

BJC HEAVY INDUSTRIES
PUBLIC COMPANY LIMITED



Form 56-1

ONE REPORT 2023

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

OUR TRACK RECORD OF MORE THAN **30 YEARS**

IN EXECUTING LARGE-SCALE INTERNATIONAL PROJECTS IS A TESTAMENT TO OUR UNWAVERING COMMITMENT TO PROVIDE EXCEPTIONAL QUALITY, DELIVER ON-TIME AND EXCEED CUSTOMER EXPECTATIONS. WE HAVE SUCCESSFULLY COMPLETED PROJECTS ACROSS 6 CONTINENTS



CONTENT

| | | |
|-------------------|--|------------|
| | Message from Chairman and President | 4 |
| | Vision Mission & Business Strategy | 6 |
| | Financial Highlight | 8 |
| | Board of Director and Executives | 10 |
| PART 1 | Business Operations and Performance | 23 |
| | 1.1 Structure and Operation of the Company Group | 24 |
| | 1.2 Risk Management | 46 |
| | 1.3 Sustainability Management Process | 49 |
| | 1.4 Management Discussion and Analysis (MD&A) | 58 |
| | 1.5 General Information and Other Important Information | 64 |
| PART 2 | Good Corporate Governance | 65 |
| | 2.1 Corporate Governance Policy | 66 |
| | 2.2 Governance Structure and Important information about the Sub - committees, Executives, Employees and others | 83 |
| | 2.3 Corporate Governance Report | 88 |
| | 2.4 Internal Control and Related Party Transactions | 102 |
| PART 3 | Financial Statements | 107 |
| | Attachments | 147 |
| | Attachment 1 : Details of Directors, Executive, Authorized Person, the person taking the highest responsibility in finance and accounting and the person who is responsible for overseeing the company's account and Company Secretary | 148 |
| | Attachment 2 : Details of the Subsidiary's Director | 149 |
| | Attachment 3 : Details of Head of Internal Audit | 150 |
| | Attachment 4 : Property used in Business and Details of the Property Appraisal Report | 152 |
| | Attachment 5 : Policy and Guidelines on Corporate Governance, Business Ethics Anti-Corruption and Sustainability Policy in detail | 152 |
| | Attachment 6 : Audit Committee Report | 153 |

“ ONE - STOP ” OPERATIONS

IN STEEL FABRICATION HELP TO IMPROVE
PRODUCTION EFFICIENCY, ENSURE DELIVERY
ON-TIME AND REDUCE PRODUCTION COSTS
FOR CLIENTS



MESSAGE FROM CHAIRMAN AND PRESIDENT



Dear Shareholders,

Due to the high energy costs caused by geopolitical conflicts around the globe, Year 2023 was another challenging year for BJCHI. The inflation issue had caused the reduction in investment by global energy producers and as a consequence, a lot of construction companies in our industry had to face difficulties finding new projects with good returns. We believed that the wars and geopolitical conflicts among those nations would not easily be resolved in 2024. Therefore, any companies that are reluctant to react to this fast-changing environment would fall behind eventually.

As lessons learned from the recent pandemic, BJCHI had started to search for new clients in Europe and Canada to diversify our markets since several years back. We are aware that their investment plans in clean energy are about to materialize as they believe the time has come. In year 2024, BJCHI is confident that we would soon have a better opportunity to participate in the clean energy industry.

Regarding the on - hand projects, BJCHI have Successful completed the last module shipment for the CRISP project for Jurong Island in Singapore. It has set another milestone for BJCHI's history in terms of its physical size as well as the value of the project. The clients' satisfaction throughout the entire project period have been highly evaluated and the parties have already started discussing new project opportunities in the near future. In addition, BJCHI has still received extended contracts from our exclusive Australian client for the Santos project. It is another evidence that shows the client still has confidence and satisfied with our works and services.

The issue of sustainability and ESG, the company has also given importance. The company has received international standard certifications ISO9001, ISO14001, ISO45001 and continuously complied with it, especially in managing Environmental problems, Waste management, and Power management Systematically. The company has regular activities to support the society. The company has complied with various laws and regulations related. In the past, the company has not had any complaints or violations including corruption. In 2023 the company received an assessment of corporate governance of Thai listed companies for the year 2023 "Corporate Governance Report of Thai Listed Companies 2023" from the Thai Institute of Directors Association (IOD) at the level of 5 stars or "Excellent" and the 2023 Sustainability Disclosure Award from Thaipat Institute. Which is considered another success and pride of the company regarding the importance of disclosing sustainability information all along.

We are also excited to announce the year 2024 is the 30th anniversary of BJCHI. We will continue to produce the best quality work and continuously improve to become a leader in construction, steel fabrication process and assembling large workpieces to be accepted both domestic and overseas.

Finally, The Board of Directors would like to express our gratitude to all shareholders and other relevant parties including shareholders, clients, partners, financial institutions and all concerned parties such as the public and private sectors, who have always trusted and supported the Company. BJCHI will continuously deliver success under good governance to achieve long-term sustainable growth under balancing the interests of all the stakeholders.

Yours faithfully,



(Mr. Kyu Young Lee)
President

Yours faithfully,



(Mr. Boonchuay Korkitrojana)
Chairman of the Board of Directors

Vision

- To be a world-class integrated engineering, procurement, fabrication and modularization service provider.

Mission

- To create sustainable value for shareholders through our business's sustainable growth.
- To strive to operate business under good corporate governance.
- To provide products & services for customers with exceptional quality and on-time delivery.
- To make contribution to societies through our business operation on a sustainable basis.

Business Strategy

In order to achieve our long-term sustainable growth, BJCHI strongly aims to:

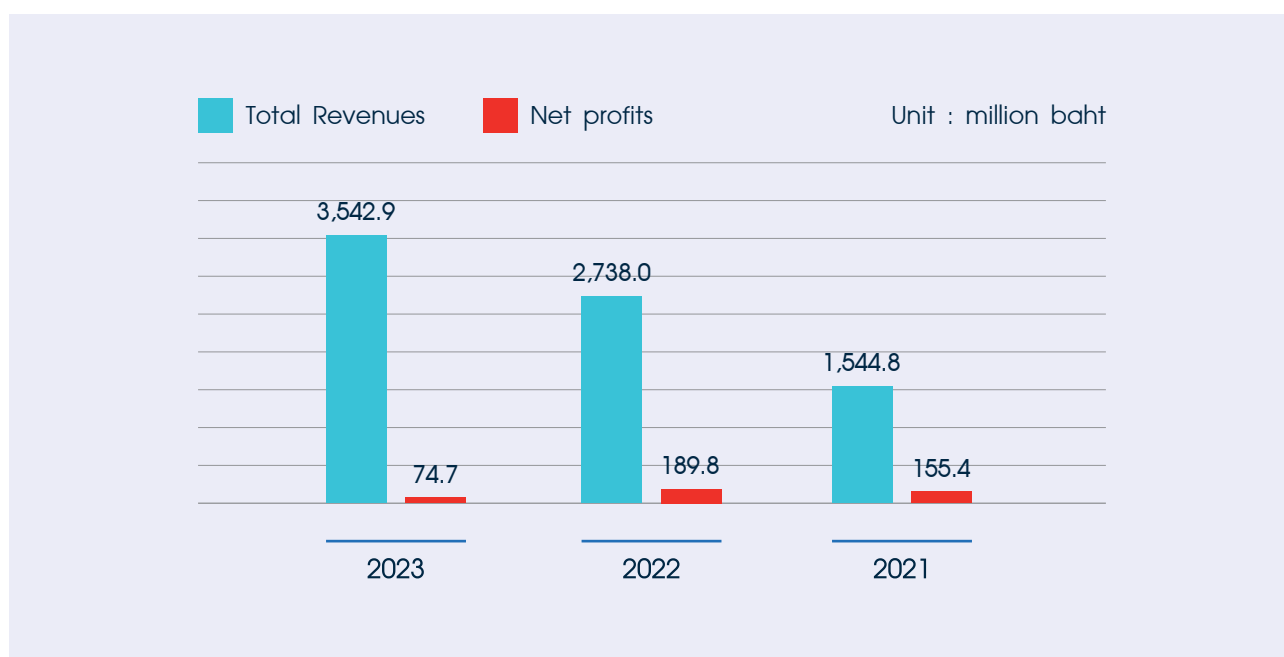
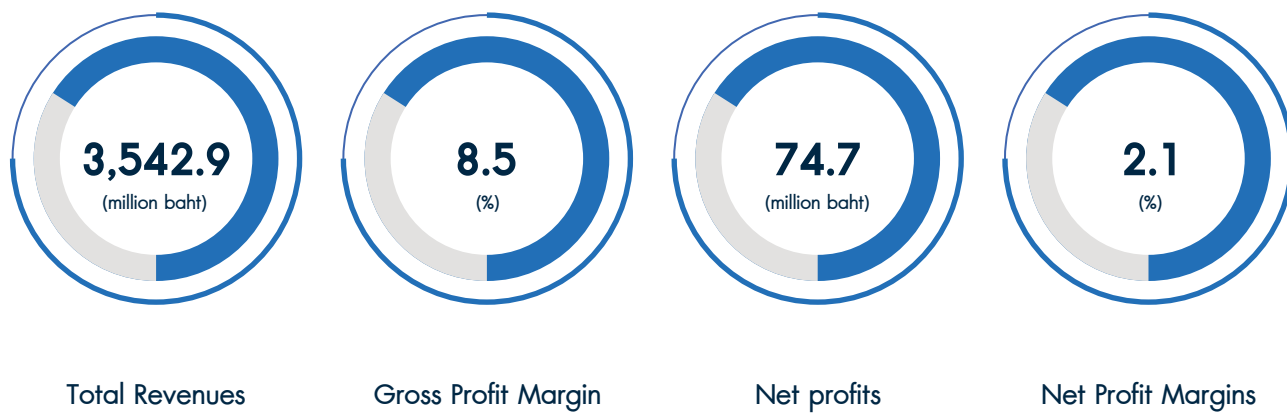
- Deepen and focus on oversea markets;
- Expand products and services to local markets;
- Continue cost saving plan to maintain competitiveness;
- Develop people to enhance their knowledge and skills to drive the sustainable growth;
- Comply with the International standards of management system with continuous improvement.



BJCHI PROVIDES AN INTEGRATED SET OF FABRICATION PRODUCTS AND SERVICES FROM STEEL FABRICATION AND MODULARIZATION TO SITE CONSTRUCTION AND COMMISSIONING

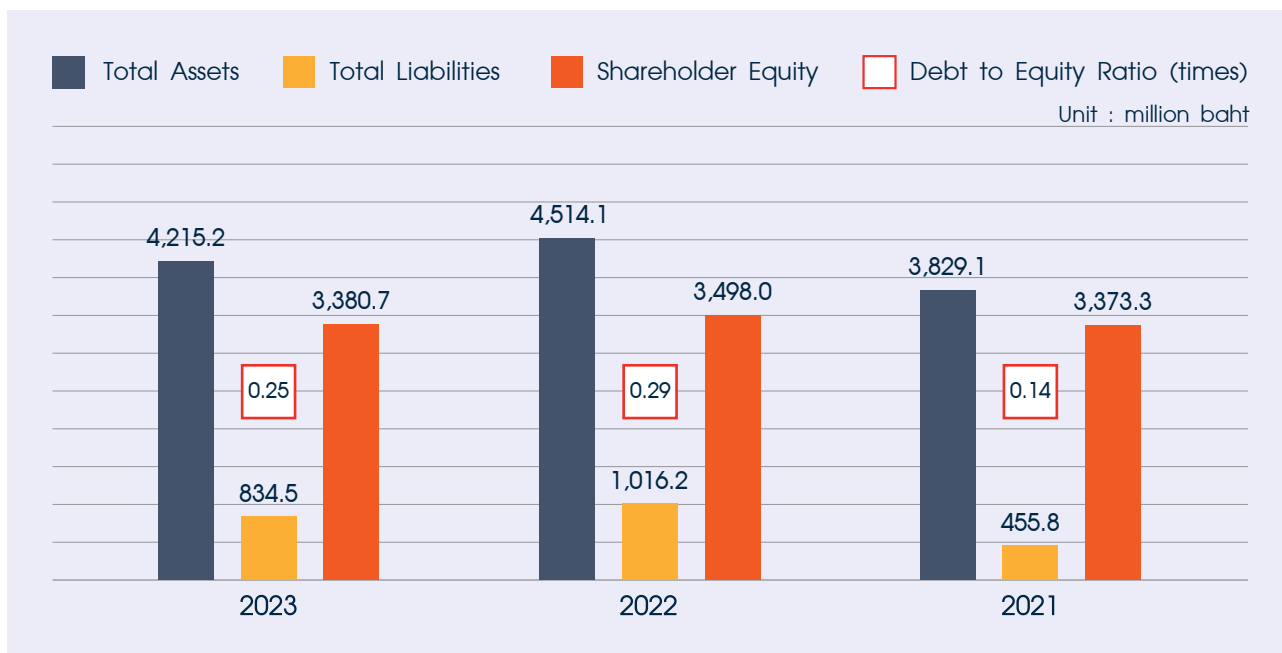


YE 2023 FINANCIAL HIGHLIGHT



| Items (million baht) | 2023 | 2022 | 2021 |
|----------------------|---------|---------|---------|
| Total Revenues | 3,542.9 | 2,738.0 | 1,544.8 |
| Net profits | 74.7 | 189.8 | 155.4 |

FINANCIAL POSITION



| Financial Position (million baht) | 2023 | 2022 | 2021 |
|-----------------------------------|---------|---------|---------|
| Total Assets | 4,215.2 | 4,514.1 | 3,829.1 |
| Total Liabilities | 834.5 | 1,016.2 | 445.8 |
| Shareholder Equity | 3,380.7 | 3,498.0 | 3,373.3 |

| Financial Ratios | 2023 | 2022 | 2021 |
|------------------------------|------|------|------|
| Gross Profit Margin (%) | 8.5 | 13.5 | 10.7 |
| Net Profit Margin (%) | 2.1 | 6.9 | 9.9 |
| Debt to Equity Ratio (times) | 0.25 | 0.29 | 0.14 |
| Earnings per Share (Baht) | 0.05 | 0.12 | 0.10 |
| ROA (%) | 1.7 | 4.6 | 4.0 |
| ROE (%) | 2.2 | 5.5 | 4.6 |

BOARD OF DIRECTOR AND EXECUTIVE



Mr. Boonchuay Korkitrojana
Independent Director
Chairman of the Board of Directors



Mr. Kyu Young Lee
Director / President



Mr. Young Jun Lee
Director
Chief Executive Officer / Managing Director



Mr. Seung Woo Lee
Director
Deputy Managing Director



Mr. Myungsup Song
Director
Chief Financial Officer



Mr. Seong Jin Lee
Director
Assistant Managing Director – Project



Mr. Noppadol Dheerabutrongskul
Independent Director
Chairman of the Audit Committee



Assoc. Prof. Dr. Ekachidd Chungcharoen
Independent Director
Audit Committee Member



Mr. Jumpot Kanjanapanyakom
Independent Director
Audit Committee Member

EXECUTIVE COMMITTEE



Mr. Kyu Young Lee



Mr. Young Jun Lee



Mr. Seung Woo Lee



Mr. Myungsup Song



Mr. Seong Jin Lee

คณะกรรมการตรวจสอบ



Mr. Noppadol Dheerabutrvingkul



Assoc. Prof. Dr. Ekachidd Chungcharoen



Mr. Jumpot Kanjanapanyakom

THE PROFILE OF DIRECTORS AND EXECUTIVES



Mr. Boonchuay Korkitrotjana

Independent Director

Appointment Date : 23 June 2011

Chairman of the Board of Director

Appointment Date : 12 May 2018

Age : 58 Years

Educational Background and Training Course

- MBA University of the Thai Chamber of Commerce
- B.A. of Engineering (Electrical), Chiang Mai University
- B.A. of Public Health (OH&S), Sukhothai Dhammathirat Open University
- B.A. of Science & Technology (Business Information Technology), Sukhothai Dhammathirat Open University
- B.A. of Economic, Sukhothai Dhammathirat Open University
- B.A. of Management Science (Public Administration), Sukhothai Dhammathirat Open University
- Certificate of Director Accreditation Program (DAP), Thai institute of Directors (IOD) Class 92/2011
- Certificate of Advanced Audit Committee Program (AACP), Thai institute of Directors (IOD) Class 13/2013
- Anti-Corruption: The Practical Guide, Thai institute of Directors (IOD) Class 13/2014
- Risk Management Program for Corporate Leaders (RCL), Thai institute of Directors (IOD) Class 22/2021
- Director's Briefing 1/2023 : Integration : The forgotten cousin of M&A, IOD (31/1/2023)
- Carbon Neutral Organization, TGO (10/2/2023)
- ESG Sustainability Forum, SET (15/2/2023)
- Director's Briefing 2/2023: How Planet and People Lead to Profit Series with Thantawan Industry PLC., IOD (21/3/2023)
- Coping with cyber threats: Optimize the cyber security of your organization, ECMS (23/3/2023)
- Climate Action Policy, TGO/TCNN (24/3/2023)
- CARBON CREDIT: How to plant to get carbon credit, Royal Thai Consulate-General (Los Angeles)/TGO/ONEP (18/4/2023)

- Director's Briefing 3/2023: The Invisible Leader for Sustainable Growth, IOD (18/5/2023)
- Requirements for calculating and reporting an organization's carbon footprint, SET/TGO (29/5/2023)
- Sustainability Forum 2_2023, SET (28/6/2023)
- A culture of empathy through leaders, iSTRONG (29/6/2023)
- Innovative Climate Change Technology for Net-Zero Goal, TGO/TCNN (12/7/2023)
- Director Forum I Engaging Board in ESG : The Path to Effective Sustainability, IOD (13/7/2023)
- National Director Conference 2023: Delivering "Net Zero" Together, IOD (26/7/2023)
- Audit Committee Forum 1/2023: Detection of Accounting Irregularities in Fast Growing Business : The Role of Audit Committee, IOD (2/8/2023)
- Thailand Cyber and Data Privacy Trend, Computer Engineering CMU/ACIS (25/8/2023)
- Mechanisms to reduce greenhouse gases for carbon credits and carbon offsets. Guidelines for achieving Carbon Neutrality and Net Zero Emission goals, TGO (30/8/2023)
- Director Briefing 4/2023: Enhancing Cybersecurity Oversight - What Board need to know, IOD (8/9/2023)
- ESG Risk Management: A Challenge in Practice, TFAC (20/9/2023)
- EV Charger System Installation, COE (22/9/2023)
- Hot Issue for Directors: Climate Governance, IOD (29/9/2023)
- Digital Fundamental for the Future, CU (11/10/2023)
- Chairman Forum 1/2023: Leadership Amidst Volatility and Distrust, IOD (25/10/2023)
- Management Safety in Construction, EIT (3/11/2023)
- Solar Rooftop Installation Standards, EIT (3/11/2023)
- The importance of the audit committee to the confidence of the Thai capital market, SEC (24/11/2023)
- Electric Vehicle Technology And Electrical Installation Standards For Charging, (24/11/2023)

Work Experience

BJC Heavy Industries PCL.

- 2018 - Present : Independent Director / Chairman of the Board
- 2013 - 2018 : Independent Director / Chairman of the Audit Committee

BJC Heavy Industries Co., Ltd.

- 2011 - 2012 : Independent Director / Chairman of the Board / Chairman of the Audit Committee

Dexon Technologies PCL.

- 2024 - Present : Independent Director / Chairman of Audit Committee / Nomination and Remuneration Committee member
- 2022 - 2023 : Independent Director / Audit Committee Member

Dacon Inspection Technologies Co., Ltd.

- 2019 - 2022 : Independent Director / Audit Committee Member

Dacon Inspection Services Co., Ltd.

- 2016 - 2018 : Independent Director / Audit Committee Member BPS Technology PCL.
- 2023 - Present : Independent Director / Chairman of the Board / Chairman of Sustainability and Risk Management Committee

Big Paisarn Project Co., Ltd.

- 2022 - 2023 : Independent Director / Chairman of the Board

Royal Tech International Co., Ltd.

- 2023 - Present : Independent Director / Chairman of the Board / Chairman of Sustainability and Risk Management Committee

Sunshine International Co., Ltd.

- 2019 - 2021 : Independent Director / Audit Committee Member

Arthur Andersen Co., Ltd. (or SGV Na Talang Co.,Ltd.)

- 1996 - 2002 : Senior Manager, Business Consulting

Minibea Thai Co., Ltd.

- 1988 - 1996 : Senior Engineer

Shareholding in the company

- None

Relationship with the Company's Executives

- None



Mr. Kyu Young Lee

Director
President

Appointment Date : 19 April 1994

Age : 80 Years

Educational Background and Training Course

- B.A. of Aeronautical Mechanical Engineering, Korea National Aviation College
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 88/2011

Work Experience

BJC Heavy Industries Pcl.

- 2013 - Present : Director / President

BJC Heavy Industries Co., Ltd

- 1994 - 2012 : Director / Chief Executive Officer

BUM JIN Industrial & Construction Co., LTD.

- 1992 - 1993 : Executive Director

SAM JIN Industrial Co., Ltd.

- 1987 - 1992 : Vice President

DAELIM INS. Co., LTD.

