

# A Sustainable Success through **EXPERIENCE** AND **INNOVATIONS**



Annual Report  
**2018**





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Investors may study further information from the Company's Annual Registration Statement (Form56-1), available at [www.sec.or.th](http://www.sec.or.th) or [www.teamgroup.co.th](http://www.teamgroup.co.th)

## Company Background

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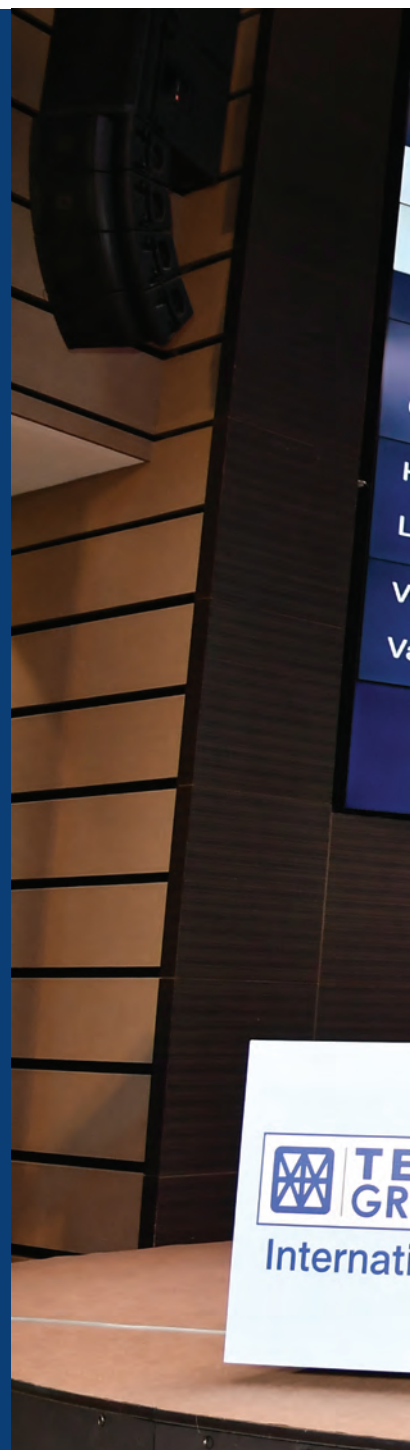
Incorporated in 1978 by a group of young engineers with a strong will to augment local professional participation in the development of the country at the time when foreign firms dominated the Thai consulting industry, TEAM Consulting Engineers Co., Ltd. (currently TEAM Consulting Engineering and Management Public Company Limited) has expanded into the largest Thai-owned conglomerate of consulting companies - TEAM GROUP. From water resources engineering and environmental consulting, The Group has diversified into the fields of transportation and logistics, building and infrastructure, architecture, urban development, energy and integrated management.

TEAM GROUP is now Thailand's largest conglomerate of consulting companies with strong competitiveness both in Thailand and abroad. Its highly skilled and experienced staffs of more than 1,500 are dedicated to exceeding the valued client's expectations.

After over 40 years of innovation and development, we are currently a premier provider of cost-effective, integrated solutions in diverse market sectors - from transportation and logistics, building and infrastructure, water resources, environment, energy, management to public relations. To date, we have executed more than 2,500 domestic and cross-border projects.

With our strengths lying in our professional approach focusing on Service, Quality and Teamwork, vast experience and strong commitment to clients, we are among the forefront in Thailand, and are now taking a big step toward regional excellence.

Two thousand and eighteen marked the 40<sup>th</sup> anniversary and a major transformation of TEAM GROUP. TEAM Consulting Engineering and Management Company Limited has been converted to a public listed company and was listed on the Stock Exchange of Thailand (SET). The Initial Public Offering (IPO) took place during 4 and 6 July 2018, and since 12 July 2018, TEAMG started its trading on the SET. Apart from promoting its image and obtain more opportunities for growth at the regional level, the new status shall enable the development of technologies and innovations, as well as for the betterment of our sustainable services.







## TEAM GROUP in the Spotlight

Throughout four decades of growth and expansion, capacity development, and cumulative experience, TEAM GROUP is now standing at the forefront of Thailand's consulting business with the target of being a leader in consultancy services in the ASEAN region.

### Knowledge and Experience

The stock of knowledge accumulated through the 40 years of experience has been passed on from generation to generation. Teamwork, knowledge transfer, and exchange of experiences have led TEAM GROUP towards being a strong and knowledgeable organization, where accurate output and high standard services are delivered to our clients.



### Innovation

Innovation is highly emphasized in TEAM GROUP. We always give priority to developing innovation for our services. By way of example: the River Network Model enables efficient water resource management and makes us one of the leading experts in this field; the Unmanned Aerial Vehicle (UAV) or Drone productively facilitates our surveying tasks; Building Information Modelling (BIM) eases the construction and management of buildings; and the Construction Information Modelling (CIM) effectively integrates all knowledge, technology, and innovation in our operations.







## One-Stop Service

One TEAM GROUP outstanding image is the One-Stop Service where expertise in transportation and logistics, water resources, environment, building and infrastructure, energy, and related businesses are integrated to deliver services encompassing the master planning study, feasibility study, survey and design, environmental study, project management, construction supervision, and much more.



## Alliance

With strong and supportive local and international alliances, TEAM GROUP is always prompt to provide boundless and high quality services.

TEAM GROUP has entered into technical cooperation agreements with many organizations, state enterprises, and institutes with similar values. The goals are to enhance academic capacity, boost human resource expertise, and upgrade service quality to extend business in the ASEAN market.

At the regional level, we have forged business ties with various firms in consulting and related businesses in Lao PDR, Vietnam, Myanmar, Malaysia, Singapore, the Philippines, Indonesia and Japan to improve human resource capacity, and create more inclusive integrated services in the future.



## Unity

With unity and effort, our human resource of over 1,500 local and international professionals, is integrated in all branches of expertise to deliver most satisfying service to clients.

## Messages from Executives

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### Message from Chairman



2018 saw a fully digitized world economy encompassing financial transactions, on-line communications and myriad on-line applications.

What TEAM GROUP has learned from our forty years in business is “the change, the growth, and the strength”. Exposed to changes both within and without the group, we always believe in the talent of our personnel as well as the strength of their knowledgeability and experience, which are passed on from generation to generation. Most importantly, TEAM GROUP never ceases to adopt new innovations and technologies in a bid to better services for the highest satisfaction of our clients.

In 2018, TEAM GROUP took a leap forward when it was listed on the Stock Exchange of Thailand in anticipation of raising operational standards and increasing international markets.



Dr. Prasert Patramai

Chairman of the Board

## Message from President



The world is in an era of rapid changes where transition happens faster than it ever has in the past. In due course, we have to adapt to this era, or the so-called “fourth wave” of revolution. Different parts of the world are now connecting through emerging commercial trends and modern communication systems. New economic structures change the way people live and work tremendously and rapidly. Business sectors thus need to depend more on new knowledge, advanced technology, and innovation.

These changes have been observed closely by TEAM GROUP. Little by little we are adapting to them, with emphasis on the knowledge and experience of the team. Our work process has also improved using state-of-the-art technology to increase capacity and accurate output. Innovations are created to deliver better solutions, among others are the use of Drones for survey and high resolution mapping that provides clients with prompt data for decision making; and Building Information Modelling which provides detailed information of buildings, structures, and components for efficient operation and maintenance. Both aim to increase quality, efficiency, and inclusivity of our services in response to the needs of all clients as our one-stop integrated service.

2018 saw TEAM GROUP listed on the Stock Market of Thailand with the abbreviation of TEAMG. In addition to the main objectives in showcasing our world-class management, international standard operation and transparency, its aim is also to raise funds for diversification in the international arena, especially in the ASEAN Region. We have already expanded our operations in seven out of the ten ASEAN countries, we anticipate that within the next three to five years (2018-2022), we will cover all the ten ASEAN nations and become **“a regional Leader in the integrated consulting and related businesses in ASEAN”**.

A handwritten signature in black ink, appearing to read 'Chawalit Chantararat'.

Chawalit Chantararat  
President

## Board of Directors



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|--|---|---|
| 1 <b>Mr. Prasert Patramai</b><br>Chairman of the Board | 2 <b>Mr. Sanit Rangnoi</b><br>Deputy Chairman | 3 <b>Gen. Wichien Sirisoonthorn</b><br>Director |
| 4 <b>Mrs. Suvimol Chrityakierne</b><br>Director        | 5 <b>Mr. Peerawat Premchun</b><br>Director    | 6 <b>Mr. Wera Sutesopon</b><br>Director         |
| 7 <b>Dr. Thanasarn Khuayjarernpanishk</b><br>Director  | 8 <b>Mr. Chawalit Chantararat</b><br>Director | 9 <b>Mr. Issarin Patramai</b><br>Director       |

## Audit Committee



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|---|--|--|
| 1 <b>Mr. Sanit Rangnoi</b><br>Chairman of the Audit Committee | 2 <b>Gen. Wichien Sirisoonthorn</b><br>Member of the Audit Committee | 3 <b>Mrs. Suvimol Chrityakierne</b><br>Member of the Audit Committee |
|---|--|--|

## Nomination and Compensation Committee



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|--|--|---|
| 1 <b>Mr. Peerawat Premchun</b><br>Chairman of the Nomination<br>and Compensation Committee | 2 <b>Mr. Sanit Rangnoi</b><br>Member of the Nomination<br>and Compensation Committee | 3 <b>Gen. Wichien Sirisoonthorn</b><br>Member of the Nomination<br>and Compensation Committee |
|--|--|---|



## Executive Committee



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|---|--|---|
| <p><b>1</b> <b>Mr. Chawalit Chantararat</b><br/>Chairman of the Executive Committee</p> | <p><b>2</b> <b>Mr. Peerawat Premchun</b><br/>Executive Committee</p> | <p><b>3</b> <b>Dr. Thanasarn Khuayjarernpanishk</b><br/>Executive Committee</p> |
| <p><b>4</b> <b>Professor Dr. Worsak Kanok-Nukulchai</b><br/>Executive Committee</p>     | <p><b>5</b> <b>Mr. Kittipol Bunnim</b><br/>Executive Committee</p>   | <p><b>6</b> <b>Dr. Sirinimit Boonyuen</b><br/>Executive Committee</p>           |
| <p><b>7</b> <b>Mr. Issarin Patramai</b><br/>Executive Committee</p>                     |  |   |

## Risk Management Committee



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7 8 9 10

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|---|---|---|
| <p><b>1</b> <b>Dr. Thanasarn Khuayjarernpanishk</b><br/>Chairman of the Risk Management Committee</p> | <p><b>2</b> <b>Mr. Chawalit Chantararat</b><br/>Chairman of the Risk Management Committee</p>   | <p><b>3</b> <b>Mr. Amnat Prommasutra</b><br/>Member of the Risk Management Committee</p>  |
| <p><b>4</b> <b>Mr. Charnchai Gawgirdwiboon</b><br/>Member of the Risk Management Committee</p>        | <p><b>5</b> <b>Dr. Sirinimit Boonyuen</b><br/>Member of the Risk Management Committee</p>       | <p><b>6</b> <b>Dr. Aphichat Sramoon</b><br/>Member of the Risk Management Committee</p>   |
| <p><b>7</b> <b>Mr. Issarin Patramai</b><br/>Member of the Risk Management Committee</p>               | <p><b>8</b> <b>Mrs. Penpilai Phonchaipanich</b><br/>Member of the Risk Management Committee</p> | <p><b>9</b> <b>Miss Nuanprae Patramai</b><br/>Member of the Risk Management Committee</p> |
| <p><b>10</b> <b>Miss Mayuree Khuayjarernpanishk</b><br/>Member of the Risk Management Committee</p>   |   |   |



## Vision, Mission, Value and CSR



### Vision

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To be a Regional Leader in integrated consulting and related businesses.

### Mission

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To provide customers with services of the highest quality delivered by a competent team.

### Value

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**SQT (Service, Quality, Teamwork)**

**S-Service:**

- Customer Centricity
- Accountability
- Ethics

**Q-Quality:**

- Knowledge-based
- Professional Standards
- On-time Delivery

**T-Teamwork:**

- Synchronization
- Unity
- Borderless



## Corporate Social Responsibility

Truly believing that business will only be successful and sustained through the involvement of a happy society, TEAM GROUP devotes itself to being a good corporate citizen. Creating and upholding stakeholder contentment is our aim. We believe that happiness begins at work, and we try to expand that to communities and society inclusively.

TEAM GROUP, through its alliances such as the TEAM GROUP Foundation and the Thai Red Cross Society, continuously delivers support and assistance to society through activities such as educational support, knowledge sharing through publications and technology transfer, public voluntary services, and environmental conservation activities.

## Financial Information

### Financial Highlights

Summary of financial information	2018	2017	2016	2015
<b>Income Statement (Million Baht)</b>				
Service income	<b>1,654.2</b>	1,590.2	1,648.2	1,485.2
Cost of service*	<b>1,107.1</b>	1,034.0	1,026.2	955.1
Administrative expenses*	<b>418.0</b>	447.5	517.7	480.2
Net Profit	<b>113.6</b>	98.7	96.2	51.3
<b>Statement of financial position (Million Baht)</b>				
Current Assets	<b>1,328.8</b>	831.1	928.2	826.0
Non-Current Assets	<b>499.2</b>	474.0	487.7	438.6
Total Assets	<b>1,828.0</b>	1,305.1	1,415.9	1,264.6
Current Liabilities	<b>693.0</b>	619.5	930.7	769.6
Non-Current Liabilities	<b>207.7</b>	213.6	195.6	182.4
Total Liabilities	<b>900.7</b>	833.1	1,126.3	951.9
Shareholders' equity	<b>927.3</b>	472.0	289.6	312.7
<b>Financial Ratio</b>				
Number of shares (Million shares)	<b>680.00</b>	2.50	1.66	1.50
Par value (Baht/share)	<b>0.50</b>	100.00	100.00	100.00
Book value (Baht/share)	<b>1.36</b>	188.81	174.42	208.47
Earnings per share (Baht /share)	<b>0.19**</b>	0.23**	0.28**	0.16**
Return on Asset - ROA (%)	<b>7.3%</b>	7.3%	7.2%	4.3%
Return on Equity - ROE (%)	<b>16.2%</b>	25.9%	32.0%	16.9%
Debt-to-equity ratio (time)	<b>1.0</b>	1.8	3.9	3.0
Gearing ratio (time)	<b>0.04</b>	0.28	0.23	0.25

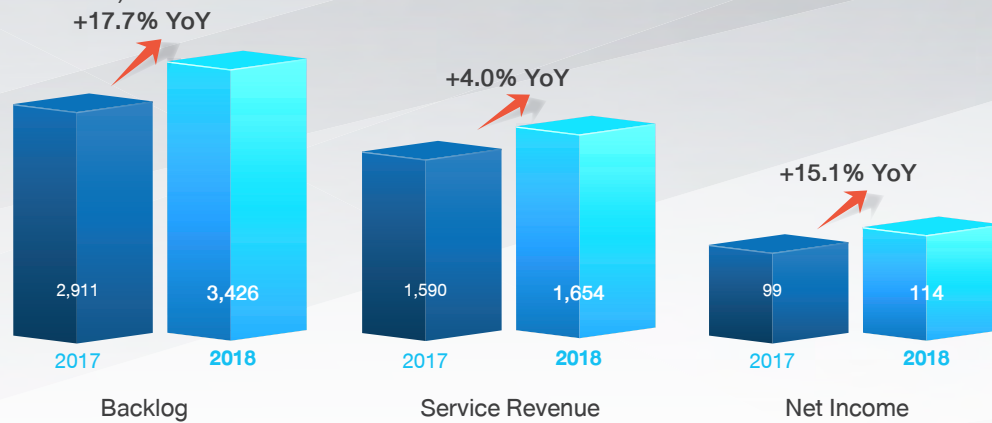
\* Included depreciation and amortization

\*\* Calculated by weighted average number of ordinary shares. The Company adjusted the number of ordinary shares in proportion to the change in par value of ordinary shares resulting from the change in par value from Baht 100 per share to Baht 0.50 per share.

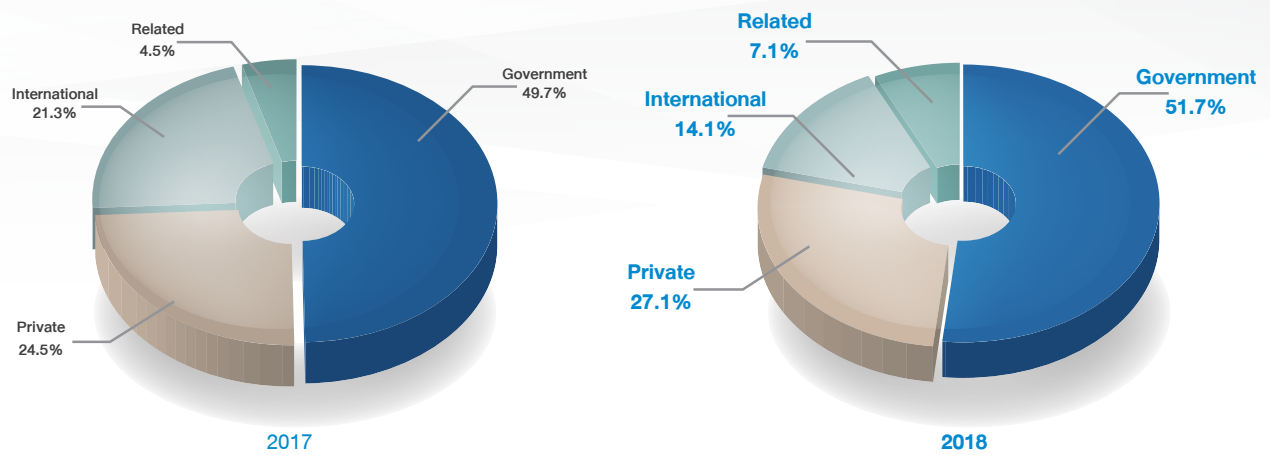


## Operation Results

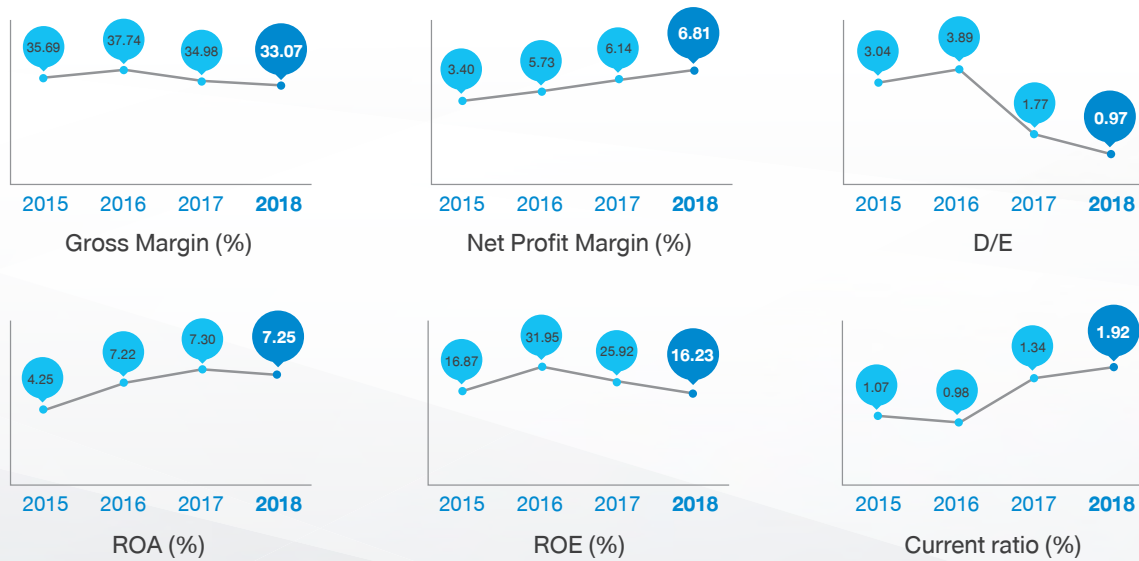
(Unit : Million Baht)



## Revenue Structure by Segments



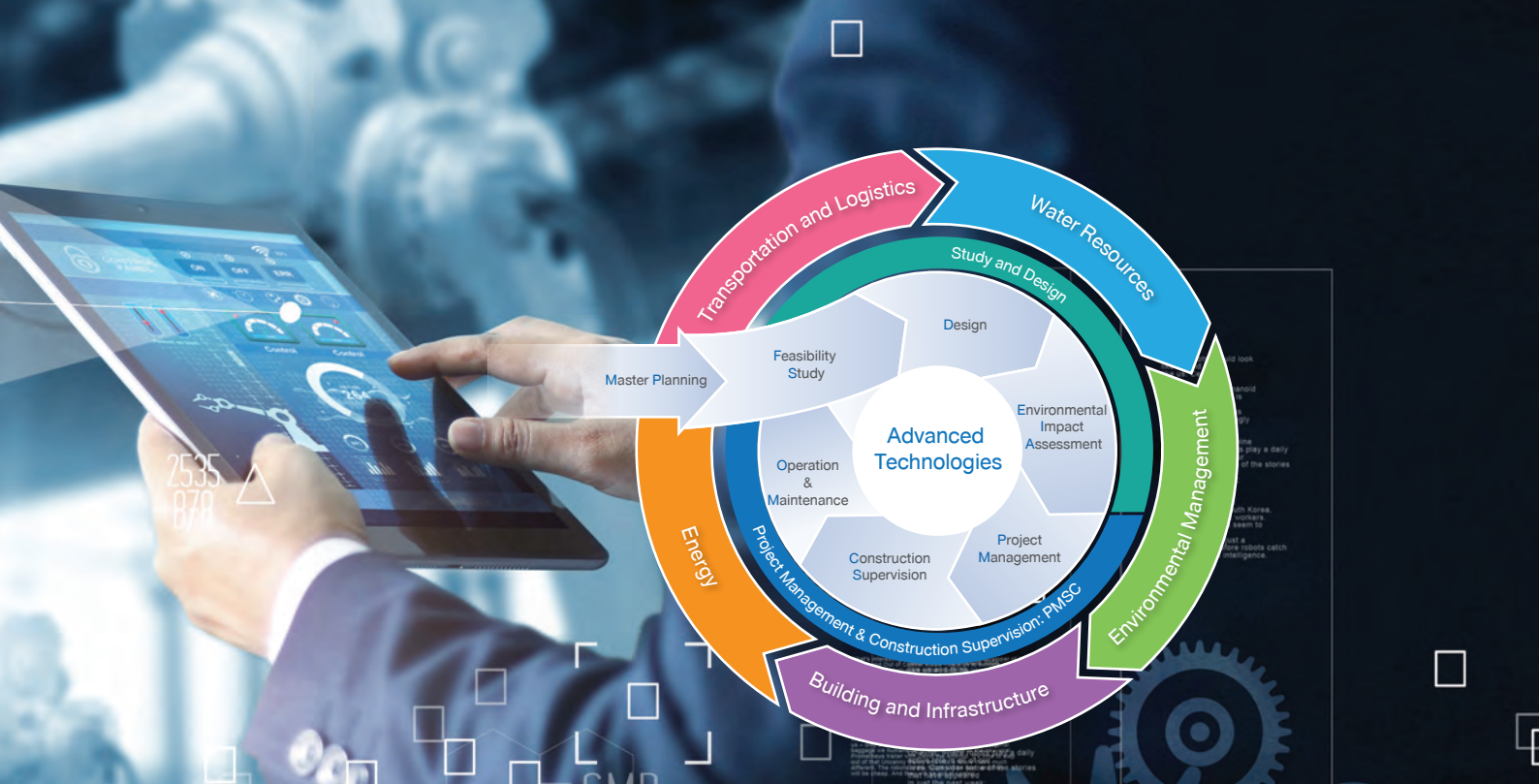
## Financial Ratios





## General Information

<b>Name of company:</b>	TEAM Consulting Engineering and Management Public Company Limited
<b>Head office address:</b>	151 Nuan Chan Road, Nuan Chan, Bueng Kum, Bangkok 10230
<b>Type of business:</b>	The integrated engineering, environment, management consultancy services and preparation of Environment Impact Assessment Reports (EIA)
<b>Registration Number:</b>	0107561000030
<b>Telephone:</b>	0 2509 9000
<b>Facsimile:</b>	0 2509 9090
<b>Website:</b>	<a href="http://www.teamgroup.co.th">www.teamgroup.co.th</a>
<b>Investor Relations:</b>	<a href="mailto:pathai_p@team.co.th">pathai_p@team.co.th</a> or 06 3187 6444
<b>Company Secretary:</b>	<a href="mailto:cs@team.co.th">cs@team.co.th</a>
<b>Registered Capital:</b>	Baht 340,000,000 680,000,000 ordinary shares with a par value of Baht 0.50 per share
<b>Paid-up Capital:</b>	Baht 340,000,000 680,000,000 ordinary shares with a par value of Baht 0.50 per share



TEAM GROUP is determined to become ASEAN's integrated consulting service leader particularly in engineering and environmental fields. At present, our consulting services cover five major areas as follows:



## Transportation and Logistics

Public transportation systems, rail-based systems, roads, seaports, airports, traffic engineering, traffic management, and logistics management



## Water Engineering

Water resources management/development, hydrology, drainage systems and flood prevention systems, coastal engineering, and hydropower project development



## Environmental Management

Strategic environmental assessment, initial environmental examination, environmental impact assessment, social impact assessment, health impact assessment, environmental management planning, resettlement action plans, and social development plans



## Building and Infrastructures

All types of building and infrastructure systems including condominiums, hotels, retail and mix-used complex, factories, industrial estates, green building, urban planning, land-use planning, and Transit-Oriented Development or TOD



## Energy

Natural and renewable energy; alternative energy; development of energy-related infrastructures such as power plants, pumping stations, and oil depots; energy conservation and management; independent engineer and due diligence services

## Our Growth Continues

For nearly four decades, TEAM GROUP has been providing consultancy services to various government agencies and top enterprises, and gained trust and acceptance along the way. We are now well-known for our huge potential and academic strengths. Backed by highly-qualified staff and a network of foreign experts, TEAM GROUP is now running as a group of companies.





Because internal strengths are a prerequisite for solid business expansion, TEAM GROUP has organized training for its staff on a regular basis. Knowledgeable and highly-skilled staff form the firm foundation for TEAM GROUP to fly high as they are key to our endless delivery of excellent services.



### Training and Special Lecture

These are designed to equip staff with additional skills, knowledge, expertise and good attitudes towards teamwork. They cover academic topics, safety issues and much more. All of them aim at increasing work efficiency. Among the many training sessions are BIM/CIM training program, Civil 3D program, Midas Gen program, Being a TEAM Consultant program, TEAM work program, Self-Management program, Team Leading for TEAM Leadership program, and a talk about TEAM GROUP's secret to success.



### Panel Discussion and Field Study





These seek to encourage the exchange of work experience and work-related attitudes to boost knowledge, understanding, and an ability to overcome problems during the work process. The panel discussions were held for such topics as the construction supervision of the water-pipeline system on Samui Island Project, and the Xayaburi Hydroelectric Power Project. TEAM GROUP also organized field studies at the site of mega projects we were working on such as the Blue Line Project, the Red Line: Bang Sue-Rangsit Project, and the New Tobacco Plant - Phase 2 (construction and relocation of the manufacturing base).




































## Excellent Services for All Sectors

TEAM GROUP is committed to delivering excellent services and responding to every need of its customers. To ensure maximum customer satisfaction, we have constantly improved our service standards based on the SQT principle. S stands for heartfelt Service, Q for Quality, and T for Teamwork. We pay heed to feedback, advice, and recommendations for the delivery of increasingly better services. Today, more than 100 leading companies and organizations both in the government and private sectors, in Thailand and beyond, have placed their trust in TEAM GROUP.

### International Organizations & Private Enterprises

	Asian Development Bank		C&G Environmental Protection Holdings Ltd.		Home Product Center PCL.
	Japan Bank for International Cooperation		Cargill Meats (Thailand) Ltd.		IRPC PCL.
	Mekong River Commission		Central Pattana PCL.		Imperial Land Group
	Overseas Cambodian Investment Corporation		CH. Karnchang PCL.		Italian-Thai Development PCL.
	Petroleum Trading Lao Public Company		Chevron Thailand Exploration and Production, Ltd.		King Power International Co., Ltd.
	Souvanny Home Center Public Company		CIMB-Principal Asset Management Co., Ltd.		Land and Houses PCL.
	Timor GAP, E.P. (TG)		Community Pharmacy PCL.		L.P.N. Development PCL.
	Tokyo Electric Power Company		CP All PCL.		LOXLEY PCL.
	Torishima (Hong Kong) Ltd.		CTI Engineering International Co., Ltd.		Magnolia Quality Development Corp., Ltd.
	Advance Agro PCL.		Dhammakaya Foundation		Map Ta Phut Tank Terminal Co., Ltd.
	Amata Corp. PCL.		District Cooling System and Power Plant Co., Ltd.		Mason Acoustics Co., Ltd.
	Ananda Development PCL.		Druk Green Power Corp., Ltd. (DGPC)		Minor Food Group PCL.
	AP (Thailand) PCL.		Eastern Water Resources Development and Management PCL.		MWH Global, Inc.
	Atlantic Pharmaceutical Co., Ltd.		EDF Group		National Power Supply Co., Ltd.
	B.Grimm Power PCL.		EGCO Group		Nava Nakorn PCL.
	Bangchak Biofuel Co., Ltd.		Ek-Chai Distribution System Co., Ltd.		Nawarat Patanakarn PCL.
	Bangkok Glass PCL.		Esso (Thailand) PCL.		N.C.C. Management & Development Co., Ltd.
	Bangkok Life Assurance PCL.		Grand Home Mart Co., Ltd.		Nestlé (Thai) Ltd.
	Bangkok Mass Transit System PCL.		Grohe Siam Ltd.		Power Line Engineering PCL.
	Bangkok Metal Works Co., Ltd.		Gulf Electric PCL.		Pruksa Real Estate PCL.
	Bangkok Expressway and Metro PCL.		Gulf JP Co., Ltd.		PTT Exploration and Production PCL.
	Bangpa-In Land Development Co., Ltd.		Gunkul Engineering PCL.		PTT Global Chemical PCL.
	Better Pharma Co., Ltd.		Halcrow Group		PTT PCL.
	Boon Rawd Brewery Co., Ltd.				Punj Lloyd Group JV.
	Boonthavorn Ceramic Co., Ltd.				Ratchaphruek Hospital
					Radicon Transmission (Thailand) Ltd.

	Rangsit Plaza Co., Ltd.		Singha Corporation Co., Ltd.		The Linde Group
	Ratchaburi Electricity Generating Holding PCL.		Sino-Thai Engineering & Construction PCL.		TPC Power Holding PCL.
	Ratch-Lao Services Co., Ltd.		Surapon Foods PCL.		TTW PCL.
	River Kwai Village		TCC Capital Land Ltd.		Ubon Bio Ethanol Co., Ltd.
	S. Charoen Bhaesaj Trading Co., Ltd.		TCC Land Co., Ltd.		Union Property Co., Ltd.
	Saraff Energies Ltd.		Thai Public Port Co., Ltd.		Unique Engineering and Construction PCL.
	SCG Logistics Management Co., Ltd.		Thai Oil PCL.		Vandapac Co., Ltd.
	SEAFCO PCL.		Thai Petroleum Pipeline Co., Ltd.		Verasu Group Co., Ltd.
	SENA Development PCL.		Thai Polo Club Pattaya		Volvo Group (Thailand) Co., Ltd.
	SF Development Co., Ltd.		Thantawan Industy PLC.		
	Siam Kraft Industry Co., Ltd.		The Choice Property Development Co., Ltd.		
	Siam Piwat Co., Ltd.		The Church of Christ in Thailand		

## Government & State Enterprises

	Airports of Thailand PCL.		Marine Department		Pollution Control Department
	Bangkok Metropolitan Administration		Mass Rapid Transit Authority of Thailand		Port Authority of Thailand
	CAT Telecom PCL.		MCOT PCL.		Provincial Electricity Authority
	Department of Highways		Metropolitan Electricity Authority		Provincial Waterworks Authority
	Department of Industrial Promotion		Metropolitan Waterworks Authority		Royal Irrigation Department
	Department of Industrial Works		Ministry of Commerce		State Railway of Thailand
	Department of Mineral Resources		Ministry of Energy		Thai Airways International PCL.
	Department of Public Works and Town & Country Planning		Ministry of Finance		Thailand Institute of Nuclear Technology
	Department of Rural Roads		Ministry of Industry		Thailand Institute of Scientific and Technological Research (TISTR)
	Department of Water Resources		Ministry of Information and Communication Technology		Thailand Tobacco Monopoly
	Designated Areas for Sustainable Tourism Administration		Ministry of Interior		The Excise Department
	Dhanarak Asset Development Co., Ltd.		Ministry of Public Works and Transport, Kingdom of Cambodia		The Government Lottery Office
	Electricity Generating Authority of Thailand		Ministry of Transport		The Liquor Distillery Organization
	Expressway Authority of Thailand		National Institute of Metrology (Thailand)		The Secretariat of the House of Representatives
	Geo-Informatics and Space Technology Development Agency (Public Organization)		National Telecommunications Commission		The Treasury Department
	Hua Hin Municipality		Neighbouring Countries Economic Development Cooperation Agency (Public Organization)		Tourism Authority of Thailand
	Hydro and Agro Informatics Institute		Office of Small and Medium Enterprises Promotion		Wastewater Management Authority
	Industrial Estate Authority of Thailand		Office of Transport and Traffic Policy and Planning		
	Laem Chabang Port				

and many more...

### Dear Shareholders,

The Audit Committee of TEAM Consulting Engineering and Management Public Company Limited ("the Company") was appointed by the resolution of the 2018 Annual General Meeting of Shareholders held on 12 March 2018, and consists of 3 independent directors who have professional proficiency, skills and wide ranges of experience in the fields of management, accounting and finance. The Audit Committee performs its duty in auditing the accountability of the financial statements, in conformity with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. They are Mr. Sanit Rangnoi as a Chairman of the Audit Committee, General Wichien Sirisoonthorn and Mrs. Suvimol Chrityakierne as members of the Audit Committee and Miss Supaporn Rojana-amornchai, the Company Secretary as a Secretary of the Audit Committee.

The Audit Committee fully performs the tasks based on its scope of duties and responsibilities assigned to it by the Board of Directors and as specified in the Charter of the Audit Committee of TEAM Consulting Engineering and Management Public Company Limited which is in conformity with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee realizes the compliance with the good corporate governance, laws, rules related to the business operation in Thailand and abroad continually, with the aim to add value to the organization. The Audit Committee efficiently and effectively conducts an audit on a financial statement, related transactions, risk management, internal control, and internal audit system.

In 2018 the Audit Committee held a total six meetings. All members attended all meetings or 100 percent of member representing and arranged a meeting between the Audit Committee and the auditors without the Company's management in attendance 1 meeting. The management, auditors and internal auditor participated in each meeting of the Audit Committee to present information and exchange opinions as well as to suggest comments that are useful to work operation. The summary of each meeting of the Audit Committee is always proposed to the Board's meeting.

In the previous year, the results of the Audit Committee's significant performance can be summarized as follows:

#### 1. Review of Financial Statements for 2018

The Audit Committee reviewed the quarterly and annual financial statements of the Company and subsidiaries to ensure they were completed accurately and the information was adequately disclosed. The Audit Committee discussed with the auditors and the management regarding the accuracy, reliability, and conformity to the generally accepted accounting standard that the information was adequately disclosed promptly before proposing financial statement to the Board of Directors for approval.

#### 2. Review of the Internal Control System

The Audit Committee reviewed the adequacy and effectiveness of the internal control system based on a report of the internal control audit in cooperation with the auditors and internal auditor every quarter to assure that the Company's operation is efficient, effective and achieve the goal set forth. The Audit Committee expressed the opinion that the Company's internal control system is adequate and sufficient to business operation and the entity can perform efficiently and effectively.

#### 3. Review of Risk Management

The Audit Committee reviewed the risk management system to ensure its adequacy and efficiency. The Company emphasizes and improves risk management system by assessing internal and external risks, potential impacts and prepares a risk management plan to prevent or mitigate potential impacts that may occur to a business operation to be in acceptable ranges. The Board of Directors appointed the Risk Management Committee to determine the scope of risk management policy and to oversee corporate risk management, as well as to report progress about risk management to the Board of Directors on a quarterly basis. The Audit Committee reviewed the effectiveness of the risk management performance based on the report of the internal control review

conducted by the internal auditor and the auditors. Hence, the Company relies on that the risk management procedures are maintained in the acceptable ranges.

#### 4. Review and Oversee the Internal Audit

The Audit Committee has appointed IVL Auditing Co., Ltd. as the internal auditor of the Company and its subsidiaries. In 2018, the internal auditor reviewed and audited major work procedures of the Company in conformity with the internal audit plan for the year 2018 which was approved. The internal auditor assessed the sufficiency of the Company's and subsidiaries' internal control system and the report of internal control review was prepared and proposed to the Audit Committee and the Board of Directors for acknowledgment on a quarterly basis. In addition, the Audit Committee reviewed annual internal audit plan to ensure that the plan will enhance the detection of deficiency of the internal control system, in order to improve within a timely manner in response to the changes of situation effectively and efficiently. The Audit Committee also revised and approved the Charter of the Audit Committee to conform to the good corporate governance and proposed to the Board of Directors for approval.

#### 5. Review of connected transactions or transactions that may have conflicts of interests

The Audit Committee monitored and reviewed connected transactions or transactions that may have a conflict of interest to be in conformity with laws and regulations of the Stock Exchange of Thailand. The connected transactions or transactions that may have a conflict of interests conducted during the year 2018 were necessary transactions to business operation, genuine and reasonable transactions carried out based on an ordinary course of business for the Company's maximum benefits. The transactions were conducted under fair trade conditions, and the Company applies the same to individuals or other irrelevant entities. Meanwhile, prices and other conditions shall be as if the transaction is at an arm's length basis and in compliance with the Company's connected transaction policy.

#### 6. Review of Legal Compliance

The Audit Committee reviewed and overseen the Company's performance to ensure the compliance with Securities and Stock Exchange law, regulations of the Stock Exchange of Thailand, including policies, regulations, rules and other relevant laws.

#### 7. Review of the Good Corporate Governance

The Audit Committee and the Company realized the importance of management adhering to good corporate governance with an aim to ensure confidence and accountability among shareholders and all stakeholders, to prove that the

Company reviewed and overseen corporate governance with prudence, fairness, transparency. The Audit Committee also reviewed complaint procedures and whistleblowing procedures to be in conformity with good corporate governance. All information is disclosed adequately in accordance with the requirement of the Stock Exchange of Thailand.

#### 8. Selection and appointment of auditors and proposal of auditing fees for the year 2018

The Audit Committee selected and appointed the auditors and propose auditing fees for the year 2018 to the Board of Directors for approval and to seek approval from the Annual General Meeting of Shareholders. The selection criteria are as follows: The auditors must have qualifications as specified by the Securities and Exchange Commission and the Stock Exchange of Thailand, and must possess knowledge and expert in auditing and be independent as stipulated by relevant laws. The 2018 Annual General Meeting of Shareholders passed a resolution to approve EY Office Limited having Mr. Supachai Panyawattano, a certified public accountant (CPA), license no. 3930 or Mr. Chatchai Kasemsrithanawat, a certified public accountant (CPA), license no. 5813 or Miss Siraporn Ouannunkun, a certified public accountant (CPA), license no. 3844 or another certified public accountant (CPA) in the same company as the auditors of the company for the accounting year 2018 ending as of 31 December 2018. The remuneration for the annual auditing and quarterly auditing amounts to 2,745,000 baht (two million seven hundred forty-five thousand baht only).

Overall, the Audit Committee performed its duties and responsibilities as specified in the Charter of the Audit Committee, using their knowledge, skills, prudence, dedication and sufficient independence as well as providing opinions and suggestions for the highest benefits of the shareholders and all stakeholders equally. Moreover, the Company's internal control and risk management system is adequate. The Board of Directors and the management dedicate to performing their duties to achieve the corporate goal with a professional approach. The Company's financial information is reported with accuracy, reliability and in conformity with generally accepted accounting standard. The internal control system and the internal audit are adequate. The corporate governance is conducted adhering to transparency, integrity, and in compliance with relevant laws and regulations.

