular improvements and developments of an internal risk management system
- 18 To oversee and support regular reviews and revisits of the enterprise risk management policy and framework at least once per year to ensure that such policy and framework are up-to-date and consistent with the overall business outlook at present
- 19 To report any key enterprise risks, including risk conditions, risk management guidelines, and progress and results of risk management to the Audit and Corporate Governance Committee and the Board of Directors for acknowledgement on a quarterly basis
- 20 The Executive and Risk Management Committee may hire an outside advisor to provide consultation at the Company's expenses.

6. Meeting

There shall be at least four meetings of the Executive and Risk Management Committee each year. In convening a meeting of the Executive and Risk Management Committee, the committee chairman or the committee secretary by the committee chairman's order shall submit an invitation letter to each committee member at least seven days before the meeting. However, if it is an urgent matter, an invitation may be communicated through other means or a meeting could be scheduled sooner.

7. Meeting Quorum

At a meeting of the Executive and Risk Management Committee, at least half of the members appointed by the Board of Directors shall be present to constitute a quorum. In the case of the committee chairman not present at the meeting or unable to perform one's duties, the committee members present at the meeting shall choose one of the members as chairman of the meeting. A final decision at the meeting shall be made by a majority vote.

Members of the Executive and Risk Management Committee each shall have one vote. Any member with a possible conflict of interest shall not have the right to vote on that particular matter. The chairman of the meeting shall cast a decisive vote in case of equal voting.

8. Responsible Functions

Heads of functions or functions and management teams relevant to the performance of duties of the Executive and Risk Management Committee shall be responsible for preparing, collecting, checking, and reporting relevant issues to the Executive and Risk Management Committee for further relevant actions on a case by case basis.

The Executive and Risk Management Committee's Charter shall be in accordance with the resolution of the Board of Directors' Meeting No. 4/2019 held on 14 August 2019, and shall be effective from the 14th day of August 2019 onwards.



(Mr. Seri Chintanaseri)

Chairman of the Board of Directors