

# ANNUAL

R E P O R T

2021



The International Engineering Public Company Limited

**IEC**  
since 1922



## The International Engineering Public Company Limited

### Vision

IEC's vision is to become the leader in Renewable Energy and in Information and Communication Technology by integrating human resource development and implement modern technology in order to achieve effective management goals

### Mission

IEC's mission is to operate business as well as promoting operation in accordance with the principle of corporate governance and stakeholder responsibility, developing the management system, various products and services to further on creating and adding value by expanding in the renewable energy business and information technology business. Lastly, we also seek to adapt to the changing business environments in order to become a modern organization, both on domestic and international standard.

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## Financial Highlights

Unit : Million Baht

Financial Highlights	2021	2020	2019
Total Asset	1,501.76	1,559.94	1,607.56
Account Receivables	59.92	48.66	63.42
Total Liabilities	370.93	443.74	523.81
Total Equity	1,130.83	1,116.20	1,083.75
Total Revenue	572.85	573.76	547.56
Total Expenses	73.93	66.08	114.24
Net Profit (Loss) After Tax (Consolidated)	14.56	31.25	-64.42
Net Profit (Loss) After Tax (The Company)	130.42	39.75	-159.92
Earning per Share (Baht)	0.00005	0.00013	-0.00026
Net Profit Margin (%)	3%	5%	-12%
ROE (%)	1%	3%	-6%
ROA (%)	1%	2%	-4%
Debt to Equity (time)	0.33	0.40	0.48
Interest Coverage Ratio (time)	1.29	0.74	-3.81
Total Asset Turnover (time)	0.38	0.36	0.34

## Company History

The International Engineering Public Company Limited (“the company” or “IEC”) was established in 1922 with the objective to construct the Bangkok-Aranyaprathet Railway. IEC registered as a Thai national company in 1953 with a registered capital of 10 million baht. In 1965, IEC was appointed as a “Royal Appointment” company and conferred a “garuda charter” under the royal permission. In 1983, Siam Cement PCL (SCG) invested and took full control of IEC operations; IEC accordingly became an affiliate of the Siam Cement Group. In 1990, Siam Cement PCL changed its investment policy prompting IEC’s management to invest in itself, and acquired new investors. Joined by a group of additional investors, IEC management increased the registered capital to 120 million baht. In 1992, the company was listed in the Communication Sector of the Stock Exchange of Thailand (SET). In 1993, IEC became a “Public Limited Company” and the registered capital has been raised continually.

With the community growth, huge increase in demand for electricity and waste management was foreseen. In order to respond to these needs, energy business and other relevant business had been initiated. By 2021, the company’s operations consist of 3 business groups including (1) Energy Business: Solar Power Plant, Waste-to-Energy Power Plant, Biomass Power Plant (2) Information and Communication Technology and (3) Engineering Consulting.

As of now, all the projects of Engineering Consulting Business have been completed and there are no new projects, this business is being closed.

## Significant Changes and Development

Significant Changes and Development related to business operation and management during 2017 - 2021

- October 20, 2017 : IEC's EGM No.1/2017 dated October 20, 2017 had the following significant resolutions:
- (1) Approve the reduction of the Company's registered capital from THB 2,440,745,055 to THB 2,440,661,250.76 by cancelling 8,380,424 unsubscribed shares.
  - (2) Approve the increase of the Company's registered capital by THB 2,035,915,023.50 from THB 2,440,661,250.76 originally to the new total of THB 4,476,576,274.26 by issuing new 203,591,502,350 ordinary shares at the par value of THB 0.01 each.
  - (3) Approve the allotment and offering of the Company's 203,591,502,350 new ordinary shares at the par value of THB 0.01 via right offerings at the ratio.
- February 26, 2018 : The Company have sold all the investment in Nongree Power Plants Co., Ltd, totaling 500,000 shares which is equivalent to 100 % of the paid-in capital of the aforementioned company.
- March 15, 2018 : IEC Green Energy Co., Ltd, the Company's subsidiary, purchased the remaining ordinary shares of GIDEC Co., Ltd. ("GIDEC") totaling 2,000,000 shares which is equivalent to 50% of the paid-in capital of the aforementioned company, resulting in IECG owning 100% of GIDEC's shares.
- October 12, 2018 : The company received the allocated money from selling newly issued ordinary shares of 45,744,275,772 units in the amount of 571.80 million baht.
- March 29, 2019 : The Company has submitted the Financial Statement year 2016.
- May 22, 2019 : The last period of the IEC-W2 exercise at 9,760,547 shares at the exercise price 0.045 baht per share. (IEC-W2 Expired)
- June 20, 2019 : The Stock Exchange of Thailand ( "SET" ) has revoked the ordinary shares of the International Engineering Public Company Limited from being the listed securities, effective on July 10, 2019 and opened for trading from July 1-9, 2019.
- June 27, 2019 : The Company disagreed with SET's order to revoke the ordinary shares, then the Company has exercised its legal right to file a case against the SET to the Administrative Court of Thailand. Currently, the case is under consideration of the Court.

(in Year 2021, the Company did not have pending financial statements submission)

## Board of Directors



**Mr. Komol Jungrungrangkit**  
Chairman



**Pol.Maj.Gen Somnuk Burame**  
Chairman of the Audit Committee /  
Independent Director



**Mr. Chalerm Suepugdee**  
Audit Committee / Independent Director



**Mr. Sakda Sinives**  
Audit Committee / Independent Director



**Ms. Ploykarin Sujjavata**  
Director / Chief Executive Officer



**Mr. Pornthep Itsoponpun**  
Director



**Mrs. Chanidapa Wanichcharoensuk**  
Director



**Mr. Polsan Teowsomboonkij**  
Director

# Executive Management

1. Ms. Ploykarin Sujjavata :

Chief Executive Officer

2. Miss Duangjai Nilapan

Acting Senior Executive Vice President – ICT

Executive Vice President – ICT

3. Miss Thitirat Kuanun                      Effective Date : Since 1 March 2021

Chief Financial Officer

4. Mr. Apichet Paiboonpan                      Effective Date : Ended on 10 November 2021

Chief Executive Officer

\*As available in details of Executive Management

## IEC's Business Structure and Investment in Subsidiaries

The company's and its subsidiaries' policy and operational sectors: The International Engineering Public Company Limited (IEC) has categorized its business, in 2021, into 3 groups as follows.

### **(1) Energy Business**

- 1.1 Solar Power Plant under the management of IEC Mae Tha Mae Taeng Co., Ltd.,  
a subsidiary of the company.
- 1.2 Waste-to-Energy Power Plant under the management of GIDEC Co., Ltd.,
- 1.3 Biomass Power Plant under the management of IEC Sakaeo 1 Co., Ltd.,  
a subsidiary of the company.

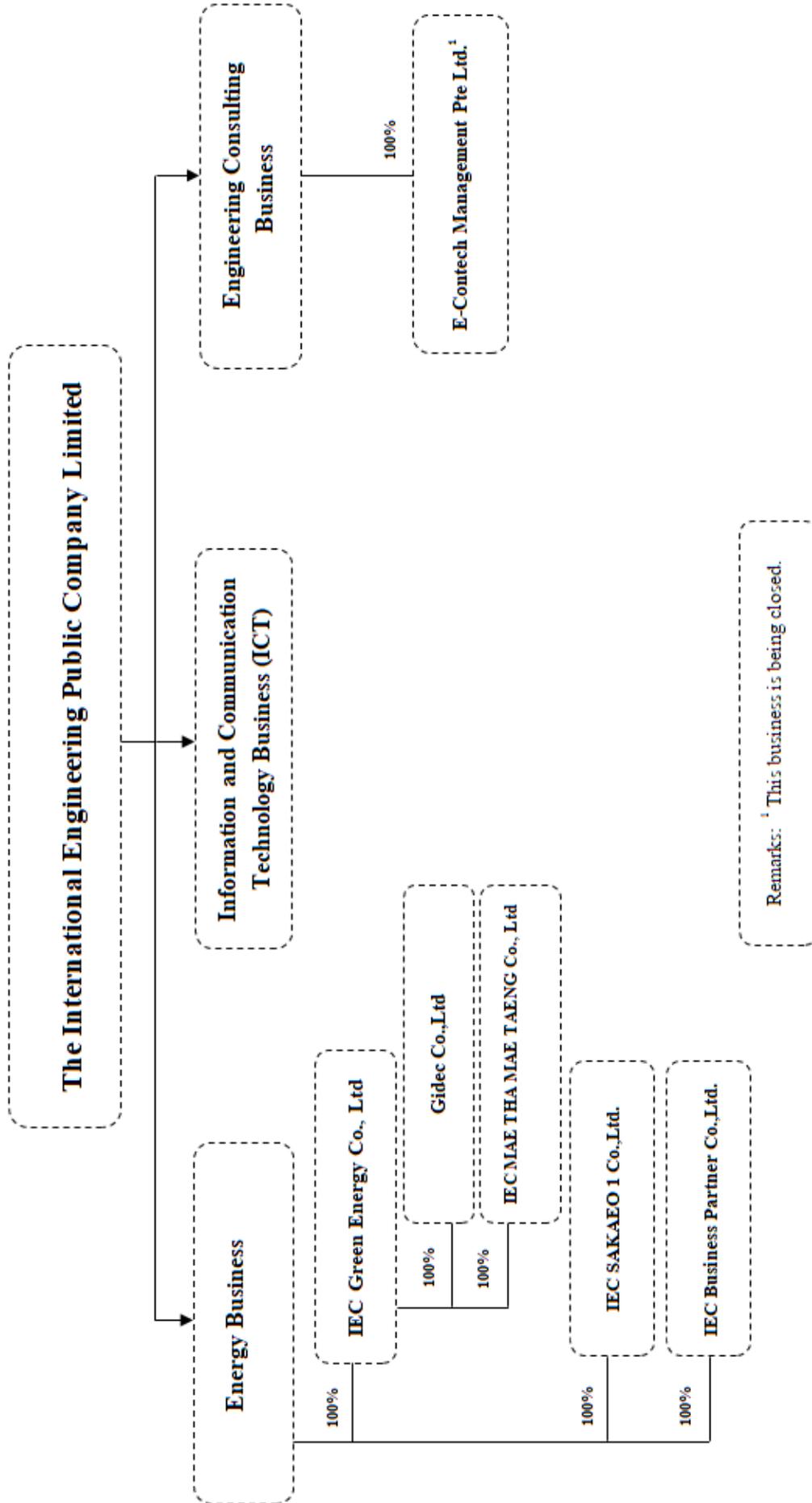
### **(2) Information and Communication Technology (ICT)**

ICT: Provision of services related to information technology under the role of System Integrator in collaboration with alliances in bidding for government projects and private.

### **(3) Engineering Consulting**

As of now, all the projects of this business group have been completed and there are no new projects since the year 2018. Currently, this business is being closed.

### IEC's Business Structure



## Each business group's revenue proportion and subsidiaries' revenue structure

	% Share	Year 2021		Year 2020		Year 2019	
		Million Baht	%	Million Baht		Share	Million Baht
<b>The Company's Products and Services</b>							
<i>Information Technology</i>		65.78	11.48	84.16	14.67	63.54	11.58
<i>Mobile Phones</i>		-	-	-	-	-	-
<i>Engineering Products</i>		-	-	-	-	-	-
<i>Other Revenue</i>		54.82	9.56	14.26	2.48	5.66	1.03
<b>Total Distribution Value</b>		<b>120.60</b>	<b>21.04</b>	<b>98.42</b>	<b>17.15</b>	<b>69.10</b>	<b>12.61</b>
<b>Energy Business Group</b>							
<i>IEC Green Energy Co., Ltd.</i>	100	-	-	-	-	-	-
<i>GIDEC Co., Ltd.</i>	100	156.56	27.30	181.20	31.56	205.75	37.50
<i>IEC Mae Tha Mae Taeng Co., Ltd.</i>	100	57.65	10.06	64.31	11.20	69.76	12.71
<i>IEC Sakaeo 1 Co., Ltd.</i>	100	238.49	41.60	230.23	40.09	203.99	37.18
<i>IEC Business Partners Co., Ltd.</i>	100	-	-	-	-	-	-
<b>Total Revenue of Energy Business Group</b>		<b>452.70</b>	<b>78.96</b>	<b>475.74</b>	<b>82.85</b>	<b>479.50</b>	<b>87.39</b>
<b>Engineering Consulting Business Group</b>							
<i>E-Contech Management Pte.Ltd</i>	100	-	-	-	-	-	-
<b>TOTAL Revenue of IEC and Subsidiaries</b>		<b>573.30</b>	<b>100</b>	<b>574.16</b>	<b>100</b>	<b>548.60</b>	<b>100</b>

## Nature of Business

The company's operations consist of three business groups including (1) Energy Business: Solar Power Plant, Waste-to-Energy Power Plant, Biomass Power Plant (2) Information and Communication Technology and (3) Engineering Consulting.

### 1. Energy Business

Power production from renewable energy such as solar, waste, biomass, biogas, etc. Renewable energy is used in the power production where the feedstock can be locally sourced. The company foresaw such significance and began operating renewable energy business, including conducted researches in order to enhance the efficiency of renewable energy usage for an increase of economic benefits. At present the company operates power plants using renewable energy in many forms such as solar power plant, waste-to-energy power plant, biomass power plant.

#### 1.1 Solar power plant business

##### Characteristics of products and services

The solar power plant is a type of business with no complexity in operations. It also has strengths regarding raw materials for production. Since solar energy is unlimited and there is no combustion in the production process, it does not impact the environment. Besides, the public sector's policy supports the buying price of electricity. This leads to a high stability of business.

All 2 solar power plants of the company are of Grid type which are able to convert direct current (DC) into alternating current (AC) that can be connected to the generating system of Provincial Electricity Authority.

The solar power plants of the company have 4 power purchase agreements (PPA) with Provincial Electricity Authority. The total power report capacity is 3.84 MW. The plants are operated by its following subsidiaries.

Operating Subsidiary	Location	COD <sup>1</sup>	Power Report capacity (Total) MW
IEC Maetha Mae Taeng Co., Ltd.	Takat sub-district, Maeta district, Lampoon province	Sep 23, 2013	1.92
	Keelek sub-district, Mae Taeng district, Chiang Mai province	Jun 30, 2014	1.92
<b>Total produced power</b>			3.84

<sup>1</sup> COD : Commercial Operation Date

**- Solar power plant, Maetha district, Lampoon province**

The installed capacity of power production is 2.638 MW in total with the use of thin-film solar cell panel from Solar Frontier (Model SF 140S) made in Japan, power inverter (DC/AC) from SMA (Model STP 17000 TL-EE-10), string inverter type made in Germany. Voltage is converted by transformer and generated to 22 kV cables with quality approved after the test made by Provincial Electricity Authority.

**- Solar power plant, Mae Malai district, Chiang Mai province**

The installed capacity of power production is 2.304 MW in total with the use of crystalline silicon solar panels from JA Solar (Model JAP6 60 250) made in China, power inverter (DC/AC) from SMA (Model STP 20000 TL-EE-10), string inverter type made in Germany. Voltage is converted by transformer and generated to 22 kV cables with quality approved after the test made by Provincial Electricity Authority.

**Marketing and Competition**

The distribution of electricity operated under Power Purchasing Agreement – PPA with the Provincial Electricity Authority, which will be effective for 5 years and will be automatically renewed every 5 years. The agreement shall be effective until the electricity producer submits a notification to the Provincial Electricity Authority, indicating their intention to terminate the trade of electricity.

Therefore, it ensures the stable revenue from electricity sales with no marketing competition.

### **Product Supply and Service**

Solar cell or Photovoltaic system consists of 5 important parts.

(1) PV module that converts solar energy to electrical energy in the form of direct current (DC) by using several PV Module connected to other ones to obtain the electrical power as required.

(2) Inverter that converts the produced direct current (DC) to alternative current (AC).

(3) Main Distribution Board that controls the electricity generation and cut low-voltage three-phase system.

(4) 22kV Step up Transformer that shifts the three-phase voltage to be equal to the transmission system of the Provincial Electricity Authority.

(5) 22kV Switch Gear that connects/cuts the electricity system of power plant and transmission system of Provincial Electricity Authority.

The company's solar power plants were installed with the main electrical equipment that meets quality standards and is warranted by the manufacturer. All equipment, both domestically produced and imported, has passed the test in accordance with the Provincial Electricity Authority requirements. The equipment includes PV Module imported from Japan and China, inverters imported from Germany, transformers manufactured in Thailand. We believe that all of the company's solar power plants are capable of producing good quality of electricity as required by the customers.

**Project not submitted** - None-

## **1.2 Waste to Energy Power Plant**

### **Characteristics of products and services**

The increase of waste volume causes problems in waste management. Although the landfill method which is currently used needs the lowest investment, it impacts the community in pollution and scenery aspects. At present, building a new landfill site is difficult because of the opposition from community locals. The local public sectors are unavoidably facing problems in planning waste management.

The company recognizes the problems and business opportunities. Therefore, the company has studied the technologies related to waste disposal and waste-to-energy, which can become the company's major business in the future, from which the company can gain stable and sustainable returns, despite the recent technical and pollution issues.

The company has formed a joint venture with Electricity Generating Public Company Limited or EGCO to run projects related to electricity generation from waste energy under a company named Gidec Co., Ltd. We constructed a waste disposal plant to transform waste to energy with the maximum installed capacity of 7.0 MW and the maximum capacity to produce electricity to Provincial Electricity Authority of 6.5 MW (Adder price is fixed at 3.50 baht/unit for a period of 7 years) according to electricity sales agreement with Provincial Electricity Authority. The agreement became effective upon the day that both parties mutually signed the contract. The effective duration of the contract is 5 years and shall be automatically renewed every 5 years from the commercial operation date December 11, 2014.

The meeting of the board of directors of IEC Green Energy No.4/2018 dated 15 March 2018, the full subsidiary of The International Engineering Public Company Limited, as approved by the Company's BOD meeting No.2/2018 dated 26 February, resolved to approve IECG purchase of GIDEC Co., Ltd.'s ordinary shares, a subsidiary of IECG, from EGCO, resulting GIDEC becoming wholly-owned subsidiary of IECG.

The waste-to-energy plant of the company is located at Hat Yai district, Songkla province. It is the first waste-to-energy plant with ash-melting gasification in Thailand, operating with high technologies developed and generally accepted in Europe. The plant use the construction technology from Finland. The company signed a waste management agreement with Hat Yai for Municipality for the duration of 25 years and 12 local administration offices in Songkhla. Over 250 tons of waste are transferred to the company every day to produce energy. Such quantity of waste is enough to be used as the burning materials to produce electricity with full potential.

### **Marketing and Competition**

The implementation of renewable energy project is different from the implementation of other businesses as it is a project that has an impact on the community and society as a whole. The company's partner of contract is local administration offices that are responsible for the maintenance of the environment and their community. The implementation needs to start from bidding the project in accordance with the government's regulations. Once we have been selected, we can proceed this project as agreed with the local administration offices according to the terms and conditions throughout the contractual effective period.

However, the company is also committed to have a smooth operation. The company also have prepared the budget for Corporate Social Responsibilities (CSR) and build a good relationship with the local community. In addition, The company has been creating jobs and income for local people and aimed at creating a better communication between the company and community for Industrial Peace.

### **Product Supply and Service**

The waste management begins from receiving daily waste from the community, bringing waste to sorting system, then grinding them to form the required size and at the same time reduce/control the humidity. Then, the grinded waste will be put in a Gasifier to dispose the waste and transform it to be heat energy for the steam generator system (Boiler) as an energy source of Turbine Generators to produce electricity.

The project was designed as we are aware of the importance of environment preservation. There is control and treatment system for air, water pollutions and waste. For air pollution treatment, the system is equivalent to European standard (EU Standard). The wastewater treatment system consists of wastewater treatment pond that meets the standard of the Department of Industrial Works, where treated water is used in the process.

The goal is to make this project a model with the use of modern technology and appropriate management, which are environmentally friendly. We also promote the waste management in the community that is consistent with hygienic principles. The project is well supported by both the contract partner which is Hat Yai municipality, Songkla province, and the locals in the community who welcomed and helped us to sustainably solve the problems of waste. This project has many supporting factors such as the location which is in the same area as the landfill of the contract partner. It means that the supply of resource will be stable in a long run, and it ensures the stability of operation as well.

**Project not submitted** - None-

### **1.3 Biomass Plant Business**

#### **Characteristics of products and services**

The electricity production with biomass technology is the production with direct-fired system. The system uses the biological resource such as wood barks or wood chips to burn and transfer the heat to the steam boiler. As a result, we get very high temperature and high pressure steam. It will drive the steam engine that is connected to the electricity generator, which will produce the electricity.

For biomass power plant which is operated by its subsidiary named IEC Sakaew 1 Co., Ltd.: SK 1 (formerly Kaeow Lumduan Power Supply Co., Ltd.: KPS is a power plant with a total capacity of 9.9 MW with the use of wood chips, wood barks, palm bunches, and bagasse as the feedstock in the production, which can sufficiently be acquired within the province.

SK 1 entered into a Power Purchase Agreement (PPA) with the Provincial Electricity Authority for 8 MW (non-firm type). For this PPA, SK 1 shall be entitled to Adder for 7 years. SK 1 commenced its commercial activities on the April 10, 2013. Therefore, the income of SK 1 shall be in accordance with a standard PPA. It will be calculated as per the electricity units sold under this PPA.

SK 1 has been entitled to change the electricity selling price system from Adder to FiT (Feed-in-Tariff) since March 2016 for the duration of 17 years.

#### **Marketing and Competition**

Implementation of such power plant is different from other type of business as the business has only one customer i.e. Provincial Electricity Authority, a trustworthy public agent. When the project starts operating for commercial purpose, the produced power can be sold to PEA as per the PPA.

#### **Product Supply and Service**

The main raw material for SK 1's production of electricity includes agricultural waste such as palm bunches, wood chips, wood barks, and bagasse which can be found throughout the year within Sakaew province. Many wood companies can send the raw materials to SK 1. Palm bunches can be found throughout the year but the price depends on the market and season, whilst palm production depends on the reaping season. The feedstock vendors shall be responsible to supply feedstock as previously agreed to SK 1.

#### **Daily feedstock demand**

The daily feedstock demand depends on the mode of machine operation in order to achieve the required volume of electricity (8 MW per day). The heating value can be fixed to allow usage of low-cost material such as wood barks, palm bunches, and wood chips. The required amount of feedstock depends on the type of feedstock and its moisture content.

#### **Project not submitted** - None –

## **2. Information and Communication Technology : ICT**

The company has established and developed an Information and Communication Technology (ICT) business group with a vision that the information technology will be able to take an importance role in supporting the operation as well management and development of organizations, in order to respond to the increasing business demands in both public and private sectors.

With 14-year experience in managing important IT projects and internationally renowned business alliances as well as excellent service, ICT business operation is the Company's strength. Every project we implement, high standard equipment and solution system are tailored based on specific requirements of each individual organization, in order to maximize their return on investment.

#### **Characteristics of product and service**

The company's ICT line of work includes comprehensive information technology and communication systems installation; design and application of hardware, software, network system; repair and maintenance services to

meet the customer's needs. Our team of system developers and engineers provide support for design and development works as well as training programs for the customers.

In 2008 – 2012, the Company implemented Integrated Billing & Customer Services System and Billing Mediation (IBACSS) for the National Telecom Public Company Limited or NT PCL (the merger of CAT and TOT Telecom PCL registered as the National Telecom Public Company Limited since 7 January 2021) with the project value of 953.36 million baht. Following the success of the project, in 2013, the company was entrusted by NT PCL to complete various projects including: to operate their customer information management system project (Unified Database) with the project value of 211.48 million baht, to establish an [Enterprise Payment Integration System](#) in 2015 with the project value of 20.70 million baht, to develop a plan for an OM Unified backup system worth 51.73 million baht in 2018 and to increase a CRM system efficiency worth 63.88 million baht. Since 2013, the Company has been continuously entrusted by NT to maintain and repair equipment, IBACSS systems and unified database until now. In 2021, the Company signed a consulting service contract for the maintenance and repair of the integrated system to accept payments for service charges, upgrade 4G systems, telecommunication sharing systems and wholesale services for three additional projects. So far, the total value of maintenance and repair of equipment and systems amounts to 404 million baht.

### **Market, Distribution and Distribution Channels**

The Company's main customers are public sector, state enterprises, and private companies, whose works are normally acquired by the Company through bidding process. As our products and services involve advance technology, during the offer or presentation there must be specialists in various field of knowledge and cooperation with domestic and international section to gain customers' confidence. The Company also offers a product demonstration and trial to ensure customer satisfaction with the quality of our products and services.

In 2021, our principal customer is still NT PCL who has been recurrently hiring us for the past 14 years. In the past, the Company had an opportunity to present products and solutions to meet National Telecom Public Company Limited's business plans, e.g., software, IT Service Management System (ITSM), etc.

### **Competition Strategies**

Our key strategy is having a team of experienced IT project management specialists and business alliances in various types of products, both hardware and software. We focus on cooperating with internationally renowned alliances who offer modern technology products at a reasonable price, have skilled and knowledgeable personnel with readiness to perform aftersales services such as having user coverage service centers, have fast manufacturing and distributing capacity to supply products to large public or private sectors on time. Apart from good product and service, the essential factor of competitiveness is being a good business partner with customers i.e. the Company

should be a good business consultant offering advice, supporting the customers and ensuring the customers the best products or services within their appropriate budget.

### **Competition status**

Information technology is a key transformative factor for businesses and organizations. Keeping up with the latest information technology trend each year is crucial for the Company to be at the forefront of the technology advancement and able to compete with emerging entrepreneurs.

At the end of each year, Gartner, a US well-known consulting and research company, specified technologies important to the business. This year Gartner forecast 12 technology trends that will drive digital and innovation business over the next 3-5 years based on the three following cores:

### **Core 1: Engineering Trust**

The technology in this core creates a more flexible and efficient IT foundation by ensuring that the information has been integrated and processed more securely on cloud and uncloud environments to improve cost-effective IT scalability.

#### **Trend 1: Data Fabric**

Data Fabric refers to the design concept that integrates flexible data sources between platforms and business users. It relies on the ongoing metadata analysis to support the design and use of integrated and reusable data in all environments in terms of hybrid platform and multi-cloud to make information available wherever it is needed, no matter where it is.

Data Fabric uses an analysis to learn and suggest where data should be used and changed to reduce the data management process by 70 percent.

#### **Trend 2: Cybersecurity Mesh**

Cybersecurity Mesh refers to an architecture integrating different and widely distributed security services. It allows a single solution to work together to improve the overall security and move control points closer to assets designed for more protection through quick and reliable authentication, context and compliance with policies in both cloud and non-cloud environments.

### Trend 3: Privacy-Enhancing Computation

Privacy-Enhancing Computation (PEC) involves control measures that protect personal information processing in untrusted environments, which are more important because of the promulgation of privacy and personal data protection law, as well as increasing consumers' concerns.

Privacy-Enhancing Computation is based on a variety of privacy protection techniques, e.g., encoding, isolation or sensitive processing prior to the process in order to extract value from data while following the privacy requirements.

### Trend 4: Cloud-Native Platforms

Cloud-Native Platform refers to technology of building new application architecture that is flexible and scalable. This enables to respond to rapid digital changes by developing the system to cloud. Technology can be fully used and maintenance complexity can be reduced.

## **Core 2: Sculpting Change**

Using a new model of technology solution, you can scale and accelerate organizational changes to digital to respond to immediate changes by building an application to automate business operations faster. AI can be used optimally leading to faster and smarter decision-making.

### Trend 5: Composable Applications

Composable Applications was developed by different components focusing on the business. They are easy to use and reuse codes. New software solutions can be brought to the market faster. Net value of business can be also added. This can get rid of the shortage of coding skills or the use of technology that cannot meet the true need.

### Trend 6: Decision Intelligence

Decision Intelligence involves a practice to optimize organizational decision-making by simulating each decision-making as a set of processes with intelligent data and data analysis resulting in data, learning and the optimal decision-making.

Decision Intelligence can support and promote human decision-making. It can also automate the process based on the analysis, simulation and AI to build decision intelligence platforms.

#### Trend 7: Hyperautomation

Hyperautomation refers to an approach that drives business in an organized manner to identify, monitor and automate the business and IT process as possible. This helps scalability, remote working and business model transformation.

#### Trend 8: AI Engineering

AI Engineering is an approach to automatically update data, AI models and applications in order to optimize AI. Being combined with AI engineering, AI will be delivered to consistently add business value.

### **Core 3: Accelerating Growth**

Technology investment maximizes business value, enhances digital ability, accelerates business growth and increases market shares.

#### Trend 9: Distributed Enterprises

Distributed Enterprises reflect business models, which prioritize digital and remote to enhance employees' experience, create interactions of all touch points between consumers and partners in terms of digital and deliver a product experience.

Distributed Enterprises can better satisfy the demand of employees and consumers who are far away. The demands of both groups are virtual services and hybrid operations.

#### Trend 10: Total Experience

Total Experience refers to a business strategy that integrates experiences of employees, customers and users, and a variety of experiences through multiple interaction channels to accelerate business growth.

Total Experience can drive the confidence, satisfaction, loyalty and support of both customers and employees through holistic management of experiences of people concerned.

#### Trend 11: Autonomic Systems

Autonomic Systems refer to physical systems or self-managed software, which learns from the environment and dynamically adapts to algorithms in real time to increase efficiency in complicated ecosystems.

Autonomic Systems create a series of technological capability to serve new needs and situations to increase performance and prevent an attack without the help of people.

#### Trend 12: Generative AI

Generative AI is one of the AI types that learn about objects from data and create new innovations that are similar to prototypes. However, it is not reproduction. Generative AI is therefore efficient in creating the content and new types, e.g., videos. It can also speed up the research and development cycle in various fields ranging from medicine to product development.

Source: <https://www.adpt.news/2021/11/02/gartner-12-strategic-tech-trends-in-2022/>

#### **Product Supply or Service**

The company, in collaboration with alliances specializing in technologies both domestically and internationally, offer information technology system service that meets the needs of each project of customer. Our key alliances include IBM Thailand Co., Ltd., Oracle Corporation (Thailand) Co.,Ltd., Hewlett-Packard (Thailand) Co., Ltd. and new partners in 2021, namely Micro Focus Company Limited, the proprietor of the trademark of Micro Focus.

The significant turning point for our ICT business group was the completion of 2 major projects for the National Telecommunications Public Company Limited; the Integrated Billing & Customer Services System and Billing Mediation (IBACSS) project worth 953.36 million baht in 2008-2012 and the customer information management system (Unified Database) project worth 211.48 million baht in 2013. The success of these projects led to the Company being entrusted to maintain and repair both systems from then on and to expand into new projects, such as the OM Unified backup system development project, Customer database (CRM) system optimization project, etc.

#### **Projects in process**

Recent projects operated by the Company can be divided into the two categories:

1. Maintenance Project: The Company delivers maintenance and repair work on a monthly basis subscription for a period of 12 months without warranty period such as
  - a. IBACSS Maintenance and Repair Project
  - b. Unified Database System Maintenance and Repair Project
  - c. Enterprise Payment Integration System Maintenance and Repair Project
  - d. Upgrade 4G System Maintenance and Repair Project
  - e. ICS Maintenance and Repair Project

2. Turnkey Project: The company will complete a made-to-order system development and deliver the ready-to-system to the project owner within the project timeframe with a warranty period. These projects are:

2.1 A backup system development plan for OM Unified, expected to be delivered within the first quarter of 2022.

2.2 The Customer database (CRM) system optimization, expected to be delivered within the first quarter of 2022.

### **3. Engineering Consulting**

As of now all the projects in this business group have been completed since the end of 2015 and have had no new projects. Currently, this business is under a preparation for closure.

## Business Group

### Energy Business



Solar Power Plant



Waste to Energy



Biomass Power

### ICT Business



### Engineering Consulting\*

\*Currently under a preparation for closure

# Situation of Energy

## Plan of PDP2018

From the resolution of the Cabinet, the draft power development plan of the country for 2018-2037 (PDP 2018) was approved on 30 April 2019, with the PDP 2018 plan being the main plan for the country's electricity supply to meet the demand and to support the country's economic growth with the plan time-frame in consistent with the 20-year national strategic plan (2018-2037). Develop electricity production to suit the demand and the potential of each region as well as taking in to account the correlation of electricity production investment, the stability of the power transmission system and the promotion of competition under supervision to ensure maximum efficiency and stability.

## **Summary of PDP 2018 plan**

1. Allocation of new power plants; in the year 2037, the total power capacity will be 77,211 megawatts with a new power capacity of 56,431 megawatts, to support the demand for electricity in 2037 and to replace the power plant discharged from the system.
2. With new primary fossil fuel power plants, the proportion of electricity generation from coal-fired power plant will be reduced from what is in the PDP 2015 plan to cut down carbon dioxide emissions in accordance with the COP 21 agreement and to reduce conflicts among local people. By switching to, nowadays cheaper natural gas, the electricity cost can be kept at a reasonable level.
3. The proportion of fossil fuels use is 65%, consisting of natural gas (53%) and coal and lignite (12%).
4. The proportion of electricity generation from non-fossil fuels is 35% while the proportion of that from coal fuels is reduced to 12%.
5. There is an allocation of new renewable energy power plants in accordance with the government promotion policy, such as community waste, Pracharat biomass power plant.
6. The solar power projects of the public sector can generate 100 megawatts of electricity per year for 10 years with a total of 1,000 megawatts. The project has started from the year 2019 onward.
7. A new PDP plan will be reviewed every 5 years or when there are significant changes in factors affecting the plan's goals. The power transmission system studies and plans will be put in place to enhance the stability of the electricity system. The power transmission system efficiency in enhanced to be regional grid connection that links to the distribution system in order to further support Grid Modernization.

## Risk Factors

### 1) Business operational risk

#### 1.1 Market demand risk

The main businesses of the company consist of 2 important activities which are energy and ICT.

Energy business is considered to have low risk regarding the market demand. As the company is a contract partner of PEA, which purchases all electricity produced by the company's group according to PPA.

ICT business is in a highly competitive market, especially when bidding for a limited number of large projects in Government sectors against the existing and continually emerging System Integrators in the market. Due to COVID-19 pandemic, the Company places great emphasis on quality of our products and services as well as on maintaining good relationship with our customers, partners, and alliances.

#### 1.2 Potential Risk from the changes of regulations on business operation

The changes of regulations on business operation may affect the business operation of the company either in the positive or negative ways. Such changes are considered uncontrollable factors. However, the company follows up continuously the changes of policy and regulations of the government, and analyzes the company's investments. We pay attention to such changes in order to adapt the company's operational method to be in compliance with government regulations.

#### 1.3 Risk of reliance on major customers for energy business

The group of companies operating power plants in every project has only one customer, which is Provincial Electricity Authority (PEA), and has power purchase agreements entered with PEA. This customer is reliable and stable. Therefore, the risk of reliance on major customers for energy business is low.