- 1968 - 1987 : Chief of Plant Project

Shareholding in the company

- 264,088,100 Shares (16.51%)

Relationship with the Company's Executives

- Father of Mr. Young Jun Lee
(Director / Chief Executive Officer / Managing Director)
- Father of Mr. Seung Woo Lee
(Director / Deputy Managing Director)
- Uncle of Mr. Seong Jin Lee
(Director / Assistant Managing Director - Project)



Mr. Young Jun Lee

Director

Chief Executive Officer / Managing Director

Appointment Date : 29 July 1999

Age : 52 Years

Educational Background and Training Course

- B.A. of Business Administration, Major in International Business Management (IBM) Assumption University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 88/2011

Work Experience

BJC Heavy Industries Pcl.

- 2013 - Present : Director / Chief Executive Officer / Managing Director

BJC Heavy Industries Co., Ltd.

- 2010 - 2012 : Director / Vice President
- 2003 - 2010 : General Manager

Shareholding in the company

- 452,700,000 Shares (28.30%)

Relationship with the Company's Executives

- Son of Mr. Kyu Young Lee (Director / President)
- Elder Brother of Mr. Seung Woo Lee (Director / Deputy Managing Director)



Mr. Seung Woo Lee

Director

Deputy Managing Director

Appointment Date : 27 April 2004

Age : 47 Years

Educational Background and Training Course

- B.A. of General Management, Asian University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 88/2011

Work Experience

S&A Thai Co., Ltd.

- 2023 - Present : Director

BJC Heavy Industries Pcl.

- 2013 - Present : Deputy Managing Director

BJC Heavy Industries Co., Ltd.

- 2010 - 2012 : Director / General Manager
- 2009 - 2010 : HR Manager
- 2004 - 2009 : Trading Manager

Shareholding in the company

- 452,500,000 Shares (28.29%)

Relationship with the Company's Executives

- Son of Mr. Kyu Young Lee (Director / President)
- Younger Brother of Mr. Young Jun Lee (Director / Chief Executive Officer / Managing Director)



Mr. Myungsup Song

Director

Chief Financial Officer

The person taking the highest responsibility in finance and accounting

Appointment Date : 16 July 2020

Age : 57 Years

Educational Background and Training Course

- BA. of Economics, Yonsei University Korea
- Director's Briefing : The Road to Green Financing, 2022
- CFO's Refreshment Course, Thailand Securities Institute, the Stock Exchange of Thailand, 2023
- CFO's Orientation Course, Thailand Securities Institute, the Stock Exchange of Thailand, 2020
- Certificate of Director Accreditation Program (DAP), Thai institute of Directors (IOD) Class 173/2020

Work Experience

BJC Heavy Industries Pcl.

- 2019 - Present : Director / Chief Financial Officer

Metistone Equity Partners

- 2017 - 2018 : Managing Director

Samsung Life Insurance

- 2013 - 2017 : General Manager, Wealth Management Department

Shareholding in the company

- None

Relationship with the Company's Executives

- None



Mr. Seong Jin Lee

Director

Assistant Managing Director – Project

Appointment Date : 16 May 2016

Age : 48 Years

Shareholding in the company

- 410,000 Shares (0.03%)

Relationship with the Company's Executives

- Nephew of Mr. Kyu Young Lee (Director / President)

Educational Background and Training Course

- MBA of Chemical Engineering, Hannam University, South Korea
- BA. of Chemical Engineering, Hannam University, South Korea
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 88/2011

Work Experience

BJC Heavy Industries Pcl.

- 2013 - Present : Director / Assistant Managing Director - Project

BJC Heavy Industries Co., Ltd.

- 2006 - 2012 : Project Manager



Mr. Noppadol Dheerabutrpongkul

Independent Director

Appointment Date : 7 June 2011

Chairman of the Audit Committee

Appointment Date : 10 August 2018

Age 57 Years

Educational Background and Training Course

- M.Sc. (Finance), University of Colorado at Denver
- B.B.A. (Accounting), Thammasat University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 68/2008
- Certificate of Audit Committee Program (ACP) Class 23/2008
- Certificate of Role of the Nominating and Governance Committee (RNG) Class 3/2012

Work Experience

Food Moments Pcl.

- 2023 - Present : Independent Director / Chairman of the Audit Committee / Chairman of the Risk Committee / Nominating and Compensating Committee Member.

BJC Heavy Industries Pcl.

- 2018 - Present : Independent Director / Chairman of the Audit Committee / Chairman of the Risk Committee Nominating and Compensating Committee Member.
- 2013 - 2018 : Independent Director / Audit Committee Member

BJC Heavy Industries Co., Ltd.

- 2011 - 2012 : Independent Director / Audit Committee Member

Decoplas Industry Co., Ltd.

- January - April 2020 : Independent Director / Audit Committee Member

Sunshine International Co., Ltd.

- 2019 - Present : Independent Director / Chairman of the Audit Committee / Nominating and Compensating Committee Member

Phol Dhanya Plc.

- 2017 - Present : Independent Director / Chairman of Audit Committee / Nominating and Compensating Committee Member
- 2016 - 2017 : Chairman of Nominating and Compensating Committee
- 2011 - 2015 : Nominating and Compensating Committee
- 2007 - 2017 : Independent Director / Audit Committee Member

IFAC Co., Ltd.

- 2007 - Present : Executive Director

ZEMASCH Corporation Co., Ltd.

- 2013 - 2014 : Independent Director / Audit Committee Member

Shareholding in the company

- None

Relationship with the Company's Executives

- None



Assoc. Prof. Dr. Ekachidd Chungcharoen

Independent Director

Audit Committee Member

Appointment Date: 23 June 2011

Age 61 Years

Educational Background and Training Course

- Ph.D. in Management Science, Faculty of Engineering, University of Waterloo, Canada.
- MASc.in Management science, Faculty of Engineering, University of Waterloo, Canada.
- MS in Electrical Engineering, Youngstown State University, USA.
- Bachelor of Electrical Engineering (Major in Computer), King Mongkut's Institute of Technology Ladkrabang.
- Certificate of Director Accreditation Program (DAP), Thai institute of Directors (IOD) Class 68/2008
- Certificate of Audit Committee Program (ACP) Class 22/2008
- Certificate of Role of the Compensation Committee (RCC), 2014
- Certificate of Role of the Chairman (RCP), 2018

Work Experience

BJC Heavy Industries PCL.

- 2013 - Present : Independent Director / Audit Committee Member

BJC Heavy Industries Co., Ltd.

- 2011 - 2012 : Independent Director / Audit Committee Member

Sunshine International Co., Ltd.

- 2019 - 2021 : Chairman of the Board of Directors / Independent Director / Audit Committee Member / Nominating and Compensating Committee Member

J.S.P. Property PCL.

- 2018 - 2022 : Independent Director / Audit Committee Member / Chairman of Nominating and Compensating Committee

Phol Dhanya PCL.

- 2017 - Present : Chairman of the Board of Directors / Independent Director / Chairman of Nominating And Compensating Committee
- 2011 - 2016 : Nominating and Compensating Committee
- 2007 - 2017 : Independent Director / Audit Committee Member

Faculty of Commerce and Accountancy, Thammasat University

- 2007 - Present : Associate Professor, Department of Operations Management
- 2010 - 2017 : Director of MBA Program
- 2008 - 2010 : Head of Operation Management

Shareholding in the company

- None

Relationship with the Company's Executives

- None



Mr. Jumpot Kanjanapanyakom

Independent Director

Audit Committee Member

Appointment Date : 12 May 2018

Age : 73 Years

Educational Background and Training Course

- M.Eng of Geotechnical Engineering, Asian Institute of Technology (AIT)
- B.Eng (Hons.) of Civil Engineering, Chulalongkorn University
- Certificate of Director Accreditation Program (DAP) Thai institute of Directors (IOD) Class 139/2017

Work Experience

BJC Heavy Industries Pcl.

- 2018 - Present : Independent Director / Audit Committee Member

Right Tunnelling Ltd.

- 2016 - Present : Independent Director / Chairman of the Nominating and Remuneration Committee

Italian-Thai Development Pcl.

- 2002 - 2016 : Project Manager

Samsung Heavy Industries (Thailand) Co., Ltd.

- 1994 - 2001 : Managing Director

First Maintenance and Engineering Co., Ltd.

- 1990 - 1994 : Managing Director

National Petrochemical Corp., Ltd.

- 1984 - 1990 : Assistant Construction Manager

Nawarat Patanakarn Co., Ltd.

- 1980 - 1983 : Project Manager

Italian-Thai Development Pcl.

- 1974 - 1977 : Civil Engineer

Shareholding in the company

- None

Relationship with the Company's Executives

- None



60

3125

971

9

Antigua

BUSINESS OPERATIONS AND PERFORMANCE

PART 1



1.1 STRUCTURE AND OPERATION OF THE COMPANY GROUP

BJC Heavy Industries Public Company Limited (The Company or BJCHI) was incorporated as a limited company under the name of BJC Industrial limited company on April 19, 1994 by South Korean engineering team to operate and manufacture fabricated steel and equipment as well as provide modularization work. The Company was changed its status to a public limited company under the Public Limited Company Act on May 9, 2013 and the Company’s shares had been approved to be listed in the Stock Exchange of Thailand on November 28, 2013.

The Company’s business operation engages mainly in fabricating steel products composing of modularization, steel fabrication, site erection, precast concrete and other services to support the company’s steel fabrication business. Moreover, the company has successfully delivered various projects locally and internationally for many industries such as oil & gas upstream and downstream, petrochemical, power plant, refinery, mining and renewable energy. In 2023, majority of revenue was generated from Singapore and Australian market, contributing by 94.88% of contracted revenue, mainly from petrochemical and gas upstream project.

So far, the Company used to work with several project contractors who are integrated engineering service providers and well-known companies such as Laing O’Rourke Australia Construction Pty Limited (“LOR”), ITT S.p.A. (“ITT”), Foster Wheeler Energy Ltd. (“Foster Wheeler”), United Group Resources (“UGL”), Tenke Fungurume Mining (“Tenke”), Hyundai Engineering & Construction Co., Ltd. (“HDEC”), Toyo Engineering Corporation (“Toyo Setal”), QGI Oil and Gas Inc. (“QGI”), Petrobras ,TUPI B.V. (“TBV”), Santos Ltd. (“Santos”) and Técnicas Reunida (“TR”) etc.

The Company has been successful in manufacturing equipment and constructing factories both in local and oversea markets where help the company gain fame and trust from customers. Moreover, the company also upholds the principles of business operations as follows:

| Letter | Definition |
|--------|------------------------|
| B | Best Quality |
| J | Just Delivery on time |
| C | Cost Effective Service |

The Company foresees the rising demand for engineering equipment, especially from overseas customers both in the region where the company has existing customers and also potential markets such as United States, Brazil, Australia, Europe, Middle East, Africa, Asia and South America from many types of industries such as energy, gas, petrochemical, power plants, clean energy and mining. Therefore, the Company has a policy to increase the number and develop personnel in related fields to have sufficient knowledge and competence as well as expand the factory to increase the capacity for accommodating more projects, including large-scale and valuable projects as well as work which significantly requires complex engineering technology.

KEY DEVELOPMENT DURING PAST 3 YEARS

BJC Heavy Industries Public Company Limited (The Company or BJCHI) was incorporated as a limited company under the name of BJC Industrial limited company on April 19, 1994 to operate and manufacture fabricated steel and equipment as well as provide modularization work. The Company was changed its status to a public limited company under the Public Limited Company Act on May 9, 2013 and the Company's shares had been approved to be listed in the Stock Exchange of Thailand on November 28, 2013.

Key development during past 3 years is as follows;

2021

- Successfully delivered Koodaideri project relating to steel fabrication and modularization in mining industry, located in Australia
- Successfully deliver OWMAN and MARLIM AZUL M501JAC Modular Package Skid project relating to steel fabrication in power plant industry, located in United States and Brazil
- Received Santos project relating to supply and fabrication of Wellhead Separator in gas industry, located in Australia

2022

- Successfully resumed CRISP, the large-scale project in petrochemical industry, located in Singapore
- Successfully deliver GENESEE M501JAC Modular Package skid relating to steel fabrication in power plant industry located in Canada
- Continued receiving Santos project relating to supply and fabrication of Wellhead Separator in gas industry located in Australia

2023

- Successfully deliver CRISP project, the large-scale project in petrochemical industry, located in Singapore
- Continued receiving Santos project relating to supply and fabrication of Wellhead Separator in gas industry located in Australia

NATURE OF BUSINESS

BJC Heavy Industries PCL (“the company” or “BJCHI”) engages in steel fabrication business into 30th years. Our products and services are composed of Modularization, Steel Fabrication, Site Erection, Precast Concrete and Other Services. BJCHI’s business can be divided into 5 categories as follows:

MODULARIZATION

BJCHI has both the expertise and experience in executing large-scale international modularization projects. Modularization work entails putting together steel structures, piping spools, equipment such as compressors, pressure vessels, heat exchangers, and electrical and instrumentation systems into a module as per design specifications. While modularization significantly cuts construction costs, helps optimize site manpower resources and overcome extreme site limitations for clients.

It requires more advanced engineering, large shops and land with modularization yards strategically located near the port. BJCHI fabricates steel components in the Company’s manufacturing shops in Nikompattana. Then, the modularization processes are completed at pre-assembly and modularization yards, which are located next to Sattahip Port.



STEEL FABRICATION

The Company fabricates steel products into various types of structural steel parts by bringing structural steel, steel pipes and steel plates, which are the main raw materials for production by cutting, bending, welding and assembling according to the designs specified by the customer. The products of steel fabrication are as follows.

STEEL STRUCTURE

Fabrication of steel into large structures used in industrial plants and buildings such as refinery, petrochemical, power plant, and mining.



PIPING FABRICATION

Fabrication of steel pipes into various sizes and shapes for assembly and installation within the production processes in industrial plants.



HEATER & REFORMER

Fabrication of steel components for heaters and reformers used in such industries as petrochemical, refinery and mining. BJCHI has completed more than 300 heater/reformer projects.





STORAGE TANK

Fabrication of steel tanks storing liquid, gas or chemical substances. BJCHI's first line of products started with storage tanks in 1994.



PRESSURE VESSELS AND PRESSURE PARTS

Pressure vessels and components are equipment that safely contains or transports high-pressured liquid or gas substances in the industrial production processes. Quality in accordance to specific safety standards is paramount.

The important part of steel product processing is the ability of engineers, supervisors and craftsmen in steel structure works such as cutting, bending, drilling and welding to assemble the structure according to the client's design. The Company has experienced engineers to supervise the project management, and has skilled technicians who have a welder certificate according to the standards of each type of product.

In addition, the Company also has its quality assurance and quality control department that control the selection of welders who meet the standards of each project specified by the clients. So far, the Company has constructed and modernized galvanizing plant, grating plant and build-up beam shops to improve our production facilities which can help reduce project management schedule and operating costs to achieve sustainable business growth.

SITE ERECTION

BJCHI has been building huge steel structures for many industries such as mines, power plants, and industrial plants for both Thai and international clients, impressing them with exceptional project execution. A dedicated team of engineers and skilled workers are assigned to the client's site for each project. Site erection and construction scopes are extensions of the fabrication scopes after completion at our manufacturing plant. BJCHI works closely with our clients at all stages from planning to procurement, material control and inspection fabrication, modularization, transportation, installation and construction to ensure meeting the quality standards and the required schedule.



PRECAST CONCRETE

BJCHI is capable of manufacturing a range of precast concrete products according to clients' designs and specifications including Core Loc breakwater, precast concrete panel, pre-stress concrete panel used in construction of bridges, highway and harbors.



OTHER SERVICES

The galvanizing and grating shops, post-weld treatment facilities and the built-up beam production line make it possible not only to improve, manage and ensure outstanding quality but also to enable faster delivery and accommodate the changing needs of our customers in an expedient manner. These services are provided for both BJCHI's projects as well as for external clients with specific service needs which are accommodated by Galvanizing, Grating, Built-up Beams and Post-Weld Heat Treatment services.



REVENUE STRUCTURE

The revenue structure varies each year depending on the industry that the project is in, customer (EPC contractors vs. direct project owners) and the product (fabrication, modularization, others) mixes. In 2023, revenue from CRISP project in Petrochemical and

Santos project in Gas industry contributed by 94.88% in contracted revenue. In 2023, the proportion of contracted revenue from Modularization shared by 74.54% of total revenue. The detail is shown in the table below:

Unit: million baht

| Revenue Structure | 2023 | | 2022 | | 2021 | |
|-----------------------------|-----------------|------------|-----------------|---------------|-----------------|---------------|
| | value | % | value | % | value | % |
| 1. Modularization | 2,640.49 | 74.53 | 1,658.44 | 60.57 | 173.46 | 11.23 |
| 2. Fabrication | 768.82 | 21.70 | 964.53 | 35.23 | 1,087.04 | 70.37 |
| - Steel Structure | 768.82 | 21.70 | 699.35 | 25.54 | 1,087.04 | 70.37 |
| - Piping Fabrication | - | - | 265.18 | 9.69 | - | - |
| - Storage Tank | - | - | - | - | - | - |
| 3. Other Services | 84.14 | 2.37 | 86.93 | 3.17 | 79.68 | 5.16 |
| Contracted Revenue | 3,493.44 | 98.60 | 2,709.90 | 98.97 | 1,340.18 | 86.76 |
| Other Revenue ^{/1} | 49.46 | 1.40 | 28.10 | 1.03 | 204.60 | 13.24 |
| Total Revenue | 3,542.90 | 100 | 2,738.00 | 100.00 | 1,544.78 | 100.00 |

Remark : ^{/1}Other income consists of foreign exchange gain, profit/loss from sale of assets, revenue from sale of steel scrap, interest income

During 2021-2023, Revenue by locations could be classified as follows

Unit: million baht

| Location | 2023 | | 2022 | | 2021 | |
|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | value | % | value | % | value | % |
| Australia | 768.82 | 22.01 | 716.92 | 26.46 | 970.76 | 72.44 |
| South America | 0.00 | 0.00 | 51.74 | 1.91 | 48.36 | 3.61 |
| Others | 2,724.62 | 78.00 | 1,941.25 | 71.64 | 321.05 | 23.95 |
| Total | 3,493.44 | 100.00 | 2,709.90 | 100.00 | 1,340.18 | 100.00 |

The Company's work stream channel can be divided into 2 groups, namely EPC Contractors and Project Owners.

EPC CONTRACTORS

The Company provides products and services for EPC Contractors who are mainly responsible for designing, constructing projects as directly awarded by project owners. Once being awarded projects, such EPC contractors will search for sub-contractors to execute projects subsequently.

The EPC contractors will have the list of contractors around the world who can produce various types of equipment parts reaching the required standard (Approved Vendor List). BJCIH is also included in such list because the Company is widely recognized for its production and service with quality of work achieving international standards. Clients as EPC Contractors also include LOR, IIT, Foster Wheeler, UGL QGI and Técnicas Reunidas etc. which are the global's leading major EPC Contractors with a long history and reputation.

PROJECT OWNER

The Company also provides products and services for project owners who plan to expand their production capacity, improve production facilities as well as build new factories in many industries such as mining, refineries, gas separation plants, power plants and petrochemical plants. Clients as project owners also include Australia Pacific LNG Pty Limited (APLNG), one of the world's leading and well-known energy companies, Petrobras and TUPI B.V. who are Brazilian's leading energy companies etc.

The revenue based on work stream channel will vary year by year because it depends on the portion between EPC contractors and project owners. The details during 2021-2023 are as follows

Unit: million baht

| Work Stream Channel | 2023 | | 2022 | | 2021 | |
|---------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | value | % | value | % | value | % |
| EPC Contractors | 2640.49 | 75.58 | 1,871.88 | 69.08 | 841.16 | 62.76 |
| Project Owners | 852.95 | 24.42 | 838.02 | 30.92 | 499.02 | 37.24 |
| Total | 3,493.44 | 100.00 | 2,709.90 | 100.00 | 1,340.18 | 100.00 |

STRATEGIC FOCUS

In order for the Company to conduct its business operation on an efficient basis and maximize the utmost benefits for all stakeholders, The Board of Directors defines the vision, strategy, business direction and the supervision the management and the management's performance or any person assigned to perform such duties as well as conduct annual review of the vision, strategy, business direction.

In 2023, the Board of Directors monitored the implementation of strategies. Board of Directors' meeting every quarter had continuously monitors the management's performance by specifying the performance report and the company operating results especially in terms of financial goals and operations according to various plans in order to comply with the strategy laid down.

DEEPEN AND FOCUS ON LARGE-SCALE MODULARIZATION PROJECTS IN OVERSEA MARKETS

Oversea market is considered as BJCHI's potential market due to the sizeable project value and attractive return. In addition, with its wide fame and extensive experience in steel fabrication business over 30 years in serving clients in many industries over 6 continents, BJCHI will continue deepening and focusing on large-scale modularization projects in oversea markets in the future.

CONTINUE COST REDUCTION PLAN TO MAINTAIN COMPETITIVENESS

Due the intensified competition among steel fabrication industry, BJCHI will continue implementing cost reduction plan through rigorous planning and operation as well as improvement of production process. Moreover, project risk management has been continuously monitored to maintain BJCHI's competitive advantages leading to cost reduction.

DEVELOP PEOPLE TO ENHANCE THEIR KNOWLEDGE AND SKILLS TO DRIVE THE SUSTAINABLE GROWTH

People are considered as the significant factor to bring the business growth. BJCHI's management has continuously placed the top priority of BJCHI's human resource management policy to retain and recruit caliber people. To do that, the Company has provided rigorous internal and external training program as well as competitive remuneration packages, cultivating a healthy work environment for BJCHI's employees. The Company strongly believes that potential people shall be able to perform their duties more efficiently and help BJCHI achieve its business growth on the sustained way both in the present and in the future.