On behalf of the Audit Committee



(Mr. Sanit Rangnoi)

Chairman of the Audit Committee



## Nomination and Compensation Committee Report

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Dear Shareholders,

The Board of Directors of TEAM Consulting Engineering and Management Public Company Limited ("the Company") passed a resolution to appoint the Nomination and Compensation Committee and determined that the board shall comprise of at least three members and the majority of members shall be independent directors and non-executives. Presently, the Nomination and Compensation Committee comprises of three directors namely Mr. Peerawat Premchun (director) as a Chairman of the Nomination and Compensation Committee, Mr. Sanit Rangnoi (independent director) and General Wichien Sirisoonthorn (independent director) as members of the Nomination and Compensation Committee, and Miss Supaporn Rojana-amornchai, the Company Secretary, is a secretary of the Committee.

In 2018, the Nomination and Compensation Committee held two meetings. All members of the Nomination and Compensation Committee attended all meetings, representing 100 percent of the attendees. The minutes of each meeting was proposed to the Board of Directors' meeting for acknowledgment.

Significant performance of the Nomination and Compensation Committee during the previous year are summarized as follows.

**1. Appointment of a secretary for the Nomination and Compensation Committee**

to contact and parallel tasks about meetings, prepare documents for the meeting of the Nomination and Compensation Committee and proposed to the Board of Directors' meeting for approval.

**2. Consideration of the election of directors to replace those who retire by rotation**

and proposed to the Board of Directors for approval and proposed to the 2018 Annual General Meeting of Shareholders to approve the re-appointment as the Company's directors for an additional term.

**3. Consideration and proposal of the remuneration for the Board of Directors**

which includes monthly compensation, meeting allowance and annual rewards for the year 2018. The consideration is based on operational result and size of the business, scope of responsibilities. The remuneration was proposed to the Board of Directors for approval, then to the 2018 Annual General Meeting of Shareholders for approval respectively.

**4. Review and approval of the Charter of the Nomination and Compensation Committee**

and proposed to the Board of Directors for approval to conform to the good corporate governance.

**5. Determination and review of the criteria and procedures for the nomination of the board members**

and proposed to the Board of Directors for approval, to ensure that the Company would have specified members for the boards. The consideration is based on the qualifications of nominated persons that should be beneficial and suit to the Company's business operation in all aspects and with transparency.

**6. Determination and review of the criteria and procedures for the remuneration of the directors**

and proposed to the Board of Directors for approval to ensure that the Company would have a guideline for considering remuneration of the Board, type of remuneration, including the proper procedures of remuneration payment based on fairness and transparency.

**7. Determination of the criteria and procedures for the Chairman of the Executive Committee nomination**

and proposed to the Board of Directors for approval to ensure that the Company would nominate and develop senior executive officers and efficiently manage personnel as well as to determine guideline for designating a qualified person to undertake the position of the Chairman of the Executive Committee.

**8. Determination of the criteria and procedures for setting remuneration of the Chairman of the Executive Committee**

and proposed to the Board of Directors for approval, to ensure that the Company's remuneration structure would be an attractive incentive for the Chairman of the Executive Committee to perform his duties in accordance with the corporate objectives and main goals and in line with the long term benefits of the Company.

**9. Determination of the criteria and assessed performance result of the Chairman of the Executive Committee**

and proposed to the Board of Directors for approval. The performance assessment criteria are determined to be an attractive incentive to the Chairman of the Executive Committee so that the Chairman of the Executive Committee will manage his work in accordance with corporate objectives and main goals and line with the long term benefits of the Company.

The Board notifies the Chairman of the Executive Committee about the assessment in advance, to be in accordance with the Charter of the Nomination and Compensation Committee which states that the Nomination and Compensation Committee carries out duties to consider criteria of performance assessment of the Chairman of the Executive Committee as assigned by the Board of Directors.

Overall, the Nomination and Compensation Committee has duly performed their duties with diligence, prudence, discretion and at best endeavor. The board expressed their opinions straight forward taking into account the highest benefits of shareholders and all stakeholders. The Board is determined to perform their duties adhering to the equality, justice and transparency principles in order to meet the good corporate governance as stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

On behalf of the Nomination  
and Compensation Committee



(Mr. Peerawat Premchun)  
Chairman of the Nomination  
and Compensation Committee



## Risk Management Committee Report

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### Dear Shareholders,

The Board of Directors of TEAM Consulting Engineering and Management Public Company Limited ("the Company") passed a resolution to appoint the Risk Management Committee. The Risk Management Committee members must be a director and/or executive officers and/or employees of the Company or qualified person who was appointed by the Board of Directors at the number as the Board will consider suitable. At present, the Risk Management Committee comprises of the members from the Board of Directors and executive officers of the Company in total ten persons, namely;

- |                                    |   |
|------------------------------------|---|
| 1. Dr. Thanasarn Khuayjarempanishk | Chairman of the Risk Management Committee   |
| 2. Mr. Chawalit Chantararat        | Member of the Risk Management Committee   |
| 3. Mr. Amnat Prommasutra           | Member of the Risk Management Committee   |
| 4. Mr. Charnchai Gawgirdwiboon     | Member of the Risk Management Committee   |
| 5. Dr. Sirinimit Boonyuen          | Member of the Risk Management Committee   |
| 6. Dr. Aphichat Sramoon            | Member of the Risk Management Committee   |
| 7. Mr. Issarin Patramai            | Member of the Risk Management Committee   |
| 8. Mrs. Penpilai Phonchaipanich    | Member of the Risk Management Committee   |
| 9. Miss Mayuree Khuayjarempanishk  | Member of the Risk Management Committee   |
| 10. Miss Nuanprae Patramai         | Member of the Risk Management Committee and<br>Secretary of the Risk Management Committee |

The Risk Management Committee performs its duties according to the scope and responsibilities assigned by the Board of Directors as specified in the Risk Management Committee Charter of TEAM Consulting Engineering and Management Public Company Limited. The policies and structure of risk management are outlined in a systematic approach to cover the entire organization. The Risk Management Committee oversees risks caused by external factors and internal management and operation, determines management direction and maintain risks to be within acceptable ranges. The Risk Management Committee also communicates and arranges workshops for employees to raise awareness on the importance of risk management, to conform and be under risk management direction of the Stock Exchange of Thailand and the Institute of Internal Auditors of Thailand.

In 2018, the Risk Management held seven meetings where each summary of the meeting was proposed to the Board of Directors' meeting for acknowledgment on a quarterly basis. Significant performances of Risk Management in the previous year are summarized below.

#### 1. **Oversee risk management through the entire organization to be in accordance with international standard COSO – Enterprise Risk Management Framework**

which consists of objective setting, risk identification, risk assessment, risk response and risk monitoring at every six weeks. Such risks include legal, strategic, corporate governance, financial, marketing, personnel, operation, IT and image risks. The purpose of risk management is to maintain risks within an acceptable level and to achieve the corporate target set forth.

**2. Arrange training for employees about corporate risk management**

where representatives from each department attended. The trainings were aimed to pass on knowledge and understanding among all employees in the organization.

**3. Consider, monitor, and oversee operational risk management**

such as project quality risk and consortium risk.

**4. Consider, monitor, and oversee financial risk management**

such as cash collection risk and liquidity risk.

**5. Consider, monitor, and oversee personnel risk management**

by giving advice to the Human Resource Department regarding recruiting specialists/personnel for the ongoing projects and the potential projects to ensure sufficient human resources. The Risk Management Committee also advised on succession plan to manage risks on the succession of strategic position of the Company.

**6. Consider and monitor the IT Risk Management**

to reduce risks from cyber threats by improvement the backup system for File Share Server, website, and upgrade the Ransomware Protection to ensure that all critical information was protected. Reinforced IT infrastructure and Application to improve the systems stability. Prepared and practiced a disaster recovery plan to ensure that the critical systems were recovered and restored successfully and prove that the business process and system can continue during a time of emergency or disaster.

**7. Arrange workshops to formulate Risk Management Plan for the year 2019**

Employees from all departments attended and brainstormed in formulating the plan.

**8. Consider and provide comments on the Risk Management Plan 2019**

to conform to policies, targets and current environment of the organization. Then proposed the plan to the Executive Committee, Audit Committee and the Board of Directors for opinions.

**9. Review Charter of the Risk Management Committee**

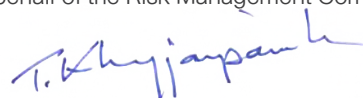
to be consistent to the current situation of the Company.

**10. Report performance**

of the Risk Management Committee to the Executive Committee, Audit Committee and the Board of Directors for acknowledgment on a quarterly basis.

Overall, the Risk Management Committee performed their duties with due diligence, caution, and adequacy in accordance with the scope of duties and responsibilities assigned by the Board of Directors. The target is to ensure that the risk management for the entire organization is effective and that the Company will achieve the goals and objective set forth as well as to add value to shareholders and all stakeholders in the long term.

On behalf of the Risk Management Committee



(Dr. Thanasarn Khuayjarernpanishk)

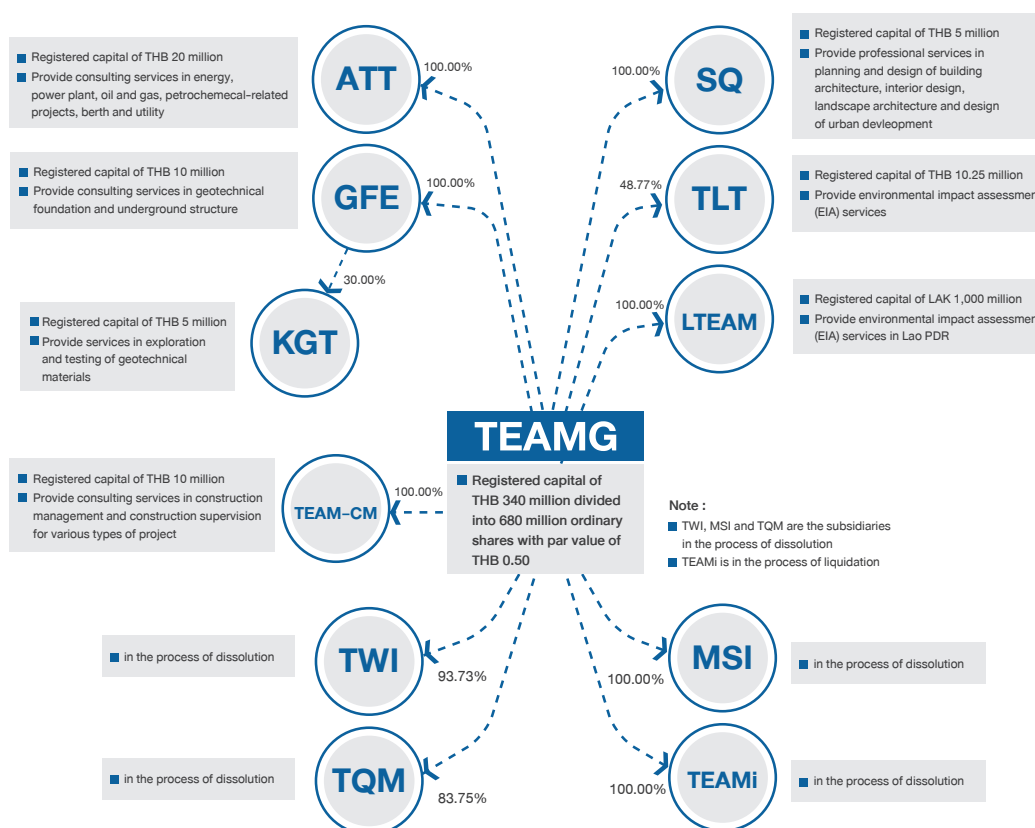
Chairman of the Risk Management Committee

## 1. Nature of Products and Services

### 1.1 Nature of businesses of the Company and its subsidiaries

The Company and its subsidiaries provide the integrated consulting services for planning, construction, development and improvement of various engineering projects under the concept 'One-Stop Services' that serving customers holistically and in a timely manner. The scopes of work are from project idea initiation, preparation of project master plans, feasibility study, survey and detailed design coupling with environmental impact assessment study. Additionally, the Company provides consultation services in construction management and project management including operation and maintenance of equipment and measuring systems after project delivery, engineering services in related business including an installation of instrumentation equipments, aerial photography service and mapping, the creation of 3D models with Building Information Modeling as well as engineering education and training services. Our engineering consulting services cover the areas of transportation and logistics, water resources, building and Infrastructure, environment, energy, and other consulting services such as strategic organization management, finance, investment and marketing. The customers of the Company and its subsidiaries are from both government and private sectors, as well as international clients especially project developers in CLMV countries (Cambodia, Lao PDR, Myanmar and Vietnam).

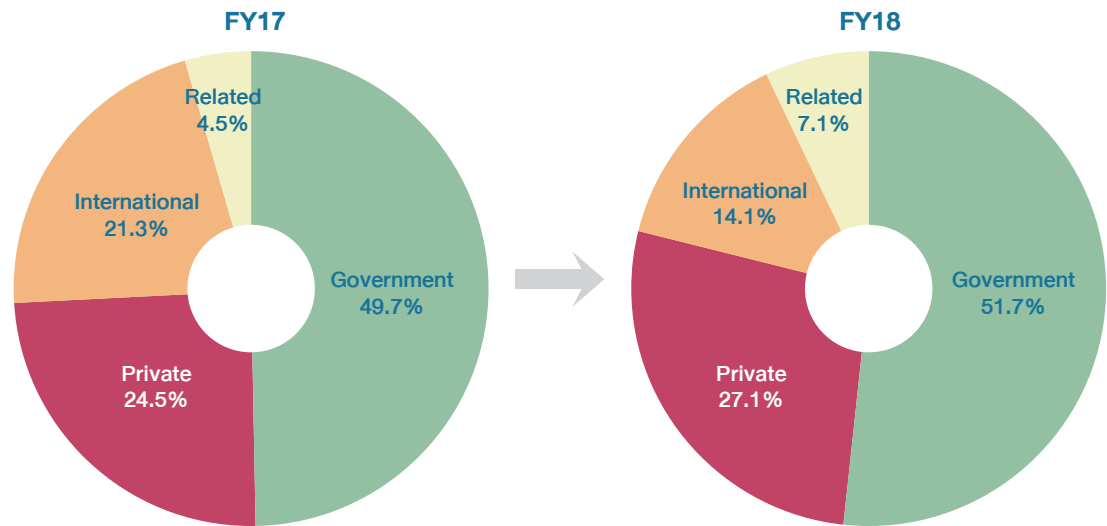
At present, the Group consists of entities with different operation as follows.



The Company and its subsidiaries acquired the customers from various segments which are from the government, private and international sectors as well

as related business. The segment revenue structure are administrated as follows.

Revenue structure by sectors

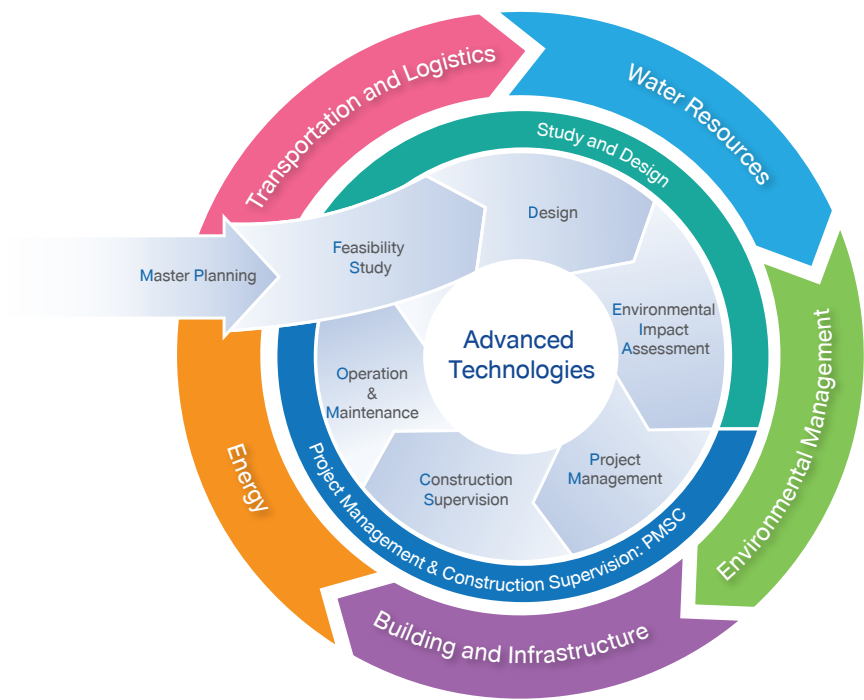


1.2 Service characteristics

(1) Types of services

The Company and its subsidiaries conduct the integrated engineering and environmental consultancy services with one-stop service concept that cover the entire project development cycle in various aspects from

preparing a master plan, conducting feasibility study, design, environmental impact assessment, project management, construction supervision, and operation and maintenance.



Our services are divided by types of services into 3 categories as follows.

## 1) Study, design and report preparation (Study & Design)

The Company and its subsidiaries provide services on the study, design and report preparation related to various project developments, including engineering, architecture, and environment. The significant procedures of the study, design, and report preparation services are as follows.

### (1.1) Master Plan

Preparing a master plan means, determining direction and types of operation and/or holistic project development or in other word Master Plan. The procedure includes determining precise strategy as a framework to determine the course of a long-term process which is consistent and responsive to the change of internal and external environment.

### (1.2) Feasibility Study

To conduct feasibility for a project, the Company and its subsidiaries analyze the suitability and feasibility of the project, taking into account various aspects such as engineering, marketing, finance and economics, business and management, social and environment. This procedure is to ensure that the prospective project is feasible in a practical aspect and that the project will yield benefits that worth the investment and the resources required will be effectively utilized. We also consider the environmental and social impact management that follow, and the achievement of objectives under the budget and time constraints.

### (1.3) Survey and Detailed Design

The Company and its subsidiaries provide services on survey and detailed design required by project owners. The scope of works cover survey form, a map showing project location, general information, systems within the project area and adjacent area, design of infrastructure, building, properties and facilities within the project, as well as construction plan. These factors are included in the tender document and/or to implement in actual construction progress.

### (1.4) Survey, study, evaluate and monitor environmental impacts (Environmental Impact Assessment: EIA)

Environmental impact assessment is the study to anticipate both positive and negative effects from the development of significant projects or businesses that will affect the environment in all aspects, both natural and economic resources, to determine the most effective preventive measures and to use in making the decision to develop such projects or businesses.

## 2) Project Management and Construction Supervision (PMSC)

The Project Management and Construction Supervision are for entrepreneurs or project owners that need personnel or specialists from project management and construction supervision. Hence, they need to hire engineering consulting company that have experience and expertise on project management and supervision to manage and control working processes in all project milestones, from planning composition, recruiting contractors, design specifications, construction phase to deliver the construction, personnel training, commissioning, accepting and inspecting project during guarantee period systematically.

### 3) Related Businesses

In addition to the consultation mentioned above, our related businesses which established to meet customers' broader range of demand such as the installation of equipment and supporting device (instrumentation), aerial photograph and mapping (drone-based survey), Building Information Modelling (BIM), education and training. To create a mechanism to recruit the right workforce that suit to customers' demand, the Company and its subsidiaries established the Institute of Management and Technology

(IMT) to provide a training course on engineering techniques for personnel of the Company and its subsidiaries to enhance performance to human resources of the Company continuously. We also collaborate with various educational institutions in arranging cooperative education project, and internship for students from Asian Institute of Technology (AIT) and international students as one of the mechanism to seek for the right manpower that meets the need of our customers.



*Accelerometer*



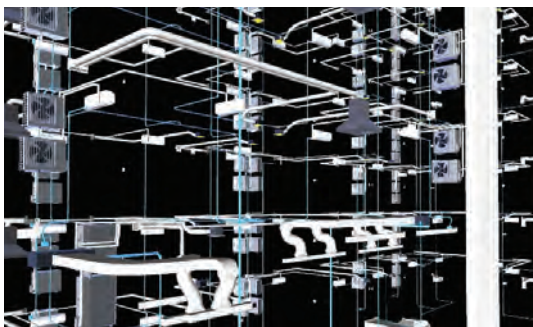
*Observation Wall*



*Water level indicator*



*Drone*

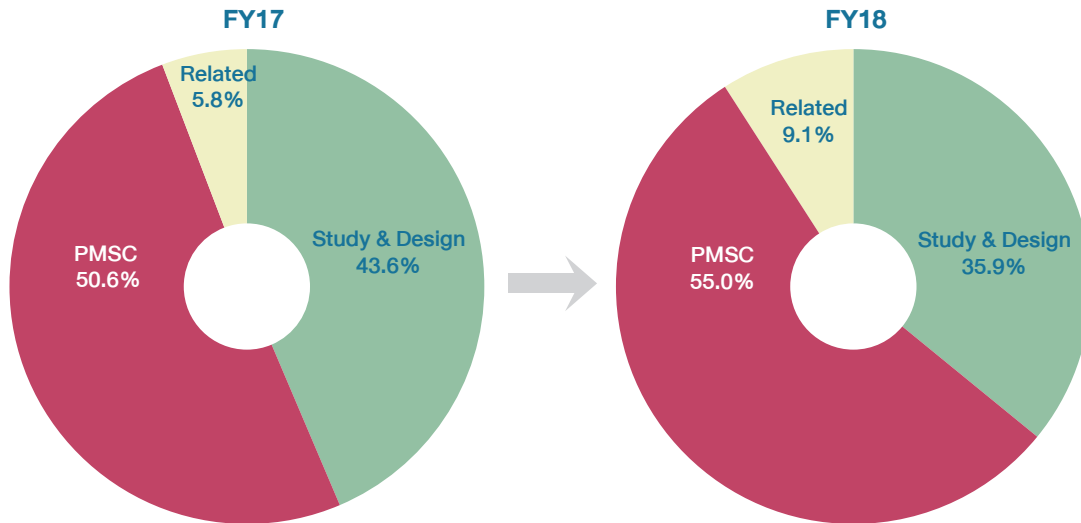


*Working with BIM*

In 2017-2018, the Company and its subsidiaries have revenue from Study and Design Service, Project Management

and Construction Supervision (PMSC) and Related Businesses (Related) as follows.

### Revenue Structure by Types of Services



### (2) Areas of Specialization

The businesses on integrated engineering consulting service of the Company and its subsidiaries are divided into five specialized areas as follows.

1) Transportation and logistics (TR) including road, bridge, motorway, mass transit system, double track railway system and high-speed railway, airport, port, traffic engineering, traffic management and logistics management.

2) Water Resources (WE) including water resource management and development for consumption and irrigation, hydrology, flood prevention and drainage, coastal engineering and hydropower project development.

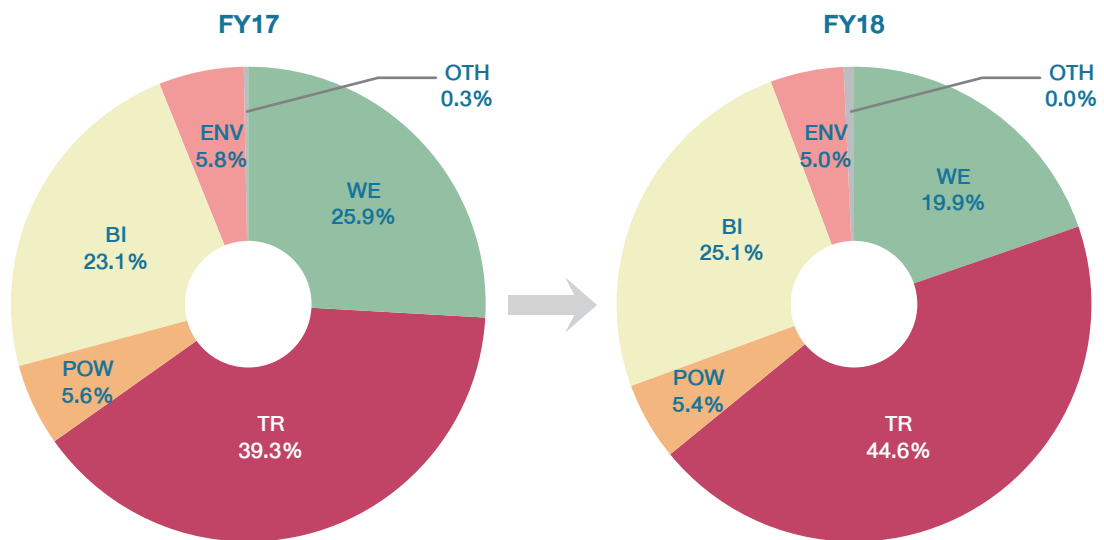
3) Buildings and utilities (BI) including all types of buildings and utilities, various real estate development projects such as condominiums, hotels, shopping centers and mixed-use industrial estates, industrial factories, green building, city planning and regional planning, land development planning, buildings and industrial estates and Transit Oriented Development (TOD).

4) Environmental Management (ENV) including strategic environmental assessment, preliminary environmental study and analysis, environmental impact assessment, social impact assessment, health impact assessment environmental management planning, resettlement plan, and social development plan.

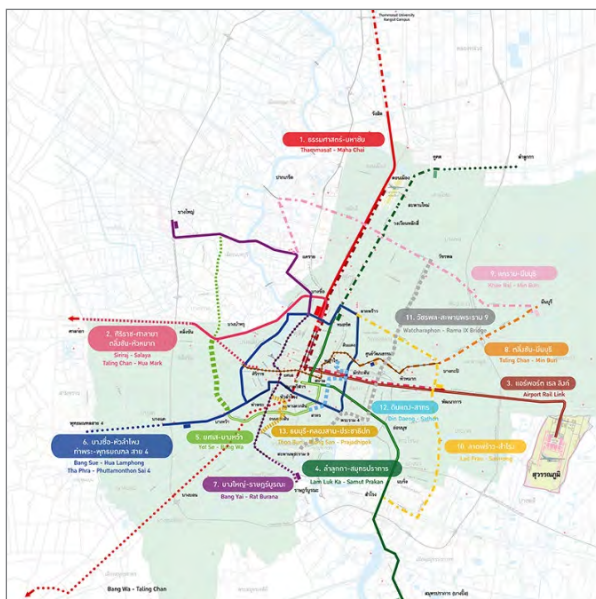
5) Energy (Energy, POW) including power generation from fossil fuel and all types of renewable energy sources which includes natural gas, hydroelectric power, wind, solar, biomass, biogas, nuclear waste, overhead cable replacement with underground cable, energy infrastructure development, energy conservation, energy management including independent engineer and due diligence.



## Revenue Structure by Areas of Specialization



Major projects of the Company and its subsidiaries are as follows.



Revision of the Mass Rapid Transit Master Plan in the Bangkok Metropolitan Region (M-Map): Office of Transport and Traffic Policy and Planning, Ministry of Transport



Feasibility Study and Detailed Design of High Speed Train Bangkok-Phitsanulok-Chiang Mai, Phases 1-2: Office of Transport and Traffic Policy and Planning, Ministry of Transport



Feasibility Study, EIA, Detailed Design, and Construction Supervision of Red Line Commuter Train Project: State Railway of Thailand



Project Management and Construction Supervision for the Pink Line Project (Khae Rai - Min Buri): Mass Rapid Transit Authority of Thailand



Detailed Design and Tender Document Preparation for MRT Orange Line: Contracts 1, 2: CH. Karnchang PCL.



Construction Supervision for Double Track Railway, Lop Buri-Pak Nam Pho Section: State Railway of Thailand





Engineering Detailed Design, EMP, RAP and Construction Supervision of Nam Ngum 2 Hydroelectric Power Project, Lao PDR: CH. Karnchang PCL., SouthEast Asia Energy Ltd., and Nam Ngum 2 Power Co., Ltd.



Feasibility Study, EMP, RAP, Detailed Design and Instrumentation of Xayaburi Hydroelectric Power Project, Lao PDR: CH. Karnchang PCL. and Xayaburi Power Co., Ltd.



Survey, Detailed Design and Construction Supervision of Khun Dan Prakanchon Dam, Nakhon Nayok Province: Royal Irrigation Department



Feasibility Study, Detailed Design and Construction Supervision of Water Supply System Development Project for Metropolitan Waterworks Authority: Metropolitan Waterworks Authority (MWA)



Feasibility Study, Detailed Design and Construction Supervision of Submarine Water Pipeline Installation from Surat Thani Province to Koh Samui: Provincial Waterworks Authority (PWA)



Flood Prevention Project in the Areas of Chao Phraya River Basin and Bangkok: Bangkok Metropolitan Administration and Royal Irrigation Department



Detailed Design and Construction Supervision for Overhead Cable Replacement with Underground Cable System (Nonsi Project): Metropolitan Electricity Authority (MEA)



Project Management and Construction Supervision of Suvarnabhumi Airport Development Phase 2: Airports of Thailand PCL.





Project Management Consulting Services of the Government Complex Commemorating His Majesty the King's 80<sup>th</sup> Birthday Anniversary, 5<sup>th</sup> December B.E. 2550 (2007): Dhanarak Asset Development Co., Ltd., Ministry of Finance



BIM Application for Project Management and Construction Supervision of the Headquarters of the Stock Exchange of Thailand: The Stock Exchange of Thailand (SET)



Project Management of the New Tobacco Factory at Rojana Industrial Park, Phra Nakhon Si Ayutthaya Province: Tobacco Authority of Thailand, Ministry of Finance



Environmental Impact Assessment (EIA) of Chana Power Plant Project: Electricity Generating Authority of Thailand (EGAT)



Feasibility Study and Detailed Design of Laem Chabang Port, Phases 2-3: Port Authority of Thailand



Project Management and Construction Supervision of The Privacy Thaphra Interchange: Pruksa Real Estate PCL.



Project Management and Construction Supervision of LIFE Asoke Rama 9 Project: AP ME3 Co., Ltd.

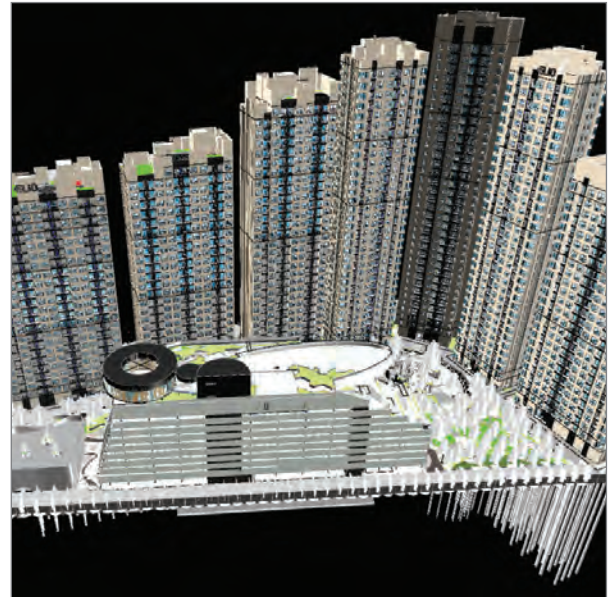


Master Planning, Feasibility Study, EIA and PPP Study for the Development of the Commercial Area at Bang Sue Grand Station to Serve as Thailand's Major Railway Hub: State Railway of Thailand





Project Management and Construction Supervision of Ideo Mobi Rangnam Project: Ananda Development PCL.



BIM Manager and Pre-construction Management of Elio Del Nest: Ananda Development PCL.



Drone-based Survey for Developing a Topographic and Land Use Map of Boun Neua District, Lao PDR: Asia Investment, Development & Construction Sole Co., Ltd. (AIDC)



Detailed Design of 55 MW AC Solar Energy Project in Lop Buri Province: Energy Development Co., Ltd.

## Marketing and Competition

The Company and its subsidiaries provide integrated engineering and environmental consulting services, which can offer a complete range of consulting services. We provide services to project owners from government agencies and state enterprises as well as private sectors both domestically and internationally with a team of consultants and senior consultants. The team consists of personnel with specialized knowledge and experience that have performed a portfolio of more than 2,500 projects at the national and regional levels.

To submit the bid or accept work of project owners, the Company and its subsidiaries prepare the proposals with consideration of complexity, issues, risks, technical difficulties and the project size as well as propose the list of potential personnel with relevant experience and expertise in all related fields. The Company and its subsidiaries then prepare the project budget, remuneration and assess the direct cost for each project including the cost plus (Cost Plus Method) by adhering to the principles of professional service pricing at the competitive rates.

The company and its subsidiaries develop their businesses through 3 channels which are 1) Introduction from the former clients or existing alliance network; 2) Proactive marketing - to understand the needs for business and project development from the clients which enables the Company to learn details or receive project specification documents and present the preliminary solutions; 3) Invitations from project owners to participate in the bidding process to propose the technical and cost proposal. The Company and its subsidiaries assign business development personnel in each area to supervise and be responsible for monitoring news to find information and details of the bidding for the upcoming projects from the government and the private sector. Additionally, the impressive quality of previous works and services of the Company and its subsidiaries which have been positively recognized by clients are one of the most effective channels that give the Group opportunities to continuously provide engineering consulting services, gain customer loyalty based on the trust of targeted clients, and expand the businesses accordingly.

### (1) Industry Outlook

Parts of the engineering and environmental consulting business of the Company and its subsidiaries are dependent upon the regional economic situations and the trend of construction industry. The said construction industry includes general construction work and large infrastructure under management of the government, state enterprises and large local and international private companies.

Overall, the Thai economy in 2018, as published by the Office of the National Economic and Social Development Board (NESDB), expands by 4.1%, up from 3.3 and 3.9% in 2016 and 2017, respectively. Headline inflation rate stands at 1.1%. The expansion is lower than the previous forecast. The key factors consist of (1) the growth rate of export sector which is lower than the forecast, especially the contraction in the latter half, resulting from the new tariff rate policy of the United States toward China, which has a significant impact on international trade. In addition, the declination in exports of automotive parts to various major trading partners due to the changes of many automotive models also resulting in the negative impact to Thailand's export segment. (2) The decrease of the number of tourists, especially Chinese tourists after the ferry capsized accident in July. Additionally, the reduction of tourists from European countries and Russia due to the 2018 World Cup during June - July resulting in a considerable decrease of revenue.

Thai economic outlook in 2019 is projected to face the fluctuations both from the economic and financial sectors from around the world. However, Thailand's economy is expected to continue to grow well by 3.5 - 4.5% with the primary supports from (1) the increase in household consumptions following the growth of revenue from tourism, export, manufacturing and agricultural sectors including the tendency of the improvement of employment rates.

Investment from both the public and private sectors, in particular, many large government infrastructure projects that are entering the construction phase in 2019. There are 14 projects, under the 2016 Transportation Development Plan, worth 700 billion baht (compare with 8 projects worth 440 billion baht in the same period of the previous year), 5 projects, under the Transportation Development Plan of 2017, worth 3,592 million baht and 5 major projects in Eastern Economic Corridor development project (EEC) worth 600 billion baht. (Source: NESDC ECONOMIC REPORT)

Table of the summary of Thai Economic Growth Rates






(%YoY)	2016	2017	2018	Year of forecast 2019
GDP (at a fixed price)	3.3	4.0	4.1	3.5-4.5
Total investment	2.8	1.8	3.8	5.1
- Private investment	0.5	2.9	3.9	4.7
- Government investment	9.5	-1.2	3.3	6.2
Private consumption	3.0	3.0	4.6	4.2
Government consumption	2.2	0.1	1.8	2.2
Export value	0.1	9.8	7.7	4.1
Import value	-5.1	13.2	14.3	6.1
Balance on current account per GDP	11.7	11.0	7.4	6.2
Inflation	0.2	0.7	1.1	0.5-1.5

Source: Office of the National Economic and Social Development Board, information as of February 2019





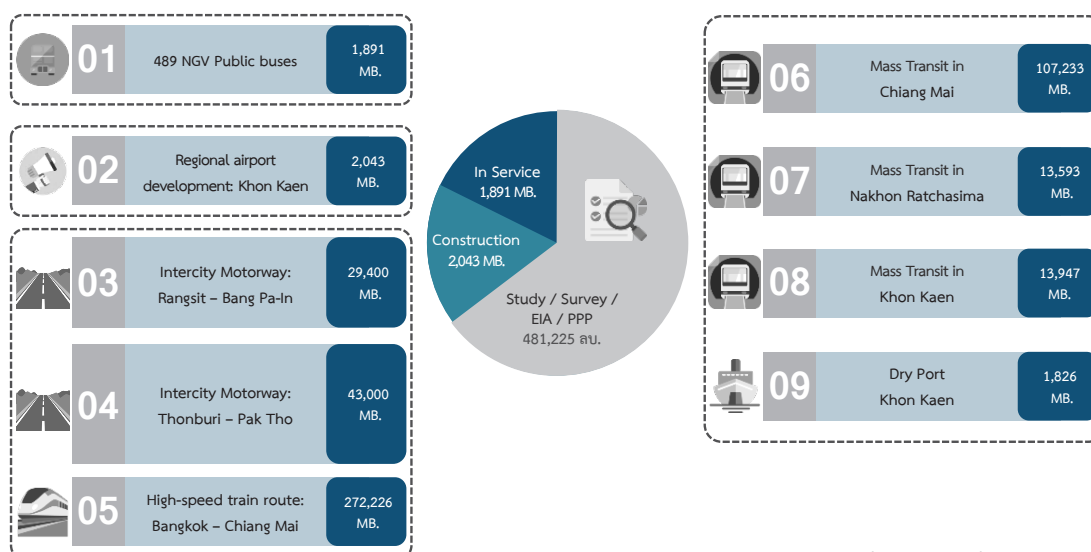
### Progress of 20 Public Investment Projects under the Transport Action Plan 2016 (1,383,938.89 MB. Budget\*)

Project	Budget (MB.)	Progress (Percent)	Under Construction 723,109 MB.					
Dual-track rail: Jira – Khon Kaen	23,803	94.2		Bidding Process 399,706 MB.	MRT Light Red Line and Dark Red Line	44,158 MB.		
Coastal port (Port A) at Laem Chabang Port	1,864	100.0			MRT Purple Line: Tao Pun – Rat Burana	131,004 MB.		
Container depot at Laem Chabang: Stage I	2,031	98.8			The High-Speed Rail Linked 3 Airport Project (Don Muang – Suvarnabhumi – U-Tapao)**	224,544 MB.		
Intercity motorway: Pattaya – Map Ta Phut	17,819	96.7			MOT / SEPO / NESDB Consideration Process 94,673 MB.	High-speed train route: Bangkok – Hua Hin	94,673 THB.	
Intercity Motorway: Bang Pa In – Nakhon Ratchasima	76,600	59.9				High-speed train route: Bangkok – Phitsanulok (Thai – Japan Cooperation)	N/A	
Mass Rapid Transit Orange Line: Thailand Cultural Centre – Minburi	109,541	27.0						
Meter gauge (1 meter) rail development Prachuab – Chumporn	36,023	16.2						
Meter gauge (1 meter) rail development Mab Kabao – Jira	30,729	7.4						
Meter gauge (1 meter) rail development Lopburi – Pak Nam Pho	22,328	4.9						
Train route: Bangkok – Nakhon Ratchasima (Thai – China Cooperation)	179,413	Construction started						
Intercity Motorway: Bang Yai – Kanchanaburi	49,120	18.2						
Mass Rapid Transit Pink Line: Khae Rai – Minburi	56,691	Rights allocation, civil and system work						
Mass Rapid Transit Yellow Line: Lat Phrao – Samrong	54,644							
Suvarnabhumi airport: Stage II	62,503	93.5						
					* Initially 1,796,385 MB. from 1 Dec 2015 cabinet decisions			
					** Includes the High-speed train route: Bangkok – Rayong project			
				Source: Ministry of Transport as of 4 February 2019				

### Progress of 36 Public Investment Projects under the Transport Action Plan 2017 (895,757.55 MB. Budget\*)

Project	Budget (MB.)	In Service 738 MB.	MOT / SEPO / NESDB Consideration Process 464,634 MB.	Project	Budget (MB.)	
Ferry Service across Gulf of Thailand	N/A	Under Construction 3,517 MB.			Cross-border Logistics Center, Nakorn Phanom	1,169
Common Ticket System	738				Intercity Motorway (Nakorn Phatom – Cha Am)	80,600
Truck rest area on the main routes	480		Expressway Kratu – Patong, Phuket	14,177		
Intermodal Facility at Chiang Khong, Chiang Rai	2,219	Bidding Process 42,687 MB.	Dual Track Rail: Paknampho – Den Chai	62,614		
Regional airport: Mae Sod, Tak	369		Dual Track Rail: Jira – Ubonratchathani	37,524		
Regional airport: Betong, Yala	338		Dual Track Rail: Khonkaen – Nong Khai	26,654		
Regional airport: Sakon Nakorn	111	Cabinet Approval Process 85,345 MB.	Dual Track Rail: Chumporn – Surat Thani	24,287		
Express Way Rama 3 – Dao Kanong – Outer Ring (West)	31,244		Dual Track Rail: Surat Thani – Songkhla	57,369		
Baggage System Upgrade at Suvarnabhumi airport	3,264		Dual Track Rail: Hat Yai – Padang Beza	8,116		
Krabi Airport	3,876	Study / Survey / EIA / PPP 257,566 MB.	Dual Track Rail: Den Chai – Chiang Mai	59,915		
Aircraft Maintenance, Repair, and Overhaul Facility Development at U-Tapao Airport	4,303		Dual Track Rail: Ban Pai –Nakorn Phanom	67,965		
Dual Track Rail: Den Chai – Chiang Rai – Chiang Khong	85,345		Commuter Train Dark Red Line: Rangsit – Thammasat University Rangsit	6,570		
Regional Logistics Center in 7 border cities	8,121		MRT Light Red Line Extension: Taling Chan – Siriraj and Taling Chan – Salaya	17,672		
Regional Logistics Center in 5 regional cities	8,606		Public Bus Procurement and Stations	572		
MRT Orange Line: Taling Chan – Thailand Cultural Centre	120,459		MRT Blue Line: Bang kae – Sai 4	21,197		
Mass Transit in Phuket	30,155		MRT Dark Green Line: Samutprakarn – Bang Pu	9,530		
Lam Cha Bang port: Phase 3	91		MRT Dark Green Line: Kukot – Lumluka	9,803		
Development of Ferry Terminal, Gulf of Thailand	982		Mass Rapid Transit: Dark Green Samutprakarn – Bang Pu	30,500		
			Northern Route N2 and E-W Corridor, and Route N1 replacement	23,215		
		*13 Dec 2016 cabinet decisions **Double Track Rail Network: Huahin – Prachuap Khiri Khan in reported in AP 2016		Source: Ministry of Transport as of 4 February 2019		

### Progress of 9 Public Investment Projects under the Transport Action Plan 2018 (489,366.30 MB. Budget)



Source: Macroeconomic Strategy and Planning Office

As for the construction outlook in 2019, the investment in the government construction projects is likely to increase at an accelerated rate compared to the beginning of the year through Mega projects that are in the bidding processes and are expected to begin construction phases in 2019 with a total investment capital of over 1.03 trillion baht. Beside the infrastructure development strategies, there are also other acquainted projects, e.g. "Thai Niyom Yangyuen" which is in line with the state policy to raise the quality of life of the people including: 14,362 village road projects, 8,960 community hall projects, 6,103 projects of renovation of village water supplies and the investment plan of the Ministry of Transport to accelerate the construction of road network in 2019 for 48 lines at the amount of 48,000 million baht.

Furthermore, during the consideration of the draft budget bill of the fiscal year 2019 on 30 August 2018, from the budget of over 3 trillion baht, the Ministry of Transport received the allocated budget of 183,732.5 million baht increasing from the previous year of 8.9 %, making it the

ministry that received highest budget.

The Ministry that receives the budget of over 50,000 million baht reflects the value of fund from Thailand's infrastructure investment during the fourth quarter of 2018 to 2019 (Source: Kasikorn Thai Research Center, information as of September 2018)

Furthermore, the meeting of the Eastern Economic Corridor Policy Committee No. 4/2561 approves the four additional major infrastructure projects of the EEC with a worth of 433 billion baht which includes

- 1) U-Tapao Airport Development Project and the Eastern Aviation City worth of 290 billion baht
- 2) U-Tapao Aircraft Maintenance Center Project worths of 10.59 billion baht
- 3) Laem Chabang Port Project Phase 3 worths of 84.36 billion baht
- 4) Map Ta Phut Industrial Port Project Phase 3 worths of 47.90 billion baht



These mega infrastructure projects will become the key driving forces of the construction industry of Thailand in the following years, as well as the engineering consultancy and environmental management services.

## (2) Competition of engineering and environmental consultancy business

Consultants which include juristic person and individuals that can submit proposals to work with the government agencies must be registered with the Consultant Database Center of Public Debt Management Office, Ministry of Finance or have a certificate from the Consultant Database Center as defined in Government Procurement and Supplies Management Act 2017. According to the database of the Consultant Database of Public Debt Management Office, the Ministry of Finance has categorized consultants into six types namely independent consultant, company or partnership consultant, educational institution consultant, foundation consultant, association consultants and governmental agency consultant. At present, there are 1,491 registered consultants,

divided into 127 independent consultants and 1,364 juristic person consultants (the information as of 4 March 2018). As for the registration in specific fields of expertises and services, it depends on qualifications and conditions of the individual consultant and/or the objectives of the company whether they are consistent with the field as well as the experience of completed projects in the same area.

The market competition in the engineering and environmental consultancy industry is different from the general characteristics of the competition of contractors. The project owners principally have a tendency to select their engineering consultants by considering first on the technical proposals in parallel with the firm's extensive experiences and broad areas of expertise while second consideration on proposed pricing. Therefore, the experienced Company with the wide and comprehensive array of professional engineering services and expertise would have a great competitive advantage over its competitors that have less experienced personnel or more inferior quality of work.

## Corporate Social Responsibility

It is TEAM GROUP's policy to operate with responsibility towards society, the environment and all stakeholders. This conforms to the corporate social responsibility (CSR) guidelines issued by the Stock Exchange of Thailand (SET), which specifies eight requirements: (1) fair business conduct; (2) anti-corruption; (3) respect for human rights; (4) equitable treatment of labor; (5) accountability to customers; (6) environmental stewardship; (7) community and social development activities; and (8) promotion of innovations created with responsibility for society, the environment and stakeholders.

### Policy Overview

TEAM GROUP conducts business based on the development of thoughts, decision-making processes, strategies, organization structure and system, procedural practice and performance indicators. Practical instructions have been clearly identified in its corporate governance policy, internal audit policy, risk management policy, business ethics and codes of conduct for board of directors and employees, all of which require strict observation. This reflects responsibility of the board of directors and management team towards the organization, shareholders, employees and all stakeholders. These instructions are effective in all business units to ensure efficient and transparent operations. In addition, the Company has set up a policy concerning human resource management to support anti-corruption efforts and a policy on political support to ensure all types of anti-corruption practices. This will help to strengthen the trust from all relevant parties.

TEAM GROUP not only operates for business profits, but it also takes responsibility for the environment and society. The Company is aware of its duties to support sustainable development of society and the country, which has been fulfilled through its diverse CSR activities.





## Performance and Report

TEAM GROUP's CSR practices as specified in the corporate policy, announcements and operation handbook are as follows.

### 1. Fair Business Conduct

TEAM GROUP underscores honesty and justness in business conduct and as such sets up policies and regulations that ensure fair treatment of its management team, shareholders, employees at all levels, business partners, clients as well as other people. The Company strives to promote reasonable and fair business conduct to strike the balance between benefits and impacts on each stakeholder. The Company also imposes penalties for any conduct that causes conflicts and critical damage to the business.

### 2. Anti-corruption Practice

TEAM GROUP embraces the good governance principle and business ethics to ensure the benefits for shareholders and stakeholders. On 6 October 2016, the Board of Directors reached a resolution at its 10/2016 meeting to approve an anti-corruption policy that requires transparent business conduct and forbids the Company's directors, executives and employees from committing any malfeasance, either within or outside the organization. Several measures were devised to prevent different kinds of corruption. Personnel development programs have been implemented along with the promotion of an anti-corruption culture. The Company also set up an internal audit system and provides communication channels for those who would like to give suggestions or file complaints. All directors, executives and employees are required to watch over and prevent any likely corruptive performance and the Company shall protect goodwill informants of malfeasant conduct.

### 3. Respect for Human Rights

TEAM GROUP operates with great respect for human rights and as such promotes liberty protection and equitable treatment, which is a foundation for human resource development and management. The Company has no policy of race, gender, age or disability discrimination. On the contrary, the Company's operation handbook contains a chapter concerning "Disability Employment" which encourages the employment of disabled people, enabling them to make a livelihood.

### 4. Equitable Treatment of Labor

Aware that the employees are the Company's asset, TEAM GROUP focuses on equitable treatment of all members of the labor force and practices no discrimination. Paying great attention to their quality of life, the Company assigns the employee with tasks that match their qualifications, determines a reasonable remuneration structure, and provides them with appropriate welfare. The Company strives to develop a pleasant work environment, encouraging them to work together happily and with unity. Self-development programs including work skill training are also promoted to inspire them to build on their knowledge and expertise on a regular basis; this helps to reduce mistakes in the workplace, boost their esprit de corps and enhance good attitude towards their tasks. The activities include a field trip study on alternative energy, the PM Get Together program, study tours at project sites (MRT Blue Line Project, etc.), and special lectures by those who are in the social focus.

In addition, the Company hosts lectures by outside experts to provide employees with knowledge about physical and mental health care. Dhamma talks have been regularly held to heighten their spirit and develop good attitude towards life and work. This includes the TEAM Power for CSR Activities project.

### 5. Accountability to Customers

TEAM GROUP has been continuously active in quality system management. The Company has a policy concerning quality control which ensures clients' optimal satisfaction, quality services according to professional standards within due time, efficient team operation, good relations with clients, and a strong business network.

## 6. Environmental Stewardship

Realizing the importance of the environment, TEAM GROUP defines the responsibility for communities and society as its core mission. The board of directors, executives and employees are required to take good care of the environment and natural resources and strictly observe environmental laws. Their operations should cause zero or minimum environmental impacts. The Company has continuously held public-benefit and social service activities and also supports any such activities held by stakeholders.

## 7. Community and Social Development Activities

TEAM GROUP is aware of its social role as a good corporate citizen and as such has a policy to support activities for community and social development that helps to promote better living conditions in nearby and other communities.

## 8. Promotion of Innovations Created with Responsibility for Society, the Environment and Stakeholders

TEAM GROUP encourages development of innovations in different fields, especially those that support its operations and inter-agency cooperation. The Company values creative innovations that make a difference by increasing productivity, creating added value and maximizing social benefits. Promotion of such innovation is also part of the Company's social responsibility policy and as such provides various communication channels for publicizing and promoting information about these innovations among all groups of stakeholders.

## Activities for Public and Environmental Benefits

TEAM GROUP is committed to developing as a good corporate citizen which generates benefits to society. The Company thus established TEAM GROUP Foundation on 27 August 2007, which was the 729<sup>th</sup> on the Ministry of Finance's list of public-benefit organizations. The Company and the Foundation share a common goal of holding public-benefit activities on a continuous basis. The Foundation's policy comprises: (1) providing youth and the underprivileged with scholarships; (2) offering lunch funds to schools in need; (3) supporting public library and sporting activities; (4) holding or cooperating with other organizations to hold activities for public benefits; and (5) not getting involved in political activities. The following are some of the public-benefit projects and activities held by the Company and the Foundation.

- Scholarship ceremony. The Company has given scholarships to students from families with financial difficulties who have good conduct for 13 consecutive years.



*Scholarship ceremony at five schools in Nakhon Sawan*



*Scholarship ceremony at four schools in Nakhon Nayok*



- “Engineering Designs the World” Project. The project provided Grade-11 students of Nakhon Sawan School with a clear understanding of what they can expect from undergraduate engineering programs and from a career in engineering.



*“Engineering Designs the World” Project*

- Youth activities. TEAM GROUP has held many activities to encourage youth to learn outside the class.



*“TEAM Kids: Following in the King’s Footsteps”*



- Sharing knowledge to the public. TEAM GROUP has held many public seminars on topics of its expertise and in the public focus to provide knowledge, encourage exchange of experience, and seek solutions to the issues. The Company's experts also join the seminars held by other organizations to contribute their knowledge and expertise to society.



*Going GREEN: On the Path of Sustainable Development*



*Flood Preparedness 2012*

- Publications for knowledge sharing. TEAM GROUP set up the Knowledge Management Unit to keep information of different projects and publish books compiling issues of public interest to be reliable references for the general public.



*Books about CSR*



- Charitable activities. TEAM GROUP has provided assistance and relief for flood and natural disaster victims both in Thailand and abroad.



Cash donation for flood relief in Lao PDR



Donation to the Thai Red Cross Society for flood relief in southern Thailand



Clothes and supply donations to the Thai Red Cross Society

- Environmental conservation. TEAM GROUP encourages its personnel to take part in natural resource and environmental conservation. The activities also forge their ties.



Planting corals



Planting mangrove trees



Check dam construction



- Occupational promotion for youth. To encourage students to earn income for their families, TEAM GROUP has held different occupational training programs and given them the necessary materials for growing hydroponic vegetables and Jerusalem artichokes.



*Farming project at Ban Na "Nayok Phlithayakon" School*

- Sporting activities. TEAM GROUP encourages employees to value exercise, which is not only good for their health but also forges their ties within families and organizations as well as with business partners.



*Charitable walk-run activity*

## Information on Securities and Shareholders

### Registered and paid-up capital

As of December 31, 2018, the Company had registered and paid-up capital of 340 million baht dividing into 680 million ordinary shares with the par value of 0.50 baht. (As of December 31, 2017: The Company had 2.5 million ordinary shares with the par value of 100 baht.)

The Company has only one type of share which is an ordinary share.

The Company has no plan to issue and offer its shares or convertible bonds to the Thai Trust Fund including the non-voting depository receipts (NVDR).

### Major Shareholders

Top twenty major shareholders of the company as of January 7, 2019.

No.	Shareholder Name	Number of Shares	Shareholding Percentage
1	Mr. Prasert Patramai	62,122,600	9.14%
2	Mr. Peerawat Premchun	38,616,200	5.68%
3	Mr. Amnat Prommasutra	38,430,200	5.65%
4	Mr. Chawalit Chantararat	38,278,400	5.63%
5	Mr. Thongchai Montapaneewat	27,380,700	4.03%
6	Mr. Kittipol Bunnim	26,643,200	3.92%
7	Mr. Thanasarn Khuayjarernpanishk	23,587,000	3.47%
8	Mrs. Sirinimit Boonyuen	23,122,200	3.40%
9	Mr. Prasong Wangrattanapraee	21,580,200	3.17%
10	Mrs. Penpilai Phonchaipanich	20,275,000	2.98%
11	Mr. Issarin Patramai	20,084,600	2.95%
12	Mr. Yossapon Sutharattanachaiyorn	16,400,000	2.41%
13	Mr. Wera Sutesopon	16,162,600	2.38%
14	Miss Nuanprae Patramai	13,773,400	2.03%
15	Mr. Suksavasdi Srisuphonvanij	11,722,600	1.72%
16	Miss Kanyaporn Khuayjarernpanishk	9,971,800	1.47%
17	Miss Mayuree Khuayjarernpanishk	9,150,800	1.35%
18	Mr. Chai Monophars	7,200,000	1.06%
19	Miss Chanisara Arunkittiphan	6,852,600	1.01%
20	Mr. Werapol Thonguthai	6,720,200	0.99%

### Dividend payment policy

The dividend is paid to shareholders annually, not less than 40% of the net profit as per separate financial statement of the Company after deduction of corporate income tax and legal reserves as stipulated by law. However, the dividend payment is subject to changes, depending on operation result, financial status, liquidity, investment plan, legal conditions, and other factors related with management, necessity and other reasons in the future. The dividend payment, however, should not significantly affect the usual business course of the Company.



## Management Structure

### Board of Directors

The list of the Board of Directors as at December 31, 2018 consists of 9 members as follows:

List of Name	Position	Meeting Attendance in 2018
1. Dr. Prasert Patramai	Chairman of the Board	7/7
2. Mr. Sanit Rangnoi	Independent Director Deputy Chairman Chairman of the Audit Committee Member of the Nomination and Compensation Committee	7/7
3. General Wichien Sirisoonthorn	Independent Director Member of the Audit Committee Member of the Nomination and Compensation Committee	7/7
4. Mrs. Suvimol Chrityakierne	Independent Director Member of the Audit Committee	7/7
5. Mr. Peerawat Premchun	Director Chairman of the Nomination and Compensation Committee Member of the Executive Committee	7/7
6. Dr. Thanasarn Khuayjarempanishk	Director Chairman of the Risk Management Committee Member of the Executive Committee	7/7
7. Mr. Wera Sutesopon	Director	7/7
8. Mr. Chawalit Chantararat	Director Chairman of the Executive Committee Member of the Risk Management Committee President	7/7
9. Mr. Issarin Patramai	Director Member of the Executive Committee Member of the Risk Management Committee	7/7
Miss Supaporn Rojana-amornchai, Company Secretary, performs the duty as secretary to the Board of Directors.		

In 2018, the Board of Directors held seven meetings. All members attend all meetings, representing 100 percent. There is one meeting of the Board without the attendance of executive officers in 2018.

## Authorized Directors to sign on behalf and bind the Company

Authorized Directors as the Company's signatory, namely Dr. Prasert Patramai, Mr. Peerawat Premchun, Mr. Wera Sutesopon, Dr. Thanasarn Khuayjarernpanishk, Mr. Chawalit Chantararat, Mr. Issarin Patramai, any two of these six directors co-sign their names and affix the company seal.

## Scope of Duties and Responsibilities of the Board of Directors

1. To perform its duties with responsibilities, caution, honesty, and to comply with the laws, corporate objectives, articles of association, and resolution of shareholders.

2. To appoint a qualified person(s) which is not prohibited under the Public Company Limited Act, B.E. 2535 and the Securities and Stock Exchange Act including notifications and/or regulations related to the director position in case the director position becomes vacant due to a reason other than retirement by rotation.

3. To appoint the sub-committees by selecting from the member of directors and/or executives of the Company and to determine the scope of duties and responsibilities of the said directors.

4. To appoint the Audit Committee based on the qualifications and prohibited characters of the independent directors and the Audit Committee under the Securities and Stock Exchange Act including notification, regulations and/or relevant rules of the Stock Exchange of Thailand or propose to the shareholders' meeting for consideration to appoint independent directors and member of the Audit Committee.

5. To consider the determination, amendment of directors who authorized to bind the Company.

6. To appoint any other person to operate the Company's business under the supervision of the Board of Directors or to authorize to such person and/or within the period as considered reasonable by the Board of Directors and the Board may revoke, cancel, amend or modify such authorization.

7. To approve the acquisition or disposal of the Company's assets except when such transaction requires approval from the shareholders' meeting. The consideration should proceed in line with the notifications, regulations and/or relevant rules of the Stock Exchange of Thailand.

8. To consider and approve related transactions except when such transaction requires approval from the shareholders' meeting. The consideration should proceed in line with the notifications, regulations and/or relevant rules of the Stock Exchange of Thailand.

9. To approve the interim dividend payment when it considers that the Company has sufficient profits to do so and to report such dividend payment to the shareholders at a subsequent meeting of shareholders.

10. To determine vision, policy, and direction of business operation, business strategy, annual budget, and to oversee to ensure that the management proceeds in line with the policy set forth efficiently and effectively to add highest economic value to shareholders and sustainable growth.

11. To assess the operating performance and determine the compensation for directors and president of the Company.

12. To be responsible for the Company's turnover and perform the duties of the management attentively and prudently.

13. To oversee the management to create an adequate and effective risk management system.

14. To oversee in determining the explicit and accountable business target to use as a guideline to set a work target, taking into account the possibility and reasonableness.

15. To be responsible to shareholders regularly, to perform work by maintaining benefits of shareholders as well as the disclosure of information which is significant to investors accurately with standard and transparency.

16. To decide on the material subject such as business policy and business plan in large projects, the management authority, acquisition or disposal of assets and other transactions as stipulated by law.

17. To determine authority and levels of approval on transactions and procedures related to the business operation of the Company to any committee or an individual as proper and to ensure the compliance with relevant laws, by preparing a guideline for the authority procedures and conduct a review at least once a year.

18. To provide a reliable accounting system, financial report, and auditing as well as to ensure that procedures in evaluating the adequacy of the internal control system are available.

19. To approve the appointment of the auditors and to consider the audit fees in order to propose to shareholders for approval on the said appointment.

20. To report responsibilities of the Board of Directors in preparation of financial reports by presenting them in the annual report together with the auditor's report. The reports should cover important matters as specified in the right practice for the board of directors of the listed companies in the Stock Exchange of Thailand.

21. To oversee the performance of the sub-committees and ensure compliance with the charters set forth.

22. The Board of Directors must conduct self-assessment and overall performance assessment.

The director who has or may have a conflict or any other conflict of interest with the Company shall have no right to vote on such matter.

Also, the following cases must be approved by the Board of Directors' meeting and the shareholders' meeting with the vote of not less than three-fourth of total votes from the shareholders attending the meeting and have right to vote.

(a) The disposal or transfer of the whole or material part of the Company's business to another person.

(b) To acquire or receive the transfer of private business or other public company for the Company.

(c) To draw up, amend or terminate a contract related to leasing the entire or material part of the Company's business, the assignment of any other person to manage the business of the Company or to merge business with another person with an objective to share profit/loss.

(d) The amendment of the Memorandum of Associations or Articles of Association of the Company.

(e) To increase or decrease the registered capital of the Company.

(f) Dissolution of the company

(g) Issuing debentures stock of the company

(h) Merger with other company(s)

(i) Any other matters set forth under the securities and stock exchange law and/or regulations of the Stock Exchange of Thailand must receive approval from the shareholders' meeting with the number of votes mentioned above, for example, the acquisition or disposal of assets, and related transaction.

## The Office Term of Directors

The office term of the Board of Directors shall be as specified in the Articles of Association. At each Annual General Meeting of Shareholders, one third (1/3) of the positions on the Board becomes vacant. If the number of directors cannot be divided into an exact number, the number of retiring directors should be the number closest to the one third (1/3). Those whose terms have expired may be re-elected for another term of office.

The sub-committees which include the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Compensation Committee shall have a 3-year term of office. where 1 year herein means the period between the date of the Annual General Meeting of the Shareholders of the year appointed until the Annual General Meeting of Shareholders of the next year. Directors who are retired by rotation may be nominated and elected for another term. No authorization on duties and responsibilities of the Board of Directors is proceed in a manner that authorize or sub-authorize the Board or authorized person to approve a transaction that he/she or a person that may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission) with the Company and subsidiaries.

## Executives

List of five executives of the Company according to the definition of the Securities and Exchange Commission as at December 31, 2018 is as follows.

Name	Position
1. Mr. Chawalit Chantararat	President Acting Senior Executive Vice President — Related Businesses
2. Mr. Chanchai Gawgirdwiboon	Senior Executive Vice President - Government Business
3. Dr. Sirinimit Boonyuen	Senior Executive Vice President - International Business
4. Dr. Aphichat Sramoon	Senior Executive Vice President - Private Business
5. Mr. Issarin Patramai	Senior Executive Vice President - Finance

Remarks: (1) The person assigned to the highest responsibility in accounting and finance is Mr. Issarin Patramai. He graduated with the Master Degree of Business Administration (Finance, Investment & Banking and International Business) from the University of Wisconsin-Madison, USA and the Bachelor of Engineering (Chemical Engineering) with First Class Honors, Chulalongkorn University.

(2) The person assigned to be responsible for the supervision of accounting is Miss Phavitpen Hlaorattanapaiboon. She resigned from the Company in November 2018. The Company then assigned Miss Napat Prinyanusorn, as a person responsible for supervision of accounting, in replacement of Miss Phavitpen Hlaorattanapaiboon with effective from January 1, 2019 onwards.

## Scope of duties and responsibilities of the President

1. To supervise business operation, strategy planning and daily management of the Company

2. To decide on essential matters of the Company, determine missions, objectives, directions, and policies of the Company as well as to control management in various work lines.

3. To have authority in supervision, contact, issue instruction and to sign in the juristic act, directive document or any notifications as outlined in the authority manual.

4. To have an authority to employ, appoint, relocate a person as appropriate, to determine the reasonable scope of duties and compensation, and to have the power to dismiss, terminate employees from each level as considered appropriate as per authority manual.

5. To have an authority to determine trading conditions for the benefit of the Company.

6. To consider investment in new businesses or to cease business and to propose such an idea to the Executive Committee and/or the Board of Directors.

7. To approve and appoint consultants from various fields which will be necessary to the Company's business operation.

8. To perform any works assigned by the Executive Committee and/or the Board of Directors.

However, the assignment of authorities, duties and responsibilities of the Chairman of the Executive Committee must be in compliance with regulations and agenda approved by the Board of Directors and does not include the authority and/or sub-authority on approval of any transactions that enables the Chairman of the Executive Committee or authorized person or any person that may have conflict of interest (according to notification from the Capital Market Advisory Board) with the Company or subsidiaries. In this case, the Executive Committee is not entitled to execute such matter. The matter shall be proposed to the Board's meeting and/or the shareholders' meeting (as the case may be) for approval or as stipulated by law.



## Company Secretary

In conformity with the provisions of Section 89/15 of the Public Company Act B.E. 2535, the Board of Directors must assign the Company Secretary to be responsible on behalf of the Company or the Board of Directors. The Board of Directors Meeting No. 1/2018 (first meeting after converting into a public company) on March 29, 2018, resolves to appoint Miss Supaporn Rojana-amornchai as the Company Secretary. The said person has knowledge, skills, and experience that is useful for the duties of the Company Secretary. She passed the Fundamentals Practice for Corporate Secretaries and Advances for Corporate Secretaries held by the Thai Listed Companies Association including other courses necessary in performing company secretary's duties and support of the Board of Directors. The scope of duties and responsibilities of the Company Secretary are as follows.

1. Prepare and maintain the following documents:

- (1) Directors' register
- (2) Notice to the Board of Directors' meeting, minutes of the Board of Directors' meeting and annual report of the Company.
- (3) Invitation letter to the shareholders' meeting and minutes of the shareholders' meeting

2. Keep report of interest prepared by the directors or executives and send a copy of the said report to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date when the Company receives the report.

3. Prepare system for storage of documents and evidence related to the presentation of the following information. Supervise to ensure such documents or evidence are stored accurately and with traceability for at least five years from the date of preparing document or information. The storage of documents and evidence as mentioned above shall include the storage in a computer system or other system that users can view the data without making any changes to the information.

(1) Provision of information in support the seeking of resolution of the shareholders' meeting

(2) Financial statement and reports related to financial status and operation result of the Company or any other reports which must be disclosed as per Section 56, 57, 58 or 199 of the Securities and Stock Exchange Act.

(3) Opinions of the Company when an offeror acquires shares from shareholders in general.

(4) Provide information or any reports related to the business that the Company prepared for disclosure to shareholders or the public as stipulated by the Capital Market Advisory Board.

4. To perform any other tasks as will be announced by the Capital Market Advisory Board.

5. Perform duties with responsibility, prudence, and honesty, comply with the law, objectives, articles of association, resolution of the Board of Directors, resolution of shareholders, not conducting any action that is significantly contrary to the Company's benefit.

6. Perform duties with responsibility and prudence as the business operator will act under the same situation where:

- (1) the decision is made in good faith and reasonable ground taking into account the highest benefit of the Company;
- (2) the decision is made based on information believed to be in good faith; and
- (3) the decision is made, and such person does not have any interest directly or indirectly on the matter.

In case when the Company Secretary vacates office or is unable to perform her duties, the Board of Directors shall appoint a new Company Secretary within 90 days from the date when the previous secretary vacates office or is unable to perform the duties.

## Remuneration of Directors and Executives

### 1. Monetary Remuneration

#### (1.1) Directors' Remuneration

The Company has determined in written form the criteria and procedures for consideration of the directors' remuneration to motivate and retain personnel who is qualified with knowledge, skills, and experience that is suitable and useful to the success of the Company's business operation. The Nomination and Compensation Committee is responsible for considering and proposing directors' remuneration to the Board of Directors and shareholders for approval. The consideration of directors' remuneration must be reasonable in line with the existing criteria and within the standard or level comparable to the companies of the same industry and organization size.

#### Criteria and methods for determining remuneration for directors

To determine remuneration for directors, the Nomination and Compensation Committee shall consider the following criteria and methods.

##### 1. Guideline for considering the directors' remuneration

1.1 The remuneration of the directors is based on their duties, responsibilities, and performance.

1.2 The Nomination and Compensation Committee shall consider types of remuneration, payment methods and amount of remuneration for directors.

1.3 To consider, the Nomination and Compensation Committee must also look at the duties, responsibilities, and endeavor of the directors, types and size of the Company's business, markets and competitors. The remuneration rate must be proper and adequate to motivate and retain qualified directors with the Company.

1.4 The Nomination and Compensation Committee shall consider and determine the remuneration of the President as an executive officer of the Company as well.

2. The directors' remuneration comprises of three categories as follows.

2.1 Monthly remuneration - to reflect the duties and responsibilities of the Board of Directors.

2.2 Meeting allowance - to indicate the performance of directors and to motivate directors to attend the meeting regularly.

2.3 Other remuneration - i.e. annual rewards

The director who carries out the duties as an executive officer of the Company is not entitled to receive the remuneration defined in 2.1 and 2.2.

#### 3. Payment method

3.1 The monthly remuneration is paid monthly for independent directors and non-executive directors. The executive directors are not entitled to receive monthly compensation.

3.2 Meeting allowance is paid to the directors and members of the sub-committee who were attending the meeting (including independent directors, non-executive directors and members of the sub-committee). The directors who carry out the duties as the executive officer of the Company are not entitled to receive a meeting allowance.

The 2018 Annual General Meeting of Shareholders held on March 12, 2018 passed a resolution on the determination of remuneration for the Board of Directors, the Audit Committee and the Nomination and Compensation Committee for the year 2018 within total balance not exceeding Baht 7,000,000 and the annual rewards worth Baht 2,000,000. Details are as follows.

Position	Monthly Remuneration and Meeting Allowance in 2018
<b>1. The Board of Directors</b> <p>1.1 Directors' monthly Remuneration (baht/month)</p> <p>Chairman of the Board 37,500 baht/month</p> <p>Deputy Chairman 32,500 baht/month</p> <p>Director 25,000 baht/month</p> <p>1.2 Meeting allowance (baht/session)</p> <p>Chairman of the Board 7,500 baht/session</p> <p>Deputy Chairman 6,500 baht/session</p> <p>Director 5,000 baht/session</p> <p>1.3 Annual Rewards</p> <p>Remarks: Directors who are full time executives of the Company and receive fixed salary will not receive remuneration in 1.1 and 1.2</p>	
<b>2. The Audit Committee</b> <p>2.1 Directors' monthly remuneration (baht/month)</p> <p>Chairman of the Audit Committee 30,000 baht/month</p> <p>Member of the Audit Committee 20,000 baht/month</p> <p>2.2 Meeting allowance (baht/session)</p> <p>Chairman of the Audit Committee 7,500 baht/session</p> <p>Member of the Audit Committee 5,000 baht/session</p>	
<b>3. The Nomination and Compensation Committee</b> <p>3.1 Meeting allowance (baht/session)</p> <p>Chairman of the Nomination and Compensation Committee 7,500 baht/session</p> <p>Member of the Nomination and Compensation Committee 5,000 baht/session</p>	



## Summary of the Remuneration for the Directors in 2018

Unit: Baht

List of Name	Position	Remuneration in 2018*		
		Board of Director	Audit Committee	Nomination and Compensation Committee
1. Dr. Prasert Patramai	Chairman of the Board	851,910	-	-
2. Mr. Sanit Rangnoi	Independent Director Deputy Chairman Chairman of the Audit Committee Member of the Nomination and Compensation Committee	726,680	412,500	10,000
3. General Wichien Sirisoonthorn	Independent Director Member of the Audit Committee Member of the Nomination and Compensation Committee	567,940	275,000	10,000
4. Mrs. Suvimol Chrityakierne	Independent Director Member of the Audit Committee	567,940	275,000	-
5. Mr. Peerawat Premchun	Director Chairman of the Nomination and Compensation Committee Member of the Executive Committee	567,940	-	15,000
6. Dr. Thanasarn Khuayjarenpanshik	Director Chairman of the Risk Management Committee Member of the Executive Committee	567,940	-	-
7. Mr. Wera Sutesopon	Director	567,940	-	-
8. Mr. Chawalit Chantararat	Director Chairman of the Executive Committee Member of the Risk Management Committee	232,940	-	-
9. Mr. Issarin Patramai	Director Member of the Executive Committee Member of the Risk Management Committee	232,940	-	-

\*According to Accrual Basis



## (1.2) Remuneration of the Executives

The Company has set the criteria and methods for considering remuneration of the President in written form with a review on the adequacy of existing criteria, comparison with remuneration rates of other companies from the same industry. Then the Company optimizes the criteria to generate expected result, for fairness and gratefulness to those who are a part of the Company's success.

To consider remuneration for the President, the Nomination and Compensation Committee shall use the following criteria and methods.

### 1. Guidelines for consideration of the remuneration for the President

1.1 The remuneration of the President is based on duties and responsibilities, knowledge, skills, and experience of the person, including the performance, portfolio to be consistent to the remuneration rate in the same market or industry.

1.2 The Nomination and Compensation Committee shall consider the remuneration of the President to be reasonable, with a review on the adequacy of existing criteria, comparison with remuneration rates of other companies from the same industry. Then the Company optimizes the requirements to generate expected result, for fairness and gratefulness to those who are a part of the Company's success.

### 2. Types of remuneration of the President

2.1 Remuneration in fixed salary

2.2 Other remuneration i.e. annual rewards

### 3. Payment method for the President

3.1 The Nomination and Compensation Committee shall consider and determine compensation for the President in accordance with the payment criteria and propose to the Board of Directors for approval.

3.2 The President, as an executive of the Company, is not entitled to receive monthly remuneration for directors.

3.3 The President, as an executive of the Company, is not entitled to receive a meeting allowance.

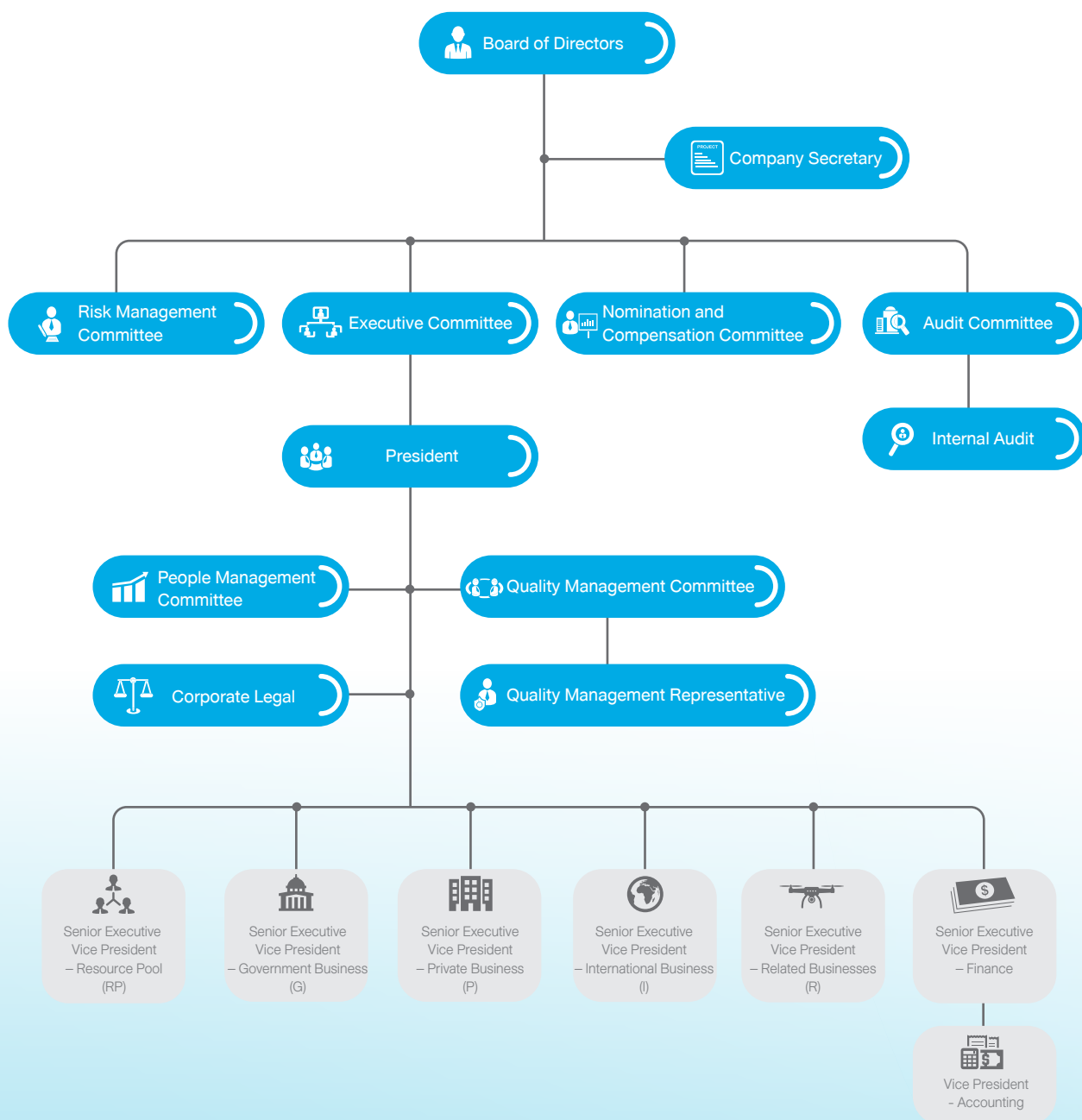
In 2018, the Company paid the remuneration for six executives consisting of two executives who also hold director position. The payment for remuneration of those six executives are as follows.

Type of Remuneration	Number of Executive (Persons)	Amount (Million Baht)
Monthly salary	6	18.16
Other remunerations	6	5.51
Total	6	23.67

## 2. Other Remunerations

-None-

## Management Structure













*Remarks: The Company has appointed I VL Auditing Company Limited to carry out the duties of an Internal Auditor for the company and its subsidiaries.*

## Personnel

### 1. Number of Employees (excluding executives)

The total number of employees of the Company and its subsidiaries as of December 31, 2018, classified by fields of task, are as follows:

Fields of Task	Number of Employees In 2018
Engineers	 <b>736</b>
Architects	 <b>52</b>
Specialists such as Geologist, Environmental Expert, Environmental Scientist	 <b>127</b>
Operation Supporting Unit such as draftsmen, construction supervision officers and site secretaries.	 <b>355</b>
General Administration Department e.g. Legal Department, Company Secretary, and Executive Secretaries	 <b>30</b>
Office of Corporate Accounting and Finance	 <b>38</b>
Information and Communication Technology Department	 <b>15</b>
Office of Human Resources	 <b>51</b>
Office of Strategic Business Development	 <b>13</b>
Office of General Affairs such as Administrative Service Department, Procurement Department, Corporate Planning & Budgeting & etc.	 <b>106</b>
<b>Total</b>	<b>1,523</b>

### 2. Human Resource Development Policy

The Company realizes the importance of personnel development to enhance and leverage knowledge and skills among employees to reach the professional level, to create a good life quality and to encourage them to mark themselves a part of the organization. The Company has in place the plan for personnel development which includes training, seminars, academic meeting or field trips, internship within and outside the Company based on necessity and appropriateness to enhance knowledge and understanding and working skills. As a result,

work will be efficient, promoting the progress of employees, the Company and society as a whole. The Company also arranges study result assessment and prepare a plan for each employee and group to be adequate. Each department will receive assistant and advice as a guideline for the development of its personnel toward success. Furthermore, the Company arranges to have welfares in various forms provided to staff to create morale and build motivation among employees in the long term.



### 1. Good Corporate Governance and Code of Business Ethics Policy

The Board of Directors is aware of the significance of operating its business with the good corporate governance and adheres to as a guideline and mechanism of internal management aiming to connect the relationship between the Board of Directors, employees and shareholders, and emphasizing the essential objectives in creating adequate benefits to shareholders and all stakeholders. The structure and mechanism of the said management must reflect the following essential principles.

1. Accountability - responsibility for their own decision and action, be able to clarify and describe such a decision.
2. Responsibility - responsibility for performing duties with sufficient capability and efficiency
3. Equitable Treatment - Treat all stakeholders with equality and fairness
4. Transparency - the transparency in work which can be traced and truly disclose information to stakeholders
5. Creation of Long Term Value - Having a vision in adding value to the organization in the long term
6. Ethics - Adhere to morality and ethics in business operation

The Board of Directors of TEAM Consulting Engineering and Management Public Company Limited ("the Company") has in place the policy on the Good Corporate Governance and Code of Business Ethics to use as a business operation framework. The Company also focuses on the necessity to treat all shareholders with fairness, equality, and transparency, and present adequate information to ensure transparency in the business operation of all levels covering the Board of Directors, executives, employees, and stakeholders for long-term benefits of shareholders, customers, investors, and the public. The Company applies Code of Business Ethics and Code of Conduct as a practice guidelines for directors and executives to conform to the Code of Best Practice and Good Corporate Governance as set forth by the Office of Securities and Exchange Commission, Thailand. The materiality of good corporate governance is divided into eight sections as follows.

## Section 1: Rights of Shareholders

Being aware of the importance of fundamental rights of shareholders, the Board of Directors has in place the principles of fair treatment to shareholders and compliance with the law e.g. the right to acquire and dispose shares, the right to receive dividend payment, the right to receive news and information of the Company, the right to attend the shareholders' meeting, the right to cast the vote in meeting agenda, the right to assign proxy holder in attending the meeting, the right to appoint directors and auditors, the right to express opinions and inquire questions to directors in the shareholders' meeting, and the right to propose meeting agenda and to nominate name of directors in advance. The Board of Directors strictly supervises to ensure all shareholders receive such rights and does not undertake any actions that violate or infringes the rights of shareholders.

### 1. Holding Shareholders' Meeting

The Company held Annual General Meeting of Shareholders as per regulations of the Stock Exchange of Thailand and complies with the meeting procedures set forth by the Office of Securities and Exchange Commission (SEC).

1.1. The Company discloses policy to support or promote all groups of shareholders to attend the shareholders' meeting.

1.2. The Company provides information about the date, time, place and meeting agenda with explanation and supporting reasons or supporting the resolutions as specified in the invitation to the General Meeting and Extraordinary Meeting of Shareholders or the attachment to the meeting agenda.

1.3. The Company facilitates shareholders to exercise their rights in attending the meeting and cast their votes and refrain from any actions that limit the opportunity to participate in the meeting, for example, the procedures in attending the meeting to cast the vote should not be complex or require too much costs, the place of the meeting should be a convenient location for traveling of shareholders.

1.4. The Company allows shareholders to send their questions prior to the meeting date by specifying clear criteria for questions and informs shareholders together with sending an invitation to shareholders. The criteria for sending questions in advance is published on the Company's website as well.

1.5. The Company supports shareholders to use the proxy form which shareholders can define a voting direction and propose at least one independent director as a proxy holder.

## 2. Procedures on the Shareholders' Meeting

2.1. The Company promotes the use of technologies in the shareholders' meeting, covering the registration of shareholders, counting votes and displaying the result to assist fast, accurate and precise meeting procedures.

2.2. All directors should attend the shareholders' meeting, and shareholders can inquire the Chairman(s) of the sub-committees regarding relevant matters.

2.3. The resolution in shareholders' meeting is voted for each agenda.

2.4. The Board of Directors should promote or assign an independent person to count or check the votes in the General Meeting and Extraordinary General Meeting of shareholders, and disclose in the meeting of shareholders as well as record the result in minutes of the meeting.

2.5. The Board of Directors should support to use the ballots in important agenda, e.g., related transactions, the acquisition or disposal of assets to assure the transparency and traceability should any disputes arise afterward.

2.6. The chairman of the meeting should allocate proper time and support shareholders in expressing their opinions and raise questions in the meeting regarding the matters concerning the Company.

### 3. Prepare Minutes of the Meeting and Disclose the Resolutions of the Shareholders' Meeting.

3.1. Minutes of the shareholders' meeting should contain an explanation of voting procedures and showing the voting result in the meeting before the start of the session. Shareholders are allowed to raise the topic of discussion or questions. All questions, answers and voting result of each agenda must be recorded, e.g., the objection or agreement or abstain of voting, including the list of directors who attended the meeting and the absent directors.

3.2. The Company discloses to the public of the voting result for each agenda of the General Meeting and Extraordinary meeting of shareholders on the Company's website.

In 2018 the Company was first time listed in the Stock Exchange of Thailand. The Office of Securities and Exchange Commission granted permission on the request for the initial public offering. Since the Company conducted its first trading date in the Stock Exchange of Thailand on July 12, 2018, therefore, the first General Meeting of Shareholders of the Company after being listed in the Stock Exchange of Thailand is set in 2019. The Company will comply with the good corporate governance regarding the holding of the

general meeting of shareholders, e.g. conducting procedures required prior to the shareholders' meeting, procedures on the meeting date and procedures after the meeting date. The Company will report on the said matters in the annual report of the next year.

## Section 2: Equal Treatment of Shareholders

Building confidence among shareholders that the Board of Directors and the Management will oversee expending of shareholders' fund to be within the reasonable ground is an essential factor that affects the investment confidence with the Company. Hence, the Board of Directors should supervise to ensure that all shareholders are treated and protected equally based on the equal basic rights below.

### 1. Right to assign the proxy to other person to attend on a shareholder's meeting and to cast a vote

In case a shareholder cannot attend the meeting himself, he may exercise his right assigning other person or an independent director of the Company nominated by the Company to attend the meeting and cast a vote. To assign proxy holder, a shareholder must send a proxy form completely filled up together with a copy of identification card or passport or other identification documents as specified by the Company, to the Company prior to the date of shareholders' meeting.

### 2. Right to propose additional agenda

The Company allows shareholders to propose meeting agenda other than the agenda assigned in the Annual General Meeting of Shareholders. The procedures for proposing additional meeting agenda are as follows.

2.1 Submit additional agenda together with supporting reason, facts, and necessary information in the agenda proposal form for the General Meeting of Shareholders.

2.2 The Company will review the status of shareholders who propose additional meeting agenda with the shareholders' register as of the closing date of shareholder's register. The proposed matter to be added as an additional meeting agenda must relate to a business operation or a matter that may significantly affect the business operation of the Company. Upon approval of the Board of Directors, such matter will be added to the meeting agenda of the shareholders' meeting and specified that the agenda is proposed by shareholders.

### 3. Right to nominate a person to be a director of the Company

Shareholders can nominate a person to be a director of the Company. The Company reserves the right to consider only a person with the following qualifications.

3.1 Having due qualifications and does not have prohibited characters according to the Public Company Act, the Securities and Stock Exchange Act and the good corporate governance of the Company;

3.2 Having educational degrees, work experience or other qualifications as specified by the Company;

3.3 Dedicate their time sufficiently and devote their ability for the utmost benefits of the Company, taking into account as a duty and willing to attend the meeting of the Company regularly; and

3.4 Does not hold a directorship in more than five listed companies;

The Independent Directors will consider qualified persons and propose to the shareholders' meeting for resolution. However, if the meeting of Independent Directors decides not to propose to the shareholders' meeting, the nominated persons will be brought forward to shareholders' meeting other than opinions of the Board of Directors for final resolution. The documents that shareholders must attach when nominating a person are: (1) Nomination form for directorship, and (2) Information of the nominated person, attach share certificate or confirmation letter of the share certificate from the securities company/agent, and the owner must sign to accept and confirm, and send via registered mail to the Company within the time specified by the Company.

The Company realizes the importance of equal and fair treatment to all shareholders and the promotion on the good corporate governance regarding the maintaining of the rights of shareholders. In 2018, the Company complied with the good corporate governance by allowing one or more shareholders who holding total shares not less than 5% of the shares with voting right, can propose a potential meeting agenda in advance, nominate a person for directorship in advance, and submit questions for the general meeting of shareholders in advance for the 2019 Annual General Meeting of Shareholders between November 12, 2018 to December 31, 2018. The criteria and forms are determined clearly for shareholders. The Company published news through the Electronic Company Information Disclosure System of the Stock Exchange of Thailand and discloses the information on its website at [www.teamgroup.co.th](http://www.teamgroup.co.th) under the tab "Investor Relations ➡ Shareholders Information ➡ Shareholders' Meeting".



#### 4. Protection of Internal Information

One of the Company's policies of internal information is to limit the use within executives of medium to high levels from related departments or within the Company only. The financial statement audited or reviewed are stored at the Senior Executive Vice President - Finance and other confidential financial information are used for discussion or consultation with personnel in up to senior managers only. The Company sets in place penalties for abusive use of internal information causing damages, by determining that the directors and executives must disclose their securities holding of the Company to the Office of Securities and Exchange Commission.

In 2018, the Company issued measures to prevent and oversee the use of internal information following good corporate governance. The measures cover policy on the use of internal information to prevent misuse of internal information which has not been disclosed to the public for one's benefits or others. The said policy is communicated and announced to directors, executives, employees and staff of the Company for acknowledgment and strict compliance. The materiality of the policy are as follows.

- Keep confidentiality and/or internal information of the Company
- Must not disclose confidential information and/or internal information of the Company or for seeking benefit for one's self or the others whether directly or indirectly, with or without compensation.
- Must not trade, transfer or receive the transfer of the Company's securities by using the confidential information and/or internal information of the Company and/or to proceed any act in the law by using confidential information and/or internal information of the Company which may cause damages to the Company directly or indirectly.

#### 5. Control of Internal Trading

The Company prohibits employees, executives and personnel who acknowledge internal information about the operating results to trade the Company's securities from the date of acknowledgment of such information until the information is disclosed to the public, and to inappropriately disclose internal information in order to boost the security price, especially the trading during one month prior to the disclosure of financial statement.

Furthermore, directors and executives must report the changes in their securities holding of the Company as well as the changes of security holding of the Company of their spouses and minor child/children to the Office of Securities

and Exchange Commission pursuant to Section 59 of the Securities and Stock Exchange Act B.E. 2535 and its penalties thereunder. The directors and executives must submit the said report to the Company on the same date of reporting to the Office of Securities and Exchange Commission which specified within three working days.

To comply with the good corporate governance, in 2018, the Company prepared a policy on information disclosure to prevent the insider trading of the related person including executives, employees, auditors and other departments to acknowledge the information and those related to the said parties. The policy is established and announced to directors, executives, employees and staff of the Company for acknowledgment and strict compliance. The materiality of the policy are summarized as follows.

- Do not trade the Company's securities within one month before disclosure of a quarterly financial statement and annual financial statement and within 24 hours after disclosure of the said financial statements (blackout period).
- After acknowledgment or access to any information which has not been disclosed and it may affect the securities price of the Company, such person must not purchase or sell securities of the Company within 45 days prior to the information disclosure and 24 hours after the disclosure to the public. Do not disclose internal information to an external person or an irrelevant person in order to prevent insider trading.
- In case any executives, auditors and relevant persons change the amount of securities holding, such person must report the changes thereof to the Office of Securities and Exchange Commission and the Company Secretary within three working days from the date of the acquisition, disposal, transfer or receipt of the transfer thereof.
- For other person who does not hold an executive position, but has opportunity to know internal information of the Company, such as the executive who is responsible to report the securities holding pursuant to section 59, the said person must prepare and disclose the report of securities holding of one's self and related person who hold securities of the Company including the changes of the securities holding, to the Company Secretary within three working days from the date of the acquisition, disposal, transfer or receipt of transfer thereof.

Furthermore, the Company Secretary notified in writing to directors and executives regarding the blackout period for trading of the Company's securities and reported of changes

on securities holding to the Office of Securities and Exchange Commission and the Company Secretary within three working days from the date of acquisition, disposal, transfer or receipt of the transfer thereof.

### Section 3: Role of Stakeholders

The Company prioritizes the importance of overseeing all groups of stakeholders such as employees, customers, trading partners, shareholders, investors, debtors and the communities where the Company is located.

The Company will take care of stakeholders under the right stipulated by relevant law. The Company will not undertake any act that infringes the right of stakeholders pursuant to the law or existing agreement. The Company prepares procedures that encourage engagement of stakeholders under their roles and duties to support operation result of the Company, to assure smooth business operation, to build sustainability of the organization and to create fair interest to all parties. The Company also provides a contact channel where stakeholders can communicate, suggest or provide information to the Board of Directors through independent directors or the Audit Committee.

The Company supports the coordination between the Company and stakeholders in building the sustainability of finance and business operation as follows.

- Pay attention to employees of all levels, treat them equally and fairly, providing reasonable compensation that suits to individual knowledge and skills coupling with the focused skill and knowledge development, placing importance on maintaining a good working environment taking into account safety at work and life quality of employees.
- Be responsible and take care of customers in terms of product quality and service quality that meet the standard. Keep customers' confidential information and placing importance on setting a fair and equal value on existing pricing policy.
- Purchase products and service from trading partners under trading conditions. Strictly comply with the contract made with trading partners to build a relationship that generates long term benefits for both parties.
  - Comply with the loan agreement
  - Comply with the rules of good competition, avoid dishonest method that damaging competitors
  - Place importance and responsibility to nearby communities and societies in association with the environment. Support public health activities among communities. Develop the environment condition for the communities and societies for a better living within a reasonable extent.

### Section 4: Information Disclosure and Transparency

Realizing the value of information disclosure, the Board of Directors supervises the disclosure of important information related to the Company, e.g. financial and non-financial information to ensure the accuracy, adequacy, timely manner and transparency which will be established through various channels with easy access in accordance with the law. The important information that must be disclosed are financial reports and non-financial information that influence the price of the Company's securities. The disclosure must be under regulations of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

The Company supervises to ensure that financial reports are accurate and meet generally accepted accounting standard and are audited by an independent auditor certified by the Office of Securities and Exchange Commission. To reflect the transparency of our business operation, the Company discloses the information about directors as well. For example, details about performance of the Board of Directors and the Audit Committee e.g. a number of time attending the meeting and a number of time each director attend the meetings in the previous year, policy on compensation for directors and senior executives including types and forms of compensation and report of corporate governance and policy compliance. The information mentioned above is disclosed through the channel provided by the Office of Securities and Exchange Commission or the Stock Exchange of Thailand and also through the Company's website.

The Company's compliance with the good corporate governance in 2018 was duly performed without late submission of financial reports. Meanwhile, the Company provided information, publicity, and interview to the media accurately, adequately, clearly, and without distortion. The Company emphasized the communication that creates a correct understanding of its business operation and nature of the business to investors and all stakeholders equally and in timely manner with complete details.

In 2018, the Company arranged an activity 'Opportunity Day' twice to present quarterly operating results to the public. The Company also established the Investor Relations Unit to be responsible for disclosure of information and news of the Company to shareholders, investors, analysts, and the public. The contact channel to Investor Relations is on the Company's website or telephone 02509 9000 ext. 1930-31 ext. 104 or 063 187 6444 or at email pathai\_p@team.co.th.

## Section 5: Responsibilities of the Board of Directors

The Board of Directors consists of qualified and competent members with various skills and experiences for the development and issuance of a policy that are beneficial to the operation of the Company. The Board of Directors is independent in making decisions taking into account the maximum benefits of the business and shareholders as a whole. The significant duty of the Board of Directors is to prepare corporate policies, to oversee and review the performance of the executives as well as to assess operating results of the Company by comparing with the target set forth. The Board of Directors comprises of nine members, including two executive directors, four non-executive directors, and three independent directors, representing one-third of the entire Board. Such proportion properly balances the power of executive directors. The Company also appointed the Audit Committee which comprises of three independent directors. Each director has a 3-year term. The scope and authority of the board are stated clearly in the Charter of the Audit Committee.

The Company sets forth clear and explicit remuneration for directors by seeking approval from the shareholders' meeting. The remuneration rate is considered based on adequacy of the scale that conforms to the scope of duties and responsibilities of each director, to maintain an attractive level and to retain skilled directors to work with the Company. The remuneration rate is comparable with the directorship of other entities from the same or similar industry.

Every director is aware of his duties and responsibilities as a director of the Company and willing to express opinions independently as well as to develop one's self at all time, to perform tasks with honesty and prudence, taking into account the maximum benefits of the Company and fairness to all shareholders. Every director devotes their time to perform duties and responsibility at fullest extent and sufficiency, attend all meeting except when there is an emergency.

The Board of Directors addresses the importance of adequate disclosure of information to shareholders, investors, and all related parties. The information disclosure must be accurate, adequate, transparent, and in a timely manner. This includes the financial reports, operating result, other relevant information and the information that influence the price of the Company's securities under the good corporate governance. The information and findings are established through various channels, e.g. post mails, media of the Stock Exchange of Thailand and the Securities and Exchange Commission including on the Company's website after registering the ordinary shares in the stock exchange, to

enable shareholders, investors and related parties to use as a supporting data on the investment.

### Structure of the Board of Directors

The Board of Directors consists of nine directors, three of which are independent directors, representing one-third of the entire board. Such a proportion well balances the power of the board. The qualifications of the independent directors are equivalent to the criteria set forth by the Securities and Exchange Commission. The qualifications of the Independent Directors, list of names, scope of duties and responsibilities, and the nomination procedures are shown in 'Management Structure.'

The Company has the policy to limit the directorship of each director up to five listed companies. However, the Company has not determined the number of a term of office for a director but adheres to the knowledge and skills of the director that meet the position.

The Independent Directors shall have a consecutive term of office not exceeding nine years from the date of the first appointment as an independent director. In case it is necessary to appoint an independent director for another term, the Board of Directors may consider the appropriate supporting reason. The Company has the policy to separate the Chairman of the Board and the President of the Company to be a different person to assure the explicit and transparency in the management. The scope of duties and responsibilities of the Chairman of the Board and the President are specified clearly, and the qualifications and term of office of each director are administrated in the Annual Registration Statements (Form 56-1).

To create more check and balance, the Board of Directors appointed Mr. Sanit Rangnoi, an Independent Director, as a Deputy Chairman of the Board and passed a resolution that the Deputy Chairman of the Board shall jointly determine the meeting agenda with the Board of Directors at all times.

### Ethics in Business Operations

The Board of Directors encourages to have business ethics for directors, executives and employees to adhere to and comply with, taking into account the mutual duty and responsibility among us all, for the utmost benefits of stakeholders, as well as to build reliability in our business operation which will lead to sustainable business growth.

### Risk Management Policy

The Board of Directors prepared the Risk Management

Policy that covers the entire organization by starting from procedures, risk identification, risk assessment, risk monitoring, control and creating of risk standard to ensure the continual and effective risk management system.

### Guidelines for Determining Remuneration for Directors and Executives

In consideration of remuneration for directors and executives, the Board of Directors will consider scope of duties and responsibilities of the directors or executives, previous work performance of each person, operating results of the Company to be consistent with the remuneration rate in the market or in the industry. The remuneration of the Board of Directors must be approved by the shareholders' meeting.

### Term of Office

The directors shall hold the office within the duration as stated in the articles of association. In the Annual General Meeting of Shareholders, one-third (1/3) of the directors shall vacate the office. If the one-third portion cannot be divided in the actual number, the number closest to one-third shall be applied.

The retired directors may be re-elected for another term.

The directors to retire in the first year and second year after the Company's registered date is based on drawing lot method. For the following year, the director who held the longest term shall vacate the office.

### Self-Assessment of Directors

The Board members shall conduct self-assessment for individual director and for the entire board at least once a year in order to enable them to consider work performed and problems, and to seek for resolution and enhance the effectiveness of the Board.

In 2018, the Board of Directors determined to conduct a performance assessment of the Board (the entire board) for the year 2018 and individual-assessment (self-assessment) for the year 2018 including the performance assessment of the President of the Company for the year 2018. The Board of Directors applied guideline from the Stock Exchange of Thailand and adjusts to suit nature and structure of business as a scope to consider the performance of the Board of Directors as well as to consider other matters related to the Company's business operation.

#### 1. Performance Assessment of the Board of Directors (entire board) for the year 2018

##### 1.1 There are six main topics for assessment as follows.

- (1) Structure and qualifications of the Board of Directors
- (2) Roles, duties, and responsibilities of the Board of Directors
- (3) Meeting of the Board of Directors
- (4) Performance of Directors
- (5) Relationship with the Management
- (6) Self-Development of Directors and the Development of Executives

1.2 Assessment criteria are calculated in percentage, from the full score of each topic as follows.

- More than 90% - Excellent
- More than 80 % - Very good
- More than 70% - Good
- More than 60% - Fair
- Less than 60% - Need improvement

1.3 Performance assessment of the Board of Directors (entire board) for the year 2018 was "Excellent" with a score of 98.19%.

#### 2. Performance Assessment of the Directors (self-assessment) for the year 2018

2.1 There are four main topics for assessment as follows.

- (1) Structure and qualifications of the Board of Directors
- (2) Performance of Directors
- (3) Meeting of the Board of Directors
- (4) Independence of Directors

2.2 Assessment criteria are calculated in percentage, from the full score of each topic as follows.

- More than 90% - Excellent
- More than 80 % - Very good
- More than 70% - Good
- More than 60% - Fair
- Less than 60% - Need improvement

2.3 Performance assessment of the directors (self-assessment) for the year 2018 was "Excellent" with a score of 97.45%.

#### 3. Performance Assessment of the President for the year 2018



Furthermore, the Board of Directors determined to have a performance assessment for the President of the Company for the year 2018. The Board of Directors set forth assessment criteria to guide the President to manage work in line with the Company's objectives, main target, strategies and conform to corporate benefit in the long term. The Board of Directors also notified the President about the performance assessment in advance. The assessment criteria for the President are divided into 4 main parts as follows.

- Part 1 Corporate Key Performance Indicators
- Part 2 Competency-based
- Part 3 Management Skills-based
- Part 4 Summary of overall assessment results

### Development of the Directors and Executives

The Board of Directors determines to arrange an orientation for the new directors to pass on knowledge and understanding of the Company's business and related rules and regulations. The Board of Directors has the policy to promote all directors, senior executives and the Company Secretary to attend training courses about corporate governance regularly. The training courses are provided by internal departments and external organizations such as the Stock Exchange of Thailand, the Securities and Exchange Commission or the Thai Institute of Directors (IOD).

All directors have passed basic training courses for directors and another useful curriculum from the Thai Institute of Directors (IOD). Details of the courses are shown in the biography of each director. The Company disseminates news, information, notifications, rules and new regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand on a regular basis.

The Company Secretary have passed the Fundamentals Practice for Corporate Secretaries and the Advances for Corporate Secretaries training courses arranged by the Thai Listed Company Association, including other courses necessary for the Company Secretary tasks.

In 2018, the Company established development guidelines which are suitable and consistent with specific competencies of the work for executives and employees as follows.

1. Arranged orientation for new executives and employees on a quarterly basis to create understanding on vision, values, nature of business and direction of business operation and the good corporate governance, moral ethics and significant policies and practices related to the good corporate governance.

2. The Company provided training courses and seminars to executives and employees which concentrate

on substantial topics and/or curriculum which is beneficial in performing duties in terms of management, engineer, industry, information technology and skill development for leader and teamwork.

3. Executives and employees of the Company and subsidiaries shall attend an average training of 20 hours.

### Succession Plan

The Board of Directors prepares policy and criteria for selecting executives and succession plan in case of emergency or retirement. The procedures are conducted with transparency, and the consideration criteria are based on the knowledge, skills, experience, and ethics of the person.

### The Orientation of the New Directors

For directors, the Company has prepared for the new directors an initial corporate information which includes organizational structure and management structure, nature of business, main products and services, articles of association, relevant law, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand to ensure their understanding on the Company's business operation and to enable them to acknowledge duties and responsibilities of director or an independent director.

The Company has prepared "Director's Handbook" for all directors which consist of the corporate governance policy and business ethics, significant policies of the Company, the Charter of Board of Directors Charter and the Charter of the Sub-Committee. The important documents of the Company such as company certificate, articles of association, and memorandum of association are also appended in the Director's Handbook. Moreover, in the Board of Directors' meeting, the Chairman of the Board will explain to the new director about the Company's history, business operation and type of business as well.

### The Meeting between Non-Executive Directors

The Company requires that non-executive directors shall hold a meeting among them as considered appropriate to allow non-executive directors to discuss matters within the Company and provide suggestions for improvement in the Company's business operation.

In 2018, the Company set the date and time of the Board of Directors' meeting for the entire year in advance and gave advance notice to the directors to allow them to allocate time to attend the meeting. The agenda for each meeting was set forth clearly, and the special meeting may be arranged as appropriate and necessary.

In 2018, the Board of Directors held seven meetings. All members attended all meetings, representing 100 percent. The meeting between non-executive directors held one time in 2018 to allow them to discuss matters within the Company and provide suggestions for improvement in the Company's business operation.

## Section 6: Business Ethics

The Company treats and supervises officers related to the business operation to comply and adhere to business ethics as follows.

1. Conduct business with honesty, integrity, and responsibility to society adhering to the laws, morality and good practice toward society, communities, and environment.

2. Treat customers with fairness regarding products and service without discrimination.

3. Conduct business under the standard of business operation with adequate control. Using one's ability at the utmost level, with prudence, sufficient information and evidence, strictly comply with a relevant requirement.

4. Do not disclose customer's data that one has known due to the scope of duties where such data should not be disclosed according to the law.

5. Allow customers to make a complaint about the imperfection of products and services.

6. Establish information about products and services completely and accurately.

7. Strictly comply with agreement and conditions made with customers. The inability to comply with such conditions shall be notified to customers in advance, in order to mutually seek for the solution.

## Ethics and Code of Conduct for Executives and Employees

The Company sets forth Ethics and Code of Conduct for executives and employees as follows.

### 1. Code of Conduct for Executives

Executive refers to the President of the Company or a person who hold the first four executive positions after the President and those who hold a position equal to the first four executive positions after the President. In addition to complying with all ethics as an employee of the Company, the executive should have the practice guideline to improve is a good executive and as a supervisor of employees. To be a good example for employees, the Company established practice guideline for the executive as follows.

#### 1.1 Executive treatment to shareholders

Executives shall perform their duties with honesty, caution, prudence, heed and broaden vision, not seeking from the corporate information which has not been disclosed for benefits of themselves and attendants. Not disclose confidential information of the Company to the external person. Refrain from conducting any actions that may cause a conflict of interest.

#### 1.2 Executive treatment to employees

Executives must treat employees fairly without bias, support employees by building progressive potential and enhance efficient at work among employees. Educate employees about business ethics that they should comply with. Provide proper welfare for employees and treat them with sincerity. Listen to opinions and suggestions from employees.

#### 1.3 Executives treatment to customers

Executives must treat customers under business ethics set forth strictly.

#### 1.4 Executives treatment to trading partners

Executives must treat the trading partner with fairness, not claiming or taking any unjust benefits from them. If it is unavoidable, the executives must notify trading partner in advance to coordinate and seek for the solution.

#### 1.5 Executives treatment to competitors

Executives must treat competitors under the rules of good competition, not seeking confidential information of competitors in dishonest ways.

#### 1.6 Executives treatment to society and the environment

The executive must comply or control to ensure the compliance with relevant laws and regulations and social responsibility including to cooperate, support, assist and volunteering for activities that are beneficial to the communities and societies.

### 2. Code of Conduct for Employees

To support excellent and efficient business operation, employees should follow the practices below.

2.1. Employees shall perform their work with honesty, effort, and endeavor, and improve their performance continuously for their benefits and the Company.

2.2. Employees shall strictly comply with rules and regulations of work set forth by the Company.

2.3. Employees shall respect and obey supervisors who issue instructions under the policies and rules of the Company.

2.4. Employees shall be united harmonized among each other, help each other. Refrain from causing conflict

which may result in damages to other person and the Company.

2.5. Employees should respect rights of other and honor each other, avoid disclosing or criticizing information or story of the other whether concerning work or private matter in the manner that may cause damage to such employee and the Company.

2.6. Employees should avoid taking any gifts that he/she may subsequently feel uncomfortable in performing duties. In case it is unavoidable, an employee must notify a supervisor immediately.

2.7. Employees shall treat customers, trading partners with integrity and equality.

2.8. Employees shall keep confidential information of customers, trading partners, and organization strictly.

2.9. Employees shall report the matter acknowledged to a supervisor without delay since the matter may affect the business operation or reputation of the Company.

2.10. Employees shall maintain the rights, benefits and properties of the Company in good conditions, utilize at the utmost benefit, without wasting or loss or deteriorate before the proper time.

### Penalties

In case the executives and employees behave in a manner that causes a conflict of interest to the Company, the consideration shall be in accordance with the organizational structure and relevant regulations. Initially, each department should discuss between each other and summarize the matter to a higher position and related department in order to seek for final decision and to determine the penalty. If the conflict of interest is severe and cause violent damages beyond the judgment of the origin matter, the matter must be taken to the Management to find the conclusion and identify penalty.

### Disciplinary Actions

1. Verbal warning
2. Written warning
3. Suspend work without compensation for five working days
4. Dismissal

## Section 7: Important Policies and Monitoring for Compliance

### 1. The policy of Internal Control and Internal Audit

The Company has the policy to set an efficient and effective internal control system. The Board of Directors and Executives are responsible directly in maintaining the internal control system, and the regular review of the efficiency of the internal control system to prevent investment of shareholders and assets of the Company. The internal control includes the financial control, supervision and overseeing work compliance with relevant laws and regulations, risk management, internal control system. The internal control system set forth by the Company is to assure that the Company will achieve objectives and target set forth regarding the accuracy of the data system and financial report.

1. Compliance with rules, regulations, policies, works procedures of the Company, and relevant laws.
2. The Company's assets exist and under well maintenance and storage.
3. The Company's operation is effective, and the resources are utilized effectively.
4. The corporate objectives and strategies are achieved and proceeded effectively.

#### Internal Audit

The Company determined systematic and independent internal review procedures to oversee work in different departments and to report directly to the Audit Committee who will provide consultation and review the internal control assessment and risk management system to ensure that the internal control system and risk management system and corporate governance procedures of the Company are established with adequacy and efficiency in accordance with the objective set forth.

### 2. Risk Management Policy

The policies and structure of risk management are set forth in a systematic approach to cover the entire organization. The Company appointed the Risk Management Committee to manage risks caused by external factors and internal management and operation, determines management direction and maintain risks to be within acceptable ranges. The Risk Management Committee also communicates and arranges workshops for employees to raise awareness of the importance of risk management. The risk management procedures of the Company are as follows.

### 2.1 Determine Policy and Criteria for Risk Management

Determining policy, objective, the scope of responsibility, criteria and risk management to conform to strategy, target business plan, and direction. The Company will review the policy and criteria for risk management annually and proceed together with a business plan to ensure consistency.

### 2.2 Risk Identification

Risk identification is to find the risk that may affect the achievement of target and objective based on risk from an internal and external factor such as the environment, law, finance, information technology that influence a decision, satisfaction of investors, fund management, human resource, reputation and image of the security system.

The Company will manage risks by prioritizing risks before considering control system. If the risk level is high or very high, the Company will analyze such risk for management first.

### 2.3 Risk Analysis

Risk analysis is a procedure that assesses the risk level after assessment of the existing control system and prioritizing risks. If the remaining risk is at a high or very high level, the responsible senior executive must issue measures to manage such risk immediately. If the residual risk is in medium or low level, the responsible department must resolve such risk in work procedures.

### 2.4 Risk Management

Risk management is to determine risk management plan which is essential as per priorities outlined in Risk Analysis. Risk management contains various methods, e.g. control, transfer or avoid risk, leverage the risk or accept the risk.

### 2.5 Monitor and Review

Monitor and review are a procedure to monitor the risk management according to the plan set forth, including the assessment of risk management result. The Risk Management Committee will monitor and report the result to senior executives and the Audit Committee.

## 3. Policy on Information Disclosure

The Company requires that the Board of Directors is responsible for disclosing information including financial information and other information with accuracy, sufficiency, and reliability, in a timely manner to ensure shareholders will receive the same information. The Company's information must be duly prepared with prudence, explicit, easy to understand and transparency and the information must be disclosed regularly whether in a negative or positive way. It is important not to confuse the fact. The Board of Directors

shall also establish a publicity unit to provide information that is useful for shareholders, investors and related persons.

## 4. Accounting and Finance Policy

The Company places importance to the preparation of accounting and financial report which must be accurate, timely and reasonable to propose to executives, shareholders, government offices and related parties. Hence, it is crucial that personnel of all levels strictly comply with procedures of the accounting system, finance, and internal control as well as the Company's accounting and financial requirement and generally accepted accounting principles, as follows.

### 4.1 The Accuracy of the Transaction Recording

All business transactions must be accurate, complete and accountable without limitations or exemption. The bookkeeping must be accurate in accordance with excepted accounting standard and relevant law with full supporting evidence.

### 4.2 Accounting and Financial Transaction

All accounting and financial transactions of the Company must be accurate with sufficient material information, and adequate disclosure of material information under generally accepted accounting standard and financial and accounting regulations of the Company. All employees must realize the accuracy of accounting and financial transactions of the Company, bearing in mind mutual responsibility among the Board of Directors, executives and employees who are responsible for procedures of business transactions.

## 5. Legal Compliance Policy

Personnel of all levels must comply with the rules and regulations as stipulated by relevant law both in Thailand or abroad. Prior to commencing any work that may have a legal requirement, responsible person must be cautious, and prudently review and check to ensure actual compliance with applicable law.

## 6. Information Technology Policy

The Company has a policy that employees and related users effectively use Information Technology System which includes a data network, software for operating and processing and connection devices, corporate profile. To ensure compliance with relevant law or Act, adequate safety standard for benefit and effectiveness of the business operation of the Company, employees shall comply with the followings.



6.1. Apply Information Technology to all aspects of work, and develop personnel skill to have modern knowledge.

6.2. Employees must apply Information Technology to support business operation of the Company, refrain from seeking personal benefit, and violation of good morals or ethics.

6.3. The information recorded and disclosed through Information Technology is under the responsibility of the information owner who must ensure no legal violation or infringe the right of the third party.

6.4. Using legal and standardize software

6.5. Applying Information Technology to work procedures must be approved and in compliance with regulations set forth.

6.6. Owner of the information must protect the Information Technology and significant business information against access of unauthorized person or cyber-attack and threat to ensure regular business operation of the Company.

6.7. Those who are responsible for the overall Information Technology assigned by the Company must supervise to ensure all personnel strictly comply with regulations.

## 7. Compliance Monitoring

The Company determines that it is the duty and responsibility of the Board of Directors, executives and all employees to acknowledge, understand and strictly comply with policies and requirement outlined in this policy.

Executives from all levels must be responsible and take into account serious ethical matter that those who violate the corporate governance set forth are subject to disciplinary penalty. If there are action believed to be against the law, regulations, and provision of the authority, the Company will forward the matter to government officials for further proceedings.

If employees witness any actions that violate the law and/or the corporate governance set forth herein, he or she should make a complaint or allegation to Chairman of the Board, Chairman of the Audit Committee, President or Executive Directors. The Company will proceed with an investigation without disclosing the name of the whistle-blower to protect against impacts that may occur.

The Company determined to have the policy on whistle-blowing and complaint to ensure all stakeholders that the Company has in place channels and procedures of reporting complaints and whistle-blowing is transparent, safe and fair to the complainant and allow stakeholders to take part in this improvement and development. The Company set the scope of whistle-blowing, the appointment of the Investigation Committee, work procedures, the penalties in

case of dishonest complaints, and a mechanism to protect whistle-blowers, and to emphasize the importance of storage complaints as confidentiality to create confidence among complainant or those who wish to make a complaint. The Company provides clear and precise whistle-blowing channels where all channels are under the supervision of the Company Secretary who will accept and collect complaints on fraud matter to proceed in the next step.

## Section 8: Anti-Corruption Policy

Being committed to becoming an organization that conducts business and adheres to the good corporate governance taking into account benefits of shareholders and all stakeholders, therefore, the Company has determined the Anti-Corruption Policy to directors, executives and employees for adherence and compliance as follows.

1. Must not offer compensation, bribery, or claim, agree or take bribery from other person or agency in all manners directly or indirectly in return of interest or with expectation toward benefits related to work of the Company.

2. Must not proceed wrongful transaction in association with government officials, persons or other organizations whether directly or indirectly.

3. Must not donate money or make a payment to support any other persons or organizations as a way to bribe.

4. Must not support any money or benefits whether directly or indirectly to the political parties, political groups or any persons related to the politics in order to gain benefits in a business operation or to gain benefits for one's self and associates.

## 2. Sub-Committees

The Board of Directors' Meeting No. 1/2018 (before the conversion of the Company) held on February 20, 2018 approves the scope of duties and responsibilities of the four sub-committees, namely the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Compensation Committee as follows.

## 2.1 Audit Committee

As of December 31, 2018, the Audit Committee consists of 3 persons, namely:

1. Mr. Sanit Rangnoi  
Chairman of the Audit Committee
2. General Wichien Sirisoonthorn  
Member of the Audit Committee
- 3 Mrs. Suvimol Chrityakierne  
Member of the Audit Committee

Miss Supaporn Rojana-amornchai, the Company Secretary, performs a duty as a secretary of the Audit Committee. She was appointed in the meeting of the Audit Committee No. 1/2018 (after conversion of the Company) on March 29, 2018 to assist operation of the Audit Committee concerning appoint for the meeting, preparing meeting agenda, preparing minutes of the meeting, arranging activities of the Audit Committee to conform to the articles of association, and relevant laws and regulations.

*Remarks: A member of the Audit Committee who has knowledge and experience in reviewing the reliability of the financial statements is Mrs. Suvimol Chrityakierne. She graduated with a master's degree from the Faculty of Commerce and Accountancy, Chulalongkorn University and a bachelor's degree from the Faculty of Commerce and Accountancy, Chulalongkorn University. She then worked as a Managing Director of DIA International Audit Co., Ltd., the company conducting auditing service, and as an Executive Director in DIA Audit Co., Ltd., the company conducting auditing service.*

### Scope of duties and responsibilities of the Audit Committee

1. Review financial reports to ensure accuracy and reliability and disclose information adequately. Coordinate with the external auditor and responsible executive who is responsible for preparing a quarterly and annual financial report.

2. Review the reasonableness and effectiveness of the internal control system and internal audit, consider the independence of the Internal Auditor, and approve the appointment, relocation, dismissal of the head of Internal Auditor or another unit related to the internal audit. Suggest for a review of audit on any transactions considered necessary and important, suggest to the Board of Directors the advice on significant improvement of the internal control system, liaise with external auditors and a manager of the Internal Auditor.

3. Review the compliance with securities and stock exchange law or regulations of the Stock Exchange of Thailand, policies, rules, regulations and other law provision related to the business of the Company.

4. Select and propose to the Board of Directors an independent person as an auditor, compensation of the auditor, attend the meeting with an auditor without the Management attending at least once a year.

5. Review the internal audit plan of the Company under generally accepted procedures and standard.

6. Consider related transactions or the transactions that may have a conflict of interest, to be in line with law and regulations of the Stock Exchange, disclose the information about the said matter accurately and completely to ensure that the said transaction is reasonable and bring about utmost benefits to the Company.

7. Review to ensure the efficiency and effectiveness of the Risk Management System

8. Report performance result of the Audit Committee to the Board of Directors at least four times a year.

9. Create a report of the Audit Committee and disclose it in the annual report. The said report shall be signed by the Chairman of the Audit Committee and consists of at least the following information:

(a) Opinions on accuracy, completeness, and reliability of the financial statement of the Company.

(b) Opinions on the sufficiency of the internal control system.

(c) Opinions on compliance to the Securities and Stock Exchange law, regulations of the Stock Exchange or applicable law related to the business of the Company.

(d) Opinions on the suitability of the auditor.

(e) Views on related transactions or transactions that may have a conflict of interest.

(f) A number of the Audit Committee's meeting and the attendance of each member of the Audit Committee.

(g) Overall opinion or observation received from performing their duties under the charter.

(h) Any other matters which is considered that shareholders and public investors should acknowledge, under the scope of duties and responsibilities assigned by the Board of Directors.

10. Provide opinions on the appointment, removal and performance assessment of the Internal Auditor.

11. In performing the work under the scope of duties, the Audit Committee has authority to invite the Management/ executives/or employees of the related company to provide an opinion, to attend a meeting or to send documents that may be necessary or related.

12. To have an authority to hire a consultant or external person as per regulation of the Company to give advice or consultation if seriously necessary.

13. The Audit Committee shall assess the performance of themselves and report the result thereof, describe problems at work that hinder the achievement in appointing the Audit Committee to the Board of Directors annually.

14. Consider and revise the Charter of the Audit Committee.

15. Perform any other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

### Term of office of the Audit Committee

The Audit Committee shall have the term of office for three years in each term. One year herein means the period between the date of the Annual General Meeting of the Shareholders of the year appointed until the Annual General Meeting of Shareholders of the next year. The Audit Committee cannot hold office for more than nine consecutive years. A member of the Audit Committee who retires by rotation may be nominated and appointed for another term.

## 2. Executive Committee

As of December 31, 2018, the Executive Committee consisted of 7 members, namely:

1. Mr. Chawalit Chantararat  
Chairman of the Executive Committee
2. Mr. Peerawat Premchun  
Executive Committee
3. Dr. Thanasarn Khuayjarernpanishk  
Executive Committee
4. Professor Dr. Worsak Kanok-Nukulchai  
Executive Committee
5. Mr. Kittipol Bunnim  
Executive Committee
6. Dr. Sirinimit Boonyuen  
Executive Committee
7. Mr. Issarin Patramai  
Executive Committee

Miss Kitiya Napangrat performs as secretary of the Executive Committee

### Scope of duties and responsibilities of the Executive Committee

1. Control management of the Company to comply with policies set forth by the Board of Directors and report operating result to the Board of Directors. At least half of the

members shall attend the Executive Committee's meeting, and the meeting resolution must receive a majority of the vote which account at least half of total votes.

2. Consider the determination of proper authority and approval level of each person, allocate duties that may cause fraud, specify procedures and transaction method with major shareholders, directors, executives or person related to the said person to prevent transfer of benefits, propose to the Board of Directors for approval, supervise to ensure compliance with approved principles and requirement.

3. Consider annual budget and procedures of spending to propose to the Board of Directors. Oversee the expenditure to be within the budget approved by the Board of Directors.

4. Consider making an adequate improvement in business operation for the benefit of the Company.

5. Approve the investment and assign investment budget according to the authority specified in operating authority manual.

6. Consider signing contracts that binding the Company under the authority outlined in the operating authority manual.

7. Provide sufficient significant information of the Company for decision making of the Board of Directors and shareholders, and prepare reliable financial reports to conform to good standard and transparency.

8. Consider the profit and loss of the Company and propose annual dividend payment to the Board of Directors.

9. Consider new business or cease of a business and propose to the Board of Directors.

10. Issue procedures that staff must report an uncertain situation or event or illegal acts to the Executive Committee without delay. In the case where such an event has a significant effect, the staff must report to the Board of Directors promptly in order to make a remedy within a reasonable time.

11. Conduct any actions to support the operation above or according to opinions of the Board of Directors or as authorized by the Board of Directors.

12. Propose to the next Board of Directors' meeting on any matters which has been voted and/or approved by the meeting of Executive Committee.

13. Consider the appointment or nominate a person to be a director or executive in a subsidiary or associated company.

14. Perform any other tasks as assigned by the Company. However, the assignment of authority, duties and responsibilities of the Chairman of the Executive Committee

does not include the authority and/or sub-authority on approval of any transactions that enables the Chairman of the Executive Committee or authorized person or any person that may have a conflict of interest with the Company (according to notification from the Capital Market Supervisory Board) or any other benefits that may be in conflict with the Company. The matter shall be proposed to the Board's meeting and/or the shareholders' meeting (as the case may be) for approval as stated in the articles of association or related government offices.

### Term of office of the Executive Committee

The Executive Committee shall have the term of office for three years in each term. One year herein means the period between the date of the Annual General Meeting of the Shareholders of the year appointed until the Annual General Meeting of Shareholders of the next year. A member of the Executive Committee who retires by rotation may be nominated and appointed for another term.

### 3. Risk Management Committee

As of December 31, 2018, the Risk Management Committee consisted of 10 members, namely:

1. Dr. Thanasarn Khuayjarernpanishk  
Chairman of the Risk Management Committee
2. Mr. Chawalit Chantararat  
Member of the Risk Management Committee
3. Mr. Amnat Prommasutra  
Member of the Risk Management Committee
4. Mr. Chanchai Gawgirdwiboon  
Member of the Risk Management Committee
5. Dr. Sirinimit Boonyuen  
Member of the Risk Management Committee
6. Dr. Aphichat Sramoon  
Member of the Risk Management Committee
7. Mr. Issarin Patramai  
Member of the Risk Management Committee
8. Mrs. Penpilai Phonchaipanich  
Member of the Risk Management Committee
9. Miss Mayuree Khuayjarernpanishk  
Member of the Risk Management Committee
10. Miss Nuanprae Patramai  
Member of the Risk Management Committee

Miss Nuanprae Patramai, member of the Risk Management Committee and Head of the Corporate Business Development, New Market & Strategic Planning, performs as secretary of the Risk Management Committee.

### Scope of duties and responsibilities of the Risk Management Committee

1. Establish the Policy and Structure of the Risk Management to propose to the Board of Directors in accordance with the risk management guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.
2. Set strategy that aligns with the Risk Management Policy to be able to assess, monitor and control various types of risk at an acceptable level. Allow other departments to take part in risk management and control.
3. Conduct corporate risk assessment and determine a risk management method to maintain risk at an acceptable level and control to ensure compliance with risk management procedures set forth.
4. Review the Risk Management Policy and improve its efficiency and effectiveness to control risks adequately.
5. Have an authority to request a related person for clarification, or appoint and determine roles that staff of all levels must manage risk properly and report to the Risk Management Committee to achieve the target set for Risk Management policy.
6. Report result of Risk Management to the Executive Committee and the Audit Committee in order to propose to the Board of Directors on a quarterly basis.
7. Preparation of Risk Management Manual.
8. Identify risks, analyze and assess risks that may occur including the trend of risks that may affect the Company.
9. Prepare work plan to prevent or reduce risks.
10. Conduct a risk assessment and prepare a report of risk management.
11. Set an integrated risk management system by connecting information systems.
12. Perform any other tasks as assigned by the Company.

### Term of office of the Risk Management Committee

The Risk Management Committee shall have the term of office for three years in each term. One year herein means the period between the date of the Annual General Meeting of the Shareholders of the year appointed until the Annual General Meeting of Shareholders of the next year. A member of the Risk Management Committee who retires by rotation may be nominated and appointed for another term.



#### 4. Nomination and Compensation Committee

As of December 31, 2018, the Nomination and Compensation Committee consisted of 3 members namely as follows:

1. Mr. Peerawat Premchun  
Chairman of the Nomination and Compensation Committee
2. Mr. Sanit Rangnoi  
Member of the Nomination and Compensation Committee
3. General Wichien Sirisoonthorn  
Member of the Nomination and Compensation Committee

Miss Supaporn Rojana-amornchai, the Company Secretary, performs as secretary of the Nomination and Compensation Committee

#### Scope of duties and responsibilities of the Nomination and Compensation Committee

##### Nomination

1. Determine proper nomination procedures for directorship which should be suitable with the nature of business and business operation of the organization, by setting qualifications, knowledge, and specific expertise.

2. Nominate candidates when it comes to the term to submit names to the Board of Directors for approval. The board may consider existing members as a candidate or invite nomination from shareholders or outsource company for recruitment or consider candidates from the List of Chartered Director or allow each member to propose the name.

3. Consider nominated lists and select those who possess qualifications that consistent with the requirement set forth.

4. Check if the person to be selected has qualifications under the law and requirement of relevant government offices.

5. Approach a person having qualifications as the criteria set forth to ensure that the said person is willing to take the directorship upon appointment by the shareholders.

6. Propose the list of names to the Board of Directors for consideration and to add the names to the invitation of shareholders' meeting for appointment in the meeting of shareholders or the Board of Directors, as the case may be.

7. Nominate the President of the Company as assigned by the Board of Directors

8. Be able to nominate a person to serve as a consultant, providing opinions or consultation in case of necessity.

##### Remuneration

1. Consider adequate remuneration criteria for directors and the President by taking into account current criteria and comparison with remuneration rates of other companies in the same industry. Optimize the criteria to generate expected result, for fairness and gratefulness to those who are a part of the Company's success.

2. Review all types of remuneration, e.g. fixed remuneration, performance-based remuneration, meeting attendance, taking into account the practice of companies in the same industry, operating result and size of the Company's business, plus responsibility, knowledge, skills, and experience of directors and senior executives.

3. Consider criteria of performance assessment for the President as assigned by the Board of Directors.

4. Determine annual remuneration for directors, and President according to the payment criteria set forth, and propose to the Board of Directors to approve remuneration rate of the President. Meanwhile, the Board of Directors shall propose the remuneration rate for directors to the meeting of shareholders for approval.

5. Consider appropriateness and approve in case of the issuance of new securities offered to directors and employees adhering to fairness to shareholders. Create motivation for directors and employees to perform their duties and add value to shareholders in the long term and to be able to truly maintain quality personnel.

#### Term of office of the Nomination and Compensation Committee

The Nomination and Compensation Committee shall have the term of office for three years in each term. One year herein means the period between the date of the Annual General Meeting of the Shareholders of the year appointed until the Annual General Meeting of Shareholders of the next year. A member of the Nomination and Compensation Committee who retires by rotation may be nominated and appointed for another term.

#### 3. Nomination and appointment of the directors and top executive

The person to be designated as a director or executive of the Company must be qualified and not prohibited by Section 68 of the Public Limited Company Act B. E. 2535 and by Notification of the Capital Market Supervisory Board No. Tor.Jor. 39/2559 Subject: The Request for Permission and Grant of Permission for Offering of Newly Issued Shares. The components and criteria of the nomination are as follows.

### 3.1 Composition and Nomination of the Board of Directors

(1) Establish a board of directors to operate the business of the Company where the board shall consist of at least five (5) members. At least half of the total directors must be a resident in the Kingdom of Thailand and the directors must have qualifications as stipulated by law. A director may or may not be a shareholder of the Company.

(2) The shareholders' meeting shall pass a resolution to appoint the directors under the following criteria and procedures.

2.1 One (1) share represents one (1) vote.

2.2 Each shareholder may use all of their vote available in 2.1 for one or more candidates although they may not share out their votes in any more or less manner to any candidate.

2.3 Person(s) receiving the maximum number of votes in the respective order will be appointed as director(s) for the number of directors to be selected or appointed on that occasion. Where persons selected in the next sequence receive equal votes which exceed the number of directors (s) to be selected or appointed on that occasion, the decisive vote shall be cast by the chairman of that meeting.

(3) In the Annual General Meeting of Shareholders, one-third (1/3) of the directors shall vacate the office. If the one-third portion cannot be divided in the actual number, the number closest to one-third shall be applied.

A retired director may be re-elected for another term. The directors to retire in the first year and second year after the Company's registered date is based on drawing lots method. For the following year, the director who held the longest term shall vacate the office.

(4) A director who wishes to resign shall submit the resignation letter to the Company, and the resignation shall be effective from the date when the Company receives the resignation letter.

(5) The Shareholders' meeting may pass a resolution to resign any director prior to their term completion with the vote not less than three-fourth (3/4) of the shareholders who attended the meeting and have the right to vote and total shares must be not less than half of the shares held by the shareholders attending and have right to vote.

(6) A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by the Securities and Stock Exchange Act, unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the

directors he/she replaces.

The resolution of the Board as mentioned in the first paragraph must consist of votes not less than three-fourth (3/4) of remaining directors.

(7) The Board of Directors select one director as a Chairman of the Board, and the Board may select one or more director(s) as a Deputy Chairman of the Board whose duties are assigned by the Chairman.

### 3.2 Composition and Nomination of the Audit Committee

The Audit Committee is appointed by the Board of Directors and approved by shareholders to undertake directorship. The Audit Committee consists of at least 3 members, and each member shall have qualifications as required by the Securities and Stock Exchange Act, including notifications and/or regulations of the Stock Exchange.

At least one member of the Audit Committee must have knowledge in accounting and finance. The term of office of the Audit Committee is three years from the date of appointment. Upon term completion, the Board of Directors or the meeting of shareholders has not passed a resolution to appoint a new team of the Audit Committee, the existing committee shall carry out their duties until the Board of Directors or shareholders' meeting will appoint a new team of the Audit Committee to replace the existing committee whose term is completed and/or according to the term of office. The Board of Directors will appoint one member of the Audit Committee as a Chairman of the Audit Committee. The nominated Audit Committee must be an independent director and have qualifications as a member of the Audit Committee as stated in the criteria and notifications by the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows.

#### Qualifications of Independent Directors

(1) Holds shares not exceeding one percent of total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that shares held by related parties of an independent director shall be included.

(2) Is not or has never been an executive director, employee, staff, advisor who receives fixed salary, nor controlling party of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company except the position that has been dismissed for at least 2 years prior to the date submitting application to the Securities and Exchange Commission. In addition, such prohibited qualifications exclude the position in government authority or

advisor for government authority which is a major shareholder or controlling person.

(3) Has neither blood nor registered relationship as a father, mother, spouse, sibling, and children including the spouse of children of executive officers, major shareholders, persons with controlling authority or anyone to be nominated as an executive officer or a person with controlling authority of the company or its subsidiary.

(4) Does not have or used to have a business relationship with the company, parent company, subsidiaries, associates, major shareholders or the company controlling person which may compromise independence. In addition, independent directors may not be or formerly be a significant shareholder, or controlling person who had a business relationship with the company, parent company, subsidiaries, associates, or major shareholder or the company controlling person, except where such a relationship was in excess of a period of two years prior to the date submitting application to the Securities and Exchange Commission.

(5) Is not or has never been an independent auditor of the company, parent company, subsidiaries, associates, major shareholders, or the company controlling person, and not being a significant shareholder, controlling person or partner of the audit firm which has provided independent auditor services to the company, parent company, subsidiaries, associates, major shareholder or the company controlling person except where such a relationship was in prior two years' time before submitting application to the Securities and Exchange Commission and the Stock Exchange of Thailand.

(6) Is not or has never been providing professional services including legal advice, financial advice which received a service fee higher than two million baht per year from the company, parent company, subsidiaries, associates, major shareholder or the company controlling person and not being a significant shareholder, controlling person or partner of the independent service provider except such relationship was in excess of a period of two years before submitting application to the Securities and Exchange Commission and the Stock Exchange of Thailand.

(7) Is not a director who was appointed as a representative of a director of the company, major shareholder or shareholder who is related to the major shareholder of the company.

(8) Does not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares exceeding one percent of total voting

shares of any other companies which operate the same and competitive business with the business of the Company, or its subsidiaries

(9) The Independent Directors shall have a consecutive term of office not exceeding nine years from the date of the first appointment as an independent director. In case it is necessary to appoint an independent director for another term, the Board of Directors may consider the appropriate supporting reason and necessity.

(10) Does not have any other conflicts that prevent independent directors from giving independent opinions to the company.

(11) The Independent Directors, according to the qualifications mentioned above, may be assigned from the Board to make a collective decision on business operation of the Company, parent company, subsidiary, affiliated companies, subsidiaries in the same level, major shareholder or controlling person.

### Qualifications of the Audit Committee

The Audit Committee must possess the same qualifications as the Independent Directors, and additional ones as follows.

(1) Has never been assigned by the Board of Directors to decide on the business operation of the Company, holding company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or controlling person of the Company.

(2) Is not holding directorship in the holding company, subsidiaries or subsidiaries in the same level only the listed company.

(3) Has sufficient knowledge and skill to perform duties as the Audit Committee. However, at least one member of the Audit Committee should have competent knowledge to review the accountability of the financial statement.

(4) Has similar duties as prescribed in the notification of the Stock Exchange of Thailand regarding the Qualifications and Scope of Work of the Audit Committee.

### 3.3 Composition and Nomination of the Executive Committee

The Executive Committee must be elected from the members of the Board of Directors and/or executives, and/or employees of the Company or by an appropriate person appointed by the Board of Directors. The numbers of Executive Committee is as considered appropriate by the Board of Directors. The Board of Directors will select one member of the Executive Committee as Chairman of the Executive Committee.

### 3.4 Composition and nomination of the Nomination and Compensation Committee

The Nomination and Compensation Committee is appointed by the Board of Directors. The board shall comprise of at least three members, and the majority of the members must be an independent director and non-executive director. The Board of Directors will appoint one member as a Chairman of the Nomination and Compensation Committee.

### 3.5 Composition and Nomination of the Risk Management Committee

The Risk Management Committee must be the members of Board of Directors and/or executives, and/or employees of the Company or a qualified person appointed by the Board of Directors in the numbers as considered appropriate. The Board of Directors will select one member of the Risk Management Committee as a Chairman of the Risk Management Committee.

### 3.6 Composition and Nomination of the President

The President is nominated by the Executive Committee by selecting from the member of the Executive Committee or another person as considering suitable. The name is proposed to the Nomination and Compensation Committee for considering and propose to the Board of Directors for approval and appointment such person as a President of the Company.

### 3.7 Criteria and Procedures for Nominating the Directors

#### Qualifications of directors

In nominating the directors for the Board of Directors and Sub-Committees, the Nomination and Compensation Committee shall consider those whose qualifications are beneficial and suitable to the business operation of the Company in all aspects and transparent as follows.

1) The required qualifications under relevant law and regulations which are the Public Company Act B.E. 2535, the Securities and Stock Exchange Act B.E. 2535, the articles of association, and the good corporate governance and the business ethics of the Company;

2) Consider nomination criteria issued by the Stock Exchange of Thailand and the Good Corporate Governance for the listed companies 2017 by the Securities and Exchange Commission;

3) Prioritize those who have skills, experience, profession, specific qualifications that the Board is lack of, and that it is greatly necessary to the Company's nature of business without discrimination on genders, races or differences to

fulfill composition of the Board of Directors for the utmost benefits of the Company;

4) Consider the appropriateness of knowledge, experience, specific competencies that are beneficial to the Company, an experience in the main business or service that the Company operates, the knowledge, experience in one of the following fields ie. business services, commerce, industry, construction, engineering, architecture, environmental science, law, accounting, finance, public relations or public administration;

5) Time devotion. Should a public director be re-elected for another term, the factors to consider is his/her performance during the term of office, the number of companies that each director will hold to suit the nature or business condition of the company which should not exceed 5 listed companies to ensure that the performance is not reduced, including giving useful opinions.

6) To appoint independent directors, consider the independence of the nominated person under criteria set forth by the Securities and Exchange Commission, and under the definition of the Company's Independent Directors, the independence characteristics as set forth in the corporate governance policy and business ethics published in the Company's website.

7) Consider the performance of the previous year (if any).

#### Nomination methods

To find directors and special committee, the Nomination and Compensation Committee shall consider the followings.

2.1 Nominate candidates when it comes to the term to submit names to the Board of Directors for approval. The board may consider existing members as a candidate or invite nomination from shareholders or outsource company for recruitment or consider a candidate from the List of Chartered Director or allow each member to propose a name.

2.2 Consider nominated lists and select those who possess qualifications that is consistent with the requirement set forth.

2.3 Check if the nominated person has qualifications under the law and requirement of relevant government offices.

2.4 Approach a person having qualifications as the criteria set forth to ensure that the said person is willing to take the directorship upon appointment by the shareholders.

2.5 Propose the list of names to the Board of Directors for consideration and to add the names to the invitation of shareholders' meeting for appointing in the meeting of shareholders or the Board of Directors, as the case may be.



### Term of office of the Director

Term of office of the directors of the Company are as follows.

3.1 Term of office of the directors shall be as specified in the articles of association. At each Annual General Meeting of Shareholders, one third (1/3) of the positions on the Board are to be resigned. If the number of directors cannot be divided into an exact number, the number of retiring directors should be the number closest to the one third (1/3).

3.2 The Independent Directors shall have a consecutive term of office not exceeding nine years from the date of the first appointment as an independent director. In case it is necessary to appoint an independent director for another term, the Board of Directors may consider the appropriate supporting reason and necessity.

### 3.8 Criteria and Nomination Methods for President Qualification of President

In recruiting of the President of the Company, the Nomination and Compensation Committee shall consider those whose qualifications are beneficial and suitable to the business operation of the Company in all aspects and transparent as follows.

- 1) Education degree and field of study
  - Bachelor's degree / Master's degree / Doctorate degree in Engineering, Business Administration or related fields
- 2) Experiences related to position
  - Have experience in engineering or related businesses for at least 20 years
  - Have experience in engineering management or related businesses for at least 10 years
  - Have experience in overseeing and managing customer relationships for at least 10 years
- 3) Knowledge, ability, and skills required to achieve the success of work
  - Leadership
  - Strategic Thinking
  - Resource management capabilities: work/personnel/finance (Resources Management)
  - Coaching ability
  - Business Development
- 4) Other qualifications
  - Good human relations
  - Honest, delicate, prudent
  - Work efficiency
  - Well understand the nature of teamwork

### Nomination of the President

To find the President of the Company, the Nomination and Compensation Committee shall consider the followings.

2.1 The President is nominated by the Executive Committee by selecting from the list of the Executive Committee members or another person as considering suitable.

2.2 The Nomination and Compensation Committee considers and determines the remuneration of the President.

2.3 The Nomination and Compensation Committee propose a list of names to the Board of Directors for consideration and designation.

## 4. Corporate Governance of the Subsidiaries and Associates

To oversee the business operation of the subsidiaries and associates, the Company will send its representative to hold a director position in each subsidiary and associates. The representative of the company may be the Chairman of the Board, Directors, President, Managing Director, high-level executives or any person with appropriate qualifications and experiences in such businesses and without a conflict of interest with the businesses of those subsidiaries and associates. In addition, the representative of the Company who becomes a director in the subsidiary must manage and supervise the business of the subsidiary according to the rules and delegation of authority and related laws of the subsidiary.

To maintain benefits in the Company's investment and to ensure the Company's ability to control and manage and responsibility on a subsidiary's operation as if it is an integral department of the Company, the Board of Directors' Meeting No. 1/2018 (first time after conversion of the company) held on March 29, 2018 has resolved to approve the policy on supervision of subsidiaries and associates. Important details are as follows.

### 4.1 Management control policies of subsidiaries and associates

Determining guidelines for exercising voting rights by representatives of the Company in the shareholders' meeting of subsidiaries and associates on various matters such as election of directors and remuneration, appointment of auditors, profit allocation, and other matters that is not determined in advance on the agenda and determining situations that need approval from the Board of Directors' meeting or shareholders' meeting (as the case may be). Monitoring performance of the subsidiaries and associates to conform to work plan, the disclosure of related transactions

of the subsidiaries, arrange adequate internal control system, disclosure, and delivery of the subsidiaries' directors' and executives' information including associated persons, the supervision on the use of internal information.

The Company has determined circumstances/subject/agenda that need approval from the Board of Directors' meeting or shareholders' meeting of the Company based on graduated importance.

#### 4.2 Financial control policy of subsidiaries and associates

The Company determines that its subsidiaries and associates submit operating results and quarterly financial statement, as well as supporting information of such financial statement to the Company to use as a supplementary document for preparation of consolidated financial statement or report of a quarterly operating result of the Company.

Furthermore, the subsidiaries and associates shall together report significant financial problems to the Company upon detecting such problem or when receiving a request from the Company for review and report. The Company determines that the Board of Directors shall monitor operating result of the subsidiaries and associates to conform to work plan and budget continuously, and monitor to ensure the subsidiaries disclose information about related transaction and the acquisition or disposal of assets to the Company according to related notifications from the Capital Market Advisory Board and the Stock Exchange of Thailand.

### 5. The Use of Internal Information

The Board of Directors' Meeting No. 1/2018 (first time after conversion of the company) held on March 29, 2018 passed a resolution about regulations of disclosure of internal information which has not been disclosed for one's or other's benefit, as follows.

#### 5.1 Directors, executives, employees, and staff of the company must comply with the followings.

- Keep confidentiality and/or internal information of the Company
- Must not disclose confidential information and/or internal information of the Company or for seeking benefit for one's self or the others whether directly or indirectly, with or without compensation.
- Must not trade, transfer or receive the transfer of the Company's securities by using the confidential information and/or internal information of the Company and/or to proceed any act in the law by using confidential information

and/or internal information of the Company which may cause damages to the Company directly or indirectly.

Directors, executives, staff and employees of the Company under the department that acknowledge internal information of the Company shall avoid or refrain from trading the Company's securities within one month before disclosure of financial statement to the public and 24 hours after disclosure of the financial statement or significant information to the public. Such requirement shall apply to spouses and minor child/children of the directors, executives, and employees as well. Violation of such regulation is subject to severe offense.

#### 5.2 Directors and executives including the auditors must report the changes in their securities holding

as well as their spouses' and minor children to the Office of Securities and Exchange Commission pursuant to Section 59 of the Securities and Stock Exchange Act B.E. 2535 and must acknowledge its penalties in accordance with The Securities and Exchange Act B.E. 2535. The directors and executives must submit a copy of the said report to the Company on the same date of reporting to the Office of Securities and Exchange Commission which specified within three working days from the date of purchasing, selling, transferring or receiving securities.

#### 5.3 The Company has announced such regulations to directors, executives, employees, and employees.

### 6. Remunerations for Auditor

The Company paid the audit fee and the review fees of the financial statements for the fiscal year 2018 to the Company's auditor from EY Office Limited, who is approved by the Securities and Exchange Commission. Details of the audit fees are as follows.

#### 6.1 Audit Fee

Unit: baht

Audit Fee	Year 2018
1. Annual audit fees	1,800,000
2. Review fees for a quarterly financial statement	945,000
Total	2,745,000

*Remarks: The Auditor's remunerations for the year 2018 has been approved by the 2018 Annual General Meeting of Shareholders on March 12, 2018*

#### 6.2 Other fees (Non-Audit Fee)

-None-

## Internal Control and Risk Management

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The Board of Directors of TEAM Consulting Engineering and Management Public Company Limited ("the Company") is aware and realizes the importance of the internal audit and control considering as a primary foundation of the good corporate governance. The Company also recognizes the importance of overall corporate risk management regarding management system and work operation that is essential to achieving objectives, which will guarantee the achievement of the corporate vision set forth to meet the risk management, to add value to the organization, to reduce damages and to minimize the uncertainty of work performance as a whole.

The Board of Directors assigns the Audit Committee which consists of three independent directors, to review and evaluate the adequacy, appropriateness and efficiency of the corporate internal control, as well as the internal audit to ensure that work operation is performed effectively and efficiently, with balancing on each side and the control over the use of assets for genuine benefits of the Company.

The Company appoints I VL Auditing Co., Ltd. as an internal auditor of the Company and subsidiaries since 2016. Miss Valdee Sibunruang, an audit partner, is a primary person responsible for internal auditing for the Company and subsidiaries where the scope of work is to review and evaluate the adequacy of the internal control system and report the evaluation result to the Audit Committee on a quarterly basis. After analyzing qualifications of I VL Auditing Co., Ltd., and Miss Valdee Sibunruang, the Company considers that they are duly qualified to perform such duties because of the independence and experience in internal auditing. I VL Auditing Co., Ltd. provides a professional account auditing and internal auditing for 20 years. In 2018, the internal auditor reviewed significant internal control system and work system of the Company as follows.

1. Internal control at the corporate level
2. Price estimation system and project bidding
3. Contract management system
4. Revenue system and revenue collection
5. Estimation of project costs
6. General procurement system
7. Project management and cost control
8. Human Resources
9. Assets and maintenance
10. Consumables and printing material control
11. Other work systems e.g. accounting and tax system, finance and budget, information technologies (focused on the general administration only)

The management of internal control system of the Company is operated in corporate level and significant work system level following COSO guidelines (The Committee of Sponsoring Organization of the Treadway Commission). Classified by elements of internal control, it can be summarized as follows:

## 1. Control Environment

The Board of Directors and executives support a corporate culture that underlines honesty, transparency, and code of conduct and oversee to ensure that the business operation conforms to vision and mission and that the management of internal control is under adequate and proper environment and coordination.

The Company constructs organizational structure based on business groups and operating lines to ensure that the Company's entire management is efficient and move in the same direction. Significant work must be divided into tasks to balance among parties. Personnel in each position must have specific qualifications as a criterion for recruiting and develop human resources as well as an important succession plan.

Being aware and realizing the importance of the internal auditing and control, taking into account as a vital foundation of the good corporate governance, the Company has determined policy for the internal audit and control to be guideline and code of conduct for all departments. All departments have duties and responsibilities to arrange internal control within their department by analyzing, assessing risks and determining adequate and proper points for internal control, and by conducting the reviewing and amendment of control self-assessment (CSA) on a regular basis.

## 2. Risk Management

The Board of Directors and Executives realize the importance of overall corporate risk management regarding management system and work operation that is essential to achieving objectives and vision set forth, which will add value to the organization, to reduce damages and to minimize the uncertainty of work performance as a whole.

The Board of Directors has appointed the Risk Management Committee to perform their duties according to the scope of duties and responsibilities assigned by the Board of Directors as specified in the Charter of the Risk Management Committee. The policy and structure of risk management are prepared to cover the entire organization systematically based on COSO Enterprise Risk Management standard. The Risk Management Committee is responsible for preparing risk management guideline, identifying risk factors, assess risks, managing risks, monitoring the compliance with risk management plan on a regular basis against internal and external factors to be within an acceptable range. The Risk Management Committee also communicated and arranged a workshop for employees to raise awareness on risk management. It is a responsibility of everyone to apply risk

management guidelines to their work to ensure the consistency and compliance with risk management direction of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand. Moreover, the Risk Management Committee also prepares a Business Continuity Plan to cope with the emergency and to carry out business without interruption.

## 3. Control Activities

The Company determines clear and suitable control activities taking into account the good internal control such as determining proper policies and allocate duties, work procedures in each department to prevent and mitigate risk within acceptable range, arrange the internal control system for accounting, finance and performance control, determine scope of authority, duties and limitation of financial balance for each transaction, an authority on issuing a check of executives of different levels and precise procedures outlined in writing. The Company also determines strict policy on related transactions, related practices on related transactions or a transaction that may have a conflict of interest; define precise procedures for procurement and payment which must be efficient and effective, issue the approval procedures, accuracy review, compliance with auditing plan; review the compliance with rules, policies, requirement, and work guidelines regularly; announce the information technology policy; and disseminate to employees of all levels to raise awareness on the information technology security and to ensure strict compliance.

## 4. Information and Communication

The Company emphasizes the importance of information technology and communication of information that support business operation, performance, management and financial report in a systematic approach realizing the advantages of the efficient and effective internal control system. The Company determined ICT Security Policy, computer user guidelines, program manual, safety use of computers, for example, the announcements related to rules of using computers will pop up on the first page after user log-in.

The Company provided channels for communicating with shareholders and all stakeholders through website and emails of the Company, including a compliant channel equipped with a Whistleblowing system. The Company keeps information and details of the complainant and the person being complained as confidential or the Company may disclose such information to only those involved in the investigation or the related person in the limited loop. Any disclosure of information is under due discretion of the



Company, taking into account the safety and damages of the whistleblower or complainant or source of the information or related person.

In addition, the Company provided a communication channel via the Company's Intranet where all executives and employees can receive news and information related to policies, regulations, orders, notifications and Company's activities timely and thoroughly.

## 5. Monitoring Activities

The Company determines the target for business operation adhering to corporate strategy and business plan where the Corporate Key Performance Indicators (KPIs) is assigned to all business groups. The Company assesses and monitors performance and compares with the target set forth regularly to analyze the cause of the variation and seek a solution within a proper period as well as to report to the Board of Directors on a quarterly basis.

The Audit Committee reviewed the financial reports to ensure its accuracy, accountability and the adequate disclosure of information by coordinating with external auditors and executives who prepare the quarterly and annual financial statements. The Audit Committee also reviewed to assure the internal control system and the internal audit process of the Company are effective and proper; and defined the independence of the Internal Auditor. Furthermore, the scope of duties of the Audit Committee includes appointment approval, relocation, dismissal of the Head of Internal Auditor or any other department responsible for internal audit. The Audit Committee may suggest a review or check on any necessary and essential transactions; and present financial reports and suggestions on amendment of significant and crucial internal control system to the Board of Directors on a quarterly basis.

The Audit Committee also commented that a dedication to work with the full endeavor of top executives and employees to achieve the highest target of the organization, the determination of precise risk management plan, adequate internal control system with efficiency and effectiveness will move the Company toward great success and sustainability.

## Risk Factors

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The Company is aware of the importance in managing risks that may adversely affect its business operation. Significant risks are classified as follows.

### The risk in human resources management

The Company and subsidiaries conduct an integrated engineering and environmental consulting services, emphasizing service provision with knowledge, experience, and expertise from various fields. The competitiveness of the Company and subsidiaries hence depended on recruiting qualified personnel.

Human resources is one of an essential factors in the organization which the Company is aware of and prioritizes. The Company and subsidiaries, therefore, assign the People Management Committee (PMC) to determine policies and measures relating to human resources management and development, assess performance target, annual workforce plan, annual training plan, and successor selection procedures. Furthermore, with an aim to improve knowledge and skills among employees, the Company and subsidiaries also address the importance of internal knowledge management, development of data storage and searching, arrangement of COPs (Community of Practices) to allow professionals to exchange, share, pass on information and carry out knowledge in their work. The Company and subsidiaries have established IMT institute to provide training courses, improving professional knowledge and management to personnel on a regular basis to ensure that the staff of the Company and subsidiaries have sufficient knowledge and skills that meet corporate business operation, and be able to share and exchange duties.

### The risk from external factors during the project implementation

Operating as a consultant in various engineering projects with various duration depending on nature of project and scope of work assigned, certain variables or unexpected events may directly or indirectly affect the project operation. These factors may include natural disasters, financial liquidity of project owners/construction contractors or changes of construction plan/scope of work. Presently, with awareness of the risks that may occur, the Company and its subsidiaries have determined work procedures. The responsible departments must review and understand project description, nature, and scope of work, study project details, conduct feasibility study, analyze the reputation and financial status of a project owner/employer. These will help in project risk management and portfolio risk management at individual level for the Company and its subsidiaries.

### Risks from increasing competition in consulting industry in Thailand and overseas

In recent years, the number of engineering consulting companies have surged in response to the growth in project development in Thailand and neighboring countries. Consequently, the Company and its subsidiaries are exposed to the risks of more intense competition which may adversely affect their business operations. However, the Company believes that, presently, the competition among potential competitors in Thailand and abroad that have comprehensive service ranges and fields of expertise and target the same customer base as the Company is still moderate. On the other hand, the majority of our customers are from medium to large project scale which requires the quality of work and experience of the engineering team. The Group is deemed as one of the well-known engineering consulting companies led by a team of the management and engineers with experience of over 40 years, accountability and good relationship with customers. Furthermore, more than 900 employees of the Company and its subsidiaries with skills of engineering, architectures, environment and academic are managed under efficient human resources management which reflects the robust potency and our strength in competition both in the country and abroad, steadily and continuously.

### Risks from changes in engineering technologies

Presently, the work procedures of engineering consultants for design, feasibility study of the project and construction management and supervision, and work inspection are constantly changing due to more advanced technologies to enhance efficiency, leverage quality of work and respond to demands of different project owners. Understanding changes of engineering technologies, the Company and its subsidiaries have determined measures to prepare for the changes in the industry by sending executives and employees to attend training courses and seminars abroad to gain new knowledge on modern innovation for business operation of the Company. Furthermore, the Company has established the Institute of Management and Technology (IMT) to provide training courses on engineering techniques for personnel of the Company and its subsidiaries.

## Related Transactions

Related transactions between the Company and its subsidiaries and the companies/persons who have a conflict of interests for the year 2017 and 2018 are as follows:

Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
1. Dr. Prasert Patramai	<ul style="list-style-type: none"> <li>- A Chairman of the Board of Directors and an authorized director</li> <li>- Lineage relationship with a shareholder, a director, and an executive of the Company (father of Mr. Issarin Patramai)</li> <li>- A shareholder which is holding 9.14% of TEAMG's paid-up capital as at 31 December 2018</li> </ul>	Providing guarantees for credit facilities of the Company and its subsidiaries amounting to Baht 110 million for letter of guarantees and Baht 30 million for loans with local financial institutions	Outstanding balance 63.45	-	<ul style="list-style-type: none"> <li>- The credit facilities of letter of guarantees and loans from local financial institutions are required for use as a security/working capital in business operation.</li> <li>- The guarantees were made without compensation or guarantee fee.</li> <li>- The guarantees of the credit facilities from financial institutions as mentioned above were released in 2018.</li> </ul>
2. Mr. Peerawat Premchun	<ul style="list-style-type: none"> <li>- A member of the Board of Directors, an authorized director, a member of the Executive Committee and Chairman of the Nomination and Compensation Committee</li> <li>- Lineage relationship with a shareholder (father of Mrs. Penpilai Phonchaiparnich)</li> <li>- A shareholder which is holding 5.68% of TEAMG's paid-up capital as at 31 December 2018</li> </ul>	Providing guarantees for credit facilities of the Company and its subsidiaries amounting to Baht 110 million for letter of guarantees and Baht 30 million for loans with local financial institutions	Outstanding balance 63.45	-	<ul style="list-style-type: none"> <li>- The credit facilities of letter of guarantees and loans, from local financial institutions are required for use as a security/working capital in business operation.</li> <li>- The guarantees were made without compensation or guarantee fee.</li> <li>- The guarantees of the credit facilities from financial institutions as mentioned above were released in 2018.</li> </ul>



Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
3. Dr. Thanasarn Khuayjarempanishk	<ul style="list-style-type: none"> <li>- A member of the Board of Directors, an authorized director, a member of the Executive Committee and Chairman of the Risk Management Committee</li> <li>- Lineage relationship with shareholders (father of Miss Mayuree Khuay-jarempanishk and Miss Kanyaporn Khuayjarempanishk)</li> <li>- A shareholder which is holding 5.65% of TEAMG's paid-up capital as at 31 December 2018</li> </ul>	Providing guarantees for credit facilities of the Company and its subsidiaries amounting to Baht 110 million for letter of guarantees and Baht 30 million for loans with local financial institutions	Outstanding balance 63.45	-	<ul style="list-style-type: none"> <li>- The credit facilities of letter of guarantees and loans from local financial institutions are required for use as a security/working capital in business operation.</li> <li>- The guarantees were made without compensation or guarantee fee.</li> <li>- The guarantees of the credit facilities from financial institutions as mentioned above were released in 2018.</li> </ul>
4. TGC Holdings Company Limited (Formerly known as TEAM Group of Company Limited)	<ul style="list-style-type: none"> <li>- Common directors and authorized directors namely Dr. Prasert Patramai, Mr. Peerawat Premchun, Dr. Thanasarn Khuayjarempanishk, and Mr. Wera Sutesopon</li> <li>- Common shareholders which are holding 59.70% of the paid-up capital of TGC Holdings Co., Ltd. as at 31 December 2018 namely: <ul style="list-style-type: none"> <li>- Dr. Prasert Patramai, Miss Nuanprae Patramai (daughter), and Mr. Issarin Patramai (son) hold 14.26%, 3.30% and 4.50% of shares, respectively or 22.06% in total.</li> </ul> </li> </ul>	Providing guarantees for credit facilities of the Company and its subsidiaries amounting to Baht 855 million for letter of guarantees and Baht 276 million for loans with local financial institutions	Outstanding balance 569.63	-	<ul style="list-style-type: none"> <li>- The credit facilities of letter of guarantees and loans, from local financial institutions are required for use as a security/working capital in business operation.</li> <li>- The guarantees were made without compensation or guarantee fee.</li> <li>- The guarantees of the credit facilities from financial institutions as mentioned above were released in 2018.</li> </ul>

Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
4. TGC Holdings Company Limited (continued)	<ul style="list-style-type: none"> <li>- Mr. Peerawat Premchun and Mrs. Penpilai Phonchaipanich (daughter) hold 8.69% and 5.49% of shares, respectively or 14.18% in total.</li> <li>- Dr. Thanasarn Khuayjarempanishk, Miss Mayuree Khuayjarempanishk (daughter), and Miss Kanlayaporn Khuayjarempanishk (daughter) hold 4.37%, 1.67% and 1.89% of shares, respectively or 7.93% in total.</li> <li>- Mr. Wera Sutesopon, Mr. Watha Sutesopon (son), Mr. Wasu Sutesopon (son), and Mrs. Wittara Roongthanapirom (daughter) hold 2.47%, 0.82%, 0.82% and 0.82% of shares, respectively or 4.93% in total.</li> <li>- Mr. Chawalit Chantarat holds 5.04% of shares.</li> <li>- Dr. Sirinimit Boonyuen holds 4.80% of shares.</li> <li>- Mr. Charnchai Gawgirdwiboon holds 0.49% of shares.</li> <li>- Dr. Aphichat Sramoon holds 0.27% of shares.</li> </ul>				



Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
6. ICN System Company Limited (continued)		<p>Other expenses</p> <ul style="list-style-type: none"> <li>The Company rented an office space on Phahon Yothin road, from ICN System Co., Ltd. to use as the Company's working space.</li> </ul>	0.64	-	<ul style="list-style-type: none"> <li>The Company leased an office space with a total area of 200 square meters from ICN System Co., Ltd. to use as a working space for training and seminars. The Company entered into an office rental agreement for the term of 1 year and 2 months, from 1 September 2016 to 31 October 2017. The rental fee was Baht 80,000 per month.</li> <li>The Company had canceled the agreement since 1 September 2017.</li> </ul>
7. Daoruek Communications Company Limited	<ul style="list-style-type: none"> <li>Common directors and authorized directors namely Dr. Prasert Patramai (resigned from being a director of Daoruek Communications Company Limited since 1 September 2018)</li> <li>TGC Holdings Company Limited is a major shareholder of Daoruek Communications Company Limited, holding 66.04% of shares.</li> <li>Common shareholders which are holding 9.20% of the paid-up capital of Daoruek Communications Company Limited as at 31 December 2018, namely:</li> </ul>	<p>Service income</p> <ul style="list-style-type: none"> <li>The Company provided a data consultation service for preparation of publications to Daoruek Communications Company Limited</li> </ul> <p>Other income</p> <ul style="list-style-type: none"> <li>The Company received fees for publication and reports' preparation from Daoruek Communications Company Limited</li> </ul> <p>Trade receivables</p> <ul style="list-style-type: none"> <li>The Company has accounts receivable of Daoruek Communications Company Limited from data consultation service.</li> </ul>	0.34	-	<ul style="list-style-type: none"> <li>The Company provided an information and consultation to Daoruek Communications Company Limited to support the preparation of publications. Daoruek Communications Company Limited uses printing and publication service of the Company. These transactions are made under general commercial prices and conditions</li> </ul>
• Its business is providing consultancy services in media communications and public relations as well as publications, and training materials.			0.27	0.04	
			0.17	-	



Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
7. Daoruek Communications Company Limited (continued)	<ul style="list-style-type: none"> <li>- Dr. Prasert Patramai and Miss Nuanprae Patramai (daughter) hold 5.00% and 1.08% of shares respectively or 6.08% in total.</li> <li>- Mr. Chawalit Chantarat holds 2.08% of shares,</li> <li>- Mr. Peerawat Premchun holds 1.04% of shares</li> </ul>	Other receivables <ul style="list-style-type: none"> <li>• The Company has accounts receivable of Daoreuk Communications Company Limited from publication services.</li> </ul>	0.05	0.01	<ul style="list-style-type: none"> <li>• The Company uses the services of communications, advertisements, project seminars, video creation, journals, documentary, articles and other media including dissemination of information through multiple channels provided by Daoruek Communications Company Limited. These media are published as supplementary information and to support the operation of the Company and its subsidiaries under general commercial prices and conditions.</li> </ul>
		Cost of service <ul style="list-style-type: none"> <li>• The Company and its subsidiaries use the services of media communications and public relations for various projects which are provided by Daoruek Communications Company Limited.</li> </ul>	6.26	5.75	
		Other expenses <ul style="list-style-type: none"> <li>• The Company uses the services of corporate public relations, journals and video creation which are provided by Daoruek Communications Company Limited.</li> </ul>	1.68	2.65	
		Trade payables <ul style="list-style-type: none"> <li>• The Company has accounts payable of Daoreuk Communications Company Limited from the services of public relations for projects.</li> </ul>	5.70	1.32	

Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
7. Daoruek Communications Company Limited (continued)		Accrued project expenses • The Company has accrued expenses from the services of public relations for projects with Daoruek Communications Company Limited.	0.71	0.38	
		Accrued retention • The Company has accrued retention from the services of public relations for projects with Daoruek Communications Company Limited.	-	0.16	
		Other payables • The Company has accounts payable of Daoruek Communications Company Limited from the services of media communications and public relations.	0.94	0.43	
8. HB 9 Company Limited • Its business sales of food and beverages.	<ul style="list-style-type: none"> <li>- Common directors and authorized directors namely Mr. Issarin Pattaramai and Dr. Sirinimit Boonyuen</li> <li>- TGC Holdings Company Limited is a major shareholder of HB 9 Company Limited, holding 99.99% of shares.</li> </ul>	Management fee income • The Company provided a common area service of office building to HB 9 Company Limited	0.02	0.02	<ul style="list-style-type: none"> <li>• The Company provided HB 9 Company Limited an office space rental to sell beverage and food. The Company entered into an office rental agreement and common area service agreement for the terms of 3 years, from 1 February 2017 to 31 January 2020. The rental and service fee is Baht 5,941 per month. The lessee is responsible for the electricity payment based on actual billing.</li> </ul>
		Building rental income • The Company provided HB 9 Company Limited an office space rental.	0.05	0.04	

Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
8. HB 9 Company Limited (continued)		Other income • The Company received electricity bill payment from HB 9 Company Limited	0.03	0.03	<ul style="list-style-type: none"> <li>The rental and service fee is similar to market price.</li> <li>HB 9 Company Limited had canceled the office rental agreement and common area service agreement since 30 November 2018.</li> </ul>
		Other receivables • The Company has accounts receivable of HB 9 Company Limited from electronic billing.	0.04	-	
		Cost of service • The Company and its subsidiaries purchased refreshment and beverages from HB 9 Company Limited for hosting training sessions and meetings.	Baht 2,752.75	Baht 855	<ul style="list-style-type: none"> <li>The Company purchased snack and beverages from HB 9 Company Limited for hosting training sessions and meetings under general commercial prices and conditions.</li> </ul>
		Other expenses • The Company and its subsidiaries purchased beverages from HB 9 Company Limited.	0.03	Baht 7,591.22	

Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
9. Verasu Group Company Limited • Its business is distribution of household electrical appliances.	<ul style="list-style-type: none"> <li>- Common director and authorized director namely Mr. Vera Sutesopon</li> <li>- Mr. Vera Sutesopon, Mrs. Suwimal Sutesopon (wife), Mr. Watha Sutesopon (son), Mr. Wasu Sutesopon (son), and Mrs. Wittara Roongthanapirom (daughter) are directors, authorized directors and holding 30%, 10%, 20%, 20%, 20% of shares, respectively or in a total of 100% of shares in Verasu Group Company Limited.</li> </ul>	<p>Service income</p> <ul style="list-style-type: none"> <li>• The Company provided a wastewater treatment project management service to Verasu Group Company Limited.</li> </ul>	0.21	-	The Company provided a wastewater treatment system management service at Vista Factory, Pathum Thani province, to Verasu Group Company Limited under the service agreement with general commercial price and conditions.
10. Verasu Retail Company Limited • Its business is manufacturing and distribution of electrical appliances.	<ul style="list-style-type: none"> <li>- Common director and authorized director namely Mr. Vera Sutesopon</li> <li>- Mr. Vera Sutesopon, Mrs. Suwimal Sutesopon (wife), Mr. Watha Sutesopon (son), Mr. Wasu Sutesopon (son), and Mrs. Wittara Roongthanapirom (daughter) are directors, authorized directors and holding 30%, 10%, 20%, 20%, 20% of shares, respectively or in a total of 100% of shares in Verasu Retail Company Limited.</li> </ul>	<p>Service income</p> <ul style="list-style-type: none"> <li>• A subsidiary provided a building renovation supervision service to Verasu Retail Company Limited.</li> </ul>	0.54	-	The subsidiary provided a 4-storey building renovation supervision service in a total of 3 buildings for Verasu Retail Company Limited under the service agreement with general commercial price and conditions.



Related company/person	Relationship with the Group	Nature of the related transactions	Transaction value (million baht)		Necessity and rationale
			2017	2018	
11. Vista Cafe Company Limited  • Its business is distribution of food and beverages for health.	- Common director and authorized director namely Mr. Vera Sutesopon - Mr. Vera Sutesopon, Mrs. Suwimal Sutesopon (wife), Mr. Watha Sutesopon (son), Mr. Wasu Sutesopon (son), and Mrs. Wittara Roongthanapirom (daughter) are directors, authorized directors and holding 30%, 10%, 20%, 20%, 20% of shares, respectively or in a total of 100% of shares in Vista Cafe Company Limited.	Other expenses • The Company purchased coffee beans from Vista Cafe Company Limited	0.02	0.02	The Company purchased coffee beans from Vista Cafe Company Limited for meetings under general commercial price and conditions.
		Other payables • The Company has accounts payable of Vista Cafe Company Limited from purchase of coffee beans.	Baht 3,160	Baht 4,275	
12. World Corporation Public Company Limited  • Its business is property development.	The management and a director of a subsidiary, Dr. Aphichart Sramoon, is a director of World Corporation Public Company Limited.	Service income • The Company provides a landscape survey service to World Corporation Public Company Limited.	-	0.07	The Company provides a landscape survey service for use in preliminary feasibility study of hotel and condominium construction project of World Corporation Public Company Limited under the service agreement with general commercial price and conditions.
		Trade receivables • The Company has accounts receivables of World Corporation Public Company Limited from a landscape survey service.	-	0.07	

## Opinion of the Audit Committee

The Audit Committee has considered and reviewed together with the executives and found that the transactions made with the person or juristic person that may have a conflict of interest for the fiscal year 2018 were reasonable. Besides, the prices or conditions of the related transactions are of general commercial prices and conditions based on the comparison with appraised value by the valuation company approved by the SEC or market price, as appropriate.

## Measures and procedures for approval of related transactions

In the case of related transactions between the Company and its subsidiaries and related companies/persons or the person who may have conflicts of interest and the transaction is a trade agreement in the same manner that an ordinary person should act with a general contractual party in the same situation, with trade negotiation power without influence in being a related company/person, and with normal commercial conditions or market prices under reasonable conditions which can be reviewed and does not cause transfer of benefits, the executives of the Company may proceed under the principles approved by the Board of Directors, and then prepare a summary report to report to the Audit Committee every quarter for a review.

In case the related transaction is not under normal business course, the Company will arrange a discussion with the Audit Committee regarding the necessity and reasonableness of the transaction. To approve the transaction, it must comply with the Securities and Exchange Act, regulations, notifications, orders or requirement of the Stock Exchange of Thailand and stakeholders in such transaction is not entitled to cast a vote on the matter.

## Policy or trend of related transactions in the future

In the future, if it is necessary to proceed the related transactions with the company/person who may have a conflict of interest with the Company, the Company will determine conditions to be in accordance with a normal business course and market price which can be referred to the conditions or prices of the same transactions made with external party. The Audit Committee will provide opinions on prices, compensation rate, necessity and reasonableness of the related transactions.

Related transactions that may occur in the future, the directors shall comply with the criteria set forth by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The directors should not approve any transactions that he or the person may have a conflict of interest in any other manner with the Company. These transactions must be disclosed to the Board of Directors for consideration while the Company shall comply with the Securities and Exchange Act and regulations, notifications, orders or requirement of the Stock Exchange of Thailand as well as the requirement related to the disclosure of related transactions and the acquisition or disposal of the Company's assets. Furthermore, the Company will not proceed with any related transactions with the related company which is not under normal business course.

## 1. Overview and important changes

The year 2018 marks the 40<sup>th</sup> anniversary of the Company's operations as well as the year of significant changes. The Company has been converted into a public company and successfully registered the shares on the Stock Exchange of Thailand. Between 4-6 July 2018, the Company offered 180 million shares through the initial public offering (IPO) at a par value of 0.50 baht, the offering price 2.42 baht each, totaling 436 million baht. The Company received full payment for the capital increase mentioned above and registered with the Ministry of Commerce on 9 July 2018 to convert the issued and paid-up capital from 250 million baht (500 ordinary shares, at a par value of 0.50 baht) to 340 million baht (680 million ordinary shares, at a par value of 0.50 baht). The Stock Exchange of Thailand accepted the Company's ordinary shares as listed securities, and the securities were first traded on the Stock Exchange of Thailand since 12 July 2018 onwards. By listing in the Stock Exchange of Thailand, the Company aims to raise funds for investment in cutting-edge technology to enhance potentiality in its services and to allocate the fund for working capital in business operations, as well as to build the reputation and opportunities to grow in regional scale.

Over the past 40 years, the Company and its subsidiaries provide integrated engineering and environmental consulting services to customers in different sectors servicing government, private and international clients. We concentrate on recruiting and developing personnel, engineers, professional specialists, and quality control procedures of our work so that the delivery and quality work best meet customers' demand in line with profession standard. In recent time, the Company and its subsidiaries undertake many significant projects for the government. However, to diversify the risk, the Company also approaches private companies in various industries, including overseas companies, especially from the ASEAN Economic Community with the intention to search for alliances from within the country and abroad to join hands and develop the businesses of the Company and its subsidiaries. Besides, the Company and its subsidiaries focus on the development of corporate knowledge and investment of advanced technologies such as Building Information Modelling (BIM) and Unmanned Aerial Vehicle (Drone) to strengthen efficiency and effectiveness of continued service, to immune against technology disruption and to build long term sustainability within the organization.

According to 2018 industry overview, the government hastens implementation of many large infrastructure projects and transportation system, especially in the Eastern Economic Corridor (EEC) to support the economic growth in the future. Accordingly, the Thai economy continuously improves from 2017 with supporting factors from investment in sizable infrastructure projects from government and private sectors as well as the growth in the manufacturing industry. The Company has closely monitored the progress of different construction projects from government and private sectors, including those in neighboring countries to look for the prospective opportunities of work, creating continued growth in concerning the number of backlog and service revenue. In 2018, the Company signs a contract undertaking work as a consultant for many large-scale projects, for example,

- Project management and construction supervision for the MRT Pink Line : Khaerai - Minburi
- Construction supervision for double track railway Lopburi-Pak Nampho
- Instrumentation Works for the MRT Orange Line: Contract E1, Phase 2
- Design and preparation of the master plan for the Transit Oriented Development (TOD) along the rail transport system
- Preparation and support private companies to invest in government projects, Plot A, Klang Bangsue Station
- Supporting work for engineering, architecture, social economy and environment of the U-Tapao Airport Development Project
- Efficiency and capacity enhancement of the railway network and double tracks as the supplementary information for the Railway Development Project connecting 3 major ports in the Eastern Economic Development Zone (EEC)

- The feasibility study for principle design in the development of a new aviation city in the Eastern Economic Development Zone (EEC)

As a consequence of the proactive marketing strategies and the new contract acquisitions as mentioned above, the Company and its subsidiaries could generate a favorable rate of backlog increase over the rate of revenue recognition. As of 31 December 2018, the Company and its subsidiaries have backlogs with the total value worth 3,426.3 million baht. Backlog from the government sector ranks the highest with major projects namely construction supervision of the Red Line Bangsue - Rangsit, Project Management and Construction Supervision of the Pink Line Khaerai - Minburi, Construction Supervision of the Double-track Railway Lopburi Pak Nampho and Project Management and Supervision of the installation and commissioning of the manufacturing machinery and information technology system for the Tobacco Authority of Thailand Phase 2. The amount of backlogs to deliver to the government sector worth a total of 2,148.3 million baht, accounting 62.7% of total amount of backlogs, an increase of 269.5 million baht or 14.3% from the previous year. This is followed by the backlogs from private sector with a total value 825.9 million baht, representing

24.1% of total backlogs, an increase of 152.3 million baht or 22.6% from the previous year. The major projects include detailed design for the MRT Orange Line and Project Management and Construction Supervision of the vertical residential building and the Preparation of the Master Plan for the Transit Oriented Development (TOD) including Ideo Mobi Rangnam, Life Asoke Hype, AEC City Development, The Room Phayathai, Plum Rangsit Phase 4 and 5. When considering the area of specialization, the project work in the area of transportation system and logistics ranks the highest with total amount worth 1,933.9 million baht, representing 56.4% of the total backlog, a growth of 305.7 million baht or 18.8% from the previous year. Projects in the area of building and infrastructure comes next with total value 806.1 million baht or 23.5% of total backlog, representing a growth of 239.2 million baht or 42.2% from the previous year. Next in the rank is the project in the water resources area with total value 314.5 million baht or 9.2% of the total backlog, a decrease of 49.7 million or 13.6% from the previous year. The water resources backlog declines as the large hydroelectric power plant project in Lao PDR is now approaching the final phase while the Company was still in the process of business development to acquire new ones as its substitutes.

Backlog Amount	2018		2017		Change	
	Million baht	%	Million baht	%	Million baht	%
Classified by sectors	3,426.3	100.0%	2,911.5	100.0%	514.8	17.7%
Government sector	2,148.3	62.7%	1,878.8	64.5%	269.5	14.3%
Private sector	825.9	24.1%	673.6	23.1%	152.3	22.6%
International sector	341.3	10.0%	311.3	10.7%	30.0	9.6%
Related businesses sector	110.8	3.2%	47.8	1.6%	63.0	131.9%
Classified by area of specialization	3,426.3	100.0%	2,911.5	100.0%	514.8	17.7%
Transportation and logistics	1,933.9	56.4%	1,628.2	55.9%	305.7	18.8%
Building and infrastructure	806.1	23.5%	566.9	19.5%	239.2	42.2%
Water resources	314.5	9.2%	364.2	12.5%	(49.7)	(13.6%)
Energy	258.0	7.5%	274.5	9.4%	(16.5)	(6.0%)
Environmental Management	113.8	3.3%	77.1	2.6%	36.7	47.5%
Others	-	0.0%	0.6	0.0%	(0.6)	(100%)

## 2. Analysis of operating results

Income statement	2018		2017		Change	
	Million baht	% total revenue	Million baht	%	% total revenue	%
Revenue	1,666.5	100.0%	1,606.5	100.0%	60.0	3.7%
Service income	1,654.2	99.3%	1,590.2	99.0%	64.0	4.0%
Other income	12.3	0.7%	16.3	1.0%	(4.0)	(24.3%)
Costs and expenses	1,525.1	92.2%	1,481.5	93.2%	43.6	2.9%
<i>* The proportion of costs and expenses are compared to service income only *</i>						
Costs of service	1,107.1	66.9%	1,034.0	65.0%	73.1	7.1%
Administrative expenses	418.0	25.3%	447.5	28.1%	(29.5)	(6.6%)
Share of profit from investment accounted for using the equity method	1.2	0.1%	1.5	0.1%	(0.3)	(21.1%)
Profit before finance cost and income tax	142.6	8.6%	126.5	7.9%	16.1	12.7%
Finance cost	4.4	0.3%	4.2	0.3%	0.2	4.1%
Profit before income tax	138.2	8.3%	122.3	7.6%	15.9	13.1%
Income tax expenses	24.6	1.5%	23.6	1.5%	1.0	4.3%
Net profit for the year	113.6	6.8%	98.7	6.1%	14.9	15.1%

Remarks :<sup>1</sup> Other income include interest income, gain on sales of investment properties and equipment, management fee, rental and service income revenue from educational program and speaker

### Revenue

In 2018, the Company and its subsidiaries report the total revenue in the amount of 1,666.5 million baht, growing by 3.7% from the previous year at 1,606.5 million baht, consisting of service revenue of 1,654.2 million baht or 99.3% of total revenue, representing 4.0% growth from the prior year. Meanwhile, other revenue came out at 12.3 million baht, representing 0.7% of total revenue, a decrease by 24.3% from the previous year.

### Revenue from services

As of 31 December 2018, the Company and its subsidiaries posted revenue from services in the amount of 1,654.2 million baht, 4.0% growth compared to that of last year, as a result of significant project operation progress and the increase in new project acquisition thanks to the growth in government and private investments in various sectors. Revenue from government projects account for 51.7% or 855.8 million baht, following by revenue from private sector at 27.1% or 448.6 million baht and international projects at 14.1% or 231.5 million baht respectively.



- Government sector generated 855.8 million baht, a growth of 8.3% from the previous year. The main reason was from overall project implementation progress in various mega projects from the government, such as construction supervision of the Red Line Bangsue-Rangsit, construction supervision of the double-track railway Lopburi-Pak Nam Po. This was also enhanced by the new mega project acquisition in 2018, for instance, construction supervision of the Pink Line Khaerai - Minburi and specification design and preparation of the proposal for Laem Chabang Port construction project phase 3.

- Private sector amounted to 448.6 million baht, representing a growth of 15.3% from that of previous year. Mainly, the Company recognizes revenue from property development projects and large mass transit system in the urban area which includes the detailed design of the MRT Orange Line and the construction management of various property development projects especially condominiums developed by reputable property developers in the country, e.g., construction supervision of Life Asoke Rama 9, The Room Phayathai, Ideo Mobi Rangnam and Plum Pinklao. These are mainly medium scale projects which the Group can continuously recognize revenue in the past year.

- International sector generated revenue of 231.5 million baht, a decrease of 31.8% from that of 2017. This was mainly due to the fact that a number of large scale international projects have entered their final phases. As a

result, the Company can recognize the service revenue at much slower paces comparing to the previous years when the projects were in full swing. At present, the Company is under business development progress to undertake more large-scale international projects in the year 2019. In spite of this, international project operation is still the primary target of the Company and its subsidiaries. In 2018, the Company and its subsidiaries continue providing services in the various countries including Lao PDR, Vietnam, Myanmar and Timor Leste covering various industries such as roads, hydroelectric power plants, energy, waterworks, environment, buildings, urban development, and industrial estates.

- Related business generated revenue of 118.3 million baht, a growth of 64.7% from the previous year. Significant projects in related business area included Instrumentation works for the MRT Orange Line-contract E1, phase 2, Installation of dam instrumentation for Nam Ngiep project in Lao PDR. Accordingly, the revenue from related business significantly increased in 2018. Furthermore, the Company and its subsidiaries leverage service efficiency by applying advanced technologies such as Building Information Modelling (BIM) and Unmanned Aerial Vehicle (Drone) to the study, design and construction supervision projects related to buildings, urban development, industrial estates, and real estates.

Structure of service revenue	2018		2017		Change	
	Million baht	%	Million baht	%	Million baht	%
Revenue by segment	1,654.2	100.0%	1,590.2	100.0%	64.0	4.0%
Revenue from government sector	855.8	51.7%	790.1	49.7%	65.7	8.3%
Revenue from private sector	448.6	27.1%	388.9	24.5%	59.7	15.3%
Revenue from International sector	231.5	14.1%	339.4	21.3%	(107.9)	(31.8%)
Revenue from related businesses	118.3	7.1%	71.8	4.5%	46.5	64.7%
Revenue by area of specialization	1,654.2	100.0%	1,590.2	100.0%	64.0	4.0%
Revenue from transportation and logistics	737.5	44.6%	625.1	39.3%	112.4	18.0%
Revenue from building and infrastructure	416.0	25.1%	366.5	23.1%	49.5	13.5%
Revenue from water resources	328.6	19.9%	412.0	25.9%	(83.4)	(20.3%)
Revenue from energy	88.6	5.4%	89.1	5.6%	(0.5)	(0.5%)
Revenue from environmental management	82.8	5.0%	92.2	5.8%	(9.4)	(10.1%)
Others	0.7	0.0%	5.3	0.3%	(4.6)	(86.9%)

## Other revenues

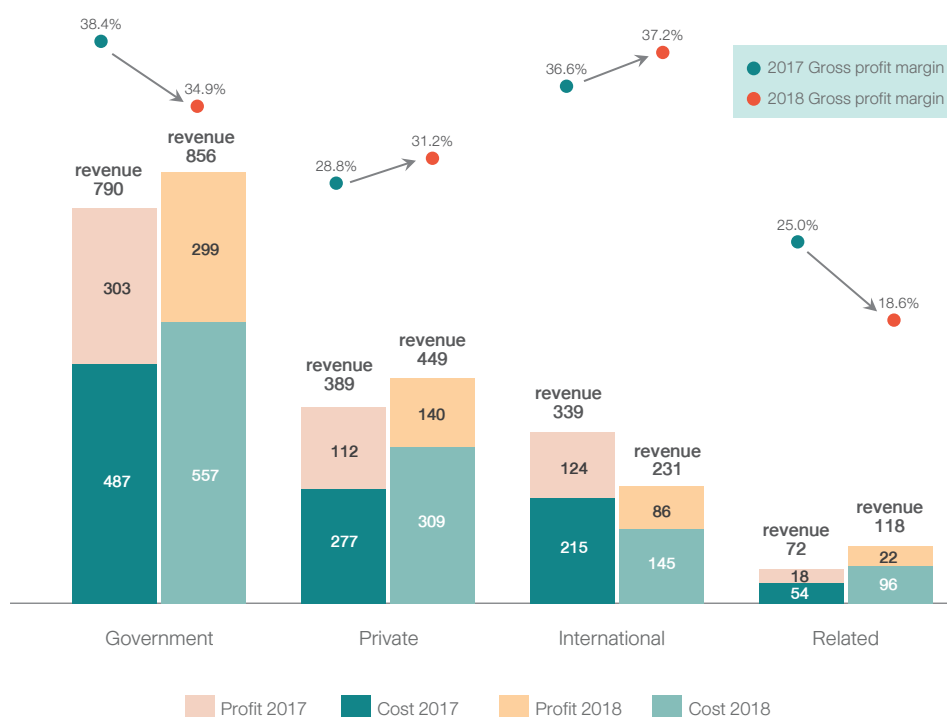
In 2018, the Company and its subsidiaries have other revenue in the amount of 12.3 million baht, a decrease by 4.0 million baht or 24.3% from that of the previous year. The was due unusually high base in 2017, when the Company and its subsidiaries posted 7.9 million baht profit generated from asset sales which included land and property unused in the business operation. Rental and service revenue also reduced due to the optimization of asset utilization to ensure adequacy and the highest benefits to the business operation of the Company and its subsidiaries. Hence, the Company decided not to renew the office space rental contracts with related companies. Additionally, software sales and foreign exchange gains also contributed to other revenues.

## Cost of service, gross profit and gross profit margin

In 2018, the Company and its subsidiaries incurred operating expenses in the amount of 1,525.1 million baht or 92.2% of revenue, an increase of 2.9% from the previous year at 1,481.5 million baht (the rate of increase of expense is less than that of revenue of 4.0%). Out of this amount, the cost of service came out at 1,107.1 million baht, or 66.9% of service income, rising from 65.0% from that of last year in accordance with the nature of projects in progress during the year. These cost of service mainly consists of professional remuneration, sub-contractors and equipment costs with breakdown details is as follow.

Structure of service cost	2018		2017		Change	
	Million baht	%	Million baht	%	Million baht	%
Service cost	1,107.1	100.0%	1,034.0	100.0%	73.1	7.1%
Professional remuneration	859.4	77.6%	791.2	76.5%	68.2	8.6%
Subcontractor cost	128.8	11.7%	120.6	11.7%	8.2	6.8%
Equipment and other costs <sup>/2</sup>	118.9	10.7%	122.2	11.8%	(3.3)	(2.7%)

Remark: <sup>/2</sup> Others include professional insurance premium, entertainment expenses, photocopy fees, seminar fees.



Since the Company and its subsidiaries provide professional consulting services, professional remuneration is the sole primary cost that accounts for 77.6% of the total cost of services and 51.9% of service income in 2018. The said ratio increases from 76.5% of the total cost of service in 2017 (or 49.7% of revenue from services), due to the increase in proportion of project management and construction supervision services which, in general, have higher percentage of professional remuneration than other types of services. Moreover, the Company and its subsidiaries have put emphasis on the importance of recruitment, development, and retention of professional staffs, specialists, and experts in various disciplines as well as regularly focus on project quality assurance which can be considered the key success factor to optimize the Group's growth potential and sustainability in the long run.

In 2018, the Company and its subsidiaries' administrative expenses amounted to 418.0 million baht or 25.3% of total revenue from services, a decrease by 29.5 million baht or 6.6% from that of the previous year at 447.5 million baht. The decrease is mainly due to the enhancement of operating efficiency by optimizing professional workload (especially personnel expenses that do not directly linked to project revenue generation) and other expenses related to the company management.

According to the operating expense structure above, gross profit of the Company and its subsidiaries amounted to 547.1 million baht, a decrease of 1.6% from the previous year, prompting gross profit margin to be 33.1%, a decrease from that of the previous year at 35.0%. The Company earned operating profit of 129.1 million baht, a growth of 18.8% of the previous year resulting in operating profit margin of 7.8%, an increase of 6.8% from that of the previous year.

### Net profit and net profit margin

The Company and its subsidiaries reported net profit of 113.6 million baht, an increase of 15.1% from the previous year. Net profit margin accounts for 6.8% of total revenue, an increase from 6.1% in 2017. This came as a result of a continual increase in revenue recognition from project operation progress and more effective cost management that prompted the reduction of administrative expenses by 29.5 million baht or 6.6% from the previous year.

### Return on assets and shareholders' equity

In 2018, the Return on Asset (ROA) remained stable at 7.3% which was similar to the previous year since the Company and its subsidiaries can generate additional profit in the same rate as the average increase in assets after the IPO process. However, the capital increase resulted in the decline of the return on equity (ROE) to 16.2% from 25.9% in 2017 mainly due to the reduction in financial leverage as the Company used a part of its capital to repay its short-term loans from financial institutions.

### 3. Financial position

As of 31 December 2018, the Company and its subsidiaries have the financial position that can be summarized as follows.

Statement of Financial Position	2018		2017		Change	
	Million baht	% of total assets	Million baht	% of total assets	Million baht	%
<b>Total Assets</b>	<b>1,828.0</b>	<b>100.0%</b>	<b>1,305.1</b>	<b>100.0%</b>	<b>522.9</b>	<b>40.1%</b>
Cash or cash equivalents	246.0	13.4%	99.7	7.6%	146.3	146.9%
Trade and other receivables	473.2	25.9%	329.8	25.3%	143.4	43.5%
Unbilled receivables	555.4	30.4%	345.7	26.5%	209.7	60.6%
Other current assets	54.2	3.0%	55.9	4.3%	(1.7)	(3.0%)
<b>Total current assets</b>	<b>1,328.8</b>	<b>72.7%</b>	<b>831.1</b>	<b>63.7%</b>	<b>497.7</b>	<b>59.9%</b>
Property, plant and equipment	195.1	10.7%	209.9	16.1%	(14.8)	(7.0%)
Retention receivables as per contract	113.9	6.2%	101.3	7.8%	12.6	12.4%
Other non-current assets	190.2	10.4%	162.8	12.4%	27.4	16.8%
<b>Total non-current assets</b>	<b>499.2</b>	<b>27.3%</b>	<b>474.0</b>	<b>36.3%</b>	<b>25.2</b>	<b>5.3%</b>
<b>Total Liabilities</b>	<b>900.7</b>	<b>49.3%</b>	<b>833.1</b>	<b>63.8%</b>	<b>67.6</b>	<b>8.1%</b>
Trade and other payables	212.8	11.6%	230.1	17.6%	(17.3)	(7.5%)
Service income received in advance and advances received from employers	403.3	22.1%	246.4	18.9%	156.9	63.6%
Other current liabilities	76.9	4.2%	143.0	11.0%	(66.1)	(46.2%)
<b>Total current liabilities</b>	<b>693.0</b>	<b>37.9%</b>	<b>619.5</b>	<b>47.5%</b>	<b>73.5</b>	<b>11.9%</b>
Liabilities under hire-purchase and financial lease agreements	20.0	1.1%	33.8	2.6%	(13.8)	(41.0%)
Provision for long-term employee benefits	187.7	10.3%	179.8	13.8%	7.9	4.4%
<b>Total non-current liabilities</b>	<b>207.7</b>	<b>11.4%</b>	<b>213.6</b>	<b>16.4%</b>	<b>(5.9)</b>	<b>(2.7%)</b>
<b>Total shareholders' equity</b>	<b>927.3</b>	<b>50.7%</b>	<b>472.0</b>	<b>36.2%</b>	<b>455.3</b>	<b>96.4%</b>

**1) Assets:** As of 31 December 2018, the Company and its subsidiaries have total assets worth 1,828.0 million baht, an increase by 522.9 million from 1,305.1 million at the end of the previous year, representing a 40.1% increase. Current asset came out at 1,328.8 million baht, an increase by 497.7 million baht from 831.1 million baht at the end of last year, or up by 59.9%. Non-current asset value 499.2 million baht, an increase of 25.2 million baht from 474.0 million baht or up by 5.3% from 2017 level. Significant items are as follows.

1.1) Net cash and cash equivalents is 246.0 million baht, an increase of 146.3 million baht from 99.7 million baht at the end of the previous year, representing an increase of 146.9%. The rise in cash and cash equivalents is mainly due to the capital increase through IPO during the third quarter of the year. Most cash and cash equivalents are in the form of bank deposits.

1.2) Trade and other receivables are at 473.2 million baht, an increase by 143.4 million baht from 329.8 million baht in 2017, up by 43.5%. Out of these outstanding receivables, approximately 70% are not yet due or past due for less than 3 months. Most of these trade receivables are from government agencies and state enterprises which are considered highly creditable. However, the clients' payment procedures and complicated documentation processes hinder the debt collection. Noticeably, an average debt collection period adds up to 93 days, increasing by 10 days from 83 days in 2017.

The Company and its subsidiaries record an allowance for doubtful accounts for the potential loss on an unsuccessful debt collection. To estimate the value of allowance for doubtful accounts, the Management uses its discretion to forecast the loss from each debtor, taking into account the reliability of each, previous experiences of debt collection, the age of the outstanding debt and the current economic situation. As of 31 December 2018, the Company and its subsidiaries had the allowance for doubtful accounts amounted to 22.7 million baht, representing 4.6% of trade receivables from unrelated parties.

1.3) Unbilled receivables is a difference between recognized service income of the Company and its subsidiaries and the invoices issued to demand payment from customers. As of 31 December 2018, the Company and its subsidiaries have total unbilled receivables of 555.4 million baht, an increase by 209.7 million baht from 345.7 million baht at the end of the previous year, representing a 60.6% increase. Most of the unbilled receivables (80.5% of total unbilled receivables) are from government projects which are highly creditable. The increase of unbilled receivables is mainly due to the fact that the Company and its subsidiaries undertake more project management and construction supervision projects under the billing conditions that unfairly link to the contractors' work progress and/or their receivables, which are not in line with the consulting project progress and the revenue recognition. However, according to the Cabinet's resolution on 12 December 2017 which states that the billing of consultation fee shall not bind with the progress of construction contractors, the Company and its subsidiaries are now in the process of negotiating and accelerate to amend contracts with project owners to resolve the issue. Moreover, in the previous year, the conversion into the public limited company has prompted the change in the Company's legal status and made it necessary for the Company to amend the contracts with government agencies and state enterprises before being able to issue invoices accordingly. Such process contains several complicated and time-consuming procedures, which vary from entity to entity and could take several months to complete. As a result, the unbilled receivables of the Company and its subsidiaries significantly increased during the past year.



**2) Liabilities:** Total liabilities came out at 900.7 million baht at the end of 2018, an increase of 67.6 million baht from the previous year at 833.1 million baht, representing 8.1%. Out of this, current liabilities was 693.0 million baht, an increase of 73.5 million baht from the last year of 619.5 million baht, up by 11.9% and non-current liabilities was 207.7 million baht, a decrease of 5.9 million baht from 213.6 million baht, representing a 2.7% decrease from 2017. Significant items were as follow.

2.1) Trade and other payables amounted to 212.8 million baht, a decrease of 17.3 million baht from the previous year at 230.1 million baht, representing a decrease of 7.5%. As a result, an average payment period reduces to 58 days from 80 days in 2017.

2.2) Service income received in advance and advances received from employers amounts to 403.3 million baht, an increase of 156.9 million baht from 246.4 million baht, representing a 63.6% increase from the previous year. Most of the increase can be attributed to advanced payments from large-scale projects which had just been commenced,

namely project management and construction supervision for the Pink Line, Khaerai - Minburi, and construction supervision for the double-track railway Lop Buri-Pak Nam Pho. By nature, this non interest-bearing liability item helps increase the Group's working capital and liquidity.

2.3) Short-term loans from financial institutions amounts to 4.6 million baht, a decrease of 75.9 million baht from 80.5 million baht, representing 94.3% from the previous year. This decrease resulted from the loan repayments after the Company obtained working capital from IPO process during the third quarter.

**3) Shareholders' equity** was 927.3 million baht at the end of 2018, an increase of 455.3 million baht from 472.0 million baht, representing an increase of 96.4% from the previous year. Such a significant increase is contributed by the capital increase through an initial public offering (IPO) and the increase of unappropriated retained earnings from the annual operating result of the Company. The dividend payments in 2018 were as follows.

Dividend	Approved by	Dividend paid (Million baht)	Number of ordinary shares (Million shares)	Dividend/share (Baht per share)
Annual dividend for 2017	Annual General Meeting of Shareholders on 12 March 2018	37.5	2.5	15.000
Interim dividend during the year 2018	The Board of Directors' meeting on 9 August 2018	51.0	680	0.075
Total dividend for the year 2018		88.5		

#### 4. Cash flow, liquidity and capital adequacy

As of 31 December 2018, the cash and cash equivalents increase by 146.4 million baht from the previous year. As a result, at the year end, cash and cash equivalent reach 246.0

million baht. Sources of the cash flow classified by activities are as follows.

Source of cash flow	2018	2017
	Million baht	Million baht
Cash flow from Operating activities	(64.9)	(133.3)
Cash flow from Investing activities	(22.2)	(23.2)
Cash flow from Financing activities	233.4	12.5
Net increase (decrease) in cash flow	146.3	(144.0)
Effects from exchange rate in cash and cash equivalents	0.0	(0.3)
Cash and cash equivalents at the beginning of the year	99.7	244.0
Cash and cash equivalents at the end of the year	246.0	99.7

For the year 2018, the financial ratios related to liquidity and financial status of the Company and its subsidiaries were as follows.

4.1) Current ratio: Liquidity of the Company and its subsidiaries are relatively high according to the current ratio as of 31 December 2018 at 1.9 times, an increase by 0.6 time from the previous year due to the increase of current assets which include cash and cash equivalent, net trade receivables and unbilled receivables.

4.2) Quick ratio: The quick ratio of the Company and its subsidiaries as of 31 December 2018 is 1.0 time, an increase by 0.3 time from the previous year, mainly due to the increase of cash and cash equivalent.

4.3) Debt to Equity Ratio (D/E ratio): As of 31 December 2018, debt to equity ratio is 1.0 time, a decrease by 0.8 times from the previous year mainly as a result of capital increase through initial public offering, which have been partly used to repay loans. As a result, the financial status of the Company and its subsidiaries improve significantly.

4.4) EBITDA/Interest paid: At the end of 2018, the interest coverage of the Company and its subsidiaries are very high, with EBITDA/Interest paid equal to 41.3 times, increasing by 2.2 times from the previous year, mainly led by the increase in operating profit.

Liquidity ratio	2018	2017	Change
	Times	Times	Times
Current ratio	1.9	1.3	0.6
Quick ratio	1.0	0.7	0.3
Debt to equity ratio (DE ratio)	1.0	1.8	(0.8)
Interest coverage ratio (EBITDA / Interest paid)	41.3	39.1	2.2

## 5. Commitments

As at 31 December 2018, the Company and its subsidiaries have the following service commitments:

5.1) The Company and its subsidiaries have commitments totaling Baht 51 million (the Company only: Baht 27 million) (2017: Baht 47 million, the Company only: Baht 32 million) in respect of cost of service, for which the Company and its subsidiaries had already entered into agreements.

5.2) The Company and its subsidiaries have commitments totaling Baht 8 million (the Company only: Baht 8 million) (2017: Baht 11 million, the Company only: Baht 11 million) in respect of other service commitments, for which the Company and its subsidiaries had already entered into agreements.

5.3) As at 31 December 2018, the Company has provided guarantees totaling Baht 648 million (2017: Baht 500 million) for bank credit facilities on behalf of its subsidiaries.

5.4) As at 31 December 2018, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries amounting to Baht 688 million (the Company only: Baht 505 million) (2017: Baht 537 million, the Company only: Baht 372 million) in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries

## 6. Factors affecting future operation

For the year 2019, the Company and its subsidiaries will continue to manage and implement various projects under the backlog list valued 3,426.3 million according to the contracts, leading to continual recognition of revenue. Furthermore, the upbeat investment trend in infrastructure and transportation systems from the government continues to grow, especially large-scale projects in the Eastern Economic Corridor or ECC and the national rail transit system development. The Company and its subsidiaries are constantly preparing for the bid of these mega projects with the aim to have more work and generate more revenue for the following years. The Company and its subsidiaries continue to focus on enhancing operating efficiency to increase profit, creating sustainability and growth potentiality to the Company and its subsidiaries in the long term.

As of 13 December 2018, the National Legislative Assembly passed a resolution on the new Labor Protection Act. At the end of December 2018, the said law is pending the announcement to the Government Gazette. However, this new Labor Protection Act determines that in case of retirement or dismissal by the employer, an employee who works for 20 years is entitled to receive a compensation of not less than the last wage rate for 400 days. Such change would affect the post-employment benefit program and will eventually increase provision for long-term employee benefits by 46 million baht (the Company only: 33 million baht). The Company and its subsidiaries will record the impact from such change by recognizing the previous cost of service as an expense in the income statement during the period that the said law will become effective. However, the said transaction is a non-cash, one-time, non-recurring item which does not significantly affect the overall operation, financial status and cash flow of the Company and its subsidiaries.

TEAM Consulting Engineering and Management Public  
Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2018

## **Independent Auditor's Report**

To the Shareholders of TEAM Consulting Engineering and Management Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TEAM Consulting Engineering and Management Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries and of TEAM Consulting Engineering and Management Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

#### *Recognition of revenue from service income*

The Company and its subsidiaries disclosed their policies on recognition of revenue from service income, estimation of project costs and provision for losses on projects in Note 4 and Note 5 to the financial statements. I identified the recognition of revenue from service income and the estimates of possible losses from service contracts to be areas of significant risk in audit. This is because the amount of revenue from service income that the Company and its subsidiaries recognise in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimates of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion of project, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and timing of the recognition of revenue from service income and the estimates of possible losses from service contracts.

I examined the recognition of revenue from service income and the provision for losses on projects by assessing and testing the effectiveness of the internal controls put in place by the Company and its subsidiaries over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from projects by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also read the service contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Company's and its subsidiaries' process to assess the percentage of completion and cost estimates for projects, checked estimates of project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual projects costs incurred, performed analytical procedures on gross margins of projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual projects costs incurred. In addition, I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.

## **Other Information**

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

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.

*Chatchai Kasemsrithanawat*

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 20 February 2019

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	246,026,076	99,656,298	109,991,073	25,247,439
Current investments		943,189	775,715	709,509	544,110
Trade and other receivables	8	473,203,307	329,823,326	361,823,412	242,616,259
Unbilled receivables	9	555,345,258	345,716,365	403,264,595	239,817,090
Short-term loans to related parties	6	-	-	47,900,000	9,000,000
Other current assets	10	53,252,667	55,090,824	28,060,926	28,337,356
<b>Total current assets</b>		<b>1,328,770,497</b>	<b>831,062,528</b>	<b>951,749,515</b>	<b>545,562,254</b>
<b>Non-current assets</b>					
Restricted bank deposits	11	60,230,000	53,437,546	46,160,000	41,660,000
Investments in subsidiaries	12	-	-	113,704,940	113,704,940
Investment in associated company	13	3,276,006	3,014,593	-	-
Other long-term investments		-	118,460	-	118,460
Investment properties	14	1,260,023	1,276,312	5,672,081	5,843,057
Property, plant and equipment	15	195,078,818	209,871,561	170,760,420	183,766,708
Intangible assets - computer software	16	66,783,393	66,128,012	57,020,848	58,387,345
Deferred tax assets	25	40,126,884	35,643,880	28,069,436	27,817,571
Retention receivable as per contract	9	113,923,370	101,364,148	67,716,377	56,004,383
Other non-current assets		18,519,568	3,222,613	12,933,551	531,603
<b>Total non-current assets</b>		<b>499,198,062</b>	<b>474,077,125</b>	<b>502,037,653</b>	<b>487,834,067</b>
<b>Total assets</b>		<b>1,827,968,559</b>	<b>1,305,139,653</b>	<b>1,453,787,168</b>	<b>1,033,396,321</b>

The accompanying notes are an integral part of the financial statements.



## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	4,623,582	80,463,932	-	61,903,788
Trade and other payables	18	212,803,296	230,126,719	164,502,711	185,562,642
Short-term loan from related party	6	-	-	-	25,000,000
Current portion of liabilities under hire purchase					
and finance lease agreements	20	14,755,403	17,854,132	11,564,887	13,603,372
Service income received in advance and					
advances received from employers	9	403,245,864	246,432,103	252,033,936	152,941,286
Income tax payable		6,382,572	4,352,216	-	-
Other current liabilities	19	51,174,815	40,291,579	31,766,632	22,639,119
Total current liabilities		692,985,532	619,520,681	459,868,166	461,650,207
Non-current liabilities					
Liabilities under hire purchase and finance lease					
agreements - net of current portion	20	19,958,495	33,805,637	13,769,234	25,334,909
Provision for long-term employee benefits	21	187,773,639	179,798,958	139,084,242	138,191,681
Total non-current liabilities		207,732,134	213,604,595	152,853,476	163,526,590
Total liabilities		900,717,666	833,125,276	612,721,642	625,176,797

The accompanying notes are an integral part of the financial statements.

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
680,000,000 ordinary shares of Baht 0.5 each	22	340,000,000	250,000,000	340,000,000	250,000,000
(31 December 2017: 2,500,000 ordinary shares of Baht 100 each)					
Issued and fully paid					
680,000,000 ordinary shares of Baht 0.5 each		340,000,000	250,000,000	340,000,000	250,000,000
(31 December 2017: 2,500,000 ordinary shares of Baht 100 each)					
Share premium	22	424,317,995	94,735,200	424,317,995	94,735,200
Capital reserve for share-based payment transactions		14,927,869	14,927,869	5,067,714	5,067,714
Deficit from the change in the ownership interests in subsidiaries		(22,215,349)	(22,215,349)	-	-
Deficit from the reorganisation of business of group under common control		(22,547,939)	(22,547,939)	-	-
Retained earnings					
Appropriated - statutory reserve	23	5,800,000	1,200,000	5,800,000	1,200,000
Unappropriated		181,004,702	149,711,469	65,879,817	57,216,610
Equity attributable to owners of the Company		921,287,278	465,811,250	841,065,526	408,219,524
Non-controlling interests of the subsidiaries		5,963,615	6,203,127	-	-
<b>Total shareholders' equity</b>		<b>927,250,893</b>	<b>472,014,377</b>	<b>841,065,526</b>	<b>408,219,524</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,827,968,559</b>	<b>1,305,139,653</b>	<b>1,453,787,168</b>	<b>1,033,396,321</b>

The accompanying notes are an integral part of the financial statements.

**TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income		1,654,244,231	1,590,190,150	1,060,320,328	1,118,654,040
Other income					
Interest income		1,550,708	1,009,655	2,425,674	1,885,194
Dividend income	12	-	-	57,998,390	38,698,561
Gain on sales of investment properties and equipment		116,219	7,907,225	108,430	2,138,015
Others		10,600,599	7,383,081	44,248,072	36,318,606
<b>Total revenues</b>		<b>1,666,511,757</b>	<b>1,606,490,111</b>	<b>1,165,100,894</b>	<b>1,197,694,416</b>
<b>Expenses</b>					
Cost of service		1,107,114,802	1,033,932,270	717,408,837	747,242,103
Administrative expenses		418,032,849	447,541,905	343,759,928	374,005,936
<b>Total expenses</b>		<b>1,525,147,651</b>	<b>1,481,474,175</b>	<b>1,061,168,765</b>	<b>1,121,248,039</b>
<b>Profit before share of profit from investment</b>					
In associated company, finance cost and income tax expenses		141,364,106	125,015,936	103,932,129	76,446,377
Share of profit from investment in associated company	13	1,161,353	1,472,151	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>142,525,459</b>	<b>126,488,087</b>	<b>103,932,129</b>	<b>76,446,377</b>
Finance cost		(4,409,361)	(4,236,222)	(4,434,515)	(3,807,322)
<b>Profit before income tax expenses</b>		<b>138,116,098</b>	<b>122,251,865</b>	<b>99,497,614</b>	<b>72,639,055</b>
Income tax expenses	25	(24,557,669)	(23,555,274)	(8,365,855)	(7,565,349)
<b>Profit for the year</b>		<b>113,558,429</b>	<b>98,696,591</b>	<b>91,131,759</b>	<b>65,073,706</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax		10,859,402	(5,031,525)	10,631,448	(9,679,178)
<b>Other comprehensive income for the year</b>		<b>10,859,402</b>	<b>(5,031,525)</b>	<b>10,631,448</b>	<b>(9,679,178)</b>
<b>Total comprehensive income for the year</b>		<b>124,417,831</b>	<b>93,665,066</b>	<b>101,763,207</b>	<b>55,394,528</b>

The accompanying notes are an integral part of the financial statements.

**TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		113,533,831	98,681,677	<u>91,131,759</u>	<u>65,073,706</u>
Non-controlling interests of the subsidiaries		<u>24,598</u>	<u>14,914</u>		
		<u>113,558,429</u>	<u>98,696,591</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		124,393,233	93,650,152	<u>101,763,207</u>	<u>55,394,528</u>
Non-controlling interests of the subsidiaries		<u>24,598</u>	<u>14,914</u>		
		<u>124,417,831</u>	<u>93,665,066</u>		
			(Restated)		(Restated)
<b>Basic earnings per share</b>	26				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.19</u>	<u>0.23</u>	<u>0.16</u>	<u>0.15</u>
Weighted average number of ordinary shares (shares)		<u>586,794,521</u>	<u>431,461,633</u>	<u>586,794,521</u>	<u>431,461,633</u>

The accompanying notes are an integral part of the financial statements.

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from the change in the ownership interests in subsidiaries	Deficit from the reorganisation of business of group under common control	Retained earnings	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	shareholders' equity
Note						Appropriated – statutory reserve	Unappropriated			
Balance as at 1 January 2017	166,052,000	94,735,200	14,927,869	(22,204,998)	(22,547,939)	1,200,000	56,061,317	288,223,449	1,399,650	289,623,099
Profit for the year	-	-	-	-	-	-	98,681,677	98,681,677	14,914	98,696,591
Other comprehensive income for the year	-	-	-	-	-	-	(5,031,525)	(5,031,525)	-	(5,031,525)
Total comprehensive income for the year	-	-	-	-	-	-	93,650,152	93,650,152	14,914	93,665,066
Change in the Company's interest in subsidiaries which did not result in a loss of control	-	-	-	(10,351)	-	-	-	(10,351)	(344,929)	(355,280)
Increase share capital	22 83,948,000	-	-	-	-	-	-	83,948,000	-	83,948,000
Increase share preference of subsidiary	12 -	-	-	-	-	-	-	-	5,250,000	5,250,000
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	(116,508)	(116,508)
Balance as at 31 December 2017	250,000,000	94,735,200	14,927,869	(22,215,349)	(22,547,939)	1,200,000	149,711,469	465,811,250	6,203,127	472,014,377

The accompanying notes are an integral part of the financial statements.



## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
Note	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from the change in the ownership interests in subsidiaries		Deficit from the reorganisation of business of group under common control	Retained earnings		Total equity attributable to owners of the Company
							Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2018	250,000,000	94,735,200	14,927,869	(22,215,349)	-	(22,547,939)	1,200,000	149,711,459	465,811,250
Profit for the year	-	-	-	-	-	-	-	113,533,831	113,533,831
Other comprehensive income for the year	-	-	-	-	-	-	-	10,859,402	10,859,402
Total comprehensive income for the year	-	-	-	-	-	-	-	124,393,233	124,393,233
Increase share capital	90,000,000	329,582,795	-	-	-	-	-	-	419,582,795
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	-	-	4,600,000	(4,600,000)	-
Dividend paid	-	-	-	-	-	-	-	(88,500,000)	(88,500,000)
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	340,000,000	424,317,995	14,927,869	(22,215,349)	-	(22,547,939)	5,800,000	181,004,702	921,287,278
								(264,110)	(264,110)
								5,963,615	927,250,893

The accompanying notes are an integral part of the financial statements.

**TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

**Separate financial statements**

	Note	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2017</b>		166,052,000	94,735,200	5,067,714	1,200,000	1,822,082	268,876,996
Profit for the year		-	-	-	-	65,073,706	65,073,706
Other comprehensive income for the year		-	-	-	-	(9,679,178)	(9,679,178)
Total comprehensive income for the year		-	-	-	-	55,394,528	55,394,528
Increase share capital	22	83,948,000	-	-	-	-	83,948,000
<b>Balance as at 31 December 2017</b>		250,000,000	94,735,200	5,067,714	1,200,000	57,216,610	408,219,524
<b>Balance as at 1 January 2018</b>		250,000,000	94,735,200	5,067,714	1,200,000	57,216,610	408,219,524
Profit for the year		-	-	-	-	91,131,759	91,131,759
Other comprehensive income for the year		-	-	-	-	10,631,448	10,631,448
Total comprehensive income for the year		-	-	-	-	101,763,207	101,763,207
Increase share capital	22	90,000,000	329,582,795	-	-	-	419,582,795
Transfer unappropriated retained earnings to statutory reserve	23	-	-	-	4,600,000	(4,600,000)	-
Dividend paid	29	-	-	-	-	(88,500,000)	(88,500,000)
<b>Balance as at 31 December 2018</b>		340,000,000	424,317,995	5,067,714	5,800,000	65,879,817	841,065,526

The accompanying notes are an integral part of the financial statements.

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before income tax	138,116,098	122,251,865	99,497,614	72,639,055
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	39,640,726	39,038,249	31,948,331	31,267,135
Allowance for doubtful accounts	2,842,774	2,234,945	4,145,051	2,425,515
Share of profit from investment in associated company	(1,161,353)	(1,472,151)	-	-
Allowance for impairment of investments in subsidiary	-	-	-	3,500,000
Dividend income from subsidiaries	-	-	(57,998,390)	(38,698,561)
Gain on sales of other long-term investments	(23,692)	-	(23,692)	-
Gain on sales of investment properties	-	(7,830,269)	-	(2,049,473)
Loss (gains) on sales/ written-off of equipment	(63,517)	185,419	(108,430)	(88,542)
Written-off withholding tax deducted at source	197,279	-	197,279	-
Unrealised exchange losses (gains)	(120,416)	1,168,913	(249,066)	713,026
Allowance for projects loss (reversal)	(183,088)	392,644	366,763	(1,723,870)
Increase in provision for long-term employee benefits	30,865,053	26,468,070	22,054,291	17,245,288
Interest income	(1,550,708)	(1,009,655)	(2,425,674)	(1,885,194)
Interest expenses	4,409,361	4,236,222	4,434,515	3,807,322
Profit from operating activities before changes in operating assets and liabilities	212,968,517	185,664,252	101,838,592	87,151,701
Operating assets (increase) decrease				
Trade and other receivables	(146,084,978)	9,871,642	(123,080,789)	49,267,641
Unbilled receivables	(209,628,893)	(64,822,659)	(163,447,505)	(84,847,775)
Work in process	657,430	15,952,619	-	12,346,588
Other current assets	784,957	2,300,523	(1,076,150)	756,745
Retention receivable as per contract	(12,675,317)	2,583,297	(11,828,089)	3,747,016
Other non-current assets	(1,186,735)	121,589	(213,089)	298,027
Operating liabilities increase (decrease)				
Trade and other payables	(25,294,406)	(62,535,505)	(29,087,723)	(36,625,211)
Advances received from employers and services income received in advance	156,813,761	(163,572,934)	99,092,650	(190,318,685)
Other current liabilities	9,672,260	(756,564)	8,179,038	(739,601)
Provision for long-term employee benefits	(9,316,120)	(15,997,000)	(7,872,420)	(14,244,600)
Cash flows used in operating activities	(23,289,524)	(91,190,740)	(127,495,485)	(173,208,154)
Cash received from interest income	1,496,769	1,144,139	2,414,928	1,918,748
Cash paid for interest expenses	(4,409,361)	(4,236,222)	(4,434,515)	(3,807,322)
Cash paid for income tax	(38,685,838)	(38,997,324)	(17,358,081)	(20,009,571)
Net cash flows used in operating activities	(64,887,954)	(133,280,147)	(146,873,153)	(195,106,299)

The accompanying notes are an integral part of the financial statements.

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	(167,474)	372,419	(165,399)	375,758
Decrease (increase) in restricted bank deposits	(6,792,454)	47,969	(4,500,000)	-
Decrease (increase) in short-term loans to related parties	-	-	(38,900,000)	12,500,000
Dividend received from subsidiaries	-	-	57,998,390	38,698,561
Cash paid for acquisitions of investment in subsidiary	-	-	-	(4,500,000)
Cash received from sales of investment in subsidiaries	-	920	-	920
Dividend received from investment in associated company	899,940	449,970	-	-
Cash received from sales of other investments	142,152	-	142,152	-
Cash paid for acquisitions of plant and equipment	(11,779,648)	(14,539,995)	(8,517,923)	(16,646,645)
Cash paid for acquisitions of intangible assets - computer software	(5,178,808)	(25,100,465)	(1,822,260)	(23,443,741)
Cash received from sales of investment properties	-	15,300,000	-	2,150,000
Cash received from sales of equipment	749,199	303,268	689,399	299,803
<b>Net cash flows from (used in) investing activities</b>	<b>(22,127,093)</b>	<b>(23,165,914)</b>	<b>4,924,359</b>	<b>9,434,656</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(75,840,350)	62,308,495	(61,903,788)	61,903,788
Increase (decrease) in short-term loans from related parties	-	-	(25,000,000)	25,000,000
Cash paid under hire purchase and finance lease agreements	(17,846,229)	(19,121,700)	(13,472,910)	(14,370,405)
Acquisition of non-controlling interests	-	(356,200)	-	(356,200)
Dividend paid	(88,498,282)	(119,557,440)	(88,498,282)	(119,557,440)
Dividend paid to non-controlling interests of the subsidiaries	(1,609)	(1,440)	-	-
Cash receipt from issuing preference share	-	5,250,000	-	-
Cash paid for direct cost related to the share offering	(20,021,506)	-	(20,021,506)	-
Cash receipt from increase in share capital	435,600,000	83,948,000	435,600,000	83,948,000
<b>Net cash flows from financing activities</b>	<b>233,392,024</b>	<b>12,469,715</b>	<b>226,703,514</b>	<b>36,567,743</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>(7,199)</b>	<b>(309,647)</b>	<b>(11,086)</b>	<b>(8,053)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>146,369,778</b>	<b>(144,285,993)</b>	<b>84,743,634</b>	<b>(149,111,953)</b>
Cash and cash equivalents at the beginning of year	99,656,298	243,942,291	25,247,439	174,359,392
Cash and cash equivalents at the end of year	246,026,076	99,656,298	109,991,073	25,247,439

Supplemental cash flow information:

Non-cash transactions

Accounts payable from purchase of plant and equipment and intangible assets	9,823,658	1,509,715	8,262,031	485,426
Purchases of equipment and vehicles under hire-purchase and finance lease agreements	1,031,608	22,496,381	-	18,379,512
Dividend payable	379,287	115,068	1,718	-

The accompanying notes are an integral part of the financial statements.

**TEAM Consulting Engineering and Management Public Company Limited  
and its subsidiaries**

**Notes to consolidated financial statements**

**For the year ended 31 December 2018**

**1. General information**

TEAM Consulting Engineering and Management Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Five major shareholders are as follows: Dr. Prasert Patramai, Mr. Peerawat Premchun, Dr. Thanasarn Khuayjarernpanishk, Mr. Amnat Prommasutra and Mr. Chawalit Chantararat. The Company is principally engaged in the integrated engineering, environment, management consultancy services and preparation of Environmental Impact Assessment Reports (EIA). The registered office of the Company is at No. 151, TEAM Building, Nuan Chan Road, Nuan Chan, Bueng Kum, Bangkok.

On 12 March 2018, a meeting of the Company's Annual General Meeting of the shareholders passed a resolution to transform the limited company to public limited company under the public company law. The Company has registered and changed its name from "TEAM Consulting Engineering and Management Company Limited" to "TEAM Consulting Engineering and Management Public Company Limited" with the Ministry of Commerce on 20 March 2018.

The Stock Exchange of Thailand ("SET") has approved the listing of the Company's ordinary shares as securities to be traded on the SET, effective from 12 July 2018.

**2. Basis of preparation**

- 2.1** The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of TEAM Consulting Engineering and Management Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") as follows:

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
ATT Consultants Company Limited	Consulting services in the fields of power, energy, oil, gas and petroleum as well as related industries including port and utilities	Thailand	100.00	100.00
Geotechnical & Foundation Engineering Company Limited	Consulting services in the fields of geotechnical engineering, foundation, and underground structure	Thailand	100.00	100.00
Management Solutions International Ltd.	A full range of consulting services in the areas of strategic management, finance and investment, accounting, marketing, project management and project development	Thailand	100.00	100.00
SQ Architects and Planners Company Limited	Planning and design of building architecture, interior design, landscape architecture, and urban development	Thailand	100.00	100.00
TEAM Construction Management Company Limited	Consulting services in construction management and construction supervision for various types of buildings	Thailand	100.00	100.00
TEAM Consulting International Company Limited	A full range of consulting services in various fields of engineering, environmental management, and related businesses internationally especially in ASEAN	Thailand	100.00	100.00
TLT Consultants Company Limited	Environmental management services including Environmental Impact Assessment (EIA)	Thailand	48.77	48.77

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u> Percent	<u>2017</u> Percent
TEAM Quality Management Company Limited	Consulting services in the fields of energy engineering including energy conservation, energy utilisation, energy management system, energy measurement, energy utilisation inspection and analysis for government and private sectors	Thailand	83.75	83.75
TWI Consultants Company Limited	A full range of consulting services in the areas of water resources and public utility system engineering	Thailand	93.73	93.73
LTEAM Sole Company Limited	Consulting services in the fields of engineering, environment, and related businesses in Lao PDR	The Lao People's Democratic Republic	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The financial statements of TLT Consultants Company Limited is included in the consolidated financial statements even though the Company's shareholding is 48.77 percent. This is because the Company has voting rights that is more than half of shares and voting rights over of such company, therefore regarded as subsidiary.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) The difference between the net proceeds paid or received from the change in the percentage of shareholding in the Company's subsidiaries and the interest of the non-controlling interests of the subsidiaries in the net book value of the subsidiaries as of the date of such change it is included in the consolidated statement of changes in shareholders' equity under caption of "Deficit from the change in the ownership interests in subsidiaries".

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which were effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. 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 management of the Company and its subsidiaries believe that the most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

**(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**4. Significant accounting policies**

**4.1 Revenues and expenses recognition**

*Service income*

Service income is recognised when services have been rendered on the basis of the percentage of completion. The percentage of completion is measured based on comparison of actual service costs incurred up to the end of the period and total anticipated cost of service to be incurred to completion. The recognised revenue that is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position, while revenue received before it is earned or before service is rendered is presented as "Service income received in advance" in the statement of financial position.



### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### *Other revenues and expenses*

Other revenues and expenses are recognised on an accrual basis.

The Company and its subsidiaries recognise a loss provision for a project in full when it is highly likely that the total cost of the project will exceed total service income.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

## **4.4 Work in process**

Work in process is valued at the lower of cost or net realisable value. Work in process comprises the costs of equipment, labor, subcontractor charges, cost of service and other related expenses.

## **4.5 Investments**

- a) Investments in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

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

## **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 40 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land classified as investment properties.

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.

#### **4.7 Property, plant and equipment/Depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	20 - 40	years
Buildings improvement	5 - 20	years
Furniture, fixtures and office equipment	5 - 10	years
Motor vehicles	5 - 10	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.8 Intangible assets**

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets of the Company and its subsidiaries with finite useful lives comprise computer software, and have useful lives of 5 - 10 years.

#### **4.9 Related party transactions**

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

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

#### **4.10 Long-term leases**

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's and its subsidiaries' functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.13 Employee benefits**

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### **Post-employment benefits**

###### *Defined contribution plans*

The Company and its subsidiaries and their employees have jointly established provident funds. The funds are monthly contributed by employees and by the Company and the subsidiaries. The fund's assets are held in separate trust funds and the Company's and subsidiaries' contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.14 Equity-settled share-based payment transactions**

The Company and its subsidiaries recognise the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

#### **4.15 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.16 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

## **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.



## **5. Significant accounting judgements and estimates**

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

### **Consolidation of subsidiaries that the Company holds less than half of shares**

The management of the Company determined that the Company has control over TLT Consultants Company Limited, even though the Company holds 48.77 of shares that is less than half of share. This is because the Company has a voting right that is more than half of shares and has the ability to direct the significant activities, while other shareholders are only minor shareholders. As a result, TLT Consultants Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Property plant and equipment/Depreciation**

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Estimated project costs**

The Company and its subsidiaries estimate costs of service projects based on details of the service, taking into account the labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### **Provision for losses on projects**

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

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **Litigation**

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management have used judgement to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Service income	-	-	27.3	39.3	Contract price or cost plus margin
Dividend income	-	-	58.0	38.7	As declared
Management fee income	-	-	31.4	27.5	Contract price or cost plus margin
Building rental income	-	-	2.0	2.0	Contract price
Interest income	-	-	1.5	1.2	Interest rates of 6.65 and 6.67 per annum (2017: Interest rates of 5.26 to 7.39 per annum)
Other income	-	-	2.4	1.2	Cost plus margin or as agreed
Cost of service	-	-	58.7	78.1	Contract price or cost plus margin
Interest expense	-	-	1.3	0.9	Interest rates of 6.65 and 6.67 per annum (2017: Interest rates of 5.26 to 7.39 per annum)
Other expenses	-	-	0.1	0.2	Cost plus margin or as agreed
<b><u>Transactions with associated company</u></b>					
Cost of service	6.5	1.6	1.1	0.1	Contract price
Dividend income	0.9	0.4	-	-	As declared
<b><u>Transactions with related parties</u></b>					
Service income	0.1	1.1	0.1	0.6	Contract price
Management fee income	-	0.4	-	0.4	Contract price
Building rental income	-	0.2	-	0.2	Contract price
Other income	0.1	0.4	0.1	0.4	Contract price or cost plus margin
Cost of service	5.7	6.3	5.6	6.1	Contract price
Other expenses	2.7	2.4	2.7	2.4	Contract price or market price

The balances of the accounts as at 31 December 2018 and 2017 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b><u>Service contract receivables (Note 8)</u></b>				
Subsidiaries	-	-	41,908	36,716
Related companies (common shareholders and director)	71	167	71	167
Total service contract receivables	71	167	41,979	36,883
<b><u>Other receivables (Note 8)</u></b>				
Subsidiaries	-	-	17,086	8,198
Related companies (common shareholders and director)	8	87	8	87
Total other receivables	8	87	17,094	8,285
Total trade and other receivables - related parties	79	254	59,073	45,168

#### **Short-term loans to related parties**

As at 31 December 2018 and 2017, the balances of short-term loans to related parties between the Company and its subsidiaries and the movement of those loans to are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loans to related parties	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December			31 December
		2017	during the year	during the year	2018
ATT Consultants					
Company Limited	subsidiary	9,000	55,000	(21,100)	42,900
SQ Architects and Planners Company Limited					
Limited	subsidiary	-	5,000	-	5,000
Total		9,000	60,000	(21,100)	47,900

This loan is repayable on demand and unsecured, and carries interest at the rate of 6.65 percent per annum (2017: 6.67 percent per annum).

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade and other payables - related parties</u></b>				
<b><u>Trade payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	41,620	39,779
Associated company	1,889	539	221	-
Related companies (common shareholder and directors)	1,321	5,700	1,180	5,560
Total trade payables - related parties	3,210	6,239	43,021	45,339
<b><u>Other payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	43	5
Related companies (common shareholder and directors)	429	945	429	945
Total other payables - related parties	429	945	472	950
<b><u>Retention payable - related parties</u></b>				
Subsidiary	-	-	90	90
Related companies (common shareholder and directors)	163	-	163	-
Total retention payable - related parties	163	-	253	90
<b><u>Accrued expenses - related parties</u></b>				
Related companies (common shareholder and directors)	377	708	277	708
Total accrued expenses - related parties	377	708	277	708
Total trade and other payables - related parties	4,179	7,892	44,023	47,087



### Short-term loans from related parties

As at 31 December 2018 and 2017, the balances of short-term loans from related parties between the Company and its subsidiaries and the movement of those loans from are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans from related parties	Related by	Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
		2017	during the year	during the year	2018
Geotechnical & Foundation Engineering Company Limited	subsidiary	25,000	49,000	(74,000)	-
TWI Consultants Company Limited	subsidiary	-	4,000	(4,000)	-
TEAM Construction Management Company Limited	subsidiary	-	3,500	(3,500)	-
Management Solutions International Ltd.	subsidiary	-	2,000	(2,000)	-
Total		25,000	58,500	(83,500)	-

These loans are repayable on demand and unsecured, and carries interest at the rate of 6.65 - 6.67 percent per annum (2017: 6.67 percent per annum).

### Directors and management's remuneration

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	60	58	37	34
Post-employment benefits	1	1	1	-
Total	61	59	38	34

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 30.4 to the financial statements.

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	361	360	288	290
Bank deposits	245,665	99,296	109,703	24,957
Total	<u>246,026</u>	<u>99,656</u>	<u>109,991</u>	<u>25,247</u>

As at 31 December 2018, bank deposits in saving accounts and fixed accounts carried interests between 0.05 and 1.10 percent per annum (the Company only: between 0.05 and 1.10 percent per annum) (2017: between 0.05 and 1.00 percent per annum, the Company only: between 0.05 and 0.98 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	71	167	1,724	2,933
Past due				
Up to 3 months	-	-	18,892	6,979
3 - 6 months	-	-	1,253	-
6 - 12 months	-	-	57	192
Over 12 months	-	-	20,053	26,779
Total trade receivables - related parties	<u>71</u>	<u>167</u>	<u>41,979</u>	<u>36,883</u>
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	251,137	138,075	166,488	75,128
Past due				
Up to 3 months	92,571	141,612	47,799	91,976
3 - 6 months	28,180	13,788	21,633	13,120
6 - 12 months	74,326	17,776	57,058	8,614
Over 12 months	48,030	51,524	27,362	23,017
Total	<u>494,244</u>	<u>362,775</u>	<u>320,340</u>	<u>211,855</u>
Less: Allowance for doubtful debts	<u>(22,717)</u>	<u>(33,990)</u>	<u>(18,875)</u>	<u>(14,846)</u>
Total trade receivables - unrelated parties, net	<u>471,527</u>	<u>328,785</u>	<u>301,465</u>	<u>197,009</u>
Total trade receivables, net	<u>471,598</u>	<u>328,952</u>	<u>343,444</u>	<u>233,892</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Other receivables</u></b>				
Other receivables - related parties	8	87	17,094	8,285
Other receivables - unrelated parties	1,341	561	1,124	268
Accrued income - unrelated parties	4	25	4	25
Accrued interest income	252	198	157	146
Total other receivables	1,605	871	18,379	8,724
Total trade and other receivables - net	473,203	329,823	361,823	242,616

During the year 2018, the subsidiary (SQ Architects and Planners Company Limited) wrote off bad debt and reversed the related allowance for doubtful accounts amounting to Baht 14 million.

**9. Unbilled receivables / Retention receivable as per contract / Service income received in advance and advances received from employers**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Unbilled receivables</b>				
Project value as per contract	5,811,869	5,333,382	4,357,325	3,739,352
Accumulated amount recognised as revenue				
on percentage of completion basis	3,224,660	2,950,598	2,554,886	2,013,873
Less: Value of total billed	(2,669,315)	(2,604,882)	(2,151,621)	(1,774,056)
Unbilled receivables	555,345	345,716	403,265	239,817
<b>Retention receivable as per contract</b>				
Retention receivable as per contract	114,089	101,414	67,882	56,054
Less: Allowance for doubtful debts	(166)	(50)	(166)	(50)
Total receivable as per contract - net	113,923	101,364	67,716	56,004

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Service income received in advance and advances received from employers</b>				
Project value as per contract	3,044,742	2,272,358	1,571,968	1,498,814
Value of total billed	2,411,639	1,900,953	1,298,451	1,366,522
Less: Accumulated amount recognised as revenue on percentage of completion basis	(2,212,327)	(1,743,498)	(1,211,667)	(1,285,409)
Service income received in advance	199,312	157,455	86,784	81,113
Advances received from employers	203,934	88,977	165,250	71,828
<b>Total</b>	<b>403,246</b>	<b>246,432</b>	<b>252,034</b>	<b>152,941</b>

Retention receivable as per contract were derived from the amount deducted at the agreed rate from the service fees paid to the Company and its subsidiaries by their customers for each payment that is due more than one year. These retention receivables shall be return when the Company and its subsidiaries meet conditions stipulated in service contracts.

#### 10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Prepaid expenses	14,293	15,402	11,583	10,661
Value added tax refundable	14,313	14,550	197	52
Purchase vat awaiting tax invoices	8,795	8,636	3,635	4,166
Withholding tax at deducted source	13,714	14,321	10,836	12,189
Others	2,138	2,182	1,810	1,269
<b>Total other current assets</b>	<b>53,253</b>	<b>55,091</b>	<b>28,061</b>	<b>28,337</b>

#### 11. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure the issuance of bank guarantees for electricity utilisation, other guarantee from banks and credit facilities of the Company and its subsidiaries.

## 12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investments		Carrying amount based on cost method - net		Dividend received during the years	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			(Percent)									
ATT Consultants Company Limited	20	20	100.00	100.00	46	46	-	-	46	46	5	-
Geotechnical & Foundation Engineering Company Limited	10	10	100.00	100.00	12	12	-	-	12	12	32	6
Management Solutions International Ltd.	10	10	100.00	100.00	15	15	(5)	(5)	10	10	-	-
SQ Architects and Planners Company Limited	5	5	100.00	100.00	7	7	-	-	7	7	9	12
TEAM Construction Management Company Limited	10	10	100.00	100.00	15	15	-	-	15	15	12	3
TEAM Consulting International Company Limited	10	10	100.00	100.00	10	10	(3)	(3)	7	7	-	-
TLT Consultants Company Limited	10.25	10.25	48.77	48.77	6	6	-	-	6	6	-	18
TEAM Quality Management Company Limited	10	10	83.75	83.75	6	6	(3)	(3)	3	3	-	-
TWI Consultants Company Limited	15	15	93.73	93.73	14	14	(11)	(11)	3	3	-	-
LTEAM Sole CO., LTD. (paid-in capital LAK 1,000 million)	5	5	100.00	100.00	5	5	-	-	5	5	-	-
<b>Total investments in subsidiaries</b>					<b>136</b>	<b>136</b>	<b>(22)</b>	<b>(22)</b>	<b>114</b>	<b>114</b>	<b>58</b>	<b>39</b>



Movements of the investments in subsidiaries for the year ended 31 December 2017 was summarised below.

#### Investment in TLT Consultants Company Limited

On 11 July 2017, the Extraordinary General Meeting of the shareholders of TLT Consultants Company Limited, a subsidiary, passed a special resolution to increase the registered share capital of the subsidiary from Baht 5 million to Baht 10.25 million by issuing of 52,500 preferred shares with a par value of Baht 100 per share to be offered to the existing shareholders. Under the Articles of Association of the subsidiary, the preferred shareholders are entitled to receive dividends before the ordinary shareholders at the rate of 5% per annum of the paid-up share capital. In any year where the subsidiary company is unable to pay dividends to the preferred shareholders, or if the dividend is not paid in the amount to which the preferred shareholders are entitled each year, the amount of dividend or the remaining dividend to be received by the preferred shareholders for the year is to be retained by the subsidiary. In case of dissolution of the subsidiary, the preferred shareholders are to receive a cash refund of their investment in the shares before the ordinary shareholders. In addition, the preferred shareholders have voting rights that are not equivalent to those of the ordinary shareholders, with the voting rights of 50 preferred shares equal to that of one ordinary share. The subsidiary registered the capital increase with the Ministry of Commerce on 25 July 2017. As the Company waived its right to purchase the newly issued preferred shares of the subsidiary, the Company's shareholding in the subsidiary company represented a 48.77% interest. However, the Company still has the control over the subsidiary because its voting rights represent more than half of the total voting rights.

As at 31 December 2018, the subsidiary has the balance of a dividend payment for preferred shares of Baht 0.4 million (2017: Baht 0.1 million).

### **13. Investments in associated company**

#### **13.1 Details of associate held through Geotechnical & Foundation Engineering Company Limited which is the Company's subsidiary**

(Unit: Thousand Baht)

		Consolidated financial statements						Carrying amounts	
Company's name	Nature of business	Country of incorporation	Shareholding		Cost		based on equity		
			percentage				method		
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
			(percent)	(percent)					
Krungthep Geotechnique Company Limited	Provides geological and prospecting	Thailand	30	30	1,500	1,500	3,276	3,015	

### 13.2 Share of comprehensive income

During the years, the Company has recognised its share of profit from investments in associated company in the consolidated financial statements as follows:

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of profit from investments in associated company during the years	
	<u>2018</u>	<u>2017</u>
Krungthep Geotechnique Company Limited	1,161	1,472

### 13.3 Summarised financial information of associated company

Summarised information about financial position

	(Unit: Thousand Baht)	
	Krungthep Geotechnique Company Limited	
	<u>2018</u>	<u>2017</u>
Current assets	9,359	8,538
Non-current assets	3,166	2,691
Current liabilities	1,059	825
Non-current liabilities	545	354

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	Krungthep Geotechnique Company Limited	
	For the years ended 31 December	
	<u>2018</u>	<u>2017</u>
Revenues	21,256	16,847
Profit	3,871	4,907
Total comprehensive income	3,871	4,907

#### 14. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 is presented below.

	Consolidated financial statements			Separate financial statements		
	Land and office buildings for rent	Others	Total	Land and office buildings for rent	Others	Total
As at 31 December 2018:						
Cost	133	3,880	4,013	22,737	3,880	26,617
<u>Less: Accumulated depreciation</u>	(107)	(2,646)	(2,753)	(18,299)	(2,646)	(20,945)
Net book value	26	1,234	1,260	4,438	1,234	5,672
As at 31 December 2017:						
Cost	133	3,880	4,013	22,737	3,880	26,617
<u>Less: Accumulated depreciation</u>	(107)	(2,630)	(2,737)	(18,144)	(2,630)	(20,774)
Net book value	26	1,250	1,276	4,593	1,250	5,843

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	1,276	10,134	5,843	8,079
Transfers to property, plant and equipment	-	(1,371)	-	(1,964)
Less: Disposal during year - net book value				
at disposal date	-	(7,470)	-	(101)
Depreciation for the year	(16)	(17)	(171)	(171)
Net book value at end of year	<u>1,260</u>	<u>1,276</u>	<u>5,672</u>	<u>5,843</u>

The fair value of the investment properties as at 31 December 2018 and 2017 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and office buildings for rent	119	119	20,226	20,226
Others	5,480	5,480	5,480	5,480

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land and others investment properties have been determined based on market prices, while that of land and the office buildings for rent has been determined using the replacement cost approach.

The Company has pledged investment properties amounting to approximately Baht 4 million (2017: Baht 5 million) as collateral against credit facilities received from financial institutions, as described in Note 17 to the financial statements.

## 15. Property, plant and equipment

	Consolidated financial statements					(Unit: Thousand Baht)
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>						
As at 1 January 2017	73,217	184,065	87,575	80,357	14,338	439,552
Additions	-	1,572	13,398	8,616	3,247	26,833
Disposals/write off	-	(154)	(6,179)	(12,176)	(166)	(18,675)
Transfer in (out)	-	1,900	13,778	-	(16,458)	(780)
Transfer from investment properties	409	6,155	-	-	-	6,564
As at 31 December 2017	73,626	193,538	108,572	76,797	961	453,494
Additions	-	2,873	11,958	428	1,408	16,667
Disposals/write off	-	(46)	(1,663)	(6,958)	-	(8,667)
Transfer in (out)	-	526	799	-	(1,325)	-
As at 31 December 2018	73,626	196,891	119,666	70,267	1,044	461,494
<b>Accumulated depreciation</b>						
As at 1 January 2017	-	142,765	47,697	35,828	-	226,290
Depreciation for the year	-	1,975	13,677	14,674	-	30,326
Depreciation on disposals/write off	-	(95)	(5,939)	(12,153)	-	(18,187)
Transfer from investment properties	-	5,193	-	-	-	5,193
As at 31 December 2017	-	149,838	55,435	38,349	-	243,622
Depreciation for the year	-	2,063	15,394	13,186	-	30,643
Depreciation on disposals/write off	-	(10)	(1,312)	(6,528)	-	(7,850)
As at 31 December 2018	-	151,891	69,517	45,007	-	266,415
<b>Net book value</b>						
31 December 2017	73,626	43,700	53,137	38,448	961	209,872
31 December 2018	73,626	45,000	50,149	25,260	1,044	195,079
<b>Depreciation for the year</b>						
2017 (Baht 5 million included in cost of services and the balance in administrative expenses)						30,326
2018 (Baht 4 million included in cost of services and the balance in administrative expenses)						30,643

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation
<b>Cost</b>					<b>Total</b>
As at 1 January 2017	71,631	157,130	65,147	59,839	12,146
Additions	-	1,364	11,679	5,844	3,247
Disposals/write off	-	-	(5,721)	(12,176)	-
Transfer in (out)	-	1,900	12,532	-	(14,432)
Transfer from investment properties	586	8,818	-	-	-
As at 31 December 2017	72,217	169,212	83,637	53,507	961
Additions	-	2,695	8,163	356	981
Disposals/write off	-	(46)	(994)	(1,153)	-
Transfer in (out)	-	526	799	-	(1,325)
As at 31 December 2018	72,217	172,387	91,605	52,710	617
<b>Accumulated depreciation</b>					
As at 1 January 2017	-	120,618	35,132	26,229	-
Depreciation for the year	-	1,668	11,113	11,253	-
Depreciation on disposals/write off	-	-	(5,534)	(12,152)	-
Transfer from investment properties	-	7,440	-	-	-
As at 31 December 2017	-	129,726	40,711	25,330	-
Depreciation for the year	-	1,749	12,442	10,298	-
Depreciation on disposals/write off	-	(10)	(749)	(721)	-
As at 31 December 2018	-	131,465	52,404	34,907	-
<b>Net book value</b>					
31 December 2017	72,217	39,486	42,926	28,177	961
31 December 2018	72,217	40,922	39,201	17,803	617
<b>Depreciation for the year</b>					
2017 (Baht 3 million included in cost of services and the balance in administrative expenses)					24,034
2018 (Baht 3 million included in cost of services and the balance in administrative expenses)					24,489



As at 31 December 2018, the Company and its subsidiaries had vehicles under hire purchase and finance lease agreements with net book values amounting to Baht 24 million (the Company only: Baht 17 million) (2017: Baht 37 million, the Company only: Baht 27 million).

As at 31 December 2018, the Company and its subsidiaries had equipments under hire purchase and finance lease agreements with net book values amounting to Baht 10 million (the Company only: Baht 8 million) (2017: Baht 13 million, the Company only: Baht 10 million).

As at 31 December 2018, certain plant, equipment and vehicle items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 40 million (the Company only: Baht 27 million) (2017: Baht 33 million, the Company only: Baht 19 million).

The Company has pledged land together with buildings constructed thereon amounting to approximately Baht 113 million (2017: Baht 112 million) as collateral against credit facilities received from financial institutions, as described in Note 17 to the financial statements.

## 16. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost	112,676	103,039	87,694	81,772
Accumulated amortisation	(45,893)	(36,911)	(30,673)	(23,385)
Net book value	<u>66,783</u>	<u>66,128</u>	<u>57,021</u>	<u>58,387</u>
Amortisation expenses included in				
the profit or loss for the year	<u>8,982</u>	<u>8,695</u>	<u>7,288</u>	<u>7,062</u>

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	66,128	67,731	58,387	60,793
Acquisitions of computer software	9,637	6,312	5,922	4,656
Transfer from assets under installation	-	780	-	-
Amortisation	(8,982)	(8,695)	(7,288)	(7,062)
Net book value at end of year	<u>66,783</u>	<u>66,128</u>	<u>57,021</u>	<u>58,387</u>

#### 17. Bank overdrafts and short-term loans from financial institutions

	Interest rate (% p.a.)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bank overdrafts	Rate of saving deposits plus 1%, rate of fixed deposits 3 months plus 1%, rate of fixed deposits 12 months plus 1%, rate of fixed deposits 12 months plus 1.5%, rate of fixed deposits 12 months plus 1.75%, rate of fixed deposits 24 months plus 2%, MOR, MOR + 0.25	4,624	40,464	-	21,904
Promissory notes	Rate of fixed deposits 3 months plus 1%, MLR - 1.5	-	40,000	-	40,000
Total		<u>4,624</u>	<u>80,464</u>	<u>-</u>	<u>61,904</u>

Bank overdrafts and short-term loans from financial institutions of the Company and its subsidiaries are secured by certain saving deposits and fixed deposit of the Company and its subsidiaries, certain mortgaged land with constructions thereon and investment properties of the Company, and include transfer of rights over receipt of payment under certain contracts of the Company and its subsidiaries.

## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - related parties	3,210	6,239	43,021	45,339
Trade payables - unrelated parties	49,386	66,458	26,745	33,036
Other payables - related parties	429	945	472	950
Other payables - unrelated parties	30,721	17,644	24,646	14,642
Retention payables	17,589	18,994	15,212	18,926
Accrued expenses	111,468	119,847	54,407	72,670
Total trade and other payables	<u>212,803</u>	<u>230,127</u>	<u>164,503</u>	<u>185,563</u>

## 19. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred output tax	31,853	20,027	19,659	9,852
Withholding tax payable	8,356	10,165	5,612	7,653
Value added tax payable	7,060	6,402	3,959	2,319
Others	3,906	3,698	2,537	2,815
Total other current liabilities	<u>51,175</u>	<u>40,292</u>	<u>31,767</u>	<u>22,639</u>

## 20. Liabilities under hire purchase and finance lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Liabilities under hire purchase and finance lease agreements	37,598	56,620	27,100	42,372
Less: Deferred interest expenses	(2,884)	(4,960)	(1,766)	(3,434)
Total	<u>34,714</u>	<u>51,660</u>	<u>25,334</u>	<u>38,938</u>
Less: Portion due within one year	<u>(14,755)</u>	<u>(17,854)</u>	<u>(11,565)</u>	<u>(13,603)</u>
Liabilities under hire purchase and finance lease agreements - net of current portion	<u>19,959</u>	<u>33,806</u>	<u>13,769</u>	<u>25,335</u>

### Liabilities under hire purchase agreements

Hire purchase payable consists of amounts payable under vehicles and office equipment agreements, with payments to be made in 24 - 60 monthly installments.

### Liabilities under finance lease agreements

The Company and its subsidiaries have entered into various finance lease agreements with various leasing companies for rental of vehicles and office equipment for use in its operations. Installments are paid on a monthly basis over 24 - 60 periods and at the end of the agreements, the Company and its subsidiaries have the option to purchase the vehicles and equipment at prices specified in the agreements.

As at 31 December 2018 and 2017, future minimum lease payments required under the hire purchase and finance lease agreements of the Company and its subsidiaries were as follows:

(Unit: Thousand Baht)

Consolidated financial statements						
As at 31 December						
Less than 1 year		1 - 5 years		Total		
2018	2017	2018	2017	2018	2017	
Future minimum lease payments	16,244	20,073	21,354	36,547	37,598	56,620
Deferred interest expenses	(1,489)	(2,219)	(1,395)	(2,741)	(2,884)	(4,960)
Present value of future minimum lease payments	14,755	17,854	19,959	33,806	34,714	51,660

(Unit: Thousand Baht)

Separate financial statements						
As at 31 December						
Less than 1 year		1 - 5 years		Total		
2018	2017	2018	2017	2018	2017	
Future minimum lease payments	12,569	15,271	14,531	27,101	27,100	42,372
Deferred interest expenses	(1,004)	(1,668)	(762)	(1,766)	(1,766)	(3,434)
Present value of future minimum lease payments	11,565	13,603	13,769	25,335	25,334	38,938

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Defined benefit obligation at beginning of year</b>	179,799	163,038	138,192	123,092
Included in profit or loss:				
Current service cost	25,978	19,325	18,908	11,792
Interest cost	3,826	3,829	2,851	2,506
Settlement loss	1,061	3,314	295	2,947
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(9,330)	14,914	(5,514)	18,242
Financial assumptions changes	(7,938)	(26)	(5,355)	1,389
Experience adjustments	3,694	(8,598)	(2,421)	(7,531)
Benefits paid during the year	<u>(9,316)</u>	<u>(15,997)</u>	<u>(7,872)</u>	<u>(14,245)</u>
<b>Provisions for long-term employee</b>				
<b>benefits at end of year</b>	<u>187,774</u>	<u>179,799</u>	<u>139,084</u>	<u>138,192</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost of service	24,819	22,972	17,197	14,223
Administrative expenses	<u>6,046</u>	<u>3,496</u>	<u>4,857</u>	<u>3,022</u>
Total expenses recognised in profit or loss	<u>30,865</u>	<u>26,468</u>	<u>22,054</u>	<u>17,245</u>

The Company and its subsidiaries expect to pay Baht 21 million of long-term employee benefits during the next year (the Company only: Baht 20 million) (2017: Baht 22 million, the Company only: Baht 21 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefits is 8 - 15 years (the Company only: 8 years) (2017: 8 - 14 years, the Company only: 8 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.43 - 2.93	2.16 - 2.67	2.43	2.16
Salary increase rate	5.25	5.50	5.25	5.50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(14)	16	(9)	10
Salary increase rate	15	(13)	10	(9)

	(Unit: Million Baht)			
	As at 31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(14)	16	(10)	11
Salary increase rate	15	(14)	11	(10)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 46 million (the Company only: Baht 33 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.



## 22. Share capital and share premium

Movements of share capital and share premium for the year ended 31 December 2018 are summarised below.

On 12 March 2018, the Annual General Meeting of the shareholders of the Company passed the following resolutions:

- a) Approved the change of the par value of the Company's ordinary shares from Baht 100 per share to Baht 0.5 per share, the new ordinary shares will be increased from 2.5 million shares to 500 million shares after the change. The change in the par value was registered with the Ministry of Commerce on 20 March 2018.
- b) Approved an increase of the Company's registered share capital from the amount of Baht 250 million (500 million ordinary shares of Baht 0.5 each) after the change in the par value mentioned above to Baht 340 million (680 million ordinary shares of Baht 0.5 each) by issuing 180 million new ordinary shares with a par value of Baht 0.5 per share order to accommodate a public offering of the Company's share. The Company registered the increase in its registered share capital with the Ministry of Commerce on 20 March 2018.

During 4 - 6 July 2018, the Company made Initial Public Offering of 180 million ordinary shares, with a par value of Baht 0.50 each, at a price of Baht 2.42 per share, or for Baht 436 million. The Company received payment of this share capital increment and registered the increase of its issued and paid-up share capital from Baht 250 million (500 million ordinary shares with a par value of Baht 0.50 per each) to Baht 340 million (680 million ordinary shares with a par value of Baht 0.50 per each) with the Ministry of Commerce on 9 July 2018. The Stock Exchange of Thailand approved the 680 million ordinary shares with a par value of Baht 0.50 each as listed securities to be traded, effective from 12 July 2018.

Direct costs attributable to the share offering net of income tax, amounting to Baht 16 million and the Company recorded this as a deduction from share premium.

Movements of share capital and share premium for the year ended 31 December 2017 was summarised below.

On 27 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution approving the increase of the registered share capital from Baht 166 million (1,660,520 ordinary shares of Baht 100 each) to Baht 250 million (2,500,000 ordinary shares of Baht 100 each) by issuing new 839,480 ordinary shares with a par value of Baht 100 per share to be offered to the existing shareholders in proportion to their current shareholding (Rights Offering), where the existing shareholders are allowed to purchase 0.505552 new ordinary share for one existing share held at a price of Baht 100 each. The purpose of the capital increase is to prepare the Company for listing on the Stock Exchange of Thailand. The Company registered the increase of its paid up share capital with the Ministry of Commerce on 6 June 2017.

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve equal to at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend payment.

According to Section 1202 of the Thai Civil and Commercial Code, the subsidiaries (incorporated under Thai Laws) are required to set aside a statutory reserve equal to at least 5 percent of its net profit each time the company pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend payment.

## 24. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Salaries and wages and other employee benefits	1,032,722	988,519	685,151	692,379
Survey expenses and subcontractors costs	128,792	120,575	123,813	155,454
Depreciation and amortisation	39,641	39,038	31,948	31,267

## 25. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	27,751	24,257	7,271	7,821
Deferred tax relating to origination and reversal of temporary differences	(3,193)	(702)	1,095	(256)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>24,558</b>	<b>23,555</b>	<b>8,366</b>	<b>7,565</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial gain (loss)	<u>2,715</u>	<u>(1,258)</u>	<u>2,658</u>	<u>(2,420)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	<u>138,116</u>	<u>122,252</u>	<u>99,498</u>	<u>72,639</u>
Income tax at the Company's corporate income tax rate of 20%	27,623	24,450	19,900	14,528
Difference in tax rate in group companies	(32)	118	-	-
Effects of:				
Non-deductible expenses	1,723	1,135	1,289	1,986
Exemption of income	-	(35)	(11,600)	(7,740)
Additional expense deductions allowed	(4,467)	(2,016)	(1,223)	(1,209)
Unused tax loss in the current year	5	680	-	-
Utilisation of previously unrecognised tax losses	(332)	(483)	-	-
Share of profit from investment in associated company	(232)	(294)	-	-
Other	270	-	-	-
Total	<u>(3,033)</u>	<u>(1,013)</u>	<u>(11,534)</u>	<u>(6,963)</u>
Income tax expenses reported in the statement of comprehensive income	<u>24,558</u>	<u>23,555</u>	<u>8,366</u>	<u>7,565</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets (liabilities)</b>				
Provision for long-term employee benefits	37,555	35,960	27,817	27,638
Unused tax losses	1,512	-	-	-
Effect on elimination of intercompany transactions	807	(453)	-	-
Others	253	137	252	180
Total	<u>40,127</u>	<u>35,644</u>	<u>28,069</u>	<u>27,818</u>

As at 31 December 2018, the subsidiaries have unused tax losses totaling Baht 15 million (2017: Baht 21 million), on which deferred tax assets have not been recognised as the subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
31 December 2018	-	146
31 December 2019	340	3,644
31 December 2020	12,495	12,906
31 December 2021	2,229	2,229
31 December 2022	40	1,575
31 December 2023	29	-
	<u>15,133</u>	<u>20,500</u>

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The Company adjusted the number of ordinary shares in proportion to the change in par value of ordinary shares resulting from the change in par value from Baht 100 per share to Baht 0.5 per share, as discussed in Note 22 to the financial statements as if the changes in the number of shares and par value have occurred since the beginning of the first reporting period.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)
Profit attributable to equity holders of the Company (Thousand Baht)	113,534	98,682	91,132	65,074
Weighted average number of ordinary shares (Thousand shares)	586,795	431,462	586,795	431,462
Earnings per share (Baht per share)	0.19	0.23	0.16	0.15

## 27. Operating segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its customer and geographic and have four reportable segments as follows:

- (1) Project government segment
- (2) Project private domestic segment
- (3) Project international segment
- (4) Related business segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The basis of pricing policies for the inter-segment transfer are at the prices as described in Note 6 to the financial statements.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017, respectively.

	(Unit: Million Baht)											
	Project government		Project private		Project international		Related business		Elimination of inter-		Consolidated	
	segment		domestic segment	segment	segment	segment	segment	Total	segment revenues	financial statement		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	856	790	449	389	231	339	118	72	-	-	1,654	1,590
Segment profit	299	303	140	112	86	124	22	18	-	-	547	557
Other income											12	16
Share of profit from investment in associated company											1	1
Administrative expenses											(418)	(447)
Finance cost											(4)	(4)
Profit before income tax expenses											138	123
Income tax expenses											(24)	(24)
Profit for the year											114	99



## Geographic information

Revenues from external customers set up by customer location.

(Unit: Million Baht)		
Consolidated		
financial statements		
	<u>2018</u>	<u>2017</u>
Revenues from external customers		
Project domestic segment	1,423	1,251
Project international segment	231	339
Total	<u>1,654</u>	<u>1,590</u>

## Major customers

In 2018, the Company and its subsidiaries had revenues from major customers services, which consisted of a group of government and state enterprise and a private customer, amounting to Baht 875 million and Baht 178 million, respectively (For the year 2017, the Company and its subsidiaries had revenues to major customers services included a group of government and state enterprise, amounting to Baht 814 million).

## 28. Provident funds

The Company and some subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and their employees contribute to the funds monthly at the rate of 3 to 5 percent of basic salary. The funds, which are managed by Krungsri Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. The contribution for the years 2018 were recognised as expenses amounting to Baht 24 million (the Company only: Baht 17 million) (2017: Baht 22 million, the Company only: Baht 17 million).

## 29. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total</u> <u>dividends</u> (Million Baht)	<u>Number of</u> <u>ordinary shares</u> (Million shares)	<u>Dividend</u> <u>per share</u> (Baht per share)
Dividend for year 2017	Annual General Meeting of the shareholders on 12 March 2018	37.5	2.5	15.000
Interim dividend for year 2018	Board of Directors Meeting of the Company on 9 August 2018	<u>51.0</u>	680	0.075
Total dividend for year 2018		<u>88.5</u>		

### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2018, the Company and its subsidiaries had capital commitment of approximately Baht 2 million (the Company only: Baht 1 million) (2017: Baht 1 million, the Company only: Nil) relating to the acquisition of equipment and computer software.

#### 30.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building spaces, equipment and motor vehicles. The terms of the agreements are generally between one to five years.

As at 31 December 2018 and 2017, future minimum lease payments required under these operating lease contracts were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Payable within:				
In up to 1 year	9	7	7	6
In over 1 and up to 5 years	13	8	10	5

#### 30.3 Service commitments

As at 31 December 2018, the Company and its subsidiaries have the following service commitments:

- a) The Company and its subsidiaries have commitments totaling Baht 51 million (the Company only: Baht 27 million) (2017: Baht 47 million, the Company only: Baht 32 million) in respect of cost of service, for which the Company and its subsidiaries had already entered into agreements.
- b) The Company and its subsidiaries have commitments totaling Baht 8 million (the Company only: Baht 8 million) (2017: Baht 11 million, the Company only: Baht 11 million) in respect of other service commitments, for which the Company and its subsidiaries had already entered into agreements.

#### 30.4 Related party guarantees

As at 31 December 2018, the Company has provided guarantees totaling Baht 648 million (2017: Baht 500 million) for bank credit facilities on behalf of its subsidiaries.

### 30.5 Bank guarantees

As at 31 December 2018 and 2017, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries. The details of bank guarantees are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Guarantee of service contracts, advance payment and bidding	644	490	479	342
Guarantee of retention	42	44	24	27
Other guarantees	2	3	2	3
	<u>688</u>	<u>537</u>	<u>505</u>	<u>372</u>

### 30.6 Litigation

#### The Company

In 2013, an employer was filed a lawsuit against the Company with the Central Administrative Court for its breach of a hire of work contract, seeking damages totaling approximately Baht 8 million. On 21 August 2017, the Central Administrative Court ordered the Company to pay damages, together with interest in total amount of approximately Baht 0.7 million. The Company recorded the whole amount as an expense in the income statement for the third quarter of 2017.

Subsequently, on 19 September 2017, the plaintiff and the Company appealed to the Supreme Administrative Court, and the Company requested an amendment to its appeal on 8 December 2017. Currently, the Company is awaiting a judgment from the Supreme Administrative Court. However, the management of the Company expects no material losses to be incurred as a result of the case.

#### Subsidiaries

On 23 February 2016, a lawsuit was filed against TEAM Construction Management Company Limited, a subsidiary with the Civil Court on the grounds related to breach of a hire of work contract with the plaintiff, who sought damages of Baht 31 million from the subsidiary. The contract value was Baht 0.9 million, with a maximum fine of 10 percent of the contract value specified in the contract. Although the final outcome of the suit cannot be determined at this stage, it is the management of the Company and such subsidiary's opinion that the resolution of these matters will not have any material adverse effect on the financial statements as a whole.

On 18 March 2017, ATT Consultants Company Limited, a subsidiary of the Company, was sued as a defendant. The petitioner filed the complaint with the Civil Court against three defendants, namely the contractor group (Defendants 1 and 2) and the employer (Defendant 3), demanding the three defendants jointly pay, or pay on behalf of each other, damages arising from the performance of work amounting to approximately Baht 1.6 million. Defendant 3 filed a petition with the Court to include the subsidiary as a co-defendant in this case because the subsidiary was in charge of work performance on behalf of the employer. Subsequently, on 31 January 2018, the Civil Court dismissed the case on the grounds that the defendants did not commit a violation. On 20 September 2018, the plaintiff filed the appeal. The case is currently under the consideration of the appeal Court. However, the management of the Company and its subsidiaries expect no material losses to be incurred as a result of the case.

### 31. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets that were disclosed the fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December								
Level 1		Level 2		Level 3		Total		
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b>Assets for which fair value are disclosed</b>								
Investment properties	-	-	-	-	6	6	6	6

(Unit: Million Baht)

Separate financial statements								
As at 31 December								
Level 1		Level 2		Level 3		Total		
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b>Assets for which fair value are disclosed</b>								
Investment properties	-	-	-	-	26	26	26	26

## 32. Financial instruments

### 32.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise the following:

<u>Financial assets</u>	<u>Financial liabilities</u>
- Cash and cash equivalents	- Bank overdrafts and short-term loans
- Current investments	from financial institutions
- Trade and other receivables	- Trade and other payables
- Short-term loans to related parties	- Short-term loans from related parties
- Restricted bank deposits	- Liabilities under hire purchase and finance lease agreements
- Retention receivables as per contract	

The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables, short-term loans to related parties and retention receivable as per contract. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, short-term loans to related parties and retention receivable as per contract as stated in the statement of financial position.

#### ***Interest rate risk***

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, current investments, short-term loans to related parties, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, short-term loans from related parties and liabilities under hire purchase and finance lease agreements. Most of these financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements											
As at 31 December											
Fixed interest rates											
Within 1 year		1 - 5 years		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Financial assets											
Cash and cash equivalents	363	352	-	-	204,312	54,860	44,444	41,351	246,026	99,656	0.05 - 1.10
Current investments	943	776	-	-	-	-	-	-	943	776	0.55 - 1.30
Trade and other receivables	-	-	-	-	-	-	329,823	473,203	329,823	-	-
Restricted bank deposits	55,230	48,438	5,000	5,000	-	-	-	-	60,230	53,438	0.25 - 1.30
Retention receivable as per contract	-	-	-	-	-	-	101,364	113,923	101,364	-	-
	56,536	49,566	5,000	5,000	204,312	54,860	476,631	628,477	894,325	585,057	
Financial liabilities											
Bank overdrafts and short-term loans											
from financial institutions	-	-	-	-	4,624	80,464	-	-	4,624	80,464	Note 17
Trade and other payables	-	-	-	-	-	-	230,127	212,803	212,803	230,127	-
Liabilities under hire purchase and											
finance lease agreements	14,755	14,643	19,959	32,034	-	-	4,983	-	34,714	51,660	0 - 24.39
	14,755	14,643	19,959	32,034	4,624	80,464	235,110	212,803	252,141	362,251	0 - 24.39



(Unit: Thousand Baht)

## Separate financial statements

		As at 31 December										Effective interest rate	
		Fixed interest rates				Floating interest rate				Non-interest bearing		Total	
		Within 1 year		1 - 5 years									
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
												(% p.a.)	(% p.a.)
Financial assets													
Cash and cash equivalents	-	-	-	-	-	79,491	1,368	30,500	23,879	109,991	25,247	0.05 - 1.10	0.05 - 0.98
Current investments	710	544	-	-	-	-	-	-	-	710	544	0.55 - 1.30	0.55 - 1.30
Trade and other receivables	-	-	-	-	-	-	-	361,823	242,616	361,823	242,616	-	-
Short-term loans to related parties	47,900	9,000	-	-	-	-	-	-	-	47,900	9,000	6.65	6.67
Restricted bank deposits	46,160	41,660	-	-	-	-	-	-	-	46,160	41,660	0.38 - 1.30	0.38 - 1.30
Retention receivable as per contract	-	-	-	-	-	-	-	67,716	56,004	67,716	56,004	-	-
	94,770	51,204	-	-	-	79,491	1,368	460,039	322,499	634,300	375,071		
Financial liabilities													
Bank overdrafts and short-term loans													
from financial institutions	-	-	-	-	-	-	61,904	-	-	-	61,904	Note 17	Note 17
Trade and other payables	-	-	-	-	-	-	-	164,503	185,563	164,503	185,563	-	-
Short-term loans from related parties	-	25,000	-	-	-	-	-	-	-	-	25,000	-	6.67
Liabilities under hire purchase and finance lease agreements	11,565	12,291	13,769	24,724	-	-	-	-	1,923	25,334	38,938	0 - 24.39	0 - 24.39
	11,565	37,291	13,769	24,724	-	-	61,904	164,503	187,486	189,837	311,405		

### Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from consulting contracts and advances received from employers that are denominated in foreign currencies.

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.9	0.9	0.2	0.2	32.4498	32.6809
LAK	107.2	266.9	-	-	0.0038	0.0039

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.3	0.7	0.1	0.1	32.4498	32.6809

### 32.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### 33. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2018 and 2017, the Group's debt-to-equity ratio are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Debt-to-equity ratio	0.97	1.77	0.73	1.53

#### **34. Events after the reporting period**

On 20 February 2019, the meeting of the Company's Board of Directors No. 1/2019 passed a resolution to propose to the 2019 Annual General Meeting of the Company's shareholders a dividend of Baht 0.075 in respect of the Company's net profit in addition to the interim dividend to be paid to the Company's shareholders who hold 680 million shares, or a total of Baht 51 million, for approval by the 2019 Annual General Meeting of the Company's shareholders.

#### **35. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2019.

# Attachment

## Details of The Company's Board of Directors

## Details of The Company's Board of Directors

Name - Surname	Dr. Prasert Patramai
Position in the company	Chairman of the Board
Date of Directorship	January 10, 1979
Current Age	72 years

### Education

Institution	Degree
Asian Institute of Technology	Doctor of Engineering in Water Resources Engineering
Asian Institute of Technology	Master of Engineering in Water Resources Engineering
Chulalongkorn University	Bachelor of Engineering in Civil Engineering with Second Class Honors

### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Role of the Chairman Program (RCM)	RCM 41/2017
Director Accreditation Program (DAP)	DAP 18/2004

### Board member / Management in other Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

### Board member/ Management in other Non-Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
1992 - Present TGC Holdings Company Limited	Director
1995 - September 2018 Daoreuk Communications Company Limited	Director
1992 - October 2018 TEAM Management Group Company Limited*	Director

\* Proceeded the completeness of liquidation with the Department of Business Development Ministry of commerce on October 11, 2018.

### Shareholding in the company as of January 7, 2019

- 62,122,600 shares or representing 9.14 percent

### Relationship with other Management and Directors

- Father of Mr. Issarin Patramai who holds the position of Director, Member of the Executive Committee, Member of the Risk Committee and Senior Executive Vice President - Finance

### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent and attended a meeting for the Non-Executive Directors Meeting

Name – Surname	Mr. Sanit Rangnoi
Position in the company	Independent Director, Deputy Chairman, Chairman of the Audit Committee and Member of the Nomination and Compensation Committee
Date of Directorship	April 27, 2017
Current Age	71 years

#### Education

Institution	Degree
Pennsylvania State University, USA	Master of Engineering in Industrial Engineering
Chulalongkorn University	Bachelor of Engineering in Industrial Engineering with Second Class Honors
Sukhothai Thammathirat University	Bachelor of Economics

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Financial Institutions Governance Program (FGP)	FGP 4/2012
Role of the Compensation Committee Program (RCC)	RCC 3/2007
Directors Certification Program (DCP)	DCP 72/2006
Finance for Non-Finance Directors (FND)	FND 27/2006
Directors Accreditation Program (DAP)	DAP 45/2005

#### Board member / Management in other Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Board member/ Management in other Non-Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
2016 – Present    Social Security Fund, Ministry of Labour	Member of the Audit Committee
2010 – Present    MSIG Insurance (Thailand) Public Company Limited	Director, Chairman of the Audit Committee and Member of the Remuneration Committee
2010 – 2012       Deposit Protection Agency	Director and Chairman of the Risk Management Committee

#### Shareholding in the company as of January 7, 2019

- 375,000 shares or representing 0.06 percent

#### Relationship with other Management and Directors

- None

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent and attended 1 time for the Non-Executive Directors Meeting



Name - Surname	General Wichien Sirisoonthorn
Position in the company	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
Date of Directorship	April 27, 2017
Age	63 years

#### Education

Institution	Degree
National Institute of Development Administration	Master of Public Administration
Capital Market Academy	Top Management Course Class No. 22/2016
King Prajadhipok's Institute, The Government Complex Commemorating	Politics and Governance in Democratic Systems Course Executives Class no.17/2014
Thailand National Defence College	The National Defense Course for the Joint State-Private Sector, Class No. 20/2008
Command and General Staff College	Command and General Staff Course Class No. 66/1988
Chulachomklao Royal Military Academy	Bachelor of Science, Class No. 26/1974
Armed Forces Academies Preparatory School	Armed Forces Preparatory Course Class No. 15/1972

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Directors Accreditation Program (DAP)	DAP 141/2017

#### Board member / Management in other Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Board member/ Management in other Non-Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Shareholding in the company as of January 7, 2019

- 300,000 shares or representing 0.04 percent

#### Relationship with other Management and Directors

- None

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent and attended a meeting for the Non-Executive Directors Meeting

Name - Surname	Mrs. Suvimol Chrityakierne
Position in the company	Independent Director and Member of the Audit Committee
Date of Directorship	July 7, 2017
Age	67 years

#### Education

Institution	Degree
Chulalongkorn University	Master of Accountancy
Chulalongkorn University	Bachelor of Accountancy

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Ethical Leadership Program (ELP)	ELP 10/2017
Advanced Audit Committee Program (AACP)	AACP 7/2560
Audit Committee Program (ACP)	ACP 36/2011
R - DF - Director Forum (R - DF)	R - DF 1/2010
Director Certification Program (DCP)	DCP 92/2007

#### Other Training Courses

Course	Institution
New Paradigm Leader, Transparency & Anti-Corruption Class 1/2018	Rangsit University
Academic Seminar: "Money Laundering — It has to do with you"	Department of Accountancy, Chulalongkorn University Alumni Association
Tax Law Training Course, Class No. 1	Institute of Judicial Officer Development
Certified Professional Internal Auditor of Thailand (CPIAT), Class No. 1	Institute of Internal Auditor of Thailand
Balanced Scorecard	Faculty of Commerce and Accountancy, Chulalongkorn University

#### Board member / Management in other Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
April 2018 - Present Global Power Synergy Public Company Limited	Independent Director and Member of the Audit Committee
2015 - Present Khonburi Sugar Public Company Limited	Independent Director and Chairman of the Audit Committee
2019 - April 2018 Thai Oil Public Company Limited	Director and Member of the Audit Committee

## Board member/ Management in other Non-Listed Company – The Stock Exchange of Thailand

Company / Organization		Position
2017 - Present	Thai Investors Association	Director and Chairman of the Audit Committee
2017 - Present	The Federation of Accounting Professions Under the Royal Patronage of His Majesty the King	Committee and Accounting Standard Committee
2014 - 2017	The Federation of Accounting Professions Under the Royal Patronage of His Majesty the King	Auditing Standards Committee
2012 - Present	Yong Som Jai Santiwattana Foundation	Director and Treasurer
2012 - Present	Foundation to Support the Development of Academic Law - Faculty of Law, Chulalongkorn University	Director
2010 - Present	DIA International Audit Company Limited	Managing Director
2004 - Present	Department of Accountancy, Chulalongkorn University Alumni Association	Professional Committee
2002 - Present	Seventy-Five CPE Limited	Director
1990 - Present	DIA Audit Company Limited	Member of the Executive Director
1988 - Present	Yong Somjai Company Limited	Director

### Shareholding in the company as of January 7, 2019

- 300,000 shares or representing 0.04 percent

### Relationship with other Management and Directors

- None

### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent and attended a meeting for the Non-Executive Directors Meeting

Name – Surname	Mr. Peerawat Premchun
Position in the company	Director, Chairman of the Nomination and Compensation Committee and Member of the Executive Committee
Date of Directorship	January 10, 1979
Age	73 years

#### Education

Institution	Degree
Asian Institute of Technology	Master of Engineering in Water Resources Engineering
Chulalongkorn University	Bachelor of Engineering in Civil Engineering with Second Class Honors

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Directors Accreditation Program (DAP)	DAP 18/2004

#### Board member / Management in other Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Board member/ Management in other Non-Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
1992 – Present TGC Holdings Company Limited	Director
1992 – October 2018 TEAM Management Group Company Limited*	Director

\* Proceeded the completeness of liquidation with the Department of Business Development Ministry of commerce on October 11, 2018.

#### Shareholding in the company as of January 7, 2019

- 38,616,200 shares or representing 5.68 percent

#### Relationship with other Management and Directors

- None

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent

Name - Surname	Dr. Thanasarn Khuayjarernpanishk
Position in the company and	Director, Chairman of the Risk Management Committee and Member of the Executive Committee
Date of Directorship	November 3, 1992
Age	73 years

#### Education

Institution	Degree
Oregon State University, USA	Ph.D. of Engineering in Civil Engineering
Oregon State University, USA	Master of Engineering in Civil Engineering
Chulalongkorn University	Bachelor of Engineering in Civil Engineering

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Directors Accreditation Program (DAP)	DAP 18/2004

#### Board member / Management in other Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Board member/ Management in other Non-Listed Company - The Stock Exchange of Thailand

Company / Organization	Position
2000 - Present      Modern Management and Technology Company Limited	Director
1992 - Present      TGC Holdings Company Limited	Director
1992 - October 2018      TEAM Management Group Company Limited*	Director

\* Proceeded the completeness of liquidation with the Department of Business Development Ministry of commerce on October 11, 2018.

#### Shareholding in the company as of January 7, 2019

- 23,587,000 shares or representing 3.47 percent

#### Relationship with other Management and Directors

- None

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent

Name – Surname	Mr. Wera Sutesopon
Position in the company	Director
Date of Directorship	June 26, 1982
Age	73 years

#### Education

Institution	Degree
University of Illinois at Urbana-Champaign, USA	Master of Science
Chulalongkorn University	Bachelor of Engineering in Electrical Engineering with Second Class Honors

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Directors Accreditation Program (DAP)	DAP 141/2017

#### Board member / Management in other Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Board member/ Management in other Non-Listed Company – The Stock Exchange of Thailand

	Company / Organization	Position
2007 – Present	Verasu Retail Company Limited	Chairman of the Board of Directors
2002 – Present	Vista Cafe Company Limited	Chairman of the Board of Directors
2000 – Present	Circuit Center Company Limited	Chairman of the Board of Directors
1993 – Present	Verasu Group Company Limited	Chairman of the Board of Directors
1992 – Present	TGC Holdings Company Limited	Director
1989 – Present	South Sea Development Company Limited	Chairman of the Board of Directors
1977 – Present	Verasu Limited Partnership	Chairman of the Board of Directors

#### Shareholding in the company as of January 7, 2019

- 16,162,600 shares or representing 2.38 percent

#### Relationship with other Management and Directors

- None

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent and attended 1 time for the Non-Executive Directors Meeting



Name – Surname	Mr. Chawalit Chantararat
Position in the company	Director, Chairman of the Executive Director, Member of the Risk Management Committee, President and Acting Senior Executive Vice President – Related Businesses
Date of Directorship	April 27, 2010
Age	62 years

#### Education

Institution	Degree
Asian Institute of Technology	Master of Engineering in Water Resources Engineering
Khon Kaen University	Bachelor of Engineering in Civil Engineering

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Directors Certification Program (DCP)	DCP 122/2009

#### Board member / Management in other Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
- None -	- None -

#### Board member/ Management in other Non-Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
2017 - Present     ATT Consultants Company Limited	Director
2016 - Present     TEAM Construction Management Company Limited	Director
2014 - Present     Geotechnical & Foundation Engineering Company Limited	Director
2014 - Present     Modern Management and Technology Company Limited	Director
2014 - Present     TEAM Consulting International Company Limited*	Director
1992 - October 2018     TEAM Management Group Company Limited**	Director

\* Summited the registration of liquidation with the Department of Business Development Ministry of commerce on November 30, 2016 and currently under the liquidation processes.

\*\* Proceeded the completeness of liquidation with the Department of Business Development Ministry of commerce on October 11, 2018.

#### Shareholding in the company as of January 7, 2019

- 38,278,400 shares or representing 5.63 percent

#### Relationship with other Management and Directors

- None

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent

Name – Surname	Mr. Issarin Patramai
Position in the company	Director, Member of the Executive Committee, Member of the Risk Management Committee and Senior Executive Vice President – Finance
Date of Directorship	April 27, 2017
Age	45 years

#### Education

Institution	Degree
University of Wisconsin-Madison, USA	Master of Business Administration (Finance, Investment & Banking and International Business)
Chulalongkorn University	Bachelor of Engineering in Chemical Engineering with First Class Honors

#### Training Record with Thai Institute of Directors (IOD)

Course	Class / Year
Board Nomination and Compensation Program (BNCP)	BNCP 1/2017
Directors Certification Program (DCP)	DCP 155/2012
Successful Formulation & Execution of Strategy (SFE)	SFE 11/2010

#### Other Training Courses

Course	Institution
Orientation Course – CFO Focus on Financial Reporting Class 2/2017	Federation of Accounting Professions
Chartered Financial Analyst	CFA Institute, USA

#### Board member / Management in other Listed Company – The Stock Exchange of Thailand

Company / Organization	Position
April 2518 – Present      Surapon Foods Public Company Limited	Independent Director and Member of the Audit Committee

#### Board member/ Management in other Non-Listed Company – The Stock Exchange of Thailand

Company / Organization		Position
2017 - Present	ATT Consultants Company Limited	Director
2017 - Present	SQ Architects and Planners Company Limited	Director
2014 - Present	Geotechnical & Foundation Engineering Company Limited	Director
2014 - Present	TEAM Construction Management Company Limited	Director
2014 - Present	ICN System Company Limited	Director
2014 - Present	TEAM Consulting International Company Limited*	Director
2010 - Present	HB 9 Company Limited	Director
2014 - 2017	Modern Management and Technology Company	Director

\* Summited the registration of liquidation with the Department of Business Development Ministry of commerce on November 30, 2016 and currently under the liquidation processes.

#### Shareholding in the company as of January 7, 2019

- 20,084,600 shares or representing 2.95 percent

#### Relationship with other Management and Directors

- Son of Dr. Prasert Patramai who holds the position of Chairman of the Board of Directors

#### Meeting attendance in year 2018

- 7 times from the total of 7 times or representing 100 percent







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