#### 1.4 Risk of materials necessary for production

Our subsidiary IEC Sakeaw 1 Co., Ltd. operating biomass power plant, of which the important materials to produce the power are wood chips, wood barks, palm bunches, and bagasse. These are important raw materials for power production. The price and productivity of these natural resources are not certain. Therefore, there is a risk of material shortage in some seasons when the price tends to be higher.

IEC Maetha Mae Taeng Co., Ltd. face the risk of climate change. The sunlight which is the raw material for electricity generation has been changing with climate whereby in the last 2 years, the power plant experienced overcast due to raincloud and dense fog associated with forest fire.

### **Future Risk**

Higher fuel cost for biomass power plant due to increased number of power plant, resulting in scrambling for resources, pushing the price up. IEC Sakeaw 1 has prepared to produce its own firewood supply in order to control the cost of electricity generation.

### **1.5 Risk of Solar Power Business**

#### 1.5.1 Raw Material Quality

Sunlight intensity, unfortunately, cannot be controlled.

#### 1.5.2 Raw Mterial Consistency

Solar collection cannot be consistently controlled or quantified in hours due to the fact that the raw material consistency changes with the climate.

#### 1.5.3 Selling Price

The buying price of electricity is given adder subsidy by PPA for 10 years. Subsequently, the Buying price will be subject to the change in government's policy in the future.

### **1.6 Risk of Interest Rate**

The risk of interest rate refers to the risk of interest rate change in the future which may impact the business operation and cash flow.

The Company is exposed to interest rate risks relating to deposits from financial institutions, loans, overdraft, and short-term and long-term loans because the Company used both short- and long-term lending sources, mainly with floating interest rates. This makes it vulnerable to interest rate fluctuations. However, the Financial Management Division monitors the public sector's financial policies and market conditions closely to be used to manage risks and mitigate business financial impacts. As for risk management, the Company will control the interest rate, assets and debts of the entire group of companies to be more consistent and suitable.

In 2021, the Company's Financial Management Division entered into debt-restructuring negotiations with financial institution debtors to manage liquidity of operations and reduce financial costs of company groups.

## **2) Risk of investment of shareholders**

### **2.1 Risk affecting the right or investment of shareholders**

The Company has many minority shareholders, which as of 16 March 2021, there is 26,701 shareholders. From that number, in order to hold a meeting of shareholders, one-third or 33.33% of shareholder votes are required to declare meeting that constitute a quorum open. Therefore, there is a risk to the shareholders that the Company might not be able to hold a general meeting that constitute a quorum on the first occasion.

The Company has no major shareholder with more than 15% of all subscribed shares and therefore has no major shareholder who hold sways over the Company and influence its decision.

Risk of conflict of interests from executives and major shareholders having competing business: (None)

# Organizational Structure

## Board of Directors

### Authority and Duties of the Board of Directors

The Board of Directors has the authority to manage the Company in accordance with the objectives and articles of association as follows.

1. The Board of Directors must organize a meeting at least once in every 3 months.
2. The Board of Directors has the authority to issue regulations in order to carry out the objectives of the Company.
3. The Board of Directors shall provide the shareholders' annual general meeting.
4. The Board of Directors must provide a balance sheet and income statement as at the end of the financial year of the Company and propose to the shareholders in the annual general meeting.
5. The Board of Directors may appoint any other person to carry out the business of the Company under the control of the board.
6. The Board of Directors of the Company is entitled to compensation for their duties.
7. The Board of Directors shall not be allowed to be as a partnership or be a shareholder in any juristic company of the same nature and likely to be Company's competitor, unless otherwise informed in the shareholder meeting of such act prior to the appointment resolution.

### Composition and Appointment of Board of Directors

Any member in the Board of Directors must be qualified according to article 68 of Public Limited Company Act B.E. 2535 and on the subject of requirement of Capital Market Supervisory Board determined regarding Securities and Exchange Act B.E.2535

### Structure and Qualification of Board of Directors

1. The Board of Directors shall be composed of directors having different expertise and experience, including specific skills that lead to Company's benefit. At least one person who is non-executive committee in business or major industry that the company is operating must be appointed. The Company shall declare the policy regarding composition of the Board of Directors, including term of each directors in the annual report and on the Company website. The announcement shall not be against the Public Limited Company Act.
2. The Board of Directors must be composed of at least 5 and more than half of them must reside in the Kingdom.
3. It must be composed of independent directors as determined by SEC regulation. For the non-independent directors should be fairly appointed as per the proportion of amount invested of each shareholder group.

4. Directors must have a variety of skills; industry, accounting, finance, business, management, strategic risk analysis, law, corporate governance. At least 3 of all directors must have a knowledge directly related to business management of the Company and at least 1 director must have expertise in knowledge of laws, and at least 1 director for accounting and finance.

5. Appointment of Directors is subject to the terms precisely determined. It must be transparent. The profile of directors with sufficient details shall be disclosed in annual report for a decision making in shareholder's general meeting.

6. They must appoint a company secretary to be responsible for providing advice on laws and regulations that the Board need to know, and operating their activities, including cooperation to respond the resolution of the Board of Directors, and other duties according to the laws of Securities and Stock Exchange of Thailand. The Company provides trainings to develop the knowledge of laws, accounting or secretarial duties to company secretary from time to time.

Board of Directors as in 2021 are composed of following members.

Name	Position	Remark
1. Mr. Komol Jungrungruangkit	Chairman	
2. Pol.Maj.Gen Somnuk Burame	Director / Chairman of the Audit Committee	Since 17 May 2021
3. Mr. Chalerm Suepugdee	Director / Audit Committee	Since 17 May 2021
4. Mr. Sakda Sinives	Director / Audit Committee	
5. Mr. Pornthep Itsoponpun	Director	
6. Ms. Ploykarin Sujjavata	Director / Chief Executive Officer	Since 26 April 2021 Since 10 November 2021
7. Mrs. Chanidapa Wanicharoensuk	Director	Since 26 April 2021
8. Mr. Polsan Teowsomboonkij	Director	Since 11 August 2021
9. Mr. Santichai Teowsomboonkij	Vice Chairman	Ended on 11 August 2021
10. Mr. Metha Thamviharn	Director / Chairman of the Audit Committee	Ended on 26 April 2021
11. Mr. Chatchawan Hasuwannakit	Director / Audit Committee	Ended on 26 April 2021
12. Mr. Apichet Paiboonpan	Director / Chief Executive Officer	Ended on 10 November 2021

Two authorized directors jointly sign to bind the company and affix the company's seal. The company secretary in year 2021 is Mr. Supanut Poonsawasd.

### Meetings of the Board of Directors

Meeting of the Board of Directors is scheduled at least once in every three months or called when it's necessary. The Meeting agenda must be set in advance and consider to follow up the operation result regularly. Prior to the meeting date, the Company Secretary will send the notice of meeting invitation, including agenda and documents so that the Board of Directors have enough time to study the issues before the meeting. The Company Secretary takes the minutes of meeting, store the minutes that have been approved by Chairman of the Board or an appointed director as well as to have it ready for inspection from directors or relevant persons. In 2021, there were 5 meetings organized. The summary of attendance of each director is as follows:

Name of Attendees	Attendance / Total Meeting sessions during their duty (Times)
1. Mr.Komol Jungrungruangkit	5/5
2. Mr.Santichai Teowsomboonkij	3/3
3. Metha Thamviharn	1/1
4. Mr.Sakda Sinives	5/5
5. Mr. Chatchawan Hasuwannakit	1/1
6. Mr. Pornthep Itsoponpun	5/5
7. Mr.Apichet Paiboonpan	5/5
8. Pol.Maj.Gen Somnuk Burame	5/5
9. Mr. Chalerm Suepugdee	5/5
10. Ms. Ploykarin Sujjavata	3/3
11. Mrs. Chanidapa Wanicharoensuk	3/3
12. Mr. Polsan Teowsomboonkij	1/1

### Performance Evaluation of the Board of Directors

According to the principles of good corporate governance of the Company, it is determined that the Board of Directors or Sub-Committees must proceed a performance evaluation at least once a year. The evaluation is composed

of overall performance and performance of each director. The purpose is to improve the working process for more efficient performance. The Company gives the importance to self-evaluation of Board of Directors, orientation of new directors and encourages the directors to attend the training provided by Thai Institute of Directors Association (IOD) and related authorities from time to time.

The purpose of evaluation of the Board of Directors and Sub-Committees of the Company is to have a transparent and fair performance for a good corporate governance to promote the Company sustainable growth and progress.

### The Process of Evaluation of the Board of Directors

To ensure that the principle of good corporate governance is complied with and the information is thoroughly, quickly and accurately distributed among the company directors in a straightforward manner, the Company uses a self-assessment form of Board of Directors for the year 2021 based on the Stock Exchange of Thailand's self-assessment form. The Company regularly perform self-evaluation for Board of Directors annually. The results will be used as a framework for reviewing performance, problems and obstacles as well as further improve work performance. Therefore, self-evaluation for the Board of Directors in 2021 were conducted.

The form includes the following major topics for evaluation:

- Board structure and qualifications
- Roles, duties and responsibilities of the board
- The board meeting
- Duties of directors
- Relationship with management
- Director's self improvement and management training

In each topic, there were sub-topics for the directors to rate. The scores obtained were calculated to get an average score of Board of Directors, Sub-Committees, and each director. In the year 2021, with the overall evaluation, the majority of the committee agreed that the result was good. Comments were also taken into account in order to improve performance of the Board of Directors as well as further enhance the Company's operation.

### Executive Management

Executive Management as of 2021 are:

Name	Position	Remark
1. Ms. Ploykarin Sujjavata	Chief Executive Officer	
2. Ms. Duangjai Nilapan	Executive Vice President - ICT	

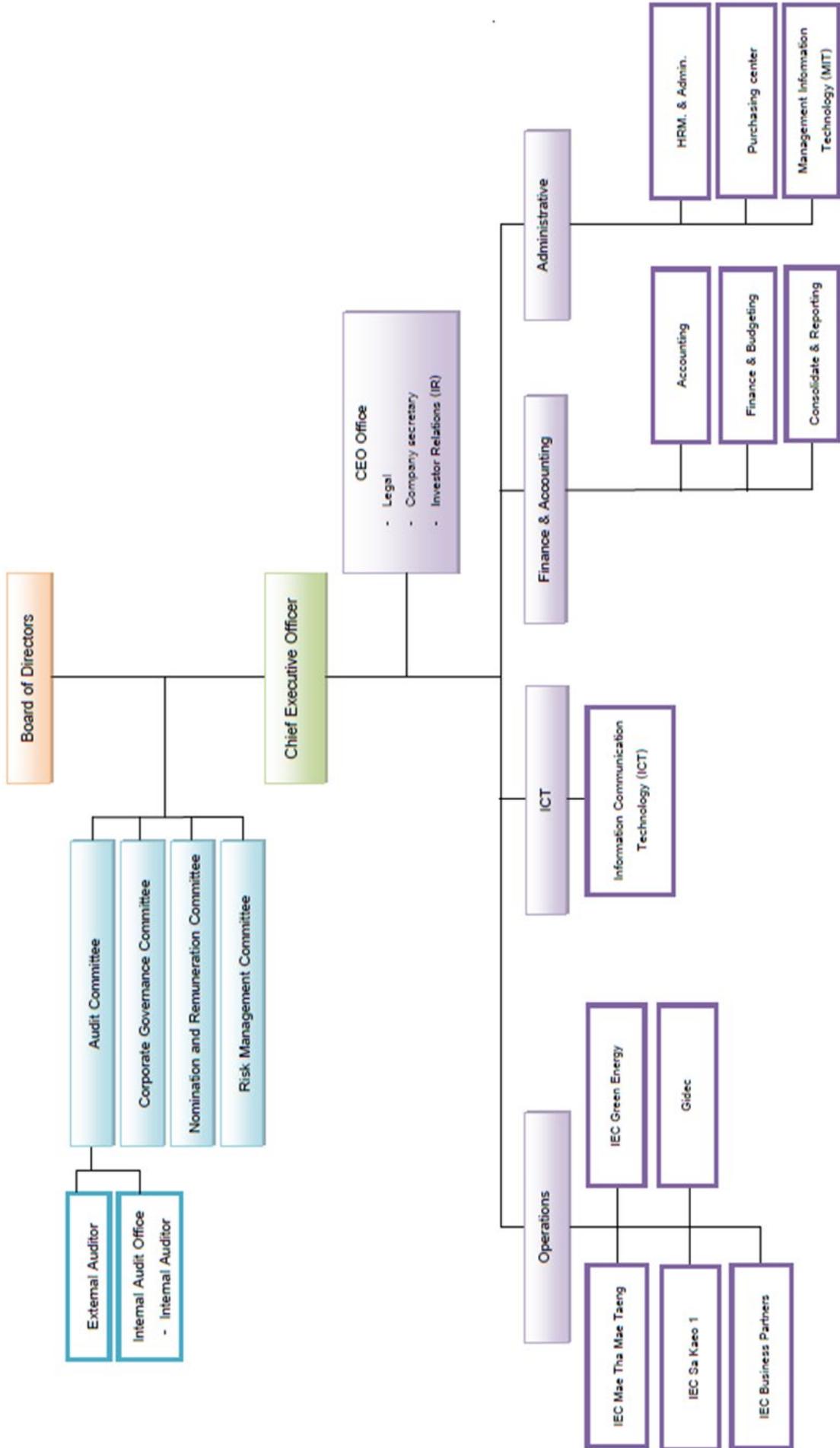
3. Ms. Thitirat Kuanun	Chief Financial Officer	Since 1 March 2021
4. Mr. Apichet Paiboonpan	Chief Executive Officer	Ended on 10 November 2021

### Company Secretary

Company Secretary as of 2021 is:

Name	Position	Remark
Mr. Supanut Poonsawasd	Company Secretary	

## The International Engineering Public Company Limited Organization Structure



## Remuneration for Board of Directors and Executives

### 1. Financial Remunerations

1.1 Remuneration for Board of Directors in the year 2021 are composed of

No.	Name	Board of Directors	Audit Committee	Risk Mgt. Committee	Nomination Committee	TOTAL
1	Mr. Komol Jungrungrangkit	140,625.00	-	-	-	140,625.00
2	Pol.Maj.Gen Somnuk Burame	140,625.00	9,000.00	-	-	149,625.00
3	Mr. Chalerm Suepugdee	140,625.00	9,000.00	-	-	149,625.00
4	Mr.Sakda Sinives	140,625.00	12,000.00	-	-	152,625.00
5	Mr. Pornthep Itsoponpun	140,625.00	-	-	-	140,625.00
6	Ms. Ploykarin Sujjavata	84,375.00	-	-	-	84,375.00
7	Mrs. Chanidapa Wanicharoensuk	84,375.00	-	-	-	84,375.00
8	Mr. Polsan Teowsomboonkij	28,125.00	-	-	-	28,125.00
	<b>TOTAL</b>	<b>900,000.00</b>	<b>30,000.00</b>	-	-	<b>930,000.00</b>

**Remark :** Meeting allowances for Board of Directors, Audit Committee was approved by the Annual General Meeting of Shareholders year 2021 dated 26 April 2021 to not exceeding 960,000 baht.

### 1.2 Compensation for Executive Officers

In 2021, the company made compensation of 3,862,000 baht to 3 executive officers. (Provident fund and other benefits not included)

### 2. Other compensation

In 2021, the company has given to 1 executive a provident fund of 54,000 baht total.

## Employees

- As of 31 December 2021, IEC has the total of 27 employees.
- Labor disputes

For the past 3 years, the Company had several labor disputes, including 7 labor cases whereby the employees, as the plaintiffs, demanded for severance pay. Of those, 4 cases were struck out of the lists as the plaintiffs withdrawing the case, 1 case was dismissed by the court and 2 cases have been sentenced by the court that the plaintiffs recovered and they have been finalized.

- Remuneration management

The company formulated the policy of remuneration and employee benefits in accordance with employees' responsibilities and performance, including economic condition and company's performance. The remuneration is divided into three following categories:

1. Salary: IEC defines the suitable rate based on duties and responsibilities in its salary structure.
2. Welfare: IEC provides the following welfare for the employees:

- 2.1 Social security Fund

IEC provides social security fund as indicated by law. It offers the protection under seven circumstances, namely sickness, labor and delivery, disability, death, child support, retirement and unemployment. The company also offers Workmen Compensation Fund (WCF) to employees who are injured on duty.

- 2.2 Provident Fund

This welfare promotes the employees' savings. IEC deducts 3% of their salary as contribute to provident fund and the company will contribute an equal amount to the fund as well.

- 2.3 Medical Welfare

IEC applies for health insurance to support the medical expense in time of employees' sickness and the rate varies according to the employee's position.

- 2.4 Group Accident Insurance

IEC provides the employees with group accident insurance, whose coverage varies according to the employee's position.

- 2.5 Compassionate Allowances

IEC offers compassionate allowances in case the employees or their family members pass away.

3. Bonus

IEC offers bonus based on the employees' and company's annual performance.

- Human resource development

Deeming the employees as the organization's most valuable asset, IEC always recognizes the significance of human resource development. It therefore provides them with several activities from the first day the employees join the company such as employee orientation, training, job study/field visit, job rotation and promotion, etc.

In 2021, the Company has arranged for employee training programs in order to develop occupational skills such as finance, accounting, legal, staffing, investor relations, IT and engineering.

The employees of the Group spent about 6 hours/person/year on training and IEC employees spent 3 hours/person/year on average.

## Corporate Governance

### Corporate Governance Policies

IEC and subsidiaries formulate the corporate governance policies based on the authorities.

### The Sub-Committees

The company constitutes 6 following sub-committees:

1. Executive Committee
2. Audit Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Corporate Governance Committee
6. Investment Committee

The Board of Directors' Meeting No.3/2020 dated 10 April 2020 has resolution to appoint Investment Committee to present and scrutinize any projects or approve for securities investment in the Stock Exchange of Thailand (SET50 / SET100) within the approved budget by the Board of Directors and further report for acknowledgement.

#### 1. Executive Committee

##### Authorities and Responsibilities of the Executive Committee

The Executive Committee is authorized to conduct activities as assigned by the Board of Directors according to the company's objectives and article of association.

1.1 Operation authority , approved by the Board of Meeting no. 2/2018 dated February 26, 2018

was summarized as follows :

- Money deposit with financial institutes  
CEO : Over 5,000,000 baht
- Loan limit for subsidiaries  
CEO : Not greater than 50,000,000 baht

- Approval for opening overdraft and loan limits  
CEO and inform the Board of Directors acknowledged : Not greater than 100,000,000 baht
- Approval for procuring fixed assets, other items, supplies, raw materials for production process, and supplies in production process (extra items from annual business plan)  
CEO : Not greater than 50,000,000 baht (per approval)  
Board of Directors : Over 50,000,000 baht
- Approval for procuring fixed assets, other items, supplies, raw materials for production process, supplies in production process (Items extra from but aligned with annual business plan)  
CEO : Not greater than 50,000,000 baht (per approval)  
Board of Directors : Over 50,000,000 baht
- Filing/not filing a lawsuit, or appealing/not appealing, or not petitioning to the supreme court, or withdrawing the case/appeal/petition to supreme court on tax, compromising, or giving consent to pay tax  
Executive Vice President of Accounting and Finance : Not greater than 2,000,000 baht /case  
CEO : Not greater than 10,000,000 baht /case  
Board of Directors : Over 10,000,000 baht /case
- Approval for investment and expense of IEC business in addition to the indicated amount or the company's budget for general transactions

**Within-Budget:**

- Not greater than 5,000 baht                      Senior Division Manager
- Not greater than 10,000 baht                      Vice President
- Not greater than 25,000 baht                      Senior Vice President / Asst.Vice President or General Manager /  
Managing Director of subsidiaries
- Not greater than 50,000 baht                      Senior Executive Vice President / Senior  
Vice President (in specific departments)
- Not greater than 5,000,000 baht                      CEO
- Over 50,000,000 baht                      Board of Director

**Over-budget or Off-budget:**

- Not greater than 50,000 baht                      Managing Director of subsidiaries / Senior  
Executive Vice President (in specific departments)
- Not greater than 5,000,000 baht                      CEO
- Over 5,000,000 baht                      Board of Director

## 2. Audit Committee

### Authorities and Responsibilities of the Audit Committee

Audit Committee has the following scope of duties and responsibilities and is required to report to the Board of Directors:

1. To review and ensure accuracy and adequacy of the financial report
2. To review and ensure the appropriateness and efficiency of internal control and internal audit
3. To regularly review the company's compliance with securities and exchange laws, SET regulations, and relevant laws
4. To consider, nominate, dismiss, and recommend remuneration scheme of External Auditor
5. To consider, nominate, dismiss, and recommend remuneration scheme of Internal Auditor
6. To ensure accurate and complete disclosure of the company's information related to connected transactions or conflict of interest
7. To produce an Audit Committee Report as a part of the company's annual report
8. To perform any other duties as assigned by the Board of Directors under the Audit Committee's prior consent.

In 2021, the Audit Committee consists of:

Name	Position	Remark
1. Pol. Maj. Gen Somnuk Burame	Chairman of the Audit Committee	Since 17 May 2021
2. Mr. Chalerm Suepugdee	Audit Committee	Since 17 May 2021
3. Mr.Sakda Sinives	Audit Committee	
4. Mr. Metha Thamviharn	Chairman of the Audit Committee	Ended on 26 April 2021
5. Mr. Chatchawan Hasuwannakit	Audit Committee	Ended on 26 April 2021

## 3. Nomination and Remuneration Committee

### Authorities and Responsibilities of Nomination and Remuneration Committee

1. To consider the criteria and procedure in selecting qualified person (s) to assume the office of directors
2. To determine qualifications of nominated director (s) in writing or set out nomination practices and guidelines
3. To consider the shareholder (s) if that person (those persons) has all of the right qualifications to be nominated as director(s)
4. To review and screen the nominated candidate (s) to ensure that person's qualifications meets legal and governmental requirements

5. To select person (s) based on nomination procedure and to propose opinions to the Board of Directors, who shall further propose the name in general meeting of shareholders for appointment.
6. With approval of the Nomination Committee, to perform any other duties as assigned by the Board of Directors
7. To consider and review remuneration scheme and criteria for directors and executives. The scheme will be submitted to the Board of Directors, who approves the remuneration of executive. For the directors' remuneration, Board of Directors will propose it in the general meeting of shareholders for approval.
8. To consider and review the peers' remuneration scheme
9. To review and revise remuneration scheme to be appropriate and realistic
10. To consider evaluation criteria of director(s) assuming office of executives and propose to the Board of Directors
11. To consider annual remuneration scheme

#### **4. Risk Management Committee**

##### **Authorities and Responsibilities of Risk Management Committee**

The Risk Management Committee has duties and responsibilities and reports to the Board of Directors as follows:

1. Consider the risk management and control the business risk for an appropriate investment and operation.
2. Report the result of risk management to the Board of Directors, and, in case of important factors and events which may significantly impact to the company, immediately report to the Board of Directors for a quick response.
3. Consider other matters related to the risk of the company as assigned by the Board of Directors.

#### **5. Corporate Governance Committee**

##### **Authorities and Responsibilities of Corporate Governance Committee**

Corporate Governance Committee has duties and responsibilities and reports to the Board of Directors as follows:

1. Suggest policy of good corporate governance and establish guidance for a good operation and corporate governance.
2. Review good corporate governance principles to be in accordance with international standards, adjust the principles as appropriate.
3. Follow up the operation performance and report to the Board of Directors.

## 6. Investment Committee

### Authorities and Responsibilities of the Investment Committee

1. To study and analyze opportunities, define strategies, goals, investment plans, investment budgets, return on investment and other benefits from investment taking into consideration the worthiness of investment as well as related risk factors that have to be managed to an acceptable level.
2. To inspect, monitor and evaluate the approved investment results to be within the approved budget and report to the committee for acknowledgment.

## Nomination and Appointment of Directors and Management

### (1) Independent Directors

#### Criteria of Selection of Independent Directors

The qualification of independent directors is as follows.

1. Being not an employee nor consultant who receives regular salary or other benefits from the company; either its headquarter or subsidiaries, affiliates or related companies.
2. Being not related by blood or legal registration as father, mother, spouse, siblings, children, including spouses of siblings of children, the children of executives, major shareholders or powerful shareholders.
3. Hold less than 1% of paid-up shares of the company; either its headquarter or subsidiaries, affiliates or related companies, including shares held by related persons.
4. Being able to take care of the interests of every shareholder equally.
5. Being able to prevent conflicts of interest between the company and directors, major shareholders or other companies whose executives or major shareholders are of the same group.
6. Being able to attend the meeting of Board of Directors of the company to decide the important activity of the company. The previous qualifications is the same as the minimum requirements of SEC and The Stock Exchange of Thailand.

#### Balance of power between Independent Directors

The Board of Directors of the Company as of 31 December 2021 consists of 8 members as follows:

Executive Directors	1	persons
Non-Executive Directors	4	persons
Independent Directors	3	persons

## (2) Nomination of Directors and Management

The selection of individuals to be appointed as directors depends on discretion of Nomination committee, the Board of Directors and in accordance with the company regulations. The retail investors shall have the right to nominate the directors through the vote in the shareholders' meeting. Each shareholder shall have one vote per one share and may use all the right to vote for one or several individuals to be company director(s). However, the voters cannot split their right to several candidates, i.e. cumulative voting is not used in the vote. The candidate receiving the most vote and ones in following ranks shall be nominated as per the number of directors required in that vote. In the case where the candidates have equal votes and the equal ranks exceed the number of directors required, the president of the meeting shall cast a final vote.

If the position of director becomes vacant due to the reason other than the termination of regular terms, the Board of Directors shall nominate an individual whose qualification is in accordance to the law to be as a director in the next meeting. If the remaining term is less than two months, the director who takes the vacant position shall be in the position only within the remaining term.

The selection of executive officers who are not directors shall be at sole discretion of the Board of Directors.

### Operation control of its subsidiaries

#### 1. Mechanism for the operation control of subsidiaries.

The meeting of Board of Directors no. 18/2017 deliberates the resolution to modify the operation authorities which are regulations on approval system of company and subsidiaries, effective on 25 August 2017. The authority to act on behalf of the company is of The Board of Directors, unless otherwise consented by the Board of Directors to other individuals. The authority of general administration is given by managing director. The authority of approval in the work process can be classified in 8 categories; finance, administration, purchasing, human resources, general affairs. Later, the meeting of Board of Directors no. 2/2018 deliberates the resolution to modify the operation authorities since 26 February 2018 which is effective until now.

Furthermore, individuals elected to be as members in subsidiaries Board of Directors of affiliate Company shall ensure that the affiliate company has complete and correct regulations on the acquirement, the discharge of assets or other important matters of such company, including the information disclose as same as the headquarter company, information storage, accounting reports ready to be inspected and can be gathered to make a financial statement on time.

#### 2. Information and agreement between companies and other shareholders regarding administration in subsidiaries

-None-

### **Audit Fees**

At the 2021 Annual General Meeting of Shareholders on 26 April 2021, the shareholders' meeting passed a resolution to appoint the auditor of NPS Siam Audit Company Limited to be the Company's auditor for 2021 as well as approved the Company and its subsidiaries audit fees for 2021 in the amount not exceeding 5,400,000 Baht per year (five million and four hundred thousand Baht only).

### **Control of internal information use**

The company has policies and measures to prevent unfair advantages over other shareholders and promoting equal treatment for all shareholders by not misusing the information including using inside information for their own gains such as purchasing stock. This is due to following measures established by the Board to prevent insider trading by any involved persons including directors, executives and employees in the information-related department including their spouses and minors.

- Involved persons are restricted from trading the company's stock during one-month period before the disclosure of quarterly and annual financial statements as well as at least one day after the disclosure.
- Employees who acknowledged any information which is at that moment still not disclosed to public and may affect the stock price must strictly refrain from purchasing or selling company's stock until the information is disclosed to public.
- Directors and high-level executives (from executive vice president upward including financial and accounting division executives) are obligated to report their shareholding upon assuming their office initially or after every change (purchase, sales or transfer) therein within 3 working days to the Office of Securities and Exchange Commission or report their holding for the Board of Directors' Meeting's acknowledgement every time the meeting is convened.
- Set up workplace security system to secure confidential files and documents.

### **Compliance with other Principles of Good Corporate Governance**

The company is determined and committed to operate the business while focusing on the preservation of shareholders' interests and responsibility to every group of stakeholders by continually adheres to the Thailand Stock Exchange's Principles of Good Corporate Governance for Listed Companies and use it as a guideline for company's operation and preservation of shareholders' interests. The principles of good corporate governance are detailed in the 5 following sections:

## **(1.) Rights of Shareholders**

The company has policies to support and promote fundamental rights for every shareholder through widely-accepted and reliable measures and standard, entitling the shareholders to freely purchase, sell and transfer their assets, attending the meeting of shareholders or assign a proxy to attend the meeting, vote and express opinions in their stead freely, submit their questions prior to the meeting, freely express their opinions in the meeting and exercise their rights to vote on important matters proposed by the Board for shareholders' approval such as the appointment of directors with expiring tenure, amendment of the memorandum of association and fixing remunerations for directors and auditors etc. In addition, the company also ensure that other processes are in compliance with rules and regulations of the Stock Exchange of Thailand such as the provision of significant information that may affect the company or the shareholders such as connected transactions, exercising of warrants, acquisition and disposal of assets of significant size as per the related regulation through SET's ELCID and the company's website.

## **(2.) Equitable Treatment of Shareholders**

The company understands and values the rights of shareholders. In order to ensure equitable treatment for every shareholder, the company set the following measures to protect the right of shareholders:

### 1. Shareholders' meeting

#### Information provided to shareholders prior to the meeting

1.1 The company has a policy to support or promote every group of shareholder group, especially institutional shareholders to attend the shareholders' meeting. The company shall send out the meeting invitation which indicates time and venue of the meeting, including the agenda to shareholders. The detailed explanations and reasons for a consideration of the agenda shall be stated in Notice of Annual General Meeting and Extraordinary General Meeting of Shareholders.

1.2 For shareholders' meeting, the company shall organize a suitable venue that all shareholders can attend. The meeting program and duration shall be appropriate to the agenda. We also encourage the shareholders to submit their question related to the company before the meeting as we have clearly set the instruction of question submitting. The company will inform of the question acceptance at the same time that the shareholders' meeting invitation is sent. Furthermore, the company has announced the criteria of the question to be submitted as an agenda of the meeting the on the company website.

1.3 The retail shareholders shall propose the candidates' name for a selection of directors before the Annual General Meeting of shareholders as per the nomination regulation of the company.

1.4 The company shall facilitate for the shareholders to exercise their right of meeting attendance and vote, and avoid any actions that may hinder their attendance. For example, the voting process in the meeting shall not be overly complicated or costly and the venue of the meeting must be convenient for the shareholders to attend.

1.5 The company shall protect the right of each shareholder and treat them equally. The shareholders shall be entitled to company's information both in Thai or English.

1.6 The company has delivered the notice of annual general meeting of shareholders containing the agenda of the meeting with a detailed explanation and reasons for consideration of the agenda for the shareholders prior to the meeting of shareholders at least 14 days.

#### 1.7 Protection of the retail shareholders' rights

The company encourages retail shareholders to propose an agenda prior to the meeting of shareholders or nominate nominees at least 45 days prior to the meeting date. The addition of meeting agenda or proposal of nominees to be a director shall be in accordance with the law and regulations of the company.

#### 1.8 Stakeholding directors

The company has a policy to prevent the directors who are also stakeholders involving the subject of any agenda from participating in the consideration of such meeting agenda.

### 2. The operation on the day of shareholders' meeting

2.1 The company encourages the meeting organizers to make use of technologies for to facilitate the processes in shareholders' meeting including shareholder registration, vote counting, scoring result so as to have correct and accurate information and fast meeting.

2.2 All directors including members of sub-committees and the company secretary shall attend the meeting every time including independent legal advising inspector who shall oversee that the meeting proceeds transparently and lawfully. Should they do not have important duty on such days, the executive officers shall attend the shareholders' meeting to answer the questions as well.

2.3 All shareholders are entitled to attend the shareholders' meeting. During the meeting sessions, the shareholders shall have the right to question or propose an idea to the meeting according to the agenda. The chairman shall allocate the time appropriately to encourage the attendees to propose an idea and question in the meeting.

### 3. Post-meeting procedures

#### 3.1 Preparation of the meeting minutes and disclosure of shareholders' meeting resolutions

In the minutes of shareholders' meeting, the company shall process the report, voting process and announcement of voting results for the meeting's acknowledgement before the meeting session, including the question time for shareholders. The meeting shall also have a record of questions, answers and voting result of each issue which includes the number of votes that agree or disagree with the issue as well as abstention. The name of present attendees including the name of absent directors in each meeting shall also be recorded.

3.2 The company secretary shall prepare a complete, correct and clear meeting minutes for submission to Securities and Exchange Commission (SEC) as well as disclose to the shareholders about the voting results of each

agenda in the company's annual and extraordinary general meeting of shareholders through the company's website within 14 days from the date of meeting.

### **(3.) Roles of Stakeholders**

The company has established policies and measures towards each different group of stakeholders and is aware of and respect legal rights and agreements of all stakeholders with company's employees at all levels obligated to perform their duties in accordance to the measures as follow:

#### **1. Determination of policies regarding the treatment of stakeholders**

1.1 The company divided the stakeholders into different groups; shareholders, business partners, customer, employees, cooperators, debtors, creditors, community and related governmental or private authorities. The company created communication channels to response the request of such groups sufficiently.

1.2 The company has the commitment to take care of our customer systematically in terms of health, safety and remuneration that may be requested during the use of products or service.

1.3 The company established the corporate social responsibility to build a positive relationship with the community where the company is located. We have plans of environmental preservation and safety and avoid making the impact to the environment which is caused by the operation. The company has the remuneration plan in case of accident and has plans to solve the problem sustainably. Besides, we use European standard in the construction of the plant to ensure that the supply chains of the company is environmentally friendly and the materials are used efficiently.

1.4 The company has a measure of the fair treatment and responsibility to the creditors by an appropriate guarantee to the creditors according to business agreements and a good business practice.

1.5 The company has signed a partnership against corruption and encourage our employees to be aware of the importance of this. Besides, we have organized and promoted activities to cultivate our employees to work in compliance with the laws and related regulations.

1.6 The company gives the importance to fringe benefit of our employees. The employment contract is based on fairness. They will be given remuneration appropriate to their ability in order to motivate them to dedicate themselves to the organization. The company has established safety measures to ensure a good working environment and organized activities to make our employees respect the working disciplines. All employees shall be taken care of equally. Furthermore, the company has conceived plans to solve the problems that leads to the termination of employment by any reason.

1.7 In order to ensure an equal treatment of all stakeholders and that the operation is in accordance with the principle of good governance, we have created a communication channel to receive complaints or requests, including opinions and suggestion that the stakeholders think it may lead to a negative impact to themselves or other

stakeholders due to the business operation, misconduct of employees, or any action that is likely to be a corruption or unequal treatment of stakeholders, including negligence or lack of prudence. The stakeholders may inform the company through the company website. The company will inspect the case as per our measure and record all progress in writing. The name of the informer shall not be disclosed and the complaint shall be kept confidential to protect the informers and prevent the impact that may occur to them.

## **2. The selection of business partners**

2.1 The duration that the company receives the products for a test must be limited and shall return the material for testing to the business partner/ seller immediately when the test period is terminated. The test must be carefully made so as to efficiently prove its quality and competency. All test process shall be recorded in writing to be as the reference for consideration when necessary.

2.2 The company shall not invite business partners/ sellers to bid when such product or service is not necessarily required. The qualification, dedication and ability of sellers shall be considered and the company shall invite only selected sellers for a bid with the expectation to use the product or service of the seller who wins the competition.

2.3 All bidders shall be treated equally by the company.

2.4 All information on price quotes or bidders shall be kept confidential.

2.5 The company shall perform a bid with transparency, fairness and honesty. There shall not be any unfair influence interfering with our consideration.

## **3. Business operation under environment standards**

The company controls its emission of wastes in strict compliance with the regulations set by the Pollution Control Department, Ministry of Natural Resource and Environment. IEC's power plants consistently monitor pollution level and control the discharge of industrial wastewater in addition to regularly submitting reports in adherence to the government agencies' regulations.

## **4. Disclosure and Transparency**

The Board of Directors shall be responsible for a complete, correct and on-time disclosure of information on finance and other matters through communication channels of stock market according to the Annual Report (form 56-2) and other channels such as the company website. The information is presented in English and Thai and shall be always updated.

In 2021, the company disclosed the information through the company website and answered inquiries by investor relations services by phone, providing more channels to swiftly and accurately disclose the company's information for investors, shareholders and stakeholders.

## **5. Responsibilities of the Committees**

The Board has an important role as the representative of shareholders in setting vision, mission, plans and budget in order to achieve the operational goals as well as ensuring that the executives' operation is in compliance with the set policies and performed with fairness, transparency and in accordance with related laws, regulations, policies and business ethics.

### Information about the Directors, Executives, Auditors and Company Secretary

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Komol Junggrungrungskit	Chairman and Director	70	Mathayom 3, Wat Hua Lamphong School	10.54	2017 - Present 2011 - Present 1979 - Present	Chairman of the Board / Director Honorary Advisor Chief Executive Officer Chief Executive Officer Chief Executive Officer Chief Executive Officer Chief Executive Officer	International Engineering Plc. AgriPure Holdings Plc. Summit Footwear Co., Ltd. Summit Pinehurst Golf Club Co., Ltd. Pinehurst Willz Co., Ltd. Summit Star Home Co., Ltd. Ruanjai Pattana Kwamroo Co., Ltd. Ruanjai Pattana Foundation River Kwai International Food Industry Co., Ltd. Chiang Rai Frozen Food Co., Ltd. Qualimer Co., Ltd. Agri Fresh Co., Ltd.
Mr. Santichai Tiesomboonkit	Vice Chairman and Director (end of his term as Vice Chairman and Director effective from August 11, 2021 onwards)	69	B.Sc. Kasetsart University, Kasetsart University, Bang Khen	0.010	1975 1978 1980 1984 2018 Present	Animal Husbandman Vice Sales Manager Vice Manager Marketing Manager Representative of the Faculty of Agriculture Vice Chairman	Charoen Pokphand Feedmill Co., Ltd. (CP) Central Food Products Co., Ltd. Centaco Co., Ltd. Lee Pattana Feedmill Co., Ltd. Kasetsart University International Engineering Plc.
Mr. Metha Thamvilarn	Director and Chairman of the Audit Committee / Independent Director (end of his term as Director and Chairman of the Audit Committee and term ending of the 2021 Annual General Meeting on April 26, 2021)	64	Bachelor of Law, Ramkhamhaeng University	-	1984 - Present 2014 - April 2021 2015 - 2018 2018 - April 2021	Chief of Lawyer Director Audit Committee Chairman of the Audit Committee	Ariti Law Office International Engineering Plc. International Engineering Plc. International Engineering Plc.

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Chatchawan Hasuwannakij	Director (end of his term as Director and Audit Committee and term ending of the 2021 Annual General Meeting on April 26, 2021)	49	Bachelor of Engineering (Electrical Power), King Mongkut's Institute of Technology Ladkrabang Master of Computer Science, Prince of Songkla University	0.074	1999 - 2000 2004 - 2009 2009 - 2019 2017 -April 2021	Engineer Businessman Optic Fibre Engineer Director / Audit Committee	Sateskin Medical & Scientific (Thailand) Ltd. Songkhla Province Ban Ya Phasawang, Hat Yai, Songkhla FOtech Limited Partnership, Bangkok International Engineering Plc.
Mrs. Ploykarin Sujavata	Director / Chief Executive Officer (appointed as Director in accordance with the resolution of the 2021 Annual General Meeting of Shareholders dated April 26, 2021)  (appointed as Chief Executive Officer by the resolution of the Board of Directors Meeting on 10 November 2021)	55	Bachelor of Business Administration, Siam University	-	Present	Managing Director	Summit Footwear Company Limited Summit Pinehurst Golf Club Company Limited Pinehurst Willz Company Limited, Maple Property Company Limited, River Kwai International Food Industry Company Limited and Agri Fresh Company Limited
Mrs. Chamidapa Wanichcharoensuk	Director (appointed as Director in accordance with the resolution of the 2021 Annual General Meeting of Shareholders dated April 26, 2021)	34	Bachelor of Aviation Technology (Airport Management), Chulachak, Bangkok. Master of Business Administration in Marketing, Ramkhamhaeng University.	-	2017-present	Head of Product Development Division	Summit Footwear Company Limited (manufacturer and distributor of Aerosoft shoes)

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Pornthep Itsoponpun	Director	39	Bachelor of Commerce with a Major in Accounting, Macquarie University, Sydney, Australia	0.015	2009 - 2011 2011 - 2016  2011 - Present 2016 - Present  2014 - Present	Accounting Manager Managing Director  Executive Director Executive Director  Chonburi YEC Member	Pink Chili Limited Partnership, Linfield, Sydney, Australia SRF Property Company Limited (Bangsaen commercial building and condominium development project, Mueang, Chonburi) 900 units of Seven Places-affiliated Apartments Srisansuk Property Co., Ltd. (Townhome and commercial building projects in Sri Racha District, Chon Buri) Young Entrepreneur Chamber of Commerce for Chonburi Member Network and Businesses Development and Sustainability Program Member of Chonburi Chamber of Commerce International Engineering Plc.
Mr. Aphichet Paitboonpan	Director / Chief Executive Officer (end of his term as Director and Chief Executive Officer effective from November 10, 2021 onwards)	50	Master of Science, Mae Fah Luang University Master of Business Administration, Assumption University Bachelor of Business Administration, Assumption University IOD. DAP142/2017	0.080	2017 – November 2021 2019 – November 2021 2018 – November 2021  2008 - Present 2006 - 2008 2005 - 2006 2000	Director Chief Executive Officer Managing Director  Director Executive Manager Vice Manager	International Engineering Plc. IEC Sakaew1 Co., Ltd. / IEC Mae Tha Mae Taeng Co., Ltd. / GIDEC Co.,Ltd. / IEC Green Energy Co.,Ltd./ IEC Business Partner Co.,Ltd. Highways Logistics Co., Ltd. UPS Worldwide logistics Co., Ltd. Fritz Transport Co., Ltd. Tuntex Petrochemicals (Thailand) Plc.
Mr. Sakda Siniwes	Director	67	Bachelor of Agriculture and Cooperatives, Sukhothai Thammathirat Open University Master of Science Rural Development, Central Luzon State University, Philippines.	-	2017 - Present 2011 - Present 2008 - Present 1978 - 2015	Director / Audit Committee Audit Committee Level QA Specialist Agricultural Specialist	International Engineering Plc. AgriPure Holdings Plc. The quality of agricultural Products Department of Agricultural Extension Bureau of Agricultural Product Quality Development, Department of Agricultural Extension

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Polson Teowsombonkij	Director (appointed as Director in accordance with the resolution of the Annual General Meeting of Shareholders No.4/2521 dated August 11, 2021)	39	Bachelor of Business Administration (Finance), Thammasat University	0.027	Present	Director	Bhusanason Company Limited (selling agricultural products)
Pol. Maj. Gen Sornuk Burame	Director / Independent Director (Elected as Director by the resolution of the board of directors' meeting on 31 October 2019)	63	Advanced Police Administration Course Class 31 - Master Degree, National Institute of Development Administration, NIDA Bachelor of Law, Ramkhamhaeng University	-	2021 – Present 2019 - Present 2016  2014	Chairman of the Audit Committee Director Commander of the Administrative and Civil Litigation Division, Office of Law and Litigation Commander of the Provincial Police Region2	International Engineering Plc. International Engineering Plc. National Police Agency  National Police Agency
Mr. Chalerm Suepugdee	Director	65	Bachelor of Engineering, Production Engineering Department King Mongkut's University of Technology Thonburi	-	2021 - Present 2020 - Present 1998 – Present  1984 – 1998 1981 – 1983 1979 - 1981	Audit Committee Director Managing Director  Technical Department Manager Mechanical Maintenance Department Head Quality Inspection Section Head	International Engineering Plc. International Engineering Plc. C.N.S.P. Co., Ltd. (Distribution of Industrial Chemical) Summit Footwear Co., Ltd. Basma Co., Ltd. Narong Industry Co., Ltd.

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Ms. Duangjai Nilapan	Executive Vice President - ICT / 25 August 2017 and Acting Senior Executive Vice President - ICT / 29 May 2018	51	Master of Sciences (Industrial Psychology), Kasetsart University  Bachelor of Public Administration, Prince of Songkla University	-	2018 - Present  2017 - 2018  2017 - 2018	Executive Vice President and Acting Executive Vice President - ICT  Executive Vice President - ICT and Acting Executive Vice President - Management  Acting Executive Vice President - Management and Acting Senior Vice President	International Engineering Plc.  International Engineering Plc.  International Engineering Plc.
Miss Thitirat kuanun		44	Master degree of Business Administration Branch of accounting Ramkhamhaeng University Bachelor degree Business Administration Branch of accounting Burapha University	-	2015 - 2017 2015 2013 - 2015	Executive Vice President - Management and Acting Vice President - ICT  Senior Vice President - ICT  Vice President - ICT  Vice President - System Integration	International Engineering Plc.  International Engineering Plc.  International Engineering Plc.
Mr. Suphanat Poonsawat	Company Secretary	36	Bachelor of Law, Ramkhamhaeng University	-	Current 2015 - 2020  2013 - 2017 2546 - 2556	CFO Finance & Accounting manager  Accounting and Tax advisor Accounting Manager	International Engineering PLC MJ ONE GROUP (Major development Group Solar KTech co.ltd. Ditchi Corporation PLC

Remark: (1) Family relations between each executive - None -  
(2) IOD refers to Thai Institute of Directors Association  
(3) DAP refers to Director Accreditation Program  
(4) DCP refers to Director Certification Program

## Structure of Shareholders

The following table presents a list of major shareholders who own a minimum of 0.5% of total shares as of 16 March 2021 which was the record date (whereby the list of shareholders entitled to attend the 2021 General Meeting of Shareholders was gathered). As of the record date, the Company had 249,345,538,669 of subscribed shares.

	Name	Surname	Number of Shares	Proportion of Shareholding (%)
1	Mr. Komol	Jungrungruangkit	26,279,649,778	10.540%
2	Mr. Thidchuan	Nanawarathorn	7,000,000,000	2.807%
3	Mr. Surat	Itsophonphan	5,002,480,904	2.006%
4	Mr. Kornchanan	Thananpong	3,928,875,562	1.576%
5	Mr. Vichit	Chinwongwarakul	2,269,800,000	0.910%
6	Mr. Manop	Charukamnerdkanok	1,935,726,022	0.776%
7	Thailand Securities	Depository	1,909,863,205	0.766%
8	Mr. Veerasak	Boonyaworamethee	1,414,532,499	0.567%
9	Mr. Sanya	Santayati	1,408,000,000	0.565%
		Total first 9 major shareholders	51,148,927,970	20.512%
		From the total number of Shares	249,345,538,669	Shares

1) Business engagement by holding shares in other companies (Holding Company)

-None-

2) Agreement among major shareholders

-None-

### Other Capital Issuance

#### 1. Warrant (IEC-W2)

- Type of Securities: Warrant to purchase ordinary shares of the International Engineering Public Company Limited #2 (IEC-W2) is valid for 3 years, commencing on 23 May 2016. The warrant can

be exercised on the last business day of the end of each quarter (March, June, September, and December of each year). The exercise prices for the purchase of ordinary shares are as follows:

Year 1 ( 23 May 2016 to 22 May 2017 )

The exercise price is THB 0.025 per share (two point five satang)

Year 2 ( 23 May 2017 to 22 May 2018 )

The exercise price is THB 0.035 per share (three point five satang)

Year 3 ( 23 May 2018 to 22 May 2019 )

The exercise price is THB 0.045 per share (four point five satang)

The warrant to purchase ordinary shares of the International Engineering Public Company Limited #2 (IEC-W2) has been registered as listed securities with a total number of share of 40,670,703,826 at the Stock Exchange of Thailand (SET). SET has accepted IEC-W2 as listed securities and has specified the trading date on the security trading system of SET, commencing on 14 June 2016 onwards. The details of the exercise of the warrants are shown in the table below.

Exercise of Warrant IEC -W2	Number of Warrant (Units)	Exercise Ratio	Exercise Price (THB per share)	Exercise Date	Number of Shares Issues for Exercise of Warrants (shares)	Number of Shares Issued to Accommodate Exercise of Remaining Warrants (Shares)
1.IEC -W2 Period 1	19,295,541	1.00:1.00	0.025	30 Jun 2016	19,295,541	40,651,408,285
2.IEC -W2 Period 2	31,881,976	1.00:1.00	0.025	30 Sep 2016	31,881,976	40,619,526,309
3.IEC -W2 Period 3	4,640,884	1.00:1.00	0.025	30 Dec 2016	4,640,884	40,614,885,425
4.IEC -W2 Period 4	140,262,699	1.00:1.00	0.025	31 Mar 2017	140,262,699	40,474,622,726
5.IEC -W2 Period 5	0	1.00:1.00	0.035	30 Jun 2017	0	40,474,622,726
6.IEC -W2 Period 6	0	1.00:1.00	0.035	29 Sep 2017	0	40,474,622,726
7.IEC -W2 Period 7	0	1.00:1.00	0.035	29 Dec 2017	0	40,474,622,726
8.IEC -W2 Period 8	0	1.00:1.00	0.035	30 Mar 2018	0	40,474,622,726
9.IEC -W2 Period 9	0	1.00:1.00	0.045	29 Jun 2018	0	40,474,622,726
10.IEC -W2 Period 10	0	1.00:1.00	0.045	28 Sep 2018	0	40,474,622,726
11.IEC -W2 Period 11	0	1.00:1.00	0.045	28 Dec 2018	0	40,474,622,726
12.IEC -W2 Period 12	0	1.00:1.00	0.045	29 Mar 2019	0	40,474,622,726
13. the final round	9,760,547	1.00:1.00	0.045	22 May 2019	9,760,547	40,464,862,179

## 2. Bonds

The Company issued the bill of exchange (B/E) to raise fund for future investments and/or for working capital, depending on the needs at that particular period. The total offering value is not exceeding THB 200 Million.

The bill of exchange has maturity period of not exceeding 270 days with a placement to investors up to 10 and not exceeding 10 B/E at any point in time (PP10).

As the issuance of Bills of Exchange will incur constant financial costs as stipulated in the contract while the financial cost rate in the market tends to decrease, the Company therefore redeemed all bills of exchange in 2018-2019. Thus the Company currently has no outstanding balance of bills of exchange offered to investors.

#### **Dividend Payment Policy**

- Policy of the Company : Unless otherwise necessary and dividend payment has no significant effect on the Company's operation, the Company will pay dividend at the rate of not below 70% but not more than 90% of net profit after tax deduction
  
- Policy of the Subsidiaries : -Not Specified-

## Corporate Social Responsibility

Although the previous year many aspects of the company's operations were affected, the company is still committed to conducting a complete integrated renewable energy business. The Company determines to build an integrated renewable energy business with a main business activity being electricity generation from various forms of renewable energy. It is also a Company's aim to continuously drive business improvements that are in line with the management principles of sustainable development, in order to strike a balance in the areas of economy, society, communities, and environment. Although some businesses are still facing issues with the nearby communities, the Company has invested great effort in resolving the problems, organizing community relation activities, and contributing to activities in the communities, with a desire to see the communities and the business exist and grow together in a sustainable manner.

Furthermore, the Company has been actively engaged in the environmental management by raising awareness within the organization and among the surrounding communities. The Company recognizes a green space development as an important contribution to the goal of restoring balance to the nature, and, therefore, has initiated projects to create green space within the plant area, improve the landscape and maintain the environment around the plant site, and plant trees together with the communities and supporting community activities, etc. During the past year, the company carried out social and environmental responsibility activities as follows;

### 1. E-Environment : Environmental Impact Reduction

**The waste-to-energy power plant at Hat Yai District, Songkhla Province** places great importance on the environmental impact of society and, therefore, has taken initiatives to conduct an opinion survey, clarify problems, and implement measures to resolve environmental issues. With the recent problem regarding the foul odour of waste that has affected the surrounding communities, the Company has set out to resolve the issue by spraying enzymes and EM (Effective Microorganisms) to eliminate the odour originating from solid waste collected from Hat Yai Municipality as well as having raised the level of environmental impact prevention measures by taking the following actions:

- Change of Bag Filter to keep pollution level within the standard permissible limit. The system is capable of filtering dust particles of 0.1 micron in size.
- Send data of the Continuous Emission Monitoring Systems (CEMS) measurement data transmission online to Department of Industrial in Songkhla province to check the operation all the time.
- Building closed to fix problems with odour. The building was constructed 30x40 meters to control odour to affect the neighbourhood.

- The addition of 3 meters high concrete around the building to prevent the odour of waste water to outside.
- Duct Work to absorb odour from garbage room to the stove burns.
- Installation of Ozone production to control odour.
- Plant trees mainly in the green area of the project to reduce the odors and sounds around the power plant.
- Spraying the Effective Microorganisms solution (EM) in the operating area once every 12 hours and in rainy season once every 6 hours.
- Install Effective microorganism solution sprinklers (EM curtains) around the buildings and the doors to control odors and trap airborne particles.
- Extend the height of the vent from 30 meters to 45 meters to help reduce the concentration of air pollution by 16 times.

**The Sakaeo Biomass Power Plant** is determined to operation under the environmental management system, as required by the Company's environmental policy, which focuses on pollution prevention and environmental law compliance. In 2021, the Company conducted an annual environmental risk assessment and decided on action plans to deal with and prevent pollution issues. The environmental investments the Company has entered into are as follows:

- **Production Process Wastewater Collection System** – in the past, there were several point sources of wastewater discharge from the Boiler Zone in the production process. These are Blow down boiler, Sampling, Drain deaerator, and Coolant. Without proper wastewater collection system in place, wastewater ran to the storm water drainage system before being discharged outside the plant area. A wastewater collection system was, hence, constructed to transport wastewater produced as part of the production process to the treatment pond. This approach also helps prevent wastewater from flowing into the storm water gutters.
- **Neutralization Pond Actual 50%** - the environmental assessment revealed that the production process wastewater had a pH value exceeding the wastewater quality standard. A neutralization pond was therefore set up with a chemical system capable of treating wastewater from the production process. The system incorporates 50% sulfuric acid (H<sub>2</sub>SO<sub>4</sub>) into wastewater to ensure acceptable wastewater quality.
- **Make a dust-break and earthen dykes around the power plant**
- **Tri-party wastewater management and remedy program** for the environment along Phra Prong canal as representative of businesses located near Phra Sathueng river basin in order to participate in tending and preserving the Phra Prong-Phra Sathueng river basin of Sakaeo and Prachinburi province. The Company was assigned to a task force in accordance with Department of Industrial Works' order No.187/2016 Re: Appointment of tri-party task force to manage wastewater and remedy environment problems along Phra Prong canal.

### Solar power plant project at Lamphoon province and Mae Malai, Chiang Mai province

- The Company has policy against the use of herbicide and regularly conduct water quality test around the projects every year in order to ensure that there is no pollution resulting from energy production.
- Mae Malai Power Plant Chiang Mai Province created a Code of Practice (CoP) on measures to prevent, correct and monitor environmental impacts from the power plant for environmental, safety and community protection adjacent to the power plant.
- On November 10, 2021, the Lamphun 1 and 2 Project Power Plant received an award as an enterprise that meets the environmental governance criteria.



## 2. S-Social Responsibility and taking part in Community Development

### Waste-to-energy Power Plant at Hat Yai District, Songkhla Province

- **Waste bank project:** First began in August 2015 up until now. The project has continually been purchasing wastes from 2 schools which are Bueng Pichai school and Baan Tung Liab school. The company has been purchasing recyclables such as plastic bottle, paper scrap and plastic bag in order to cultivate the mindset among the children to realize the importance of environment by promoting waste sorting to reduce the amount of waste as well as reusing the reusables. But the amount of waste in those schools decreased, the Company has a plan to expand the purchase wastes from the community in order to bolster their income.
- On January 11, 2021, Gidec Company Limited supported Children's Day activities by giving bicycles as a gift to children in the surrounding schools and communities.



- On March 10, 2021, Ban Bueng Phichai School was visited to carry out the Relations Community Project to provide electricity repair and public utility improvement services. As a result, classrooms have sufficient light and are suitable for learning and teaching.



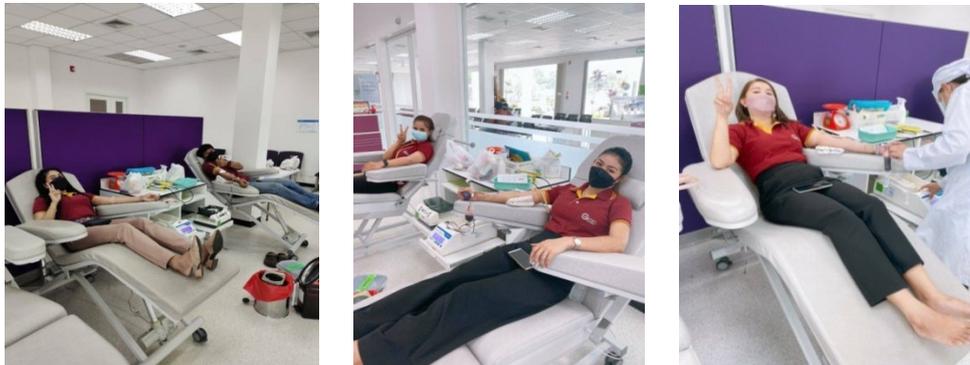
- On April 11, 2021, Gidec Company Limited's employees joined a merit making and became part of assisting in activities at the event at Ko Wat Temple, Khuan Lang Sub-district, Hat Yai District, Songkhla Province.



- On August 14, 2021 Gidec Company Limited provided rice and dry food "Almshouse-Against Covid" at Ko Wat Temple in preparing food to be distributed to people in surrounding communities as part of helping society to get through the pandemic of the Covid-19.



- On August 18, 2021, Gedec employees donated blood to the Thai Red Cross Society on the occasion of the Birthday Anniversary of Her Majesty Queen Sirikit, the Queen Mother to ensure the sufficiency, safety and quality of bloods from voluntary blood donors, who do not want anything in return. This blood will be used for treating patients across the country.



- On October 16, 2021 executives and employees of Gedec Company Limited in collaboration with Khuan Lang Town Municipality and volunteers visited quarantined people who were at risk of Covid-19 at their houses in the communities near the Company in Khuan Lang Town Municipality. They also gave relief bags to people to mitigate their suffering and help those who had social responsibility by staying at home.





**Biomass Power Plant in Sakaeo Province**

- CSR activities to give money to villagers who were quarantined due to the Covid-19 situation.
- The Volunteer Village Development Project in collaboration with villagers at Village 14 and Village 4 to improve the landscape from the entrance of the village to the front of IEC Sakaeo 1 Company Limited on November 3, 2021.



**Public relation campaign with the community surrounding the power plant**

**Biomass Power Plant in Sakaeo Province**

- Supported prizes on Children’s Day at Ban Nong Sai School on January 8, 2021 to build good relations with villagers in communities near the Company by giving bicycles and stationeries to provide moral support to children.





- Kathin merit making ceremony at Nong Sai Temple on November 7, 2021



### **Public relation campaign with the community surrounding the power plant**

#### **Solar power plant project at Lamphun province and Mae Malai, Chiang Mai province**

- Lamphun Project Power Plant in Lamphun Province in collaboration with Tha Kat Sub-district Municipality and Thai Health Promotion Foundation, sub-district headmen, village headmen, Tha Kat Sub-district Health Promoting Hospital, Child Development Center at Tha Kat Sub-district Municipality, Tha Kat Municipal Kindergarten School and interested people organized “Three Miracle Market for Community and Young Children” on April 7, 2021 at Tha Kat Municipal Kindergarten School to promote health for development of young children and provide an opportunity to the Child Development Center to conduct the Learning Process Development Project through media, wisdom and physical activities. It is the concept of creating “children’s creating spaces”. It focuses on creating good health in four aspects (physical, mental, social and intellectual) using three good strategies: good media, good area and good knowledge. This leads to the activity process to create a child development center as a heart of development of the learning process according to the age of young children and to cultivate child citizenship through the learning process at the Child Development Center.



- On April 10, 2021, Lamphun Project Power Plant in Lamphun Province supported an activity to screen villagers at Tha Kat Village, Tha Kat Sub-district, Mae Tha District, Lamphun Province under the cooperation between Tha Kat Sub-district Health Promoting Hospital, village public health volunteers, village headmen and village committee to prevent the spread of the Covid-19 and maintain peace and order within communities.



- The employees of IEC Mae Tha Mae Taeng Company Limited donated blood at Lamphun Provincial Hospital on December 1, 2021.



- On May 4, 2021 Lamphun Project Power Plant in Lamphun Province donated money to repair water supply systems of Tha Kat Village, Tha Kat Sub-district, Mae Tha District, Lamphun Province. Village Headman and the Village Committee received the money for further operation.



- Promote the Local Worker Hire for lawn mowing and solar panel cleaning – this is in line with the Company’s human rights policy, which stands against the discrimination in gender, age, and nationality. The Company has arranged all necessary equipment for the work according to the safety standard. Bearing in mind the importance of ecological system protection, the Company plans to use only piped water for solar panel cleaning to avoid any negative impacts on the surrounding communities.



- Contribution to the energy fund** so that communities can use the fund to develop their locality. This year payment has not yet withdrawn from the fund because of changes in the fund regulations of the Office of the Energy Regulatory Commission.

### 3. G-Good Governance

- On August 17, 2021, **the Mae Malai Project Power Plant in Chiang Mai Province** was accredited to the ISO 9001: 2015 Quality Management System, which improves the overall organizational performance, serves as a good basis for sustainable development and enables organizations to produce goods and provide services that meet the needs of customers and relevant regulations/rules on a regular basis in order to increase customers' satisfaction, manage risks and opportunities relating to the context and organizational objectives, and help organizations to manage challenges, future needs and expectations in complicated and changing environments.

## Internal Control and Risk Management

### 1) Opinion of the Board of Directors

The Board of Directors assessed the internal control system of the Company based on information given by the management, and concluded that from the assessment of the Company's internal control of various functions according to the guidelines set in the Internal Control Sufficiency Evaluation Form of the Securities and Exchange Commission, Thailand, covering 5 main sections and 17 sub-principles, the Board deemed the company internal control system can be used to control the operation and needs development in company internal control system to be more efficient.

### 2) Opinion of the Audit Committee in case of different from the Company's Board of Directors

- None -

## Related Transactions

### with Direct and Indirect Subsidiaries

#### 1. Transactions with related parties

Related transactions made between the Company and its subsidiaries, direct and indirect, including pricing policy and interest rate applied are as shown in Item 5 of the Note to the Financial Statements Year 2021.

- Related Transactions of subsidiaries, direct and indirect, with their relationships are as follow:

● The International Engineering Public Company Limited	
Direct Subsidiary	Related Transactions
1. IEC Green Energy Co., Ltd.	The Company executed the connected transactions as follows <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 120,000 Baht.</li> <li>● Interest income at the rate 2 percent per annum in the amount of 11,122,874.43 Baht.</li> </ul>
2. IEC Sakaeo 1 Co., Ltd.	The Company executed the connected transactions as follows <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 360,000 Baht.</li> <li>● Interest income at the rate 2 percent per annum in the amount of 6,555,521.55 Baht.</li> </ul>
● IEC Green Energy Co., Ltd.	
Direct Subsidiary	Related Transactions
1. GIDEC Co., Ltd.	The Company executed the connected transactions as follows <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 360,000 Baht.</li> <li>● Interest income at the rate 2 percent per annum in the amount of 4,318,646.16 Baht.</li> </ul>
2. IEC Mae Tha Mae Taeng Co., Ltd.	The Company executed the connected transactions as follows <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 360,000 Baht.</li> <li>● Interest income at the rate 2 percent per annum in the amount of 648,657.52 Baht.</li> </ul>

**Necessity and rationale of connected transaction**

In a case whereby the Company enter into any form of contracts or transaction is made between the Company and its subsidiaries, directly or indirectly, and a third party, the Company will consider based on necessity and appropriateness of entering into such transaction while prioritizing the benefits to the Company

**Measure or procedure for approval of related transaction**

In a case whereby the Company enter into any form of contracts or transaction is made between the Company and its subsidiaries, directly or indirectly, and a third party, in order to protect the benefits of the Company, the board of directors stipulated that the procedure must be done in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions. Price and conditions must be set as if conducting transaction with any third party whereby stake holding directors or employees must not partake in the approval process.

**Policy and tendency to conduct related Transactions in the future**

Related transaction will be conducted. However, the Company will carefully exercise discretion in each related transaction while prioritizing the benefits to the Company.

**2. Transaction between the Company and direct and indirect subsidiaries**

Details as per Note to the Financial Statements Year 2021

# **The International Engineering Public Company Limited and its Subsidiaries**

## **Independent Auditor's Report**

**For the Year Ended 31 December 2021**

## Independent Auditor's Report

### To the shareholders of The International Engineering Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of The International Engineering Public Company Limited and its subsidiaries (the Group), and of The International Engineering Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of The International Engineering Public Company Limited and its subsidiaries and of The International Engineering Public Company Limited, respectively, as at 31 December 2021, and their financial performance and their cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

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

#### *Key Audit Matters*

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

Key Audit Matters	Audit Responses
<p><b>Revenues from rendering of services and contract assets</b></p> <p>The Group recognizes revenue from engineering based on the percentage of completion which is calculated by comparing the actual cost and the estimated total cost incurred from providing service including the additional and deductible work and the trend of changes in material price, labour and expenses relating to work. The revenue recognition as above mentioned, the management has to use judgement in order to estimate cost incurred and needs the specialists to involve in certain works. In addition, the process of measurement of work, the appropriate period for recognizing revenue and calculating percentage of completion which may be risk, including the probability of delay and the difficulty in the process of work, the measurement of possible project delay. In 2021, the Group and the Company had revenue from rendering of services of Baht 66 million (accounting for 12 percent and 55 percent, respectively of total revenues), and as at 31 December 2021, contract assets amounted to Baht 54 million and allowance for expected credit loss amounted to Baht 18 million, respectively (net amount accounted for 2 percent and 5 percent of total assets) and provision for penalty under the contract amounted to Baht 27 million (accounting for 7 percent and 16 percent, respectively of total liabilities) in the consolidated and separate financial statements, respectively.</p> <p>Therefore, I consider that the revenue recognition from engineering, and estimate of penalties under the contract and others, which may be incurred under various project contracts, are transactions which impacts to the Group's and the Company's financial statements.</p> <p>Accounting policies were disclosed in Notes 4, 9 and 32 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understand the process of accounting records, collection of debts, payment and estimate of allowance for expected credit loss and related accounting records including internal control procedures;</li> <li>• Review the design and implementation of such internal control procedures;</li> <li>• Test the reasonableness of estimating costs, procurement of supplies used in projects and hiring cost of subcontractors, etc;</li> </ul> <p>Perform substantive testing as follows:</p> <ul style="list-style-type: none"> <li>- Review the details of project service agreements prepared during the year;</li> <li>- Review the method which the management used in following-up, considering the reasonableness of project estimation, authorization, and sampling test on related documents;</li> <li>- Test calculating percentage of completion of work of each project;</li> <li>- Test the accuracy of purchase of supplies, payment of wages and relating costs by comparing to the documents supported the accounting records;</li> <li>- Send the confirmation requests to project managers with respect to the stage of completion of work;</li> <li>- Review the adequacy of disclosures in note to the financial statements.</li> </ul>

Key Audit Matters	Audit Responses
<p><b>Lawsuits, litigation and contingent liabilities</b></p> <p>The Group and the Company had a lot of lawsuits which have been still in the process of consideration by the Court that may be incurred damage if the Group and the Company can not defend the lawsuits, and must use judgment to determine the adequacy of the provision.</p> <p>Therefore, I pay particular attention to determine the adequacy of provision whether it is recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and details of commitment, significant events, significant cases and contingent liabilities were disclosed in Notes 4, 32 and 51 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding the process for assessing the lawsuits of the management;</li> <li>• Performing substantive test as follows: <ul style="list-style-type: none"> <li>- Inquiring the management and legal advisors of the entities to acknowledge any significant lawsuits, litigation and contingent liabilities that may incur and whether the financial impact and expense is reasonable or not.</li> <li>- Considering the potential damages from lawsuits, litigation and contingent liabilities and evaluating the financial risks, including the adequacy and appropriateness of the recognition and disclosure.</li> </ul> </li> </ul>

#### *Emphasis of Matters*

I draw attention to notes 14, 15, 16 and 54 to the financial statements, the Group/Company is in the process of valuing its investment properties, property, plant and equipment, and non-operating assets by independent appraiser to review the recoverable amount to reflect the real value which it is expected that the appraisal of the above assets will be completed within the second quarter of the year 2022. My opinion is not modified in respect of these matters.

#### *Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement thereon, I am required to communicate the matter to those charged with governance and request further appropriate corrections.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Chaikrit Warakitjaporn)  
Certified Public Accountant  
Registration Number 7326

NPS Siam Audit Limited  
Bangkok  
30 March 2022

## Performance Summary

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES							
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
(Unit: thousand baht)							
	Note	Consolidated F/S					
		2021	%	2020	%	2019	%
<b>Revenue</b>							
Revenue from sales of good or rendering of services		399,172	100.00	421,907.08	100.00	385,731.26	100.00
Revenue from subsidy for adders	37,53	115,134		135,373.13		149,072.79	
Gain on sale of current other financial assets	5	48,540					
Dividend income	5	1,373	0.34	34.38	0.01	35.34	0.01
Interest income		-		-		-	
Reversal of provision for penalty under the contract	32	-	-	11,625.89	2.76	-	-
Other income	5,38	8,629	2.16	4,821.11	1.14	12,721.82	3.30
<b>Total revenues</b>		<b>572,848</b>		<b>573,762</b>		<b>547,561</b>	
<b>Expense</b>							
Cost of sale of goods or rendering of service	5,15,17,18,20	466,928	116.97	479,411.53	113.63	487,277.58	126.33
Distribution costs	39	6,196	1.55	6,265.25	1.48	6,797.92	1.76
Administrative expense	5,15,17,18,20,40	73,931	18.52	66,079.38	15.66	114,244.13	29.62
Other expense	42	15,633	3.92	14,045.42	3.33	14,944.93	3.87
<b>Total expense</b>		<b>562,689</b>	<b>140.96</b>	<b>565,802</b>	<b>134.11</b>	<b>623,265</b>	
<b>Profit (loss) from operating activities</b>		<b>10,160</b>		<b>7,960</b>		<b>(75,703)</b>	
Financial income	5	465	0.12	887.51	0.21	1,899.30	0.49
Financial cost	43	8,237	2.06	11,959.15	2.83	19,369.92	5.02
Impairment loss of assets (reversal)	45	(15,916)	(3.99)	(30,939.73)	(7.33)	(23,313.76)	(6.04)
Expected credit loss of receivables and other current receivables (reversal)	5,7,8,9	3,746	0.94	(3,424.28)	(0.81)	(5,439.47)	(1.41)
<b>Profit (Loss) before income tax expenses</b>		<b>14,558</b>		<b>31,252</b>		<b>(64,421)</b>	
Tax expense (income)	23,46	-		-		-	
<b>Profit (Loss) for the period</b>		<b>14,558</b>		<b>31,252</b>		<b>(64,421)</b>	

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unit: thousand baht)

	Note	Consolidated F/S					
		2021	%	2020	%	2019	%
<b>Other comprehensive income</b>							
<i>Item that will not be reclassified to profit or loss:-</i>							
Gains on remeasurements of defined benefit plans	31	990		944		5,732	
Income tax relating to items that will not be reclassified to profit or loss	23	(169)		(189)		(1,185)	
Total items that will not be reclassified to profit or loss		821		756		4,547	
<i>Items that will be reclassified subsequently to profit or loss :-</i>							
Gain (loss) on remeasuring available - 'for - sale investments	11			(745.25)		154.00	
Income tax relating to items that will be reclassified subsequently to profit or loss	23			149.05		-	
Total items that will be reclassified subsequently to profit or loss				(596)		154	
<b>Other comprehensive income for the year</b>		<b>821</b>		<b>159</b>		<b>4,701</b>	
<b>Total comprehensive income (loss) for the period</b>		<b>15,379</b>		<b>31,412</b>		<b>(59,720)</b>	
<b>Profit (loss) attributable to :-</b>							
Owners of the parent		14,558		39.93		(232,927)	
Non-controlling interests		-		-		-	
<b>Profit (loss) for the period</b>		<b>14,558</b>		<b>40</b>		<b>(232,927)</b>	
<b>Total comprehensive Profit (loss) attributable to :-</b>							
Owners of the parent		15,379		40		(155)	
Non-controlling interests		-		-		-	
<b>Total comprehensive Profit (loss) for the year</b>		<b>15,379</b>		<b>40</b>		<b>(155)</b>	
<b>Earnings (loss) per share (Baht)</b>							
Basic	47	0.00005		0.00013		(0.00064)	

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

(Unit: thousand baht)

	Note	Consolidated F/S					
		31 December 2021		31 December 2020		31 December 2019	
				%		%	
<b>Assets</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	6	88,953	5.92	125,893	8.07	134,522	8.37
Trade account receivable	7	59,917	3.99	48,664	3.12	63,419	3.95
Other current receivable	5,8	108,060	7.20	124,635	7.99	122,681	7.63
Current contract assets	9	72,355	4.82	61,264	3.93	58,263	3.62
Short-term loans	5	-	-	-	-	-	-
Inventories	10	10,557	0.70	7,277	0.47	3,526	0.22
Other current financial assets	5,11	87,467	5.82	21,696	1.39	1,462	0.09
Assets held for sale		-	-	-	-	-	-
Withholding tax	12	9,311	0.62	5,240	0.34	3,739	0.23
Other current assets		1,941	0.13	231	0.01	313	0.02
<b>Total current assets</b>		<b>438,562</b>	<b>29.20</b>	<b>394,900</b>	<b>25.32</b>	<b>387,925</b>	<b>24.13</b>
<b>Non-Current asset</b>							
Other non-current financial assets	11	-	-	1,059	0.07	1,804	0.11
Investments in subsidiaries	13	-	-	-	-	-	-
Other long-term investments		-	-	-	-	-	-
Investment properties	14	195,111	12.99	197,043	12.63	199,497	12.41
Property, plant and equipment	15,29,52	547,001	36.42	620,686	39.79	688,607	42.84
Non-operating assets	16	161,320	10.74	161,320	10.34	161,320	10.04
Deferred rights to use transmission line	17	31,157	2.07	32,943	2.11	34,735	2.16
Right-of-use assets	5,18	20,930	1.39	28,851	1.85	6,351	0.40
Good will	19	-	-	-	-	-	-
Other intangible assets	20	81	0.01	285	0.02	409	0.03
Pledged deposits at banks	21,52	55,542	3.70	68,946	4.42	74,349	4.62
Advance for purchasing of investment	22	-	-	-	-	-	-
Other non-current assets	24	52,063	3.47	53,910	3.46	52,558	3.27
<b>Total non-current assets</b>		<b>1,063,205</b>	<b>70.80</b>	<b>1,165,044</b>	<b>74.68</b>	<b>1,219,630</b>	<b>75.87</b>
<b>Total assets</b>		<b>1,501,767</b>	<b>100.00</b>	<b>1,559,944</b>	<b>100.00</b>	<b>1,607,555</b>	<b>100.00</b>

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

(Unit: thousand baht)

	Consolidated F/S						
	31 December 2021	31 December 2020	%	31 December 2019	%		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
<i>Current liabilities</i>							
Bank overdrafts and short-term loans							
from Finance institutions	25,52	4,909	0.33	30,288	1.94	6,466	0.40
Trade account payable	5,26	24,311	1.62	26,584	1.70	36,453	2.27
Other current payable	27	122,355	8.15	121,097	7.76	121,632	7.57
Accrued expense	5	44,612	2.97	36,893	2.37	46,901	2.92
Current portion of long-term loans	29,52	37,200		-		20,280	
Long-term loans in default	29,52	-		144,914		205,271	
Current portion of lease liabilities	5,30	3,907	0.26	6,290	0.40	2,356	0.15
Short-term loans		-	-	-	-	-	-
Current provisions	32	26,650	1.77	22,821	1.46	34,447	2.14
Advance received for purchase of shares	28	-	-	10,000	0.64	10,000	0.62
Other current liabilities		797	0.05	788	0.05	855	0.05
<b>Total current liabilities</b>		<b>264,741</b>	17.63	<b>399,675</b>	25.62	<b>484,663</b>	30.15
<i>Non-current liabilities</i>							
Long-term loans	29,52	68,640.50	4.57	-		12,150	0.76
Deferred tax liabilities	23	1,542.15	0.10	1,560	0.10	1,520	0.09
Lease Liabilities	5,30	13,090.95	0.87	19,563	1.25	2,444	0.15
Non-current provisions for employee benefit	5,31	5,150.12	0.34	5,408	0.35	5,447	0.34
Non-current provisions	5,32	8,325.83	0.55	8,326	0.53	8,375	0.52
Other non-current liabilities		9,442.42	0.63	9,210	0.59	9,210	0.57
<b>Total non-current liabilities</b>		<b>106,192</b>	7.07	<b>44,067</b>	2.82	<b>39,147</b>	2.44
<b>TOTAL LIABILITIES</b>		<b>370,933</b>	24.70	<b>443,742</b>	28.45	<b>523,811</b>	32.58

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

(Unit: thousand baht)

	Note	Consolidated F/S					
		31 December 2021	31 December 2020	%	31 December 2019	%	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>							
<i>Shareholder' equity</i>							
Share capital common share at baht 0.01 par value	33						
- Registered 447,657,627,426 shares		4,476,576	4,476,576		4,476,576		
Issued and paid-up 249,345,538,669		2,493,455	2,493,455		2,493,455		
Share premium on ordinary shares	34	1,422,185	1,422,185		1,422,185		
Additional paid-in capital from		-					
reduction in par value of ordinary shares		464,905	464,905		464,905		
Discount from changes in ownership		-	-		-		
interest in subsidiary		(369,648)	(369,648)		(369,648)		
Retained earnings (Deficits)		-	-		-		
Appropriated		-	-		-		
Legal reserve	35	2,096	2,096		2,096		
Deficit		(2,882,159)	(2,897,538)		(2,930,592)		
Other components of equity	11	-	747.00		1,343		
<b>Total equity attributable to owners of the parent</b>		<b>1,130,834</b>	<b>75</b>	<b>1,116,202</b>	<b>72</b>	<b>1,083,745</b>	<b>67</b>
Non-controlling interests		-	-	-	-	-	-
<b>Total equity</b>		<b>1,130,834</b>	<b>75</b>	<b>1,116,202</b>	<b>72</b>	<b>1,083,745</b>	<b>67</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,501,767</b>	<b>100</b>	<b>1,559,944</b>	<b>100</b>	<b>1,607,555</b>	<b>100</b>

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF CASH FLOWS

(Unit: thousand baht)

	Note	Consolidated F/S		
		2021	2020	2019
<b>Cash flows from operating activities</b>				
Profit (loss) for the period		14,558	31,252	(64,421)
Interest income		(465)	(888)	(1,899)
Interest expense		8,237	11,959	19,370
Depreciation and amortization		115,533	115,356	113,394
Reversal expected credit loss of receivables and other current receivables		3,746	(3,424)	-
Bad debts and Doubtful debts expense		-	7	324
Reversal of allowance for doubtful account		-	-	(6,111)
Loss on write off of other current receivables		559	1,307	-
Loss on write off of withholding tax		171	1,779	2,281
Loss on write off of advance payments for raw material		-	-	-
Reversal of allowance for impairment of withholding tax		-	(1,637)	(1,817)
Loss on impairment of withholding tax other current financial assets		1,257	607	-
Gain on sale of other current financial assets		(48,540)	(181)	-
Gain on sale of other non-current financial assets		-	-	(979)
Loss on impairment of investment properties		-	511	-
Reversal of allowance for impairment of property, plant and equipment		(968)	(24,188)	(21,456)
Loss on impairment of property, plant and equipment deferred rights to use transmission line		(67)	(67)	(67)
Reversal of allowance for impairment of intangible assets		(4,882)	(5,559)	(5,228)
Reversal of allowance for impairment of advance for purchase of investment		(10,000)	-	-
Loss on impairment of other non-current assets		-	-	4,376
Loss on write off of other non-current assets		-	14	2,778
Gain on disposal of equipment		314	(234)	(2,481)
Loss on write off of construction in progress and equipment		14,042	10,331	9,805
Unrealized (gain) loss on exchange rate		324	53	(277)
Provision for penalty under the contract (reversal)		3,829	(11,626)	15,445
Provision on lawsuit		-	-	81
Employee benefit expenses		732	921	2,746
Dividend in come		(1,373)	(34)	(35)
		<b>97,008</b>	<b>126,261</b>	<b>66,894</b>

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF CASH FLOWS

(Unit: thousand baht)

	Note	Consolidated F/S		
		2021	2020	2019
<i>Changes in operating assets and liabilities</i>				
Trade account receivable		(12,605)	14,747	(9,107)
Other current receivables		20,499	3,336	8,490
Current contract assets		(17,973)	(6,369)	(34,770)
Inventories		(3,280)	(3,751)	6,851
Other current assets		(1,710)	82	226
Other non-current assets		1,848	(1,366)	2,903
Trade account payable		(2,274)	(9,869)	20,292
Other current payable		4,199	4,907	(4,660)
Accrued expense		7,719	(8,845)	(10,141)
Other current liabilities		10	(68)	855
Payment of employee benefit expenses		-	(15)	-
Payment of provision on lawsuit		-	(50)	(4,763)
Other non-current liabilities		233	-	(602)
Net cash generated from (used in) operating		93,673	119,001	42,469
Withholding tax paid		(4,242)	(1,643)	(2,451)
<b>Net cash from (used in) operating activities</b>		<b>89,431</b>	<b>117,358</b>	<b>40,018</b>

Source: Financial Statements of IEC and subsidiaries

## THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF CASH FLOWS

(Unit: thousand baht)

	Note	Consolidated F/S		
		2021	2020	2019
<b>Cash flows from investing activities</b>		-	-	-
Interest received		470	1,083	5,404
Dividend received		1,373	34	35
Current investments		-	-	-
Purchase of other current financial assets - Fixed account		(594)		
Purchase of other current financial assets - Trade investment		(147,484)	(13,489)	-
Cash received from sales of current financial assets - Trade of investment		128,725	1,662	-
Cash received from sale of non current financial assets		988		
Purchase of non-controlling interest		-	-	-
Purchase of property, plant and equipment		(40,978)	(20,857)	(23,665)
Sales of equipment		88	234	3,385
Purchase of intangible assets		-	-	(207)
Cash received from sales of other non-current financial assets		-	-	1,179
Pledged deposit at bank		13,404	6,866	16,484
Cash received from advance for purchase of investment		10,000	-	-
Cash pay from advance for purchase of investment		(10,000)	-	-
<b>Net cash from (used in) investing activities</b>		<b>(44,007)</b>	<b>(24,587)</b>	<b>2,615</b>
<b>Cash flows from financing activities</b>				
Interest paid		(11,502)	(17,455)	(27,617)
Bank overdrafts		(5,379)	3,822	4,278
Proceeds from short-term loans from financial institutions		40,000	40,000	(60,000)
Payment of short-term loans from financial institutions		(60,000)	(20,000)	40,000
Payment from short-term loans from related parties		-	-	(65,000)
Payment of short-term loans from other		-	-	(65,000)
Payment of long-term loans from financial institutions		(39,073)	(92,787)	(96,315)
Payment of lease liabilities		(6,409)	(4,803)	(2,070)
Advance received for sub		-	-	-
Proceeds from issue of ordinary shares		-	-	439
<b>Net cash used in financing activities</b>		<b>(82,364)</b>	<b>(91,224)</b>	<b>(271,285)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(36,939)</b>	<b>1,547</b>	<b>(228,652)</b>
Cash and cash equivalents at 1 January	6	125,893	124,345	363,173
<b>Cash and cash equivalents at 31 December</b>	<b>6</b>	<b>88,953</b>	<b>125,893</b>	<b>134,522</b>

Source: Financial Statements of IEC and subsidiaries

## Key Financial Ratios

### the International Engineering Public Company Limited and Subsidiaries

	2021	2020	2019
<b>Liquidity Ratio</b>			
Current ratio (times)	1.66	0.99	0.80
Quick ratio (times)	0.89	0.49	0.28
Cashflow ratio (times)	0.27	0.27	0.07
Account receivable turnover ration (times)	8.74	9.94	9.09
Average collection period (days)	41.78	36.71	40.18
Inventory turnover ratio (times)	52.36	88.75	70.09
Average product sales period (days)	7	4	5
Payable turnover ratio (times)	18.35	15.21	18.52
Payment period (days)	19.89	24.00	19.71
<b>Profitability Ratio</b>			
Gross profit margin (%)	9%	14%	9%
Operating profit margin (%)	2%	1%	-14%
Cash ot profitability ratio (%)	880%	1474%	-53%
Net profit margin (%)	3%	5%	-12%
Return on equity (%)	1%	3%	-6%
<b>Efficiency Ratio</b>			
Return on assets (%)	1%	2%	-4%
Return on Fixed assets (%)	3%	5%	-9%
Assets turnover rate (times)	0.38	0.36	0.34
<b>Financial Ratio</b>			
Debt to equity ratio (times)	0.33	0.40	0.48
Interest coverage ratio (times)	1.29	0.74	(3.81)
Profit (Loss) per share	0.00006	0.00013	-0.00026

# Management Discussion and Analysis

## 1. Overall Business Operations and Significant Changes

Key Company's business policies and strategies in 2021 included:

- Renewable energy business comprises solar power plants, waste power plants and biomass power plants.
- Information business involves information projects relating to procurement with public and private sectors.

### 1.1 Power Plant Business Operations and Economic and Industrial Conditions

Increasing solid waste leads to waste management problems. Although the current landfill method has the lowest investment cost, landfill construction will affect communities, e.g., pollution and scenery. Currently, it is difficult to build new landfills because of community resistance. The public sector at local level inevitably faces problems pertaining to waste management planning.

However, the Company is a renewable energy producer with competitive advantages in terms of location, competent personnel and being trusted by public and private agencies concerning social, community and environmental responsibility. The Company has revised its investment expansion strategies by focusing on investment in waste power plants and refuse derived fuel schemes.

As the Company realized the above-mentioned problems and business opportunities, the Company studied waste disposal technology and converted it to energy, which can be developed as its main business in the near future. This business also yields stable and sustainable returns.

On December 31, 2021, the Company invested in two solar power plants, one waste power plant and one biomass power plant.

1. Solar Power Plant in Mae Tha District, Lamphun Province has a capacity of 1.92 MW under the power purchase agreement made with PEA. The total revenue amounted to 29.4 million baht in 2020 and 24.80 million baht in 2021.
2. Mae Taeng Solar Power Plant in Mae Taeng District, Chiang Mai Province has a capacity of 1.92 MW under the power purchase agreement made with PEA. The total revenue amounted to 34.44 million baht in 2020 and 32.10 million baht in 2021.
3. Waste Power Plant in Hat Yai District, Songkhla Province has a capacity of 6.5 MW under the power purchase agreement, which is a joint venture with Electricity Generating Public Company Limited.

The 25-year waste management agreement was made with Hat Yai City Municipality and the power purchase agreement was made with PEA. The total revenue amounted to 181.12 million baht in 2020 and 155.73 million baht in 2021.

4. Biomass Power Plant in Sa Kaeo Province has a capacity of 8 MW under the power purchase agreement made with PEA. The total revenue amounted to 228.07 million baht in 2020 and 235.89 million baht in 2021.

## 1.2 Information Technology Operations and Economic and Industrial Conditions

Covid-19 pandemic situations have affected the overall Thai economy since 2020. Despite the government's efforts in injecting money to systems to increase domestic purchase power, Covid-19 crisis still continues and it is a difficult challenge to deal with it.

An economic recovery consists of 3 major mechanisms: export industry, tourist industry and domestic purchase power strength, which must reflect recovery signs. At present, only export industries start moving as a result of economic recovery in many countries, which better cope with the Covid-19 impacts, such as the US, China and European countries.

As for efforts in promoting tourist operations through development of Phuket sandbox model to distribute this model to major tourist provinces, this may not be busy as expected. Money injection to the system to stimulate a new domestic shopping cannot also have a clear effect. This is different from "Shop Dee Mee Kuen" (shopping with refunds) Scheme, which boosted the Thai overall economy over the past few years. If the public sector adopts this campaign during the fourth quarter of this year, it can stimulate domestic shopping spend. The big picture economy and Thai IT business will resume stably and state vaccine distribution plans must meet the specified target to restore confidence in all sectors.

Although IT business has advantages from work from home and online learning that expands the demand for IT equipment in the market during the Covid-19 situation, production planning and sufficient part procurement to meet the production need to be meticulously managed and planned.

Advanced preparation in case of lockdown in factories to avoid the shortage of products for the market is also necessary. In the past, various businesses, especially IT faced a problem that factories could not produce products to meet the market demand. However, it is believed that by the end of 2021 the demand and supply balance can return to normal again.

Concerning ICT, the Company has adapted itself by properly adjusting its business plans in each period and emphasizing organizational expenses to manage costs and enhance personnel potential, as well as adjust internal working processes in accordance with current conditions.

In 2021, the Company's main customer groups of ICT business remained National Telecom Public Company Limited, which is the Company's largest and important customer. Due to the spread of Covid-19 epidemic from 2020 to 2021, an overall economic slowdown occurred, including the use of budgets in many projects of National Telecom Public Company Limited. This was caused by internal factors. As a result, the procurement of some projects had to be postponed.

In 2021, the Company joined the bidding and was selected to carry out a project owned by National Telecom Public Company Limited in accordance with the target plans. There are 4 projects, namely IBACSS Repair and Maintenance Project for the 7<sup>th</sup> consecutive year; Enterprise Payment Integration System Repair and Maintenance Project, Year 1; Upgrade 4G System Repair and Maintenance Project, Year 1; and Unified Database System Repair and Maintenance Project, Year 1. In December 2021, the Company won a tender for the Unified Database System Repair and Maintenance Project for the 5<sup>th</sup> consecutive year. The contract signing was scheduled for the beginning of January 2022.

## 2. Performance and Profiting

As for the operating results in 2021, the Company and its subsidiaries had a net profit of 14.56 million baht by the end of December 31, 2021.

### 2.1 Key Performance Indicators

1. Return on equity (ROE)

In 2021, ROE amounted to 1 % decreased from 3% in 2020 due to decreasing profits.

2. Debt to equity ratio

In 2021, the debt to equity ratio amounted to 0.33 decreased from 0.40 in 2020 due to decreasing debt obligations of the Company and its subsidiaries.

3. Liquidity ratio

In 2021, the liquidity ratio amounted to 1.66 increasing from 0.99 in 2020 due to decreasing debt obligations with financial institutions.

## 2.2 Revenue, Factors and Reasons for Changes (Compared to 2020 and 2021 Only)

	ICT Business Section and Investment in Securities			Energy Business Section			TOTAL		
	2021	2020	% change	2021	2020	% change	2021	2020	% change
Revenues									
Revenues from sales and service	66	84	-22%	449	473	-5%	514	557	-8%
Other revenues	55	14	284%	4	2.21	68%	59	16	255%
<b>Total revenues</b>	<b>121</b>	<b>98</b>	<b>23%</b>	<b>452</b>	<b>475</b>	<b>-5%</b>	<b>573</b>	<b>574</b>	<b>0%</b>
Expenses									
Sales or service costs	42	65	-36%	425	414	3%	467	479	-3%
Sales expenses	0	0	296%	6	6	-2%	6	6	-1%
Administrative expenses	37	32	15%	37	34	9%	74	66	12%
Other expenses	1	4	-65%	14	10	37%	16	14	11%
<b>Total expenses</b>	<b>80</b>	<b>101</b>	<b>-21%</b>	<b>483</b>	<b>465</b>	<b>4%</b>	<b>563</b>	<b>566</b>	<b>-1%</b>
Financial income	18	19	-3%	-	-		0	1	-48%
<b>Financial costs</b>	<b>0</b>	<b>1</b>	<b>-73%</b>	<b>8</b>	<b>11</b>		<b>8</b>	<b>12</b>	<b>-31%</b>
<b>Profit (Loss) for each Section</b>	<b>130</b>	<b>40</b>	<b>227%</b>	<b>(116)</b>	<b>(9)</b>	<b>1236%</b>	<b>15</b>	<b>31</b>	<b>-53%</b>
Share profit (loss) for the minority shareholders	-	-							
<b>Net profit (loss) for the period (the parent)</b>	<b>130</b>	<b>40</b>	<b>227%</b>	<b>(116)</b>	<b>(9)</b>	<b>1236%</b>	<b>15</b>	<b>31</b>	<b>-53%</b>

The Company's and its subsidiaries' revenues from sales or services and adder amounted to 514 million baht compared to 557 million baht or decreasing by 43 million baht or 8% from the previous year because the Company had revenues decreased from ICT business in 2021.

Energy business had a revenue of 449 million baht compared to 473 million baht in the previous year which came from selling electricity of IEC Sakaeo 1 Company Limited, GIDEC Company Limited and IEC Mae Tha Mae Taeng Company Limited. The revenue decreased because of decreasing units of electricity generated.

**Sale and service costs**

In 2021, the Company and subsidiaries' sale and service costs amounted to 467 million baht. The gross profit margin amounted to 9% compared to 14% or decreased by 5% in 2020 due to higher fuel costs.

**Sale and administration costs**

The Company's and its subsidiaries' sale and administrative costs increased by 8 million or 11% because of its reserved cost for delayed work fines according to the communication and telecommunication business contract and write-off of defective assets from the account.

**Other expenses**

Other Company's and its subsidiaries' costs in 2021 amounted to 16 million baht compared to 14 million baht in 2020 because of the impairment of assets relating to machinery assets in solar power plants.

**Financial costs**

The Company's and subsidiaries' financial costs decreased by 4 million baht or 33% compared to the previous year due to the company groups' decreasing debt obligations.

### 3. Asset Management

#### 3.1 The Company's and subsidiaries' financial status as of December 31, 2021 compared to December 31, 2020 is:

	Consolidated (million baht)			
	year		Changed Add (reduct)	
	2021	2020	Amount	%
<b>Assets</b>				
Current assets	438.56	394.90	43.66	11.06%
Investment properties (Net)	195.11	197.04	-1.93	-0.98%
Property, plant and equipment (net)	547.00	620.69	-73.69	-11.87%
Non-operating assets	161.32	161.32	0.00	0.00%
Other non current assets	159.77	185.99	-26.22	-14.10%
<b>Total assets</b>	<b>1,501.77</b>	<b>1,559.94</b>	<b>-58.18</b>	<b>-3.73%</b>
<b>Liabilities</b>				
Current liabilities	264.74	399.67	-134.93	-33.76%
Long-term loans	68.64	-	68.64	0.00%
Lease liabilities	13.09	19.56	-6.47	-33.08%
Other non current liabilities	24.46	24.50	-0.04	-0.18%
<b>Total liabilities</b>	<b>370.93</b>	<b>443.74</b>	<b>-72.81</b>	<b>-16.41%</b>
<b>Equity</b>				
Total equity attributable to owners of the parent	1,130.83	1,116.20	14.63	1.31%
Non-controlling interests	-	-		
<b>Total Equity</b>	<b>1,130.83</b>	<b>1,116.20</b>	<b>14.63</b>	<b>1.31%</b>
<b>Total liabilities and equity</b>	<b>1,501.77</b>	<b>1,559.94</b>	<b>-58.18</b>	<b>-3.73%</b>

As of December 31, 2021, the Company's and its subsidiaries' assets accounted for 1,501.77 which decreased by 58.18 million baht or 3.73% from 2020, as detailed below.

1. Land, buildings and equipment decreased by 73.69 million baht or 11.87% because of deducted depreciation expenses, write-off of defective assets and impair of some assets.

2. Current assets increased by 43.66 million baht or 11.06%. The major increasing items related to investment in financial assets, which increased by 66 million baht from 2020.

3. Other overall non-current assets decreased by 26.22 million baht or 14% due to the decreasing burden of issuing a letter of guarantee.

### 3.2 Receivables

Account and current receivables as shown in the invoice deducting the expected credit loss expected to occur were assessed by analyzing the payment history and predictions about future debt payment of customers. Receivables are written off in case of bad debts.

The balance of account receivables as of December 31, 2021 and 2020 classified by account receivable aging is as follows:

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Within credit terms	42,266,075	41,218,019	2,132,617	15,024,806
Overdue				
Less than 3 months	1,541,162	7,446,266	-	4,130,200
Over 3-6 months	17,462,400	-	17,462,400	-
Over 12 months	7,605,048	7,605,048	6,876,518	6,876,518
Total	<u>68,874,685</u>	<u>56,269,333</u>	<u>26,471,535</u>	<u>26,031,524</u>
Less Allowance for expected credit losses	<u>(8,958,057)</u>	<u>(7,605,048)</u>	<u>(8,229,527)</u>	<u>(7,605,048)</u>
<b>Net</b>	<b><u>59,916,628</u></b>	<b><u>48,664,285</u></b>	<b><u>18,242,008</u></b>	<b><u>48,664,285</u></b>

The normal credit term granted by the Group/Company ranges from 7 -30 days.

### 3.3 Inventories and deterioration or obsolescence

Inventories in 2021 accounted for 10.55 million baht, which increased by 3.28 million baht from 2020. They are fuel materials for electricity generation.

### 3.4 Investments in subsidiaries

Investments in subsidiaries as of December 31, 2021 showed zero baht because the Company recorded the allowance for impairment losses from 2016 to 2017. Thus, there were no transactions in 2021.

Movements during the years ended 31 December were as follows:

	<b>Separate financial statements</b>	
	2021	2020
	<i>(in Baht)</i>	
<b>Cost:-</b>		
At 1 January	2,470,010,330	2,470,010,330
Not change during the year	-	-
	<u>2,470,010,330</u>	<u>2,470,010,330</u>
<b>Less allowance for devaluation of investments</b>	<u>(2,470,010,330)</u>	<u>(2,470,010,330)</u>
<b>At 31 December</b>	<u>-</u>	<u>-</u>

## 4. Liquidity and Capital Adequacy

In 2021, the Company's and subsidiaries' net cash from operating activities amounted to 89.43 million baht because of the Company's and its subsidiaries' profits from ICT and energy businesses.

Net cash flow used for investment activities in 2021 amounted to 44 million baht because of investment in financial assets and additional investment in biomass energy equipment totaling 40.97 million baht.

Net cash flow used for financing activities in 2021 amounted to 82 million baht due to interest payment for short-term and long-term loans at financial institutions.

### 4.1 Loans and Debt Repayment Capacity

	<b>Consolidated (Baht)</b>		
	2021	2020	2019
Long-term loan from financial institutions	144,913,893	144,913,893	237,701,327
Less long-term loans in default		(144,913,893)	(205,271,327)
current portion of long-term loans	(3,720,000)		(20,280,000)
<b>Net</b>	<u>141,193,893</u>	<u>-</u>	<u>12,150,000</u>

Long-term loan transactions as of December 31, 2019 to 2021 are:

	Consolidated (Baht)		
	2021	2020	2019
At 1 January	144,913,893	237,701,327	334,016,080
Decrease	(39,073,389)	(92,787,434)	(96,314,753)
at 31 December	105,840,504	144,913,893	237,701,327

### IEC Sakaeo 1 Company Limited

The subsidiary entered into a loan agreement with one of local financial institutions to construct a biomass power plant. The interest shall be paid on a monthly basis with an interest rate of MLR, MLR minus from 0.50 to 1.5% per annum.

Such long-term loans are secured as follows:

- All land and existing and future structures of the subsidiary
- All machineries of the subsidiary
- Kaeolumduan Group Company Limited (related businesses)
- Company directors
- Ordinary shares of two shareholders
- 2,650,000 subsidiary's ordinary shares held by the Company at a par value of 100 baht
- Guarantee company

On December 31, 2020, the subsidiary (IEC Sakaeo 1 Company Limited) was unable to maintain certain financial ratios as specified in the loan agreement with one bank. Thus, the subsidiary classified such loans as current liabilities in the statement of financial position as of December 2020. In 2021, the bank informed the subsidiary that the subsidiary abided by the conditions of the debt restructuring agreement without any event of default and any reason for the subsidiary to immediately pay all debts to the bank before the due date.

As of December 31, 2021, the Company assumed guarantee obligations on loans from local banks for its subsidiary (IEC Sakaeo 1 Company Limited).

## 4.2 Increase and Decrease in Registered Capital

	Par value (in Baht)	Number	Consolidated and separate financial statements		2020 Amount
			2021 Amount (in shares / in Baht)	Number	
<b>Authorized share capital</b>					
At 1 January					
- Ordinary shares	0.01	447,657,627,426	4,476,576,274	447,657,627,426	4,476,576,274
At 31 December					
- Ordinary shares	0.01	<u>447,657,627,426</u>	<u>4,476,576,274</u>	<u>447,657,627,426</u>	<u>4,476,576,274</u>
<b>Issued and paid share capital</b>					
At 1 January					
- Ordinary shares	0.01	249,345,538,669	2,493,455,387	249,345,538,669	2,493,455,387
At 31 December					
- Ordinary shares	0.01	<u>249,345,538,669</u>	<u>2,493,455,387</u>	<u>249,345,538,669</u>	<u>2,493,455,387</u>

In 2021 and 2020, company groups/the Company did not increase/decrease any capital.

## 5. Liabilities and Off-balance Sheet Obligation Management

As of December 31, 2021, company groups/the Company has the following obligations:

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<b>Non cancellable operating lease commitments</b>		
Within one year	2	2
After one year but within five years	3	3
<b>Total</b>	<u>5</u>	<u>5</u>
<b>Other commitments :-</b>		
Bank guarantee and cashier cheques for service and electricity usage	46	45
<b>Total</b>	<u>46</u>	<u>45</u>

Obligations were caused by the contract relating to investment in ICT business and development of company groups' power projects.

## **6. Factors Affecting Future Operations**

The Company restructured its business by terminating businesses of non-profits or non-benefits in the future, including supervising operations to be more efficient.

## Company General Information

### Company Profile

Company Name :	The International Engineering Public Company Limited
Initial :	IEC
Company Registration :	0107536000323 (Formerly Bor Mor Jor No. 106)
Nature of Business :	The Company provides information technology solutions and unified Communications, including business operation of solar power plants, MSW power plant and Biomass Energy.
Registered Capital :	4,476,576,274.26 Baht (as of 31 December 2021)
Paid Up Capital :	2,493,455,386.69 Baht (as of 31 December 2021)
All Sold Ordinary Shares :	249,345,538,669 units
Preferred Shares :	-None-
Headquarter :	408/37 Phaholyothin Place 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel: (0) 2619 0199 Fax: (0) 2619 0019 Website: <a href="http://www.iec.co.th">http://www.iec.co.th</a>

## Other References

<b>The Securities Registrar:</b>	Thailand Securities Depository Company Limited 93, The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng District, Bangkok 10400 Tel. (0) 2009 9999 Fax.(0) 2009 9991
<b>Auditor's Information</b>	Certified Public Accountant from NPS Siam Audit Ltd. 1. Mr. Chaikrit Warakitjaporn Certified Public Accountant, Registration No. 7326 2. Miss Kamontat Jitkarnka Certified Public Accountant, Registration No. 10356 NPS Siam Audit Ltd. 555/5-6 SSP Tower, 5th Floor, Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Klongton Nua Sub-district, Wattana District Bangkok 10110 Tel: (0) 2711 5300 Fax: (0) 2711 5866
<b>Investor Relations:</b>	Miss Chollada Wongvorazathe 408/37, Phaholyothin Place, 9 <sup>th</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400 Tel. (0) 2619 0199 Ext. 109 Fax. (0) 2619 0019 Website: <a href="http://www.iec.co.th/index.php/investor">http://www.iec.co.th/index.php/investor</a>
<b>Business Valuer:</b>	15 Business Advisory Limited Room No. 36, 8th Floor, RS Tower Building No. 121 Ratchadapisek Road, Dindang, Bangkok 10400 Tel (0) 2641 3800 Fax (0) 2641 3801

Investors can learn more about the company issuing securities

at the company's website [www.iec.co.th](http://www.iec.co.th)

# The International Engineering Public Company Limited

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**IEC**  
*since 1922*