EXPAND PRODUCTS AND SERVICES TO LOCAL MARKETS

Even though oversea markets are considered as BJCHI's potential market, the studies conducted by BJCHI's marketing and project management team indicate that there are potential projects to be developed in the local market. As a result of that, the Company considers that with its wide fame and vast experience in executing large-scale projects in oversea markets, it will help increase more local project opportunities for BJCHI as well.

COMPETITIVE ADVANTAGES

EXTENSIVE EXPERIENCE WITH LARGE-SCALE INTERNATIONAL PROJECTS

With 30th years' experience in executing large-scale international projects and various industries, this satisfies customers in our products and services which in turn provide continued project opportunities for BJCHI.

ONE-STOP OPERATION

BJCHI has own galvanizing shop, grating shop, built-up beam shop, post-weld heat treatment shop, blasting and painting shop to improve production efficiency, significantly reducing delivery lead-times as well as production costs.

EXPERIENCED MANAGEMENT TEAM

We have experienced management and project management team from many countries with extensive experience to provide technical advisory in steel fabrication to accommodate the changing needs of our customers in an expedient manner and to reduce negative impacts from project execution.

EXCELLENT QUALITY AND ON-TIME DELIVERY

During project execution period, BJCHI operates stringent quality control throughout the manufacturing process from material reception to fabrication, testing, packing and loading to deliver projects as scheduled.

MANUFACTURING FACILITIES & LAND

Strategically situated large land areas and their facilities enable BJCHI to efficiently fabricate, modularize and transport the products in support of the clients' major projects.

- Nikompattana Factory
- Port Assembly & Modularization Yard at Sattahip
- Port Assembly & Modularization Yard on Map Ta Phut Industrial Estate

PEOPLE

BJCHI has knowledgeable and caliber people as well as experienced project management, project team and engineers for designing, production and quality control including certified welders who are qualified by WQT Certificate & Card Test under the supervision by Quality Assurance and Quality Control (QA/QC) Department.

INTERNATIONAL CERTIFICATIONS

BJCHI has certificates from well-known international institutions which are a testament to the Company's commitment and capabilities to deliver products and services of the highest quality.

ISO AND OHSAS CERTIFICATES ACCREDITED BY TÜV NORD

- ISO 9001 :2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO 45001:2018 (Occupational Health and Safety Management System)



CERTIFICATES FROM AMERICAN SOCIETY OF MECHANICAL ENGINEERS (ASME)

- Standards for "S", "U" and "U2" (boiler and pressure vessel)



COMPETITION

BJCHI's clients come from several industries such as oil, mining, power plant, petrochemical, gas, refinery. Therefore, changing in such industry environment and the market conditions will have influence on the Company's business operation. Currently, the competition in market can be classified into 2 markets as follows

LOCAL MARKET

The competition in local market is high because there are steel fabricators in the country, leading to price competition.

Some local companies engage in steel fabrication and modularization business such as Thai Heerick, MCS Steel, Vissawakij Pattana, Vattana Paisan Engineering, CUEL, Thai-Nippon Steel Company Ltd as well as STP&I and Best Tech and Engineering Public Company Ltd

OVERSEA MARKET

Oversea market is considered as BJCHI's main target. The main competitors are from China, Philippines, Indonesia and Vietnam. The Competition landscape are quality of work, on-time delivery of products and services and also price competition.

At present, the Company has expanded its products and services into several countries. With BJCHI's competitive advantages including skilled labor, labor cost as well as quality of work, the Company believes we have the ability to well compete with oversea competitors.

MARKET ENVIRONMENT AND INDUSTRY TREND

Overview of the Thai economy in 2023, at the beginning of the year all over the world including Thailand facing high inflation caused by the conflict between Russia and Ukraine causing the price of oil to rise resulting in hyperinflation. The Central banks of various countries have taken measures to increase policy interest rates. Whether it is the Federal Reserve (FED), the European Central Bank, the Bank of England, as well as the Bank of Thailand (BoT), especially the Federal Reserve has raised interest rates continuously causing the economy to slow down globally.

The Ministry of Finance, Bank of Thailand and the Office of the National Economic and Social Development Council predicted that the Thai economy in 2024 will expand at 3.2 percent per year better than in 2023, which is expected to expand approximately 2.4-2.7 per year. In addition, the World Bank and the International Monetary Fund expect that in 2024 will expand better than 2023 as well.

In addition, the trend of investment expansion plans of oil refinery business operators in projects related to clean energy is increasing. The Company has participated in bidding for more projects related to clean energy projects as well. The company has continuously participated in bidding from customers in both the international and domestic markets in many industries such as power plants, oil refineries, petrochemicals, oil, and clean energy and green energy businesses. Currently, the total bidding value is approximately 48,547 million baht, which increases the opportunity for the company to take on more projects at present.

Also, BJCHI will continue focusing on supplying products and services not only for oversea markets and also domestic markets as well. Here the following potential countries that BJCHI is targeting in our study found that the markets that have the potential to receive work are as follows;

UNITED STATES

The United States is a large energy market with high electricity demand. There is a total installed power generation capacity of approximately 1,000 GW, and the current situation in the United States wants to seriously transform the electricity and energy industry (Energy Transition) into a low-carbon society. Therefore, various measures are being taken to promote the said issue in many dimensions. Whether it is enacting a law on reducing inflation (Inflation Reduction Act) to reduce the use of fossil fuels, providing benefits for investment and production of electricity from renewable energy and clean energy technologies. The US government has set a goal to use clean energy to produce 100% of electricity within 2035.

As a result of that, BJCHI has been invited to participate in project bids in the United States and North America. With the upward trend of clean energy industry and supportive energy policy, the Company believes this should create more project opportunities for BJCHI in the future.

BRAZIL

Brazil is the largest country in South America and the world's tenth-largest economy. The country has abundance of natural resources including vast amounts of petroleum, gold, uranium, iron etc.

Recently, Petrobras, Brazil's state-owned oil company has successfully converted 100 percent soybean oil into biofuel for the first time in history. It is now moving forward on the path to energy transition by producing conventional petroleum products from vegetable oils a combination of innovation and energy transition that benefits Brazil.

BJCHI has the strong relationship with Petrobras, the state-owned Brazilian multinational corporation, after we successfully delivered large-scale projects to Petrobras in the past such as UPGN and TUPI FPSO Compression.

With the vast experiences in executing large-scale projects with Brazilian client, Brazil is considered as the potential market for BJCHI.

AUSTRALIA

Australia is another country that is rich of natural resources. The country is one of the world's leading producers of natural gas and minerals such as iron ore, lithium, gold, rare earth elements, uranium, and zinc etc.

Australia has unveiled a key strategy to work with international investors and partner countries to build a rare earth mineral processing industry to support the energy transition. The aim is to position Australia as a key producer in the energy transition and rare earth minerals processor in 2030, setting the stage for becoming a renewable energy superpower.

Furthermore, BJCHI has long history in Australian market after closely working with many Australian clients from a variety of industries such as gas, renewable energy, mining and infrastructure. For instance, BJCHI has continued working for Santos's project since 2019 to present after the client is very satisfied with our outstanding project execution.

Thus, Australian market is highly considered as the potential market for BJCHI to get large-scale projects not only for the present but the future as well.

SINGAPORE

Singapore is one of the top five oil refining export hubs in the world and high economic development. The country's location is strategically suitable for shipping centers in Asia. It is currently considered as the leading oil trading hub in Asia. The oil industry has led to the promotion of the petrochemical industry as well as oil and gas equipment manufacturing.

In 2022-2023, BJCHI has executed CRISP Project, which is the world-scale refining and petrochemical complex, located in Singapore. As established footprints in Singapore market and close location with Thailand, thus Singapore is considered as the potential market for BJCHI in the future as well.

THAILAND

The company believes that the domestic market is a market with growth potential. Because many government and private construction projects are awaiting commercial development.

The private sector's construction business is mainly the construction of buildings, offices, and residential projects. Most of the government construction business involves the construction of large infrastructure projects, especially transportation and logistics projects to increase the country's competitiveness or projects related to the EEC or the Eastern Economic Corridor.

As a result of that, the Company shall closely monitor the development of Thailand's construction industry to ensure that BJCHI can engage in some project bids to increase more local project opportunities.

RAW MATERIALS PROCUREMENT AND SERVICES PRODUCTION POLICY

The Company has a policy to provide and manufacture products and services according to clients' orders. Key success factor for competitive advantage is the ability to successfully execute projects as required by clients in terms of quality of work, on-time delivery within the defined budget as initially estimated along with awareness of working safety under the effectively project execution to ensure that our clients shall obtain satisfaction and confidence when receiving quality products that meet the standards within the project schedule.

CAPACITY

To accommodate the growth of steel fabrication business, BJCHI has developed and modernized its production facilities which significantly improve the production lines. Such production facilities depend on type of work. For example, capacity for steel structure is 30,000 tons per annum, for galvanizing is 24,000 tons per annum, for grating is 2,000 tons per annum. The wide range of abilities to produce various types of products can well reach clients' demand.

RAW MATERIALS PROCUREMENT AND SERVICES

Most of the main raw materials used in the production process are procured from both domestic and oversea markets such as China, Japan, Korea, European countries or United States. In some cases, clients might specifically require to use special raw materials which are not procured locally. In general, procuring domestic raw materials where suppliers are ready for delivery, it takes about 7 days. However, if suppliers have to produce such ordered raw materials, it takes about 1-2 months for delivery. So far, the Company can maintain good relationship with material suppliers and producers in terms of providing technical information on the products used correctly at a reasonable price or be considered for special discounts and favorable conditions including getting the products delivered on time. This is beneficial for BJCHI's business operation because the Company is able to get special discount on raw material purchases, delivery of raw materials on time etc.

There are 2 policies regarding raw materials procurement and services as follows

(a) Raw Materials and Services Procured by the Company

The Company shall request all quotations of materials from suppliers for estimating the project bidding price for clients. When the project is awarded, BJCHI will formulate procurement plan as per project budget including lists of raw materials, machineries, equipment and construction materials. Such suppliers are in the approved supplier list who can supply materials and services with accepted quality for price comparison, delivery time and other conditions prior to purchasing raw materials for each project requirement.

(b) Raw Materials and Services Procured by the Client

In some cases, clients shall supply main materials which are generally not procured due to being special raw materials or semi-finished goods as demanded and ordered by clients. Such materials include High Pressure Flare K.O. Drum Pump, Low Pressure Flare K.O. Drum Pump, Cooling Water Heat Exchanger, Gas Detector, Flame Detector, Fresh Water Maker etc.

Moreover, BJCHI also employs external outsources to provide products and services where the Company cannot provide or need special expertise to reach high quality of work. For example, such work is related to Non-Destructive Test according to client condition to control quality of work meeting required standard.

ENVIRONMENTAL IMPACT

The Company has directly hired a company that has received a license for environmental quality inspection to inspect the environmental quality and submit an environmental quality monitoring report on annual basis. Currently, the Company employs S.P.J. Scientific Company Limited. According to the assessment and report, there is significantly no environmental impact while the Company has never encountered with any dispute or lawsuit about environmental impact issues.

PROPERTY USED IN BUSINESS

The Company's key assets based on book value as of 31 December 2023 are as follows;

| | Asset Types | Purpose of Use | Proprietary | Asset Life (year) | Book Value (million baht) | Obligation* |
|---|---|----------------|---------------|-------------------|---------------------------|--|
| 1 | Land (Office, Factory and Residence for Employees) | | | | | |
| | 1) Title Deed No. 1815, Area 22-2-51 Rai | Office | Owner | - | 8.00 | |
| | 2) Title Deed No. 2337, Area 11-3-10 Rai | Factory | Owner | - | 5.00 | |
| | 3) Title Deed No. 1837, Area 25-0-39 Rai | Factory | Owner | - | 8.34 | Mortgaged as collateral with kasikorn Bank PCL |
| | 4) Title Deed No. 2417, Area 19-0-86.6 Rai | Factory | Owner | - | 7.10 | Mortgaged as collateral with kasikorn Bank PCL |
| | 5) Title Deed No. 2445, Area 25-2-99 Rai | Factory | Owner | - | 8.73 | |
| | 6) Title Deed No. 60997, Area 19-3-50 Rai | Factory | Owner | - | 5.92 | |
| | 7) Title Deed No. 43600, Area 16-2-16.1 Rai | Factory | Owner | - | 4.10 | Mortgaged as collateral with kasikorn Bank PCL |
| | 8) Title Deed No. 72293, Area 1-1-6 Rai | Factory | Owner | - | 0.38 | |
| | 9) Title Deed No. 70220, Area 6 Rai | Factory | Owner | - | 10.99 | |
| | 10) Title Deed No. 64508, Area 17-1-90 Rai | Factory | Owner | - | 9.43 | |
| | 11) Title Deed No. 68293, Area 12-0-1 Rai | Factory | Owner | - | 9.66 | |
| | 12) Title Deed No. 69202, Area 15-3-42 Rai | Factory | Owner | - | 13.55 | |
| | 13) Title Deed No. 69211, Area 20-2-31 Rai | Factory | Owner | - | 17.59 | |
| | Total Area | | | | 108.79 | |
| 2 | Building and Properties in Land | - | Owner | 2 - 30 | 494.26 | |
| 3 | Machinery and Equipment | - | Owner | 5 - 20 | 564.29 | |
| 4 | Furniture, Fixtures and Office Equipment | - | Owner | 3 - 15 | 21.90 | |
| 5 | Vehicles | - | | | | |
| | 1) Vehicles | - | Owner | 2 - 20 | 41.36 | |
| | 2) Vehicles | - | Hire Purchase | 2 - 20 | | |
| | Total Value of Vehicles | | | | 41.36 | |
| 6 | Assets under installation and under construction | - | - | - | 18.53 | |
| | Total Core Fixed Asset | | | | 1,249.13 | |

Remark :* The Company has mortgaged assets as collateral with amount 174.60 million baht with Kasikorn Bank PCL

KEY INTANGIBLE AND RIGHT ASSETS FOR BUSINESS OPERATION

Key Intangible Assets for Business Operation are computer software and certificate of product standard. The net value as deducted by accumulated amortization ending at 2023 was 7.72 million baht. Such amortization is the straight-line method for 3-10 years. The net values for each were 4.49 million baht for computer software, 3.23 million baht while the right-of-use asset value is 38.49 million baht, the right to possess the land under the useful life of 30 years has a net value of 6.64 million baht, the right to use the area under the lease agreement has a net value of 12.43 million baht, vehicles have a net value of 11.57 million baht and machinery has a net worth of 7.85 million baht.

INVESTMENT POLICY IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

According to the Board meeting No.2/2013 held on 16th May 2013, the Board defined the investment policy in subsidiaries and/or associates as follows;

(1) To keep the Company's investment on the suitable basis. The Company therefore considers the following investment policy as a guideline for its operations

- (a) The business where the Company aims to invest has potential to generate consistent income and profits under feasibility study
- (b) Such businesses must have sufficient cash to pay debt and interest burden
- (c) Such businesses must deliver appropriate return under the accepted risk
- (d) Having the management and persons who are experts and experiences in such businesses as invested.
- (e) Having the Company's representative to be the Board of Directors in a business as invested
- (f) Not invest in illegal or unethical businesses
- (g) Receiving the resolution from The Board of Director or shareholder meeting in accordance with the Company's Articles of Association and related laws
- (h) Reporting the operation results of an entity where the Company invests to The Board of Director on a quarterly basis.
- (l) The Board of Director's has the role to consider and approve the dividend payment of an entity where the Company invests

- (2) Considering the amount of investment in subsidiaries and associated companies depends on the business relationship. If the investment portion is over 50% of stake, it would be considered as a subsidiary. If the investment portion is between 20-49.99% of stake, it would be considered as an associate. However, The Company may consider its investment policy in subsidiaries and associates to be consistent and appropriate with the Company's business environment in a certain period of time.
- (3) To govern the business operation of subsidiaries and associates, The Company will send its representative to be a director in a subsidiary and associated company. Such representative might be the Chairman, Chief Executive Officer, Director, Top Executive or a person who is qualified with the experience in such business where the Company invests without any conflict of interest with such in subsidiaries and associates. As the Company's representative, that person must manage businesses of subsidiaries and associates according to the rules and regulations prescribed in the Company's Articles of Association and related laws with the business operation of such subsidiaries and associates.



INFORMATION OF SECURITIES AND SHAREHOLDERS

REGISTERED AND PAID-UP CAPITAL

As of December 31, 2023, the Company had a registered and paid-up capital of 399,922,500 Baht consisting of 1,599,690,000 ordinary shares with a par value of 0.25 Baht per share.

SHAREHOLDERS INFORMATION

As of December 31st, 2023, the Company had 5,113 shareholders. Top 10 shareholders are listed below:

| Name | 2023 | | 2022 | | Change (%) |
|---|----------------------|---------------|----------------------|---------------|--------------|
| | Total Shares | % | Total Shares | % | |
| 1 The Lee Family | | | | | |
| - Mr. Young Jun Lee | 452,700,000 | 28.30 | 452,700,000 | 28.30 | - |
| - Mr. Seung Woo Lee | 452,500,000 | 28.29 | 452,500,000 | 28.29 | - |
| - Mr. Kyu Young Lee | 264,088,100 | 16.51 | 270,076,200 | 16.88 | -0.37 |
| - Mr. Seong Jun Lee | 410,000 | 0.03 | 1,300,000 | 0.08 | -0.06 |
| Total Lee Family | 1,169,698,100 | 73.12 | 1,176,576,200 | 73.55 | -0.43 |
| 2 Mr. Vichien Srimuninnimit | 29,400,000 | 1.84 | 17,500,000 | 1.09 | 0.74 |
| 3 Thai NVDR Company Limited | 16,423,477 | 1.03 | 12,643,976 | 0.79 | 0.24 |
| 4 Mr. Chairat Pladiganon | 10,850,000 | 0.68 | 2,089,800 | 0.13 | 0.55 |
| 5 Mr. Wichit Laorsatiangul | 9,570,000 | 0.60 | 8,070,000 | 0.50 | 0.09 |
| 6 Mr. Udom Kanasrinuwat | 5,050,000 | 0.32 | 5,223,900 | 0.33 | -0.01 |
| 7 Mrs. Jaruvan Chiempitayanuvat | 5,044,300 | 0.32 | 5,044,300 | 0.32 | - |
| 8 Mrs. Chanchira Smakthai | 4,862,000 | 0.30 | 5,002,500 | 0.31 | -0.01 |
| 9 Mr. Pawarat Udomsiri | 4,750,000 | 0.30 | 4,750,000 | 0.30 | - |
| 10 Mr. Kongsak Mhaworamakorn | 4,468,500 | 0.28 | 4,365,000 | 0.27 | 0.01 |
| 11 Others | 339,573,623 | 21.23 | 358,424,324 | 22.41 | -1.18 |
| Other shareholders excluding Lee Family | 429,991,900 | 26.88 | 423,113,800 | 26.45 | 0.43 |
| Total | 1,599,690,000 | 100.00 | 1,599,690,000 | 100.00 | |

REPORT ON CHANGES IN SECURITIES HOLDING BY COMPANY DIRECTORS AND MANAGEMENT MEMBERS

| Name | No. of Shares | | | End of 2022 |
|--|---------------|-------------------------------------|-----------|-------------|
| | End of 2023 | During the year Increase (Decrease) | | |
| | | Direct | Indirect* | |
| Mr. Boonchuay Korkitrotjana | - | - | - | - |
| Mr. Kyu Young Lee | 264,088,100 | (5,988,100) | - | 270,076,200 |
| Mr. Young Jun Lee | 452,700,000 | - | - | 452,700,000 |
| Mr. Seung Woo Lee | 452,500,000 | - | - | 452,500,000 |
| Mr. Seong Jin Lee | 410,000 | (890,000) | - | 1,300,000 |
| Mr. Myungsup Song | - | - | - | - |
| Assoc. Prof. Dr. Ekachidd Chungcharoen | - | - | - | - |
| Mr. Noppadol Dheerabutrongsul | - | - | - | - |
| Mr. Jumpot Kanjanapanyakom | - | - | - | - |

Remark : * changes in securities holding of spouse and minor children

OTHER SECURITIES

-None-

DIVIDEND PAYMENT POLICY

The Company dividend policy is pay the shareholders not less than 50% of the net profit based on the financial statements after corporate income taxes and after the appropriation of the relevant reserves as required by the applicable laws and as prescribed in the Company's Articles of Association. At the same time, dividend payout may change depending on business and other reasonable factors as deemed by the Board required to maximize shareholder value and to achieve long-term sustainable growth for the Company.

The resolution of the Board approving the annual dividend payment shall be proposed to the meeting of shareholders for further approval. As for interim dividend payments, Board possesses the power to approve, and the Board shall report the decision to the shareholders at the next shareholders' meeting.

HISTORICAL DIVIDEND DURING THE PAST 3 YEARS

| Details | 2022 | 2021 | 2020 |
|-------------------------------------|--------------|-------------|-------------|
| (1) Dividend Per Share (baht/share) | 0.12 | 0.05 | 0.03 |
| ◦ Interim Dividend | - | - | - |
| ◦ Final Dividend | 0.12 | 0.05 | 0.03 |
| (2) Dividend Payment (million baht) | Not over 192 | Not over 80 | Not over 48 |
| (3) Dividend Payout Ratio (%) | 101.15 | 51.49 | - |

1.2 RISKS AND RISK MANAGEMENT

The Company establishes the Risk Management Committee to support The Board of Directors in defining the risk management framework covering the organization as well as overseeing risk management process to mitigate the risks that the Company currently encounters on a suitable basis. The Risk Management Committee will hold the meeting at least once on a quarterly basis to conclude risk and risk management plan. These can be classified as follows:

RISK FROM DEPENDENCE ON LARGE PROJECTS AND FEW INDUSTRIES

In 2023, BJCHI's major revenue was generated by petrochemical and gas upstream project which were a few large-scale projects. Therefore, if there are some circumstances which make project developers postpone their project development such as the slowdown of market environment, such situation might have the negative impact on BJCHI's business operation.

To mitigate such risk cited above, BJCHI's project team and marketing team will continue focusing on research and study to find out more business opportunities in securing more projects in several regions under wide range of industries. In addition to oversee project bids, BJCHI also pays attention to local project bids. Some local large-scale projects as mega infrastructure projects which BJCHI has studied would be commercially developed in the near future in order not to depend only on overseas markets and few industries.

RISK FROM VOLATILITY OF REVENUE AND PROFIT MARGIN

BJCHI's revenue depends mainly on our capability to secure project bids. The uncertainty in awarding the project might come from higher competition, delay in project development as well as the slowdown of economic conditions and industries. These unfavorable situations will result in volatility of revenue and profit margin.

To mitigate such these risks, the company will (1) increase backlog through participating in project bids (2) collaborate with clients and material suppliers to improve production process and better prepare for the start and ramp-up of the new projects (3) reduce and control fixed costs and operating costs (4) execute excellent work meeting standard and deliver projects on-time to reach clients' satisfaction which helps gain more project opportunities and (5) search for business alliances both in local and overseas markets to increase business opportunities.

RISK FROM CHANGING IN TOTAL CONTRACT VALUE

The nature of contract between the company and clients is to specify delivery and payment term based on percentage of completion. Prior to the final payment, the company and clients will mutually agree with the final settlement (referred to as "Final Account") related to changes in cost escalation, the increased/decreased scope of project work, claims on defective products and costs incurred after product delivery. As a result, Final Account might result in lower revenue and profits than previously estimated.

However, to mitigate this risk, the company has fully paid attention to contract details in addition to delivering excellent work quality to clients in order to avoid any defective products after product delivery and reduce negative potential impact on revenue and profit.

RISK FROM EARLY TERMINATION OF CONTRACTS

Risk from early termination of contracts is considered as another one in construction business which will have significant impact on reputation, operating performance, financial status and loss in any business opportunities in the future.

To reduce this risk, all contracts and conditions are fully detailed before entering into contract signing. Our executives and project management team have gathered all agreements and contracts to prevent and mitigate such risk from discontinuing project work before scheduled. This includes rigorous plans and measures which are regularly reviewed to cope with such situation cited above in time.

RISK FROM FOREIGN EXCHANGE RATE FLUCTUATIONS

BJCHI's major revenues is largely generated from oversea markets. Thus, fluctuations in foreign exchange rate, particularly Thai Baht appreciation, will cause the unfavorable impact on BJCHI's business operation.

As a consequence, the Company will continue monitoring fluctuations in foreign exchange rate on a regular basis and define risk management policy composing of 1) executing a natural hedge by paying the oversea supplier with the oversea currency and 2) entering into Forward Contract with financial institutions to reduce risk from foreign exchange rate fluctuations.

RISK FROM THE RENEWAL OF LAND LEASED AGREEMENT

Modularization work requires a large area near major ports. The land areas at the Sattahip Commercial Port are being leased for yearly basis and the contract can be renewed after it expires. However, failure to renew the land lease agreements may cause serious issues to deliver major modularization projects and significantly increase the transportation expenses.

Thus, BJCHI has established a contingency plan in case the lease agreements cannot be renewed by dividing into 4 options:

- (1) there are already identified alternative areas near the ports which the Company can lease,
- (2) BJCHI may relocate the assembly work scopes to the Company's main factory and then transport the assembled structures to port for export;
- (3) BJCHI may consider purchasing other land plots and/or leasing other areas near the ports;
- (4) BJCHI may consider using other ports such as Laem Chabang Port to export its products.

RISK FROM FLUCTUATIONS IN RAW MATERIAL PRICES

Raw materials such as steel products, electrical and instrumentation equipment are mainly raw material cost in executing projects. Therefore, if there are drastic changes in raw material prices particularly during the period of project work, this situation might deteriorate BJCHI's profitability.

To minimize such risk, the Company will continue monitoring changes in raw materials both in oversea and local market by comparing their prices, proposals and conditions from each supplier and then to procure materials on a timely basis under the competitive price.

RISK FROM COST OVERRUN

In some cases, BJCHI might face with risk from cost overrun which has been triggered from external and uncontrollable factors.

This risk is mitigated by setting up project management plan and development plan of production process to reduce production costs in addition to regularly monitoring risk from project management. BJCHI also has the policy to negotiate with clients for price adjustments when cost escalation tops a certain threshold level.

RISK RELATING TO SCARCITY OF SPECIALIZED PERSONNEL AND SKILLED WORKERS

As the nature of BJCHI's products and services require specialized personnel, then the loss or lack of such personnel will affect BJCHI's performance and its competitiveness in the future.

To mitigate such risk, BJCHI has set human resources management policy by developing knowledge and capability of its personnel along with maintaining good relationship among staffs. In addition, BJCHI offers appropriate remuneration to employees in order to mitigate the risk of losing skilled workers. So far, BJCHI never faced with personnel scarcity.

RISK FROM SECURITY OF INFORMATION TECHNOLOGY

At the present, much business information has been recorded and kept on the computer software system. Such information is partially confidential such as project information, customer profile, business plan and financial information. However, if there are some circumstances which such confidential information is used on an inappropriate manner or without permission, this might cause the negative impact on BJCHI's business operation.

To mitigate such risk mentioned above, BJCHI has defined scope of authority and allowed only authorized persons to get access to information source. In addition, several measures relating to security of information technology would be implemented along with efficient software to protect against unauthorized persons who can reach the Company's information source to fully ensure that Information Technology system are well managed on the appropriated manner.

RISK FROM NON-COMPLIANCE AND OTHERS SUSTAINABILITY AND ESG ISSUES

Sustainable investment is a rising trend that many investors pay attention to and give the importance to compliance, sustainability management regarding ESG issues. The risk of non-fulfillment about such issues shall affect the ability to generate profits, the image, reputation of the organization.

To reduce such risk, the Company defines its sustainability management policy to conduct its business with the principles of Environment, Society and Governance ("ESG") as the core principles.

1.3 SUSTAINABILITY MANAGEMENT PROCESS

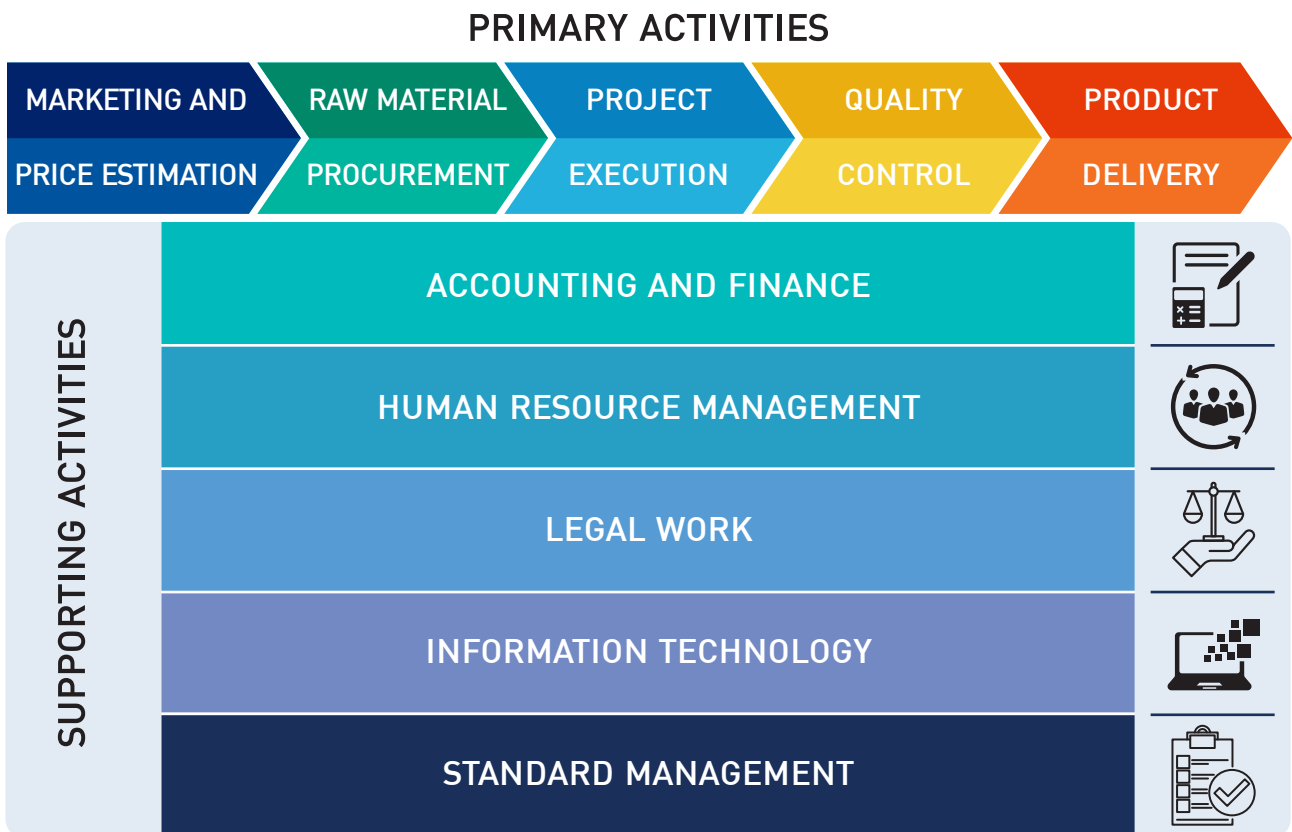
BUSINESS OBJECTIVES

BJCHI adopts business objectives to achieve the upmost business success and long-term sustainable growth;

- (1) Operating business by respecting to rights with responsibilities to shareholders and stakeholders.
- (2) Operating business in the responsibility to societies and the environment.
- (3) Operating business under corporate resilience.
- (4) Operating business on a moral and ethical basis.
- (5) Achieving good operating results by taking short-term and long-term effect into consideration.

BUSINESS VALUE CHAIN

The company focuses on managing the business value chain which is one tool that the company focuses to driving business towards sustainability according to the business principles mentioned. The main process activities were analyzed. and activities in the supporting processes involved in adding value and value to business operations from upstream to downstream of the company's business process consistent with the organization's context business environment, various factors both internal and external, risks and opportunities, as well as the needs and expectations of stakeholders related to the organization's activities. Whether internal stakeholders including shareholders and employees of the company or external stakeholders such as partners, clients, etc., may be affected either positively or negatively by the organization's activities. Through strategic cooperation and participation from all sectors throughout the business value chain and the company's business plan along with management in economic, social, human rights, and environmental dimensions under the framework of good corporate governance and international standards for sustainability.



PRIMARY ACTIVITIES

- When clients inform the Company to enter into project bids, the marketing and estimator team will contact with clients which are either project owners or main contactors to request related documents for project estimation including initial drawings along with terms and conditions.
- After being awarded a project, BJCHI will begin to procure raw materials both from domestic and/or oversea markets to compare prices, proposal and trade conditions to formulate raw material-procuring plan based on the appropriated prices and project schedule.
- The Company's project management team will execute a project according to engineering designs to produce works which meet the standard, quality and clients' specification as well as to deliver a project as scheduled.
- All processes of project execution will be also supervised by our quality control team to ensure that such project execution reaches the standard as well as terms of conditions as determined in a contract which is mutually agreed with clients
- When BJCHI completes the project execution, the Company shall deliver the project to clients under terms of conditions as agreed with clients.
- The Company's lawyer will examine terms and conditions, the project contract and then provide legal opinions relating to such project execution before a contract signing to ensure that BJCHI can produce works as required by the laws and clients. In addition, policies have been established and overseen to ensure compliance with laws, rules, regulations, and other requirements related, such as Labor, Human Rights, Environmental, Occupational Health and Safety, Standards and Quality, Energy, Personal Data Protection, Security aspects of data and information systems, Corruption, Good corporate governance in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), etc.
- The Company has developed information technology systems to be used in planning, operating, decision making and controlling a project execution to support the Company's project team in running project in more effective way and managing the security of data and information systems.
- The company has management of related standards and implemented a management system consistent with international standards and continuously improves. The company has received certificates for the quality management system ISO 9001, environmental anagement system, ISO 14001, occupational health and safety management system ISO 45001 and standards for production, assembly and installation of boilers and pressure vessels ("S", " U" "U2" boiler and pressure vessel) from ASME which is accepted and trusted by clients in the target industry of the business.

SUPPORTING ACTIVITIES

- Accounting and Finance team will plan cash flow management for each project to support and ensure that the project team can run the project effectively in accordance with the plan and terms of conditions as agreed with clients.
- BJCHI also gives the importance to Human Resource management by analyzing, recruiting, selecting, estimating, developing and training workers and staff to make them perform their work effectively.

SUSTAINABILITY MANAGEMENT IN ENVIRONMENTAL DIMENSIONS

To ensure that our business operation fully complies with relevant laws and regulations of occupational health, safety management systems and environment, the company defines its policies relevant to quality management system, occupational health, safety and environment to which the rigorous compliance is required. During their working time, all employees need to be fully aware of safety, environmental preservation under relevant rules and laws.

QUALITY, SAFETY AND ENVIRONMENTAL POLICY

- (1) Production of goods under international standards of safety and quality in competitive prices.
- (2) On-time delivery effectively to meet the needs of the customer.
- (3) Compliance with legal and other requirements related to the organization in terms of quality, environment, occupational health and safety.
- (4) Committed to continually improving the quality management system to meet the needs of the customer and stakeholders.
- (5) Committed to communicating and promoting the participation and awareness of employees and stakeholders in the field of quality, environment, occupational health and safety.
- (6) Committed to empowerment of employees and create awareness on the job.
- (7) Committed to allocating needed resources to enhance employees' capabilities in terms of quality, environment, occupational health and safety.
- (8) Committed to controlling hazards that could cause injury or illness of the work. Damage to property and damage to the environment in the workplace or the public.
- (9) Committed to reducing the accidental risk from high levels potentially affecting employees and stakeholders in the accepted level as well as continuous improvement.

- (10) Committed to prevent pollution of the air, noise and wastewater affecting surrounding areas and stakeholders.
- (11) Committed to promoting awareness of employees to reduce waste, energy consumption and resource usage.
- (12) Define objectives and quantitative targets for improving and ongoing operations the occupational health, safety and the environment.

The Company fully recognizes the importance of taking responsibilities to the impact from its production process on the environment along with its business operation. Moreover, the Company has been certified ISO 14001:2015, indicating our intention in responsibilities to the environment on a systematic aspect to our employees, concerned persons and local communities. Several following processes are done such as;

- Submit the information about waste movement or material that is not used outside the factory by e-mail to Department of Industrial Works every time when bringing the hazard waste, materials not used or none hazardous waste out of the factory
- Define responsible person to report the amount of waste in the factory every 30 days
- To process the waste management and materials that do not use taking out from factory as defined by the laws and regulations
- Control the leachate from the waste pile to prevent it from flowing into natural water source
- Control the garbage disposal and separate it by type into the specific area
- Control the waste volume and clean waste storage area to prevent that causes disturbing smells to the community
- Control and manage waste storage areas in accordance with the 5S principle
- Reduce and reuse paper to help preserve natural resources and environment

The Company fully aims to conduct sustainable business operation by taking care of environment. So, the Company's executives and employees are encouraged to fully be aware of the reduction of greenhouse gas emissions, such as

- o organizing online meetings that reduce travelling by car or bus. It also reduces the amount of paper used for meetings etc. For example, the Company held the Board of Director's and Audit Committee meeting via Video Conference platform for 4 times.
- o encouraging employees to be aware of energy saving in the organization, for example, setting a time to turn off the lighting system during the employee's lunch break, turn off the lights, the air conditioner when no one is in the office, meeting rooms and unplug the lighting devices when not in use for a long time. In addition, many departments are encouraged to use LED lamps rather than fluorescent lamps as well as check and clean the air filter and the cooling panel of the air conditioner regularly.

In 2022, the Company joined Thailand Carbon Neutral Network (TCNN) as the part of Thailand Greenhouse Gas Management Organization (Public Organization) to promote the collaboration among government, private sectors, and local and communities in raising the level of greenhouse gas reduction to create sustainable growth on a climate-friendly society.

The Company has fully committed to improving its production process and environmental management by follow-up, evaluation and review for continuous improvement. As a result, the Company received the Green Industry Level 3 certification from the Ministry of Industry.

Moreover, the Company employed S.P.J. Scientific Company Limited, the specialist in an environmental impact assessment, to examine the quality of environment and make report to the Company on an annual basis. Such scope of assessment includes ambient air quality, emission air quality, workplace air quality and wastewater quality. These include the volume of dust, carbon dioxide, nitrogen dioxide, sulfur dioxide, carbon monoxide, hydrogen chloride, biological oxygen demand, chemical oxygen demand and other environmental impact assessment-related parameters as assessed by the specialist in environmental impact assessment.

It is found that the quality of above parameters meets the standard according to the Ministry of Industry announcement and as specified by the government agency while the Company has never encountered with any dispute or lawsuit about environmental impact issues.



In 2023, The Company held training courses for employees related to meeting Quality, Safety and Environment including

- Course on safety when working with cranes mobile type and stationary type
- Safety course for working in confined spaces
- Safety course in installing and inspecting scaffolding
- Basic First Aid and CPR course
- Forklift driving safety course
- Safety Committee Course Occupational health and working environment
- Safety Officer Course at Supervisor Level
- Basic firefighting course



Awarding to employees and supervisors who work strictly according to safety principles as a thank you and create motivation for safe work for employees. The company has selected and given awards to employees and supervisors who attention and strictly work with safety.



THE NUMBER AND RATIO OF ACCIDENTS AT WORK IN 2023

CAUSE OF ACCIDENTS

| Cause of Accidents | Total | Death | Disability | Loss of some organs | Leave over 3 days | Leave less than 3 days | No leaves |
|--------------------------|-----------|----------|------------|---------------------|-------------------|------------------------|-----------|
| Vehicle | 2 | - | - | - | - | - | 2 |
| Machinery | 1 | - | - | - | - | 1 | - |
| Equipment | 3 | - | - | - | 1 | 1 | 1 |
| Falling from a height | 2 | - | - | - | - | 2 | - |
| Hit by Falling Objects | 2 | - | - | - | - | - | 2 |
| Scarp | 2 | - | - | - | - | - | 2 |
| Hit by objects or things | 1 | - | - | - | - | - | 1 |
| Others | 7 | - | - | - | 1 | 4 | 2 |
| Total | 20 | 0 | 0 | 0 | 2 | 8 | 10 |

NUMBER OF ACCIDENTS (PERSONS)

| Months | Total Employees | Number of Accidents (Persons) | % of Total Employees |
|--------------|-----------------|-------------------------------|----------------------|
| 1. January | 2,547 | 2 | 0.07% |
| 2. February | 2,522 | 4 | 0.15% |
| 3. March | 2,623 | 2 | 0.07% |
| 4. April | 2,640 | 3 | 0.11% |
| 5. May | 2,593 | 3 | 0.11% |
| 6. June | 2,645 | 2 | 0.07% |
| 7. July | 2,440 | 1 | 0.04% |
| 8. August | 2,157 | 2 | 0.09% |
| 9. September | 1,967 | 0 | 0.00% |
| 10. October | 1,879 | 1 | 0.05% |
| 11. November | 1,852 | 0 | 0.00% |
| 12. December | 1,203 | 0 | 0.00% |
| Total | | 20 | |

SUSTAINABILITY MANAGEMENT IN THE SOCIAL DIMENSION

The Company values responsibility for society. The Board and executives encourage the company's employees to undertake business under Corporate Social Responsibility framework for communities to grow our business on a sustained basis. Thus, the CSR policy has been established by the Board since 2014. In 2023 the Company's main after-Process CSR Activities are as follows;



- o Mr. Seung Woo Lee, Deputy Managing Director of BJC Heavy Industries Public Company Limited to receive a souvenir on occasion of contributing to a charity fund started by the King supporting the Thai Red Cross Society

His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua and Her Majesty Queen Suthida Bajrasudhabimalalakshana have granted an audience to Mr. Seung Woo Lee, Deputy Managing Director of BJC Heavy Industries Public Company Limited to receive a souvenir on occasion of contributing to a charity fund started by the King supporting the Thai Red Cross Society on Wednesday June 28, 2023 at the main auditorium, Thailand Cultural Centre.



- o **PLASTIC BINS SUPPORTING PROJECT**

On January 4, 2023, the company's representative donated plastic bins with lids to be used to make wet bins to reduce global warming to Makhm Khu Subdistrict Municipality, Rayong Province, for further use for the benefit of the community.



◦ **SCHOLARSHIP SUPPORTING PROJECT**

On July 25th, 2023, the Company supported the scholarship for children of government officials, employees at Sattahip Port Authority



◦ **COMPUTER EQUIPMENT SUPPORTING PROJECT**

On November 20th 2023, the Company made donation about various kinds of computer equipment to Rayong Association of Persons with Disabilities for further use within the aforementioned association



The Company gives the importance to human right as the necessary foundation of business operation concerning social responsibilities. Our human right policy complies with laws and relevant regulations which are as follows;

◦ **FAIR TREATMENT OF LABOR**

The Company focuses importance of its employees at all levels without any discrimination of gender, skin color, religion, nationality, political preference, ethical origin, physical disability, age, sexual orientation and identity, or other personal characteristics. All employees are equally treated on a fairly basis. Moreover, the Company also provides the working environment that is in all aspects completely free from any kind of discrimination.

The Company has a welfare committee in its establishment to discuss with employers in providing welfare to employees, giving advice and giving opinions to employers on matters relating to appropriate welfare arrangements for employees

◦ **RESPECT FOR HUMAN RIGHT**

The Company respects human rights and individuals, by recognizing the right of being human beings and equality as well as their employees' right to freely speech and to protect their personal and privacy rights. The Company also conforms to the relevant national laws regarding fundamental rights for employees.

In addition, the Company has regularly communicated, disseminated, educated and made understanding with all employees throughout the organization to ensure all employees can perform their tasks accurately and consistently in conformity with changes in business's rules, regulations and laws.

In 2023, The Company did not receive any complaint about human rights violations.

Also, during last year, The Company's lawyer organized the Basic Labor Laws training so that employees understand and can comply with such laws more effectively and compliant with the Labor Protection Act of 1998 and as announced in the Royal Gazette amending the current labor protection laws. It also promotes fair treatment of labor within the company.

The Company has always placed importance on the disclosure of sustainability information. Thanks to ongoing determination and effort, the Company received Certification about 2023 Sustainability Disclosure Acknowledgement from Thaipat Institute and an assessment of corporate governance of Thai listed companies for the year 2023 "Corporate Governance Report of Thai Listed Companies 2023" from the Thai Institute of Directors Association (IOD) at the level of 5 stars or "Excellent".



1.4 MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF KEY FINANCIAL INFORMATION

| Items | Unit | Financial Statements In Which The Equity Method Is Applied | | |
|-------------------------------------|----------|---|----------|----------|
| | | 2023 | 2022 | 2021 |
| Key Operating Data | | | | |
| Total Revenues | mil.baht | 3,542.90 | 2,738.01 | 1,544.78 |
| Contract Cost | mil.baht | 3,195.65 | 2,342.88 | 1,196.37 |
| Selling and Administrative Expenses | mil.baht | 179.30 | 178.97 | 161.06 |
| Net Profit | mil.baht | 74.71 | 189.79 | 155.38 |
| Financial Position | | | | |
| Total Assets | mil.baht | 4,215.24 | 4,514.14 | 3,829.08 |
| Total Liabilities | mil.baht | 834.51 | 1,016.16 | 455.79 |
| Shareholder Equities | mil.baht | 3,380.73 | 3,497.98 | 3,373.28 |
| Liquidity Ratio | | | | |
| Current Ratio | times | 3.60 | 3.14 | 6.33 |
| Quick Ratio | times | 2.82 | 2.24 | 5.11 |
| Cash Flow Operation Ratio | times | 0.10 | (0.41) | 2.71 |
| Receivable Turnover | times | 13.19 | 10.23 | 3.41 |
| Collection Period | days | 27.68 | 35.69 | 107.16 |
| Inventory Turnover ^{/1} | times | N/A | N/A | N/A |
| Inventory Period ^{/1} | days | N/A | N/A | N/A |
| Account Payable Turnover | times | 9.07 | 8.65 | 6.13 |
| Payable Period | days | 40.24 | 42.18 | 59.59 |
| Cash Cycle | days | (12.56) | (6.49) | 47.57 |
| Profitability Ratio | | | | |
| Gross Profit Margin | % | 8.52 | 13.54 | 10.73 |
| Operating Profit Margin | % | 1.16 | 5.83 | -3.97 |
| Net Profit Margin | % | 2.11 | 6.93 | 10.06 |
| Return on Equity | % | 2.17 | 5.52 | 4.68 |
| Efficiency Ratio | | | | |
| Return on Assets | % | 1.71 | 4.55 | 4.06 |
| Return on Fixed Assets | % | 17.77 | 26.45 | 22.44 |
| Assets Turnover | times | 0.81 | 0.66 | 0.40 |
| Leverage Ratio | | | | |
| Deb to Equity | times | 0.25 | 0.29 | 0.14 |
| Interest Coverage Ratio | times | 62.55 | 127.40 | 866.70 |
| Cash Basis Ratio | times | 0.33 | 0.44 | 8.37 |
| Dividend Payout Ratio ^{/2} | % | 213.51 | 42.06 | 31.36 |

Remark : ^{/1} As the Company produces made-to-order products, there is no finished goods where inventory turnover and period can't be calculated

^{/2} Dividend Payout Ratio is calculated on operating performance of each year

OVERVIEW OF BUSINESS OPERATION IN 2023

In 2023, BJCHI continued executing large-scale projects like CRISP and SANTOS, which is the core project to boost our revenue in this year. With the exceptional quality of work and well-known reputation, BJCHI is negotiating with our clients to work on long-term projects in the future.

Moreover, ongoing geopolitical risks between western countries and China are persuading several potential clients to seek more Asian fabricators, which is increasingly creating benefits and project opportunities for BJCHI.

As a consequence, the Company has actively participated in receiving potential project bids from many clients both in oversea and local markets in many industries, such as power plants, refineries, petrochemical, oil and gas, green energy as well as the mining business. Currently, the total bidding value is over 48,500 million baht.

As the leading modularization and fabrication service provider, the Company strongly believes our capability is able to provide one-stop products and services to clients in various industries, creating more project opportunities and achieving long-term sustainable growth for shareholders.

REVENUE

CONTRACTED REVENUE

In 2023, Contracted Revenue (excluding other revenue) was 3,493.44 million baht, increasing by 28.91% from 2,709.90 million baht in 2022. The Contract Revenue increased due to rising project activities as compared to the previous year.

OTHER REVENUE

In 2023, other revenue (excluding FX gain) was 46.57 million baht, decreasing from 28.11 million baht. This was mainly caused by the decrease in interest revenue.

(million baht)

| Revenue Structure | 2023 | | 2022 | |
|----------------------------|----------|-------|----------|-------|
| | Amount | % | Amount | % |
| 1. Modularization | 2,640.49 | 74.53 | 1,923.62 | 70.26 |
| 2. Steel Fabrication | 768.82 | 21.70 | 699.35 | 25.54 |
| - Steel Structure | 768.82 | 21.7 | 699.35 | 25.54 |
| - Piping Fabrication | - | - | - | - |
| - Storage Tank | - | - | - | - |
| 3. Other Services | 84.14 | 1.40 | 86.93 | 3.17 |
| Total Contracted Revenue | 3,493.44 | 97.63 | 2,709.90 | 98.97 |
| Other Income ^{/1} | 49.46 | 2.37 | 28.1 | 1.03 |
| Total Revenue | 3,542.90 | 100 | 2,738.00 | 100 |

Remark: ^{/1} Other income consists of foreign exchange gain, profit/loss from sale of assets, revenue from sale of steel scrap, interest income

BACKLOG

Backlog ending of 2023 is 1,731 million baht with the following details

(million baht)

| Project | Work Scope | Industry | Contract Value | Backlog | Delivery Period |
|-----------|--|---------------------|----------------|---------|-----------------|
| 1. Santos | Steel Fabrication | Gas | 1,771 | 1,130 | 4Q2026 |
| 2. CRISP | Steel Structure Fabrication and Modularization | Oil & Petrochemical | 4,938 | 601 | 1Q2024 |

Remark : 1) Santos includes GLNG (#5-6#) and Copper Basin (#2-#3)

2) Based on FX rate at 34.0590 baht per 1 USD

EXPENSES

CONTRACTED COSTS

Contracted Costs in 2023 was 3,195.65 million baht, increasing from 2022 at 2,342.88 million baht. The increasing Contracted Cost was due mainly to the rising project activities.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, General and Administrative expenses (SG&A) in 2023 was 179.30 million baht, increasing from 178.97 million baht in 2022, due mainly to rising project activities. At the same time, the Company will continue to execute effort in efficient cost control.

FOREIGN EXCHANGE GAINS / LOSSES

In 2023, the company recognized FX loss by 2.89 million baht as compared with 2022 FX gain by 21.22 million baht. This was due to the appreciation of THB against US dollar after there was capital inflow into Thailand.

PROFIT MARGIN

In 2023, Gross Profit was at 297.79 million baht, rising by 18.86% as compared with that in 2022 at 367.02 million baht.

NET PROFIT

Net Profit in 2023 was at 74.71 million baht, rising by 60.63% as compared with the net profit in 2022 at 189.79 million baht due to reasons explained previously.

(million baht)

| Profitability | 2023 | | 2022 | |
|---------------|--------|------|--------|-------|
| | Amount | % | Amount | % |
| Gross Profits | 297.79 | 8.52 | 367.02 | 13.54 |
| Net Profits | 74.71 | 2.11 | 189.79 | 6.93 |

FINANCIAL POSITION

ASSET

As of 31 December 2023, the Company's total assets were 4,215.24 million baht, decreasing by 298.90 million baht from 4,514.14 million baht at the end of 2022. The increase in total assets resulted mainly from the increase in contract assets due to the rising project activities from the previous year.

CASH AND CASH EQUIVALENTS

At the end of 2023, the Company had cash and cash equivalents of 851.62 million baht, decreasing from 1,046.42 million baht at the end of 2022. Decrease in cash and cash equivalents because the Company's operating cashflow decreased while its operating cashflow is expected to be positive in the next year.

Moreover, the Company also made some investment to underpin the existing and future projects as well as made dividend payment to shareholder in last year.

TRADE RECEIVABLES AND CONTRACT ASSETS

The company trade receivables as of the end of 2023 and 2022 were 153.65 million baht and 426.82 million baht. The trade receivables decreased due to the rising project activities from the previous year.

Contract assets at the end of 2032 and 2022 were 1,259.87 million baht (29.89 % of total assets) and 738.77 million baht (16.37% of total assets), respectively. In general, the Company's revenue recognition is based on Percentage of Completion method. As a result of that, there usually exist Contract assets because of the lag time between the agreement of progress and the invoice timing due to requirements for document submission, inputs into the client systems and verifications.

Meanwhile, the increase in Contract assets was due primarily to the increase in project activities as compared to the prior year. Moreover, The Company also defines a credit policy depending on a type of clients. If they are project-based clients, the credit policy is based on the term and condition as specified in the project contract. If they are general clients who receive other services such as galvanizing, the credit policy is approximately for 30 days.

INVENTORY

Because the company fabricates and provides customer-order products, there is no inventory in the form of finished goods, and the inventory comprises raw and work-in-progress material. The 2023 and 2022 inventory value were 443.63 million baht or 10.53 % of total assets and 609.64 million baht or 13.51 % of total assets, respectively. Inventories in 2023 decreased in value compared to the previous year due to the decrease in raw and work-in-progress material.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment at the end of 2023 and 2022 were 1,249.13 million baht and 1,310.70 million baht (29.63% and 29.04% of total assets), respectively. This was because the Company made some investment to underpin the existing and future projects.

SOURCE OF FUND

LIABILITIES

The company's total liabilities as of 2023 and 2022 were 834.51 million baht and 1,016.16 million baht, respectively. At the same time, the current liabilities were 804.32 million baht and 987.04 million baht, accounting for 96.38% and 97.13% of total liabilities, respectively. The decrease in liabilities has been directly driven by the decrease in trade payables due to the rising project activities.

SHAREHOLDERS' EQUITY

2023 total shareholders' equity was 3,380.73 million baht, rising by 117.25 million baht from 3,497.98 million baht in 2022. The decreased shareholders' equity was mainly due to the decreasing net profit in 2022.

CASH FLOW STATEMENT

CASH FLOWS

FROM OPERATING ACTIVITIES

Net cash flow from operating activities in 2023 was negatively 90.06 million baht, as compared to that in 2022 at 285.34 million baht because of the increase in contract assets and trade receivables.

CASH FLOWS

FROM INVESTING ACTIVITIES

Net cash flow from investing activities in 2023 was negatively 79.06 million baht, comparing with the previous year at negatively 340.47 million baht. This was mainly because the Company made some investment to underpin the existing and future projects.

CASH FLOWS

FROM FINANCING ACTIVITIES

Net cash flows in 2023 from financing activities were negative 211.14 million baht, as compared with that in 2022 which was equal to negative 45.34 million baht due to the dividend payment to shareholders in 2022.

(million baht)

| Statements of Cash Flows | 2023 | 2022 |
|---|-----------------|-----------------|
| Net Cash Inflow (Outflow) from Operating Activities | 90.06 | (285.34) |
| Net Cash Inflow (Outflow) from Investing Activities | (79.06) | (340.47) |
| Net Cash Inflow (Outflow) from Financing Activities | (211.14) | (45.34) |
| Effect from Exchange Rate on Cash and Cash Equivalents | 5.99 | (68.69) |
| Increase (Decrease) in Cash and Cash Equivalents - Net | (194.80) | (739.84) |

EFFICIENCY RATIO

In 2023, return on total assets and return on fixed assets were 1.71% and 4.55% respectively, improving from 2022, thanks mainly to the increasing net profit as cited previously.

LIQUIDITY & FINANCIAL RATIOS

In 2023 and 2022, current ratio was 3.60 times and 3.14 times, respectively. While the quick ratio was 2.82 times and 2.24 times, respectively. The decrease of the current ratio stemmed primarily from the decrease of trade payable from 440.99 million baht in 2022 to 263.66 million baht in 2023, leading to the increase in current liabilities. The Company liquidity has been relatively solid due to the availability of cash and consistent payments/cash inflows from clients. In certain projects, advanced payments of approximately 5-10% of total contract value for procurement of raw materials were made by customers. Consequently, the Company has not needed to employ long-term loans.

The Company's strong financial position is evident in debt-to-equity ratio. The debt-to-equity ratios for 2023 and 2022 were 0.25 times and 0.29 times respectively due to no long-term loans.

CONTINGENT LIABILITIES

As of 31 December 2023, the Company has liabilities which may take place from issuing letters of guarantee (L/G) by the banks both in Thai baht and in foreign currencies worth 2,228.95 million baht (based on Bank of Thailand's FX rate data on 28 December 2023). Such obligation may have impacts on the company's cash flow position in the future.

FACTORS OR EVENTS THAT COULD AFFECT THE FINANCIAL CONDITION OR OPERATIONS SIGNIFICANTLY

BJCHI's revenue depends mainly on our capability to secure project bids. The uncertainty in awarding the project might come from higher competition, delay in project development as well as the slowdown of economic conditions and industries which will result in volatility of revenue and profit margin. Such factors or events as mentioned above could affect the financial condition or operations significantly.

Having taken them into accounts, the Company then will actively participate in project bids, develop and improve production process, enhance skills of workers and employees to deliver quality of work reaching standard and provide on-time delivery for clients. This will make clients satisfied and then increase more project opportunities for BJCHI in the future.

1.5 GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

| | |
|--|--|
| Name | : BJC Heavy Industries Public Company Limited |
| Type of Business | : Provide products and services relating to Fabrication, Modularization, Site Erection, Precast Concrete for industrial works |
| Registration No. | : 0107556000302 |
| Authorized Capital | : 399,922,500.25 Baht |
| Paid-up Capital | : 1,599,690,000 Share |
| Par value | : 0.25 Baht per Share |
| Address | : No. 594 Moo 4, MakhamKoo, Nikompattana Rayong 21180 |
| Telephone | : 033-017-345 |
| Fax | : 033-017-348 |
| Homepage | : www.bjc1994.com |
| Investor Relations and Company Secretary Department | : Mr.Chanchai Charoenpanit Telephone : 033-017-345 E-mail : ir@bjc1994.com |
| Company Registrar | : Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400, Thailand Telephone : 02-0099999 Fax : 02-0099991 E-mail : SETContactCenter@set.or.th Website : http://www.set.or.th/tsd |
| Independent Auditor | : A.M.T. & Associates Ms. Daranee Somkamnerd, C.P.A. No. 5007 491/27 Silom Plaza 1 st floor, Silom Road, Bangruk Bangkok 10500 Telephone : 02-234-1676, 02-234-1678, 02-237-2132 Facsimile : 02-237-2133 |
| Legal Consultant | : Mr.Tummarat Deethong Telephone : 033-017 345 E-mail : tummarat@bjc1994.com |
| Legal Dispute | : In 2023, there were no legal disputes which might cause the damage over 5% of shareholder equities and no significant impact on business operation |
| Secondary Market | : -None- |
| Frequently Contacted Financial Institutions | : -None- |

GOOD CORPORATE GOVERNANCE

PART 2



2.1 CORPORATE GOVERNANCE POLICY

BJCHI aims to be the leading and successful company in creating long-term value and benefits for shareholders and stakeholders. To achieve these objectives, BJCHI then would like strongly to operate its business based primarily on good corporate governance policy on a transparent, accountable and ethical basis which are used as the framework reflecting the Company's value. The main objective is to encourage all employees to develop themselves and bring the mentioned guideline into practices by sticking to moral principles, honesty and conforming to laws, traditions and cultures as well as related rules and regulations of a country in which the company has operated its business.

BJCHI is strongly confident that good management process with transparency and international standard will enhance our competitive landscape which in turn makes BJCHI to be more accredited locally and internationally. This is one of the most important factors to reach the business goals, increase the Company's value and create long-term sustainable growth. This will also help to build confidence of shareholders, investors and stakeholders which all are expected to receive equitable treatment and then build up BJCHI's image.

Therefore, the Company's Board of Directors has established a policy of good corporate governance and develop good corporate governance policy in according with good corporate governance framework defined by the Stock Exchange of Thailand, international practices, related laws as well as traditions, BJCHI has improved good corporate governance policy in order for Directors, executives and all employees to take it into practices. Such good corporate governance policy is also disclosed on the Company's website both in Thai and English version.

GOOD CORPORATE GOVERNANCE FRAMEWORK

Based on BJCHI's business operation, the Board of Directors has firmly complied with the law, objectives, regulations, resolutions of the shareholders' meeting and the Principles of Good Corporate Governance of Listed Companies prescribed by the Stock Exchange of Thailand and the Corporate Governance Code for Listed Companies 2017 which all are implemented as the guideline to enhance BJCHI's business operation. This has also created transparency for investors and build up confidence to external parties. Corporate governance framework has been defined as follows:

1. THE RIGHTS OF SHAREHOLDERS

(1) Protection of Shareholders' rights

BJCHI recognizes the critical importance of the fundamental rights of its shareholders, as investors in the Company's securities and owners of the Company. BJCHI therefore refrains from any act that may violate or curtail the rights of shareholders or neglect equitable treatment among shareholders by taking into consideration the basic rights of shareholders which include the rights to equally receive dividend payment from net profit, the rights to repurchase the Company's shares, the rights of communication, the rights to propose meeting agenda, the rights to nominate members of the Board, the rights to submit questions in relation to meeting agenda in advance, the rights to attend the shareholders' meeting and vote, the rights to grant proxy to any person to attend the meeting and vote on their behalf, the rights to express opinions and raise questions at the shareholders' meeting, the rights to vote during the election of directors individually so that the shareholders can truly vote for the desired director, the rights to consider remuneration for Directors, and the rights to vote for the appointment of external auditors and determination of auditor's fees. BJCHI also ensures freedom of communication among the shareholders and immediately discloses all shareholders agreement that may have significant impact on the Company or other shareholders.

(2) The Shareholders' Meeting

The Company promotes and facilitates the exercise of the shareholders' rights for shareholders meeting as follows;

- Disseminated the meeting program and information on each agenda to shareholders in advance not less than 7 days or any period of time required by related laws, rules and regulations. Board of Directors' opinions also are included in each of the agendas as well as adequate information in order for shareholders to have sufficient time to consider each agenda carefully before the meeting date. Moreover, the Company will disclose such the information on the Company's website before the meeting date.
- In case that shareholders are not able to attend the shareholders' meeting themselves, the Company provides such the way for them to exercise their voting rights by assigning Independent Directors and assigned persons with one of the proxy forms attached with invitation letter to shareholders meeting.
- The Company facilitates maximum attendance of the shareholders by carefully choosing a venue which is readily accessible by the shareholders while a map of the meeting venue was enclosed in the invitation letter to the meeting. Additionally, the Company also carefully selects the optimal meeting date and allocates sufficient time for the shareholders' meeting. At present, the Company also allows shareholders to participate in E-AGM in addition to the physical meetings as done in the past.
- The Company also opened the opportunity for the shareholders to submit their opinions, proposals and inquiries for the agenda in advance according to criteria set by the Company. Such criteria are disclosed through the Company's website.

- During the shareholders' meeting, shareholders are permitted to freely express their views, make recommendations and ask questions before casting their votes on each meeting agenda. Where required, the Directors and the relevant executives clearly answered the questions raised by the shareholders.
- The Company facilitates the meeting by using the votes in ballots in each agenda for a transparent and accountable basis.
- Regarding the transparent basis, the Company will assign an independent party for voting count for each agenda.
- When the shareholder meeting ends, the Company will make the shareholder meeting report on an accurate and complete basis including material issues, questions and recommendations in order for shareholders to oversee such information. Moreover, the Company records and keeps VDO for its reference as well as publishes through the Company's website including with details of the voting results for each agenda with Minutes of the Annual General Meeting of shareholders for shareholders' consideration.

Furthermore, BJCHI has facilitated the shareholders who are institutional investors by sending their proxy forms in advance to verify the accuracy before the meeting date. In addition, the stamp duty for the proxy forms is provided to the proxies who register to attend the shareholders' meeting. At the Annual General Meeting of Shareholders, BJCHI complied with the framework of Good Corporate Governance, AGM Checklist required by Thai Investors Association, Thai Listed Companies Association and Securities and Exchange Commission. There were 30 shareholders, representing 1,199,985,810 shares, or 75.01 % of total issued shares of the Company excluding 3,109,800 treasury shares which has no voting rights. This exceeded the attendance requirement for the meeting quorum as pursuant to the law and the Company's Articles of Association.

Moreover, the Company received the full assessment score at 90-99, considered as "the excellent level" under quality assessment by Thai Investors Association (TIA) for the arrangement of its 2023 AGM. This is another success to prove that the Company has continued to give importance to and focus on continuous development of corporate governance.

Regarding 2023 Shareholders' Meeting, BJCHI disseminated the meeting program and information on each agenda to shareholders well in advance through the SET's official communication system and BJCHI's website on 17th March 2023, more than 30 days before the meeting date in order for shareholders to allow sufficient time to consider each agenda carefully.

2023 BJCHI's Annual General Meeting was held on Friday 21st April 2023 at the main meeting room of BJCHI main office address 594 Moo 4, Makamkoo, Nikompattana, Rayong, starting at 13.30 p.m. BJCHI selected the date of the appropriate shareholders' meeting and allocated sufficient time for the meeting including facilitated the shareholders to attend the meeting. Due to the Covid-19 outbreak, the meeting was held by E-meeting format.

2. THE EQUITABLE TREATMENT OF SHAREHOLDERS

BJCHI will conduct the equitable treatment of shareholders regardless of gender, age, race, nationality, religion, belief, political opinion and disability. Moreover, if shareholders are not able to attend the meeting, they are eligible to assign persons as their representatives to join the shareholder meeting.

- (1) BJCHI will inform a meeting schedule and agendas to SET and disclose them through the Company's website not less than 30 days prior the meeting date. Moreover, the invitation letter to shareholders meeting will be published and disclosed both Thai and English on the Company's website.
- (2) BJCHI will facilitate minor shareholders to nominate candidates for Directorship, propose meeting agenda and ask questions. The procedure for minor shareholders to propose candidates for Directorship will be clearly defined in advance or any additional criteria proposed by minor shareholders will be input in the meeting agendas or not.
- (3) During the shareholder meeting, BJCHI also opens the equal opportunity for the shareholders. Prior the meeting, the Chairman will explain the voting procedures, the voting count for each agenda while all shareholders receive the opportunity to freely express their views and opinions, make recommendations and ask questions with the sufficient time. The Chairman will run the meeting based on defined agendas. Executives are not allowed to input any agendas without informing to shareholders in advance if not necessary particularly for any material agendas which shareholders need sufficient time to carefully consider before decision-making.

- (4) With respect to the agenda for considering and appointing Directors, the voting was done on an individual basis.
- (5) A Director, who has conflicts of interest on any meeting agenda, must report such conflicts of interest before the meeting considers the relevant meeting agenda. Such the issue must be recorded in the Board of Directors' meeting. The Director who has significant conflicts of interest in the manner that prevents him or her to express independent opinion must leave the meeting when the agenda item is being deliberated.
- (6) BJCHI has a policy to prevent illegal use of internal information. A person or a department who received inside information are not allowed to disclose such information to other agencies or unrelated persons. Disclosing/using such information for their own benefits / for others' benefits or dealing in transactions where conflicts of interest exist is considered a serious offence, and anyone who has engaged in such activities is subject to disciplinary sanctions. Moreover, Directors, Executives and related persons must not involve in insider trading including their spouse and their minors of cited persons while an authorized person taking charge in a change in the possession of securities must submit the report to the company secretary on a regular basis and then disclose it in annual report.

In 2023, there was no case about violation of conflicts of interest transactions.

3. THE IMPACT ON STAKEHOLDERS IN THE VALUE CHAIN OF THE BUSINESS

BJCHI tirelessly emphasizes importance about rights of all relevant stakeholders including shareholders, employees or external parties such as business partners, customers. BJCHI fully realizes that feedback and support from all the stakeholders can contribute to the enhancement and development of the Company's business operations. As a result of that, BJCHI will conform to laws, relevant rules and regulations for stakeholders' rights. It follows that BJCHI takes into account the rights of all the relevant stakeholders. The details are as follows;

Shareholders : BJCHI operates business with transparency and efficiency. BJCHI intends to operate the business in order to achieve good operating results and long-term sustainable growth so as to maximize long-term value to the shareholders. In addition, BJCHI discloses reliable information to the shareholders with transparency.

Employees : BJCHI treats all employees fairly and provides suitable remuneration. The company places high priority on continuous development of the employees in terms of skills, knowledge and capabilities. Training, seminar is provided for all employees while caliber employees are motivated to continue working with the company.

Furthermore, BJCHI provides clear and strict guidance so as to prevent frauds and corruption and to motivate employees to comply with all the relevant laws and regulations such prohibition of inside trading.

Business Partners : BJCHI has fair and equitable procedures for selecting business partners by providing the same information to all the prospective companies and selecting business partners based on clear assessment criteria. BJCHI also works with the business partners to agree on fair and appropriate terms and conditions, and BJCHI has the monitoring system to ensure that all terms and conditions are fully complied in order to protect all frauds during the selection process. BJCHI procures products from clients by strictly reaching commercial conditions and clients' contracts.

Customers : BJCHI has the responsibility to the customers to delivering products and services of quality that is in line with industry standards and customers' specifications. Additionally, BJCHI provides post-delivery service, detailed information relating to the products and services delivered to the customer, and a channel for customers to report defects or inadequate services so that BJCHI can immediately address the issues and take necessary corrective actions to prevent recurrences.

Creditors : BJCHI will comply with the contract terms that BJCHI has agreed with the creditors, including repayments of principal and interests and retention of security assets.

Competitors : BJCHI competes with competitors within the framework of healthy competition in compliance with all relevant laws and regulations while fair competition policy are also promoted by BJCHI.

Environment and Communities : BJCHI cares and gives priority to safety of society, environment and quality of life in the community in the areas where the Company's business operations are located. BJCHI educates its employees to partake in the responsibility to preserve the environment and societies in line with the law and regulations. BJCHI also involves in various activities in building and preserving environment as well as promoting local cultures where BJCHI runs the business operation.

Any stakeholder may make inquiries, raise complaints or provide information on any violation of law, inaccuracy in the financial reports, defective internal control system or violation of business ethics of the Company to any Independent Director or member of the Audit Committee. The complaints and information received will be kept confidential. The Independent Director or member of the Audit Committee will then direct an investigation into the matter, seek a solution thereto, if possible, and deliver a report to the Board.

4. DISCLOSURE AND TRANSPARENCY

BJCHI discloses the information required by laws and regulations of governing agencies. Such information must be fully scrutinized by responsible persons in an accurate, complete and sufficient basis for investors' decision-making. The disclosure needs to be approved from the Company's authorized person while confidential information of the company, customers, and business partners must not be disclosed to irrelevant parties except only for approved cases or required by laws. Moreover, such information must be not exaggerated and misunderstood. The details are as follows;

- (1) The Board of Directors places high priority for information disclosure on an accurate, complete, transparent and timely manner both in financial and non-financial information as well as any other information which has the impact on BJCHI's security price with the potential influence on decision-making of investors and stakeholders. Such information disclosure is strictly complied with rules and regulations of SEC and SET.
- (2) Investor Relation Department is established as the communication channel with investors or shareholders. BJCHI regularly organizes its meeting event to analyze the operating performance and disclose such information both in financial and general information for shareholders, analysts, credit rating agencies and government agencies through various channel such report to SEC, SET and the Company's website. BJCHI recognizes the importance of regularly disclosing the information both in Thai and English in order for shareholders to receive the Company's information on its website which will be kept regularly updated including vision, mission, financial statement, public relation news, annual report, organization chart, Board of Directors and the management team, shareholding structure, major shareholders, the invitation letter to the meeting, the company registration documents and company's charter.
- (3) BJCHI fully recognizes the importance of financial statement and information disclosed in annual report. The Audit Committees will scrutinize a quality of financial reporting and internal control as well as disclosure to notes to financial statement. Later, the Audit Committees will report The Board of Directors. BJCHI will make report of the Board's Responsibilities for financial statement and auditor report through annual report. In addition, the Board of Directors promotes the company to do Management Discussion and Analysis on a quarterly basis.
- (4) BJCHI discloses the information about individual directors, roles and responsibilities of the Board of Directors, Sub-Committees, the number of meeting attendance in the prior year as well as opinions from their duties, training, and professional development in annual report, annual registration system. Moreover, remuneration policy, details of directors' and executives' remuneration for the company and its subsidiaries (if any) are also disclosed.
- (5) BJCHI also discloses auditor's fees and service fees.
- (6) BJCHI also provides the corporate governance policy, business code of conduct, risk management policy and environment and societies-preserving policy as finalized. The result of policy execution and impractical cases with reasons are disclosed through many channels such as annual report and the Company's website.

So as to follow the disclosure and transparency policy, BJCHI discloses various kinds of information required by laws and rules of governing agencies. Disclosed information must be fully scrutinized by responsible persons on a complete, accurate and sufficient manner for investors' decision-making. Such disclosure must be approved by the company's authorized persons and confidential information of the company, clients, business partners must not disclose to unrelated persons if not receiving approval or necessary for applicable laws. Such information must not be exaggerated and cause significant misunderstandings.

TYPE OF DISCLOSED INFORMATION

- (1) Disclosure of operating results, balance sheets and Income statements both reviewed and audited version as well as Management Discussion and Analysis (MD&A) to disclose the financial information for investors and make them understand changes in financial positions and operating results exceeding by 20%.
- (2) Report of the Board's Responsibilities for the Financial Statements along with auditor report in annual report.
- (3) Corporate governance policy report, business code of conduct, risk management policy where the Board of Directors agrees and results of policy execution are disclosed through annual report and the company's website.
- (4) The remuneration policy for Directors and high-level executives is based on duties and responsibilities of each individual including form and type of remunerations.
- (5) Roles and duties of Directors and Sub-Committees, the meeting attendance and individual attendance over the last year as well as opinions from duties, training and professional development of Directors are also disclosed in annual report.
- (6) Auditor's fees and other fees.
- (7) Information of the company, criteria, condition and method of information disclosure required by the Stock Exchange of Thailand as well as the related laws such as asset acquisition and disposal, related transactions and changes in the company's registered capital.
- (8) Disclosure of Head of Audit's qualification and experience are displayed in annual report.

CHANNEL OF INFORMATION DISCLOSURE

- (1) Disclose on SET Portal according to criteria and procedure required by the Stock Exchange of Thailand
- (2) Securities and Exchange Commission Office
- (3) Department of Business Development, Ministry of Commerce
- (4) www.bjc1994.com
- (5) Reporters, Newspaper and Medias
- (6) Analyst Meeting
- (7) Company Visit/One-on-One Meeting
- (8) Road Show
- (9) Shareholder documents by mail

In 2023, BJCHI also conducted several events as follows:

- Quarterly Analyst Meetings : in 2023, BJCHI organized 2 Analyst Meeting events to provide material information to analysts and fund managers
- SET's Opportunity Day : In 2023, BJCHI's executives attended the event for 2 times
- Disclosure on BJCHI's information via many channels such as Medias, Newspaper, E-Newsletter, Magazine, Website etc.



Additionally, BJCHI highly prioritizes investor relation activities by establishing Investor Relation (IR) Department serving as the contact point to communicate with investors, analysts and related parties on an efficient manner. Due to our continuous determination, BJCHI received 2017 Best IR Award and 2020 Outstanding IR Award.

4. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

(1) BOARD OF DIRECTORS STRUCTURE

The Board of Directors currently consists of directors who collectively possess the appropriate knowledge, expertise, capabilities and experience to fully create benefits for the company and to undertake their effort and time for their own responsibilities. The Board of Directors takes a key role in determining policies and organization overview, governing, monitoring and evaluating the company's performance as planned.

The Board of Directors, who is appointed by shareholders to oversee the company's business performance, also appoints Executives to take responsibilities on the company's business operation, establishes Sub-Committees to take charge in a specific issue, and appoints the company's auditors as well as the company secretary for taking roles in the meeting event in accordance with laws and compliance.

The Board currently consists of at least 5 directors which the number of directors not less than one-half (1/2) of the total number of the directors have residency in Thailand composing of the Chairman, Vice Chairman and Directors. The non-executive directors must make up at least one-third of the total number of the directors but not less than 3 persons. The non-executive directors must be independent from the management and do not have any business relationship as Notification of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand in relation with qualifications and the non-executive directors' scope of work which in turn will help keep balance in considering and voting for the company's issues on a suitable basis, concerning about shareholders' interest on an equal basis and settling conflicting of interests between the company with Executives / major shareholders and other companies which have the same Executives and major shareholders. The non-executive directors who are able to freely deliver their opinions have the term of directorship is no more than 3 years including the independent directors have a continuous time to position no more than 9 years from the date of their first appointment as independent directors. In the case of appointing such an independent director to continue in the position, the Board of Directors will reasonably consider such necessity. Moreover, a director or executive of the Company may also be a director or executive of an associated company of the Company or other legal entities, whereby the Board of Directors considers to determine the number of listed companies in which each director will hold office no more than 5, without exception, subject to the provisions of the Securities and Exchange Commission, the Stock Exchange of Thailand and other competent authorities, provided that the holding of the position in other companies are reported to the Board for acknowledgement.

(2) POWER, DUTIES AND RESPONSIBILITY

The Board of Directors has duties to represent shareholders and has powers, duties and responsibilities in the company's business operation, to determine policies and business direction and oversee the company in order to achieve the business goals to create long-term sustainable growth in accordance with the law, business code of conduct as well as the benefits for all stakeholders.

In addition to being shareholders' representatives, power, duties and responsibility of The Board of Directors are in line with the law, the company's Articles of Association and objectives and the resolutions of the shareholders' meetings as follows:

(1) Corporate Governance Policy

The Company provides the written corporate governance policy to propose for The Board of Directors' approval. Establishing corporate governance policy is to provide guidance for Directors, Executives and employees for their practice. Moreover, The Board of Directors will review such that policy on a yearly basis.

(2) Business Code of Conduct

The Company intends to operate its business on a transparent, fair basis with responsibilities to stakeholders, societies and environment. The company defines the following written procedures for Directors, Executives and employees for their practice;

- (a) Code of Conduct about responsibilities to shareholders
- (b) Code of Conduct about relations to customers
- (c) Code of Conduct about relations to business partners, competitors and creditors
- (d) Code of Conduct about responsibilities to employees
- (f) Code of Conduct about responsibilities to societies and environment

The Company announces and informs such the above procedures in order for all employees to acknowledge and strictly take them into practice.

(3) Conflicts of Interest Policy

The Company has a policy to mitigate and manage conflicts of interest with care and integrity on a reasonable basis under the business ethics framework and the company's benefit. Any Director who has or may have conflicts of interest in respect to any matters related to the company shall disclose them to the company while he or she shall abstain from voting and must leave the meeting when the item is being deliberated.

The Company has related transaction policy and conflicts of interest policy which are applicable with laws, rules and regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand. Such policies are also disclosed in annual report and annual registration statement.

(4) Internal Control

Regarding Internal Control system for supervising the company's internal control both in Executive level and operational level, the company establishes the Internal Audit Unit to assess a sufficiency of Internal Control system and then report to the Audit Committee according to the internal audit plan.

(5) The Risk Management

The company establishes The Risk Management Committee to support The Board of Directors in defining the risk management framework covering the organization as well as overseeing risk management process to mitigate the risks that the Company currently encounters on a suitable basis.

(6) Directors' Report

The Audit Committee has duties to review the reporting of its financial performance along with accounting team and auditors during the meeting and then proposes such the reporting of its financial performance to The Board of Directors on a quarterly basis. The Board of Directors will take responsibilities for the financial reporting of the company and its subsidiaries as well as financial information as disclosed through annual report

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- (1) to devote his/her time and recognize the importance in their duties as well as govern the company under the laws, objectives, Articles of Association, the Board of Directors' resolution as well as shareholders' resolution with responsibilities, prudence and integrity to protect the company's benefits.
- (2) to determine the vision, business strategies, business direction, business policies, targets, business plan, budget, management structure and authority limits of the Company and its subsidiaries, and to oversee management and the operating performance of the Management or other designated persons to comply with defined policies in order to maximize value for the company and its shareholders. Moreover, such vision, business strategies, business direction will be reviewed on a yearly basis.
- (3) to determine the policies regarding good corporate governance for the administration to be by the principles of good governance, ethical, transparent, verifiable, and socially responsible and environment. It also promotes innovation and supports businesses to adapt under changing factors and increase competitiveness in the long term sustainable.
- (4) to determine the framework and policy for determining salaries, salary adjustments, bonuses, remunerations and benefits of the high-level executives including regular evaluation of the performance of top management.
- (5) to monitor and evaluate Executives' performance on a regular basis to achieve the company's strategies based on the company's working plan and budget as well as oversee Executives' remuneration on a suitable basis.
- (6) To consider and approve the selection of auditors that have been screened and selected by the Audit Committee and present them to the shareholder meeting for further approval.
- (7) to ensure that the Company and its subsidiaries adopt an appropriate and efficient accounting system, and to ensure that it has reliable financial reporting and accounting systems, including sufficient and appropriate internal control and internal audit systems;
- (8) to consider and approve the acquisition or disposition of assets (in cases the value of the transaction does not require an approval from the shareholders' meeting), investment in new businesses and any operational matters as required by relevant laws, notifications and regulations;
- (9) to consider and approve material transactions required by laws, rules, policies, regulations or the company's authority relevant on the related-party transactions (in cases the value of the transaction does not require an approval from the shareholders' meeting) of the company and its subsidiaries to maximize value for shareholders and stakeholders as well as to oversee and cope with potential conflicts of interest and related-party transactions.
- (10) to consider and approve the interim dividend payment to shareholders of the company.
- (11) to review the risk management procedures and policies and to monitor the operating results with respect to the risk management.
- (12) to appoint committees; e.g., the Audit Committee, the Executive Committee, the Risk Management Committee and/or any other subcommittees, to support and enhance the performance of the Board.
- (13) to appoint the Company Secretary to assist the Board in various matters to ensure that the businesses of the Company operate in compliance with the applicable laws and regulations.

- (14) to seek professional advice from third-party organizations if it is necessary to make a proper decision.
- (15) to prepare an annual report and to be responsible for the preparation and disclosure of the financial statements presenting the financial standing and operating results of the company in the preceding year to be proposed to the shareholders' meeting for further approval.
- (16) to hold an annual general meeting of shareholders within 4 months from the end of the company's accounting period.
- (17) To ensure that the company holds meetings only with independent directors no executive committee and management attending the meeting at least once a year.
- (18) to consider and approve various matters by fairly taking into account interests of shareholders and all groups of stakeholders.
- (19) to provide communication channel for each shareholder group on a suitable basis with disclosure assessment to ensure that such information is disclosed on an accurate, transparent, reliable and timely manner.

DUTIES AND RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD

- (1) not being the Chairman of Executive Committee and independent from the management to separate roles in defining the policy overview and governance from the daily task.
- (2) not being the Chairman and members in Sub-Committees for Sub-Committees to perform their duties on an independent manner.
- (3) oversee duties of Directors, support and advice the management under the authority approved by the Board of Directors.
- (4) provide recommendations in the Board of Directors' meeting by coordinating with the Chairman of Executive Committee and Chief Executive Officer.
- (5) being the Chairman in the Board's meeting and the shareholder meeting.
- (6) make final voting in the Board's meeting if voting from two sides is equal.
- (7) promote and oversee Directors to comply with defined authorities and responsibilities to shareholders and stakeholders under the framework of good corporate governance, ethical standard and business code of conduct.
- (8) build up good relationship between Executive Directors and non- Executive Directors as well as between The Board of Directors and the management.
- (9) allocate sufficient time for the management to propose matters where Directors will thoroughly consider and discuss as well as encourage Directors to make deliberated and independent opinion.

(3) STRUCTURE, POWER, DUTIES AND RESPONSIBILITIES OF SUB-COMMITTEES

To consider significant matters on a prudent and efficient basis, The Board of Directors establishes Sub-Committees to help oversee the company as follows;

- o **Audit Committee** consists of at least 3 independent directors, and at least one of which shall have sufficient knowledge and experience in accounting and finance to review the financial statements. The Audit Committee has duties to assist the Board in overseeing and auditing business operations, internal controls, risk management and corporate governance, including preparing the financial reports to ensure transparency and accuracy of the company's disclosed information.
- o **Executive Committee** consists of at least 5 members, who do not need to be the executive directors to assist the Board in directly managing the business operations of the company in accordance with the policies, plans, Articles of Association and other orders assigned by the Board.
- o **Risk Management Committee** consists of at least 3 members. The Risk Management Committee has duties to assist the Board in determining the policies to manage all significant risks and ensuring appropriate risk management mechanisms are in place to prevent, mitigate and/or control the impacts of those risks on the company. Moreover, The Risk Management Committee has authority to establish a working team to evaluate and follow the organization risk as well as define the risk management policy based on external and internal issue covering at least 4 following aspects;
 - (a) Financial Risk
 - (b) Operational Risk
 - (c) Strategic Risk
 - (d) Compliance Risk

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- (1) To review correctness and adequate disclosure of the Company's financial report.
- (2) To review the Company's internal control system and internal audit system to ensure that they are suitable and effective. Consider the independence of the internal audit unit as well as approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other units responsible for internal audits.
- (3) To review the Company's compliance with the Securities and Exchange Commission Act, The Stock Exchange of Thailand and other laws related to the Company's business.
- (4) To consider, select and nominate an independent person to be the Company's auditor and propose the remuneration of such person. Also, attend the meeting with the auditors without the management at least once a year.
- (5) To consider the Connected Transaction or the transactions that may lead to conflict of interest shall be in accordance with the Securities and Exchange Commission Act as well as the announcement and regulations of the Stock Exchange of Thailand, to ensure that the transaction is reasonable and of utmost benefit to the Company.
- (6) To prepare Auditor Committee report and disclosed in the Company's annual report which must be signed by the Chairman of the Audit Committee, and must contains at least the following information;
 - (a) Opinion about the correctness, completeness and reliability of the Company's financial report.
 - (b) Opinion about the adequacy of the Company's Internal Control system.

- (c) Opinion about the implementation of violation of the Securities and Exchange Commission Act, the regulations of The Stock Exchange of Thailand or law relating to the Company's business.
 - (d) Opinion about the suitability of the Auditor.
 - (e) Opinion of any transactions of the conflicts of interest concerns.
 - (f) The number of the Audit Committee meeting and attendance of each audit committee member.
 - (g) Opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
 - (h) Any other items that the shareholders and investors should be acknowledged under scope of responsibilities and duties which assigned by the Board of Directors.
- (7) To review the effectiveness and appropriateness of the Company's risk management.
 - (8) To consider the Anti-Corruption Policy & Practices to be in accordance with the business model, environment and culture.
 - (9) To review the appropriateness of changing the Anti-Corruption Policy & Practices.
 - (10) To review and propose amendment to the scope of authority, duties and responsibilities of the Audit Committee are consistent with the situation.
 - (11) To monitor and investigate related persons under the authority of the Audit Committee and have power to hire or bring in specialists to support with audition and investigations.
- (12) If find or suspect the transactions or actions occurred following which may significance impacts to financial status and business performance, the Auditor Committee must report to the Board of Directors for rectification within the timeline the Audit Committee deems appropriate.
 - (a) Conflict of Interest items.
 - (b) Fraud or irregularity or major defect in the internal control system;
 - (c) Violation of the Securities and Exchange Commission Act, regulations of The Stock Exchange of Thailand or law relating to the business of the company.
- In case of the Board of Directors or the Management does not action or improve in timeline mentioned above, any member of the Audit Committee may report that the transaction or action is in the above with the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
- (13) To provide opinion to the management regarding appointment, termination, performance, budget and capacity of Internal Audit Department.
 - (14) To prepare the Audit Committee's performance report propose to the Board of Directors at least once a year.
 - (15) To acquire notification of fraud and corruption rendering in relation to personnel in the company, investigate the facts and propose to the Executive Committee for further solving or punishment.
 - (16) Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

- (1) To establish policies and strategic direction, business plan, budget, management structure and the management authority to propose to the Board of Directors for approval. Implementation has been approved by the Board of Directors including monitoring the performance to be in line with effective and efficient manner.
- (2) To manage and supervise the operations related to the general administration of the company.
- (3) To define Anti-Corruption Policy & Practices, including encourage and support these policies and practices.
- (4) To review the appropriateness of system and regulations including Anti-Corruption Policy & Practices to be appropriate in accordance with the changing business and regulatory requirements of the law.
- (5) To approve the contracts and/or transactions related to the Company's normal business (such as trading, investment or joint ventures with other parties to the transaction as the Company's normal business and benefit as the Company's purposes.) within the limits prescribed by the Authority Limits.
- (6) To approve loans, credit assessment, lending, pledge or mortgage, or being a guarantor for the company and its subsidiaries from financial institution within the limits prescribed by the Authority Limits.
- (7) To approve the appointment of various consultants which necessary for the Company's operation under the annual budget approved by the Board of Directors.
- (8) To define the framework and policies for determining salaries, salary adjustment, bonus, compensation and reward.
- (9) To perform any other tasks as assigned by the Board of Directors or in accordance with the policy set by the Board of Directors.
- (10) To support the Audit Committee to investigate the facts as notified or assigned by the Audit Committee on investigation of fraud and corruption.
- (11) To communicate with personnel in the organization and relevant for any policies and procedures to encourage the implementation of policies and guidelines.
- (12) To assign one or more persons to act on behalf of the Executive Committee.

The delegation of authority and responsibility of the Executive Committee shall not be delegated or sub-delegated which able to approve the transaction that the persons may be in conflict with. (As defined in the Notification of the Securities and Exchange Commission or The Capital Market Supervisory Board) may have a vested interest. Or may have benefits in any way or may have conflicts of interest with the Company or its subsidiaries. Except for the approval of the transactions in accordance with the policies and criteria approved by the Board of Directors.

DUTIES AND RESPONSIBILITIES OF THE RISK COMMITTEE

- (1) Review the nature of risks that the company is experiencing or expected to occur and affect the company (Identification of Risk), including setting a comprehensive risk management policy for both external and internal organizations at least 4 things as follows:
 - (a) Financial Risk
 - (b) Operational Risk
 - (c) Strategic Risk
 - (d) Compliance Risk
- (2) Determine the strategy, structure, and resources used in the organization's risk management to be consistent with the risk management policy as well as the company's business strategy and direction.
- (3) Set limits of money or types of risk activities to be used as criteria for operating according to each type of risk situation and propose to the Board of Directors for approval.
- (4) Conduct and review policies, strategies, and procedures to ensure that risk management strategies have been implemented appropriately
- (5) Has the power to appoint a committee to assess and monitor risks throughout the organization.
- (6) Carry out any task as assigned by the Board of Directors.

DUTIES AND RESPONSIBILITIES OF THE CHAIRMAN OF EXECUTIVE COMMITTEE

- (1) adopt the leadership in overseeing Executives' performance to maximize the company's benefits without any control from the management.
- (2) consider meeting agendas as proposed by Chief Executive Officer to make meeting agendas in line with Duties and Responsibilities of Executive Committees.
- (3) oversee Executive Committees who encourages the management to take policies approved by the Board of Directors into practice according to the Board of Directors' policy.
- (4) oversee and promote Executive Committees to comply with good corporate governance and business code of conduct.

DUTIES AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER

- (1) has duties and responsibilities in managing the company's business operation and performance as defined by scope of duties and power assigned by the Board of Directors and Executive Committees.
- (2) define policies and procedures against corruption as well as promote such these policies and procedures.
- (3) oversee and communicate all employees performing their duties in accordance with policies approved by the Board of Directors and Executive Committees.

Moreover, the company appoints the Company Secretary taking charge in the Board's meeting and shareholder meeting as well as supporting and advising the Board in compliance with the applicable laws and regulations in relation with The Board's duties along with ensuring that the Board's resolutions are complied.

5. INVESTOR RELATIONS

BJCHI establishes Investor Relation Department to communicate with investors, shareholders, analysts and government agencies by collaborating with high-level executives and the company's internal department as follows:

- (1) Chairman of Executive Committee or Chief Executive Officer or assigned persons answers and provides such information regarding vision, mission and the company's policies.
- (2) Financial Director or assigned persons provide the financial and general information for institutional investors or analysts.
- (3) The Company Secretary office answers and provides the general information for shareholders and government agencies.

In case of contacting Investor Relation Department, please contact to

Mr.Chanchai Charoenpanit,
Finance Manager and Investor Relation
No. 594 Moo. 4 Makhamkoo sub-district,
Nikhompattana district, Rayong 21180
Telephone : 033 017 345-7
Facsimile : 033 017 348
E-mail : ir@bjc1994.com

TO CONSIDER AND REVIEW CORPORATE GOVERNANCE POLICY

To fully ensure that good corporate governance policy is complied with laws, regulations and related rules, the Board of Directors will oversee Directors, Executives and employees to strictly abide by corporate governance policy to enhance and develop the company's corporate governance principles which in turn help create the sustainable basis for the company, shareholders and all stakeholders. Thus, such the policy has been reviewed on a yearly basis.

The Risk Management Committee assessed potential fraud and corruption risks, the fraud and corruption risk assessment are separated from other risks, and reported to the Audit Committee and the Board of Directors. The Internal Audit Department has been assigned to monitor the results according to the risk assessment report. In addition, BJCHI has reviewed and revised the Good Corporate Governance Policy to be in line with the ASEAN CG Scorecard, including the adoption of good corporate governance policies with the organizational context and in line with the current business. The Executive Board and the Board of Directors are of the opinion that: Good Corporate Governance Policy is appropriate for the context of the organization and consistent with the business.

However, there are some sections which hadn't been completely followed by the Company as details below;

| Items that cannot be done | Reason / Necessity |
|--|---|
| <p>1. The Company does not have any independent female directors.</p> | <p>BJCHI is in the process of recruiting independent female directors with knowledge, competence and qualifications to be the independent director. BJCHI believes that the current Board of Directors is knowledgeable and capable to enhance the Company's business grows firmly</p> |
| <p>2. The Company has not determined the method of voting for director election as Cumulative Voting</p> | <p>The Company considers that the Cumulative Voting will allow minority shareholders to cast their votes to any director they wish to elect. Alternatively, they can divide the votes for multiple directors. This may result in the person being elected does not meet the Company's requirements, which will affect the internal management, strategic planning which may not comply with the company policy and finally affect the operation and growth of business.</p> |

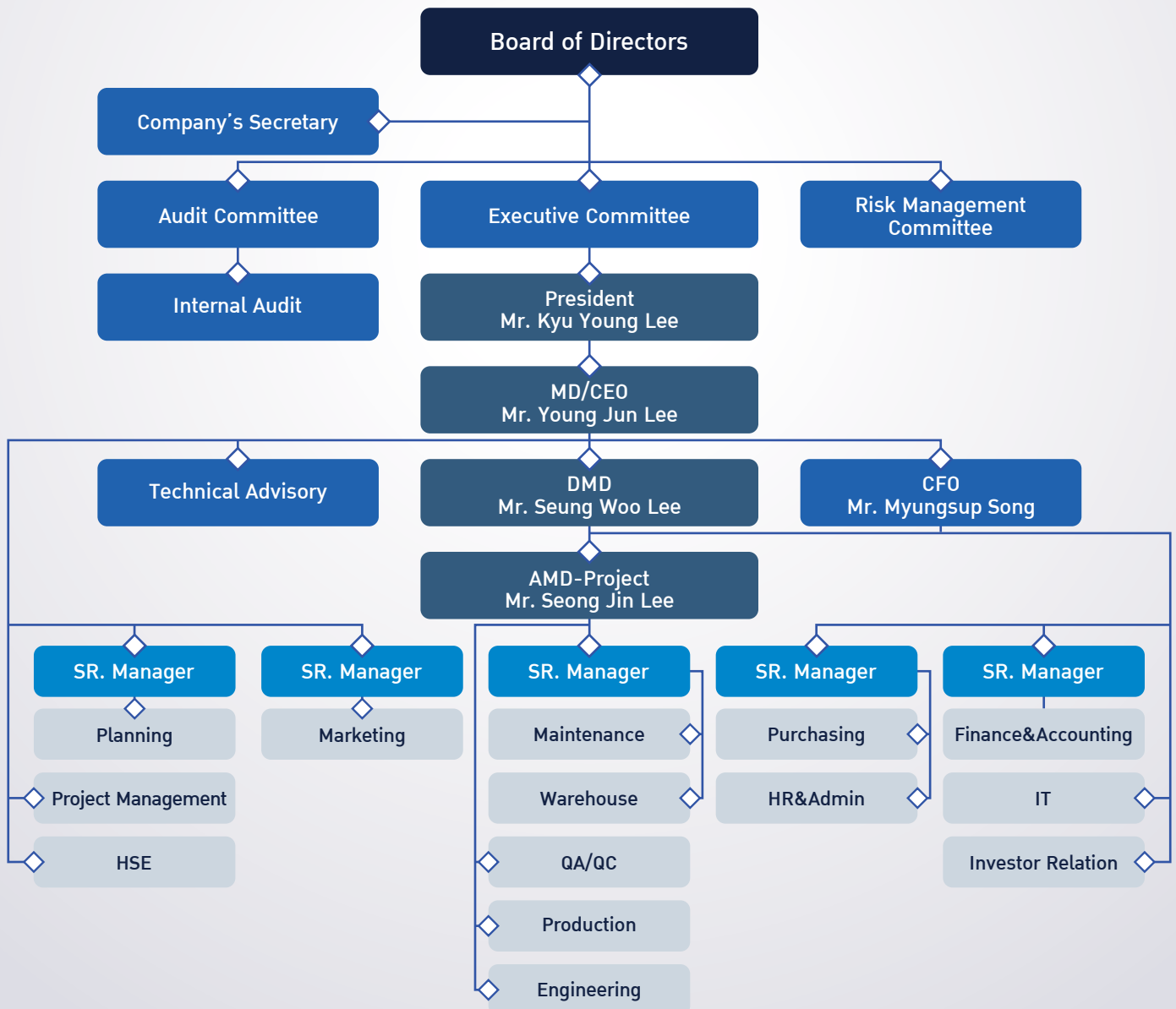
2.2 GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION ABOUT SUB-COMMITTEES, EXECUTIVES, EMPLOYEES AND OTHERS

CORPORATE GOVERNANCE STRUCTURE

The Board of Directors comprises independent directors, non-executive directors and executive directors and Sub committees as follows:

- Audit Committee
- Executive Committee
- Management Committee

CORPORATE GOVERNANCE STRUCTURE



THE COMPANY'S COMMITTEES

As of December 31, 2023, the company's Board of Directors consists of;

| Name | Board of Directors | Audit Committee | Executive Committee | Risk Management Committee | Nationality |
|--|---|-----------------|---------------------|---------------------------|--------------|
| Mr. Boonchuay Korkitrojana | ✓ (Chairman / Independent Director) | - | - | - | Thai |
| Mr. Kyu Young Lee | ✓ | - | ✓ (Chairman) | ✓ (Chairman) | South Korean |
| Mr. Young Jun Lee | ✓ | - | ✓ | ✓ | South Korean |
| Mr. Seung Woo Lee | ✓ | - | ✓ | ✓ | South Korean |
| Mr. Myungsup Song | ✓ | - | ✓ | ✓ | South Korean |
| Mr. Seong Jin Lee | ✓ | - | ✓ | ✓ | South Korean |
| Mr. Noppadol Dheerabutrongsul | ✓ (Independent Director) | ✓ (Chairman) | - | - | Thai |
| Assoc. Prof. Dr. Ekachidd Chungcharoen | ✓ (Independent Director) | ✓ | - | - | Thai |
| Mr. Jumpot Kanjanapanyakom | ✓ (Independent Director) | ✓ | - | - | Thai |
| Mr. Suthi Thangsri | - | - | - | ✓ | Thai |
| Miss. Rungarun Hannarong | - | - | - | ✓ | Thai |

Remark : Directors with Thai nationality have residence in Thailand

The authorized signatory of the Company is "Any of Mr. Kyu Young Lee, Mr. Young Jun Lee, or Mr. Seung Woo Lee is authorized to co-sign with Mr. Myungsup Song or Mr. Seong Jin Lee, total two persons together with the affixation of the company's seal".

Moreover, Mr. Noppadol Dheerabutrongsul is independent director who has extensive knowledge and experience in reviewing the Company's financial statement.

Also, Mr. Jumpot Kanjanapanyakom is independent director who has extensive knowledge and experience in construction service industry.

End of 2023, there were 9 persons as the Company's director. 4 of them or 44.4% are independent directors and non-executive directors are also 44.4%.

EXECUTIVES

As of December 31, 2023, the BJCHI's executives consisted of five members whose names appear below;

| Name | Position |
|----------------------|--|
| 1. Mr. Kyu Young Lee | Chairman of Executive Committee |
| 2. Mr. Young Jun Lee | Chief Executive Officer/ Managing Director |
| 3. Mr. Seung Woo Lee | Deputy Managing Director |
| 4. Mr. Myungsup Song | Chief Financial Officer |
| 5. Mr. Seong Jin Lee | Assistant Managing Director - Project |

COMPANY SECRETARY

The Board of Directors has appointed Mr. Tummarat Deethong as the Company Secretary since August 14, 2023 to comply with the amended provisions of the Securities and Exchange Act B.E.2535 (A.D.1992). Mr. Tummarat Deethong earned Bachelor degree of Law, Advocacy Training in 2018 and finished Certificate of Company Secretary Program (CSP) held by Thai Institute of Directors (IOD) in 2023. The main responsibilities of the Company Secretary are to:

- o prepare and maintain the registration of directors, notices of the Board meeting, minutes of the Board meeting, annual reports of the company, notices to the shareholders' meeting and minutes of the shareholders' meeting,
- o keep reports on conflicts of interest prepared by the directors or executives.
- o take any other actions required by the notifications of the Capital Market Supervisory Board and deliver copies of reports on conflicts of interest under Section 89/14 prepared by the directors to the Chairman of the Board and the Chairman of the Audit Committee within seven business days from the date on which the company receives such reports.

In addition, the Company Secretary also has the following duties:

- o provide preliminary advice on relevant laws and regulations of the company that Directors should be aware of
- o monitors to ensure full compliance to all relevant laws and regulations at all time
- o update the Board on any significant changes in relevant laws and regulations;
- o hold meetings of the shareholders and the Board in compliance with the relevant laws, Articles of Association and good practices;
- o record minutes of the shareholders' and the Board's meeting, as well as ensuring full compliance with resolutions of the meetings;
- o oversee disclosures and reports of information under responsibility of the Company Secretary to relevant authorities in compliance with the rules and regulations;
- o oversee activities of the Board and conduct other affairs in compliance with the laws and/or the notifications of the Capital Market Supervisory Board and/or as being assigned by the Board.

AUDITOR'S REMUNERATION

○ AUDIT FEE

The company paid to the auditor (A.M.T. Associate) as the auditing fee, including reviewing quarterly financial statement fee and stock observation fee;

In 2022 The amounting of Audit Fee: 1,350,000 Baht

In 2023 The amounting of Audit Fee: 1,350,000 Baht

○ NON-AUDIT FEE

The company paid for other services, including monitoring compliance with the terms of BOI to the auditor (A.M.T. Associate);

In 2022 The amounting of Non-Audit Fee: 40,000 Baht

In 2023 The amounting of Non-Audit Fee: 40,000 Baht

PERSONNEL

○ NUMBER OF PERSONNEL

As of December 31, 2023, BJCHI had total 1,204 employees (excluding the Board and the executives), consisting of 363 monthly employees and 841 daily workers. Details are as follows:

| Department | As of December 31, 2023 | | As of December 31, 2022 | | As of December 31, 2021 | |
|--|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| | Monthly Employees | Daily Workers | Monthly Employees | Daily Workers | Monthly Employees | Daily Workers |
| Marketing | 3 | – | 4 | – | 8 | – |
| Procurement | 8 | – | 9 | – | 9 | – |
| Production | 89 | 719 | 168 | 1,718 | 31 | 121 |
| Production Support | 92 | 109 | 134 | 219 | 69 | 100 |
| Quality Assurance and Quality Control | 94 | 1 | 90 | 1 | 26 | – |
| Accounting - Finance | 13 | – | 18 | – | 13 | – |
| Human Resources and Administration | 6 | – | 17 | 3 | 16 | 4 |
| Information Technology | 7 | – | 8 | – | 5 | – |
| Safety, Occupational Health, and Environment | 29 | 9 | 80 | 47 | 5 | 7 |
| Others | 22 | 3 | 107 | – | 6 | – |
| Total | 363 | 841 | 635 | 1,988 | 188 | 232 |

○ TOTAL REMUNERATION OF EMOLYOEEES (EXCLUDING EXECUTIVES)

| Remuneration | 2023 | 2022 | 2021 |
|---|----------------|-------------|-------------|
| Salary, wages, bonus and other benefits etc., contribution to provident fund and social security fund, etc. | 797,389,967.63 | 595,378,194 | 238,960,969 |

The Company employment policy provides equal opportunity without discrimination covering the disabled and other underprivileged groups by employing people with disabilities to work through both Section 33 and Section 35 under Social Security Act so that such groups can be self-reliant. It also results in the improvement of the quality of life of people with disabilities, affecting the economy, community and society.

BJCHI regularly reviews employee’s remuneration and welfare to ensure that the salary/wage and welfare are at a competitive level in the same industry and in line with the business strategy.

Therefore, BJCHI has provided various welfare to help employee to reduce the cost of living and encourage employees to have a better life as follows:

- **Health and life insurance** such as annual health check as necessary with the position / duties, Group Health Insurance, Group Accident Insurance, and group life insurance
- **Welfare benefits** such as welfare for employee’s marriage, welfare for employee death
- **Loan benefits** such as housing loan, car loan, and other loan
- **Funds** such as provident fund, compensation fund
- **Other benefits** such as lunch benefits, transport service, uniform

○ PROVIDENT FUND

BJCHI has formed a provident fund by joining “One A.M. Master Fund Provident Fund”, managed by One Asset Management Limited, effective from January 1, 2013 onwards. The provident fund is meant to provide incentive and boost the morale of employees, encouraging them to stay with BJCHI for a long time. The member in provident fund shall pay 5% of their salaries while the Company will contribute another 5%.

| Number of Employees joining PVD | 2023 | 2022 |
|---|-------|-------|
| Number of Employees (Heads) | 1,204 | 2,623 |
| Number of Employees joining PVD (Heads) | 97 | 102 |
| % | 8.1 | 3.9 |

○ LABOR DISPUTE

In the past 3 years, BJCHI has no significant labor dispute.

○ PERSONNEL DEVELOPMENT POLICY

BJCHI has a policy to continuously develop personnel's knowledge and operational capabilities, to retain knowledgeable and skilled staff in the company and to provide a rewarding career path for the employees. BJCHI also formulates a company-wide training plan after surveying the needs at all levels of the company on an annual basis and provides appropriate internal and external training courses.

2.3 CORPORATE GOVERNANCE REPORT

SELECTION OF DIRECTORS, INDEPENDENT DIRECTORS AND MANAGEMENT EXECUTIVES

SELECTION DIRECTORS AND MANAGEMENT EXECUTIVES

The Company has not appointed any nominating committee; however, the Board of Directors excluding the directors who are interested person, has carefully considered to nominate the candidates from the qualifications, experiences and skills from various profession before proposing to the shareholder's meeting

Shareholders who wish to elect the Company's director must be qualified in the following criteria

- (1) A shareholder has one vote for each share
- (2) Each shareholder is required to cast all his votes according to clause (1) to elect one or several directors but not allowed his vote more or less to any person
- (3) The Person receiving the maximum votes in order will be elected as the Company's director equal to the number of directors to be in existence or to be elected at that time. If the person elected has equal vote and the number of existing directors or elected directors has been in excess of the number of directors to be in existence or to be elected at that time, the chairman is required to cast a decisive vote.

In the nomination and appointment of the Directors, each person must qualify the Public Company Act, the Securities Exchange Commission and the Stock Exchange of Thailand including the Company's policies and the principles of the Good Corporate Governance as follows;

1. Obtaining the knowledge, abilities and experience to be beneficial on the Company's businesses
2. Obtaining an honesty, an ethic and responsibilities, decision making on principle and reasonably
3. Obtaining leadership, vision and making decision on the independent basis
4. Able to allocate sufficient time to monitor the Company's operation
5. Be qualified without any forbidden characteristics according to the law, Limited Public Company Act, Securities and Exchange Act, and the Principle of Good Corporate Governance of the Company including the Audit Committee, which must be an independent director.

The qualifications of Independent Director are as follows:

- (1) The Company's independent director is fully qualified with the requirement of the Securities and Exchange Commission, Capital Market Supervisory Board and/or the Stock Exchange of Thailand
- (2) The Company's independent director shall hold not more than 1 percent of the total number of shares with voting rights
- (3) Not being a director who has been assigned by the Board of Directors to make decisions on the operation of the company, parent company, subsidiary company, associated company, subsidiary of the same level, major shareholder or the person who has the power to control the company

- (4) Not being a director of a parent company, a subsidiary or a subsidiary of the same level only as a listed company
- (5) Have sufficient knowledge and experience in accounting and finance to review the financial statements

In event of a vacancy of the Director other than the retirement by rotation, the Board of Directors will select a qualified person without any forbidden characteristics as per stated in the announcement of the Securities Exchange Commission, the Stock Exchange of Thailand, and the legal specification of the Public Company to fill the position of the Directors for the next Board of Directors' meeting excepting only the case of directorship of resigned director less than 2 months. The Director appointed to fill a vacant position will only serve the remaining term of that vacant position.

The Board of Director members will be able to hold positions in not over 5 listed companies without exception.

THE MEETING OF THE BOARD OF DIRECTORS AND SELF-ASSESSMENT

BJCHI shall organize a meeting on a quarterly basis and may have additional resolutions as necessary by determining clear agenda in advance, including agenda for consideration on a regular basis. The meeting documents must be sent out at least 7 days ahead of the meeting date to provide sufficient time to the directors to review and understand the information in advance, unless it is an urgent matter. Any record of the meeting must be made in writing and kept. The minutes shall be certified by the Board and be made available for reference and examination. The relevant executives and related persons should attend the Board meeting to provide the relevant detailed information to allow the meeting to make an informed decision on a timely manner.

During the Board's meeting, the number of attending Directors must not be less than one-half (1/2) of total Directors. Thus, a quorum was constituted. The Chairman of the Board will act as the Chairman of the meeting. In case that The Chairman is absent or not able to perform his/her duties, with the present vice chairman who will be promoted to be the Chairman of the meeting. In case that the vice chairman is absent or not able to perform his/her duties, attending Directors shall choose one of them to be the Chairman of the meeting.

At a Board meeting, a resolution shall be passed by a majority of votes. Each director shall have one vote. Directors who have conflicts of interest in respect of any item on the agenda shall abstain from voting and must leave the meeting when the item is being deliberated. In the event of a tie vote, the person presiding over the meeting shall have a casting vote.

Directors who have conflicts of interest in respect of any item on the agenda shall abstain from voting and must leave the meeting when the item is being deliberated in order for the meeting to express independent opinions.

The minute of meeting must be made in writing clearly both resolutions and Directors' opinions for reference.

In 2023, there were in total 4 Board of Directors meetings, 4 Audit Committee meetings, 9 Executive Committee meetings and 4 Risk Management Committee meeting. All 3 audit committee members and internal and external auditors were in attendance but without the attendance of the Management. The details are as follows:

| Name | 2023 | | | | |
|---|-----------------------|--------------------|-----------------|---------------------|----------------|
| | Ordinary Shareholders | Board of Directors | Audit Committee | Executive Committee | Risk Committee |
| 1. Mr. Boonchuay Korkitrotjana | 1/1 | 4/4 | - | - | - |
| 2. Mr. Kyu Young Lee | 1/1 | 2/4 | - | 2/4 | 2/4 |
| 3. Mr. Young Jun Lee | 1/1 | 4/4 | - | 3/4 | 3/4 |
| 4. Mr. Seung Woo Lee | 1/1 | 3/4 | - | 3/4 | 3/4 |
| 5. Mr. Seong Jin Lee | 1/1 | 4/4 | - | 4/4 | 4/4 |
| 6. Mr. Myungsup Song | 1/1 | 4/4 | - | 4/4 | 4/4 |
| 7. Mr. Noppadol Dheerabutrvongkul | 1/1 | 4/4 | 4/4 | - | - |
| 8. Assoc. Prof. Dr. Ekachidd Chungcharoen | 1/1 | 4/4 | 4/4 | - | - |
| 9. Mr. Jumpot Kanjanapanyakom | 1/1 | 4/4 | 4/4 | - | - |
| 10. Mr. Suthi Thangsri | - | - | - | 4/4 | 4/4 |
| 11. Mrs. Rungarun Hannarong | 1/1 | 4/4 | - | 4/4 | 4/4 |

In 2023, The Board of Directors was present at the meeting during the resolution of not less than two-thirds of the total number of Board of Directors.

After the meeting ends, the Company secretary shall dispatch the minutes of the meeting to the Board of Directors, composing of key issues as discussed at the meeting and resolutions of each agenda item.

In 2023, the meeting schedule for year 2024 was set in advance. (This meeting schedule may be changed), excluding special meeting agenda as follows.

| Meeting No. | Board of Directors Meeting | | Audit Committee Meeting | |
|-------------|----------------------------------|--------------|----------------------------------|--------------|
| 1 | February 21 st , 2024 | at 14.00 pm. | February 21 st , 2024 | at 10.00 am. |
| 2 | May 14 th , 2024 | at 14.00 pm. | May 14 th , 2024 | at 10.00 am. |
| 3 | August 9 th , 2024 | at 14.00 pm. | August 9 th , 2024 | at 10.00 am. |
| 4 | November 13 rd , 2024 | at 14.00 pm. | November 13 rd , 2024 | at 10.00 am. |

DIRECTORS' REMUNERATION

Directors' remunerations may be in the form of money, meeting allowance, salary and accommodation allowance which all need to be comparable with the same industry. Such remunerations are based on duties and responsibilities of Directors while Executives will receive remunerations in the form of money and annual bonuses primarily based on the company's performance. A yearly remuneration must not be too high as compared with average remunerations of Thai's listed companies to maximize and base on shareholders' benefits.

The remuneration for Directors must be approved the Annual General Meeting of shareholders.

REMUNERATION OF THE BOARD AND EXECUTIVES

1) MONETARY REMUNERATION

A. REMUNERATION OF THE BOARD

The Annual General Meeting of Shareholders No. 1/2023 on April 21st 2022 approved the 2023 remuneration for the Board and the Audit Committee as follow;

| Remuneration | Chairman of the Board of Directors | Director | Chairman of Audit Committee | Remuneration |
|--|------------------------------------|---------------------|-----------------------------|---------------------|
| Meeting allowance (Baht / person / time) | 40,000 | 15,000 | 15,000 | 15,000 |
| Salary (Baht / person / month) | 40,000 | 15,000 | 15,000 | 15,000 |
| Travelling expenses (Baht / person / time) | Provided by Company | Provided by Company | Provided by Company | Provided by Company |
| Accommodation expenses (if necessary) | Provided by Company | Provided by Company | Provided by Company | Provided by Company |

Remark : 1) The meeting allowance is payable only to directors attending the meeting. Directors who also have management roles agreed not to accept the meeting allowance and the remunerations.

2) The remunerations of new director shall be payable from the date on which the director is appointed.

Details of remunerations paid to the Board in 2021-2023 are as follow;

| Name | Remuneration (Baht) | | |
|---|---------------------|---------|---------|
| | 2022 | 2022 | 2021 |
| 1. Mr. Boonchuay Korkitrojana | 680,000 | 680,000 | 680,000 |
| 2. Mr. Kyu Young Lee | - | - | - |
| 3. Mr. Young Jun Lee | - | - | - |
| 4. Mr. Seung Woo Lee | - | - | - |
| 5. Mr. Seong Jin Lee | - | - | - |
| 6. Mr. Myungsup Song | - | - | - |
| 7. Mr. Noppadol Dheerabutvongkul | 510,000 | 510,000 | 510,000 |
| 8. Assoc. Prof. Dr. Ekachidd Chungcharoen | 510,000 | 510,000 | 510,000 |
| 9. Mr. Jumpot Kanjanapanyakom | 510,000 | 510,000 | 510,000 |

Remark : Directors who also have management roles and fixed salaries agreed not to accept this remuneration

B. REMUNERATION OF EXECUTIVES

Details of remunerations paid to the company's executives in 2020 - 2022 are as follow;

| Remuneration | 2023 | | 2022 | | 2021 | |
|--|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| | Number of Executives | Remuneration (Baht) | Number of Executives | Remuneration (Baht) | Number of Executives | Remuneration (Baht) |
| Salary, bonus and other benefits etc., allowance, contribution to, provident fund and social security fund, etc. | 5 persons | 16,799,172 | 5 persons | 14,464,759 | 6 persons | 19,376,896 |

Remark : There was one director which was Mrs. Chanchira Smakthai retired from the Company's director since 1st June 2022

2) OTHER REMUNERATION

- None -

THE DIRECTOR'S PERFORMANCE EVALUATION

the Board of Directors promotes performance evaluation at least once a year to improve and develop the business operation. Such criteria will be clearly defined before performance evaluation to gather opinions and propose to the meeting. Such criteria, process and results are also disclosed through annual report.

In 2023, The Company Secretary is assigned for evaluation of the performance of the Board of Directors in form of group performance evaluation and individual basis, and submit the results to the Board of Directors Meeting to consider the results of the evaluation and the guidelines to improve the efficiency of operations.

The Self-Assessment of the board of directors as a whole was divided into 6 sections as follows:

- (1) Board structure and qualifications
- (2) Roles, duties and responsibilities of the board
- (3) The board meeting
- (4) Duties of directors
- (5) Relationship with management
- (6) Director's self-improvement and management training

Overall performance assessment results : 93.7% with "Excellent"

Self-Assessment of committee members on an individual basis was divided into 3 sections as follows:

- (1) Board structure and qualifications
- (2) The board meeting
- (3) Roles, duties and responsibilities of the board

Overall performance assessment results : 93.9% with "Excellent"

CEO & SUB-COMMITTEES' SELF-ASSESSMENT

CEO & Sub-Committees must conduct a yearly performance assessment as the framework in overseeing CEO & Sub-Committees' duties, considering, reviewing, analyzing operating performance to improve the company's business operation further. Such assessment will be considered under each committee.

Regarding the assessment form for each committee, opinion and recommendation section are provided to receive advices from Sub-committees. Moreover, the assessment results of each committee and CEO are concluded for their acknowledgement and then reported to The Board of Directors to promote BJCHI's good corporate governance, to operate business with its continuous and sustainable growth on a transparent and fair basis which in turn will create confidence for all related parties.

In 2023, The Company Secretary is assigned for evaluation of the performance of CEO & Sub-Committees, and submit the results to the Board of Directors Meeting to consider the results of the evaluation and the guidelines to improve the efficiency of operations.

Self-Assessment of the Audit Committee was divided into 3 sections as follows:

- (1) Board structure and qualifications
- (2) The board meeting
- (3) Roles, duties and responsibilities of the board

Overall performance assessment results : 89.94% with "Excellent"

Self-Assessment of the Risk Committee was divided into 3 sections as follows:

- (1) Board structure and qualifications
- (2) The board meeting
- (3) Roles, duties and responsibilities of the board

Overall performance assessment results : 99.64% with “Excellent”

CEO Self-Assessment was divided into 3 sections as follows:

- (1) Status of Achievements
- (2) Performance Measures
 - o Leadership
 - o Strategy formulation
 - o Strategy execution
 - o Financial planning/Performance
 - o Relationships with the Board
 - o External Relations
 - o Human Resources Management/Relations
 - o Succession
 - o Product/Service Knowledge
 - o Personal Qualities
- (3) Development Needs

Overall performance assessment results : 97.69% with “Excellent”

DEVELOPMENT FOR DIRECTORS AND EXECUTIVES

The Board of Directors has the policy to promote and facilitate training program to enhance knowledge of related persons taking charge in corporate governance system such as Directors, Audit Committees, Executives and The Company Secretary to improve their performance. Such training and knowledge improvement might be done as internal training or external training from outside institutions.

In the event there are changes of directors or newly appointed directors, the management will provide the new directors with documents and information which will benefit them in performing roles and duties as the company’s directors and introduce them to the nature and business direction of the company to new directors.

The Board of Directors will implement job rotations based on skills of each director and management based on the appropriateness and time. Chief Executive Officer will define a timeframe and consider the performance as the development and succession plan which in turn will help develop knowledge and skills of the director and management in order for them to take job rotations. This development of directors and executives is part of the succession plan of the organization's top executives.

In 2023, Directors and Executives attended training course/seminar are summarized in the profile of directors and executives.

ANTI-CORRUPTION POLICY AND PRACTICE

The Company operates its business under its ideology with the moral principle, honesty and transparency by conforming to responsibilities to societies and all stakeholders under Good Corporate Governance practices. The Company realizes that corruption and bribery are the obstacles in developing societies and economies. These also result in unfair business operation, ruin the Company’s reputation and make the Company unacceptable by destroying confidence of shareholders, investors and all stakeholders. To tackle that, the Company defines practices to Anti-Corruption which is considered as the supplementary part of business’s code of conduct according to the Company.

To ensure that the Company, associated companies and subsidiary companies and other companies where the Company can control (if any) have the policy taking responsibilities, practices and regulations in an appropriate manner against corruption and bribery which might take place with business operation in order to ensure that decision-making process and business operation possibly related to risk of corruption and bribery must be fully considered and taken into actions. Thus, the Company provides the written anti-corruption practices and informs as well as communicates the particle standard to the Board of Director, Executive Director and all employees of the Company, associated companies and subsidiary companies and other companies where the Company can control to conform to the guideline for business operation to develop the Company on a sustainable basis.

ROLES AND RESPONSIBILITIES

The Board of Directors perform their duties and responsibilities as well as oversee the supportive system for Anti-corruption Practices efficiently to ensure that Executive directors realize and pays attention to Anti-corruption Practices and to cultivate it as the Company's value in order for all employees to fully understand and recognize the importance of troubles stemming from Corruption and Bribery.

If Audit Committees report case of Corruption and Bribery impacting the Company, The Board of Directors has duties to advice, recommend and consider penalty and find the solution tackling the problems to Chief Executive Officer and Executive Committees.

Audit Committees have duties and responsibilities as follows

- Consider Anti-Corruption Policy & Practices assigned from Executive Committees to match with the Company's business operation and environment, culture and propose to The Board of Directors for approval
- Consider and review the changes in Anti-Corruption Policy & Practices provided by Executive Committees and propose to The Board of Directors for approval.
- Review its financial and accounting report, internal control, internal audit system and risk management system to ensure that they comply with international standard on a prudent, up-to-date and efficient basis
- Receive report suspicious situations considered as corruption and bribery in which the Company's employees engage and investigate fact findings and propose to Executive Committees to mutually consider penalty or find the solution to the cited problem

Risk Committees have duties and responsibilities as follows

- Review the nature of risks that the company is experiencing or expected to occur and affect the company (Identification of Risk), including setting risk management policies both from outside and inside the organization to cover at least 4 aspects as follows.
 - (a) Financial Risk
 - (b) Operational Risk
 - (c) Strategic Risk
 - (d) Compliance Risk
- Determine the strategy, structure, and resources used to manage the organization's risk by the risk management policy as well as the company's business strategy and direction.
- Set limits or types of activities based on risk to use as criteria for operating according to each type of risk situation and propose to the Board of Directors for approval.
- Supervise and review policies, strategies, and procedures. To ensure that risk management strategies have been implemented appropriately
- Has the power to appoint a working group. To assess and monitor risks throughout the organization.
- Carry out any other actions as assigned by the Board of Directors.

Internal Audit has duties and responsibilities as follows

- Audit and review the procedure of internal audit plan that it complies correctly with policy, procedure, authority rules, regulations and law to ensure appropriate and efficient internal controls systems against risk of corruption and bribery which might take place and report to the Board of Directors
- Perform duties as assigned by Audit committees related to the investigation of the Company's' corruption and bribery in addition to internal audit plan as defined

Chief Executive Officer and Executive Committees have duties and responsibilities as follows.

- Manage, control, and monitor work operations so that corruption does not occur including promoting and supporting work to be in accordance with the guidelines of the Anti-Corruption policy in the operational process throughout the organization effectively.
- Define Anti-Corruption Policy & Practices as well as promote and support such that policy and practices
- Communicate with employees in the organization and related persons to fully acknowledge Anti-Corruption Policy & Practices
- Review the appropriate system and measures including Anti-Corruption Policy & Practices to make them suitable for the changes in business environment, rules, regulation and law
- Assist Audit Committees for fact findings as informed or assigned by Audit Committees about the investigation of corruption and bribery issues with the authority to assign tasks to the management if needed

GUIDELINE OF ANTI-CORRUPTION POLICY & PRACTICES

The Board of Director, Executive Committees and employees must strictly comply with code of conduct, policy and Anti-Corruption Practices without engaging in corruption and bribery cases directly and indirectly including contractors and sub-contractors;

- (1) Do not express behavior related to receiving or offering bribery to stakeholders directly and indirectly to gain corruptible benefits as follows;
 - Do not receive or offer gifts, souvenir, cash, cheque, bond, share, gold, jewel, real estate or the similar type of items to a person who is contacted both in government agencies and private sectors.
 - Do not receive gifts, reward, presents or any benefits resulting in abstaining him from performing duties and before receiving such items, a receiver needs to ensure that it complies by law and the Company's rules. Moreover, such items should not be expensive and suitable for each occasion.
 - Do not offer gifts, reward, presents or any benefits encouraging receivers to take different actions with other business partners. Such items which are occasionally provided must not be more expensive than a normal basis.
 - Do not act as the middleman to offer cash, assets, items and any other benefits to related persons with business, agencies, government agencies or any other organizations to exchange with special privileges in order to encourage government officers to abstain from complying with rules and regulations as well as specified law.

- (2) Procurement must follow the Company's procedure on a transparent and accountable basis.
- (3) Entertainment cost and others relevant to business contract can be done with a reasonable and accountable basis.
- (4) In case of charitable donation, the practices are as follows;
 - Money or the Company's asset used for charitable donation must be on behalf of the Company. To make charitable donation for foundations, public and charitable organizations, temples, hospitals, sanatoriums or social organizations requires certification with trustworthiness, accountabilities and complies with the Company's rules.
 - Personal's charitable donation can be done but not related to or caused corruptible actions to gain any benefits.
 - The charitable donation must be transparent under law, ethics and verified with supportive evidences.
- (5) With respect to money or the Company's asset used to support a project, only the Company's name can be stated. Such utilized money must be distributed to build good images and reputation under the business objectives. Clear objectives need to be clearly defined with accountable evidences under the Company's rules.
- (6) Do not take any actions relevant to the political issues inside the Company's premises and do not use the Company's resources for such that purpose. The Company's determination on political issue is neutral with conformity to law, democratic system without any political aids to political parties directly and indirectly.
- (7) Employees must not ignore the potentially corruptible situation relevant to the Company directly and indirectly. Employees need to inform their supervisors or responsible persons to receive fact findings. If there are any questions, please consult with the supervisors or responsible persons regarding conformity to code of conduct as distributed by defined channels.
- (8) The Company shall ensure fairness and protection of employees who refuse or report corruption related to the Company by implementing measures to protect complainants or collaborators in reporting corruptible actions as defined by the Company measure of Protection Measures and Confidentiality Practices.
- (9) Directors, executives, and employees who commit fraud and corruption which are considered as illegal acts of the Company will be considered a disciplinary action imposed by the Company. In addition, if the action is illegal, may also be punished by law.
- (10) The Board of Director, Executive Committees recognize the importance of distributing knowledge, providing recommendation and making employees and related persons understand practices to anti- corruption so as for them to comply fully with policy and practices to anti- corruption on an honest and ethical basis.
- (11) The Company determines to build and keep the corporate's cultures against corruptible actions, bribery issues which are not acceptable regardless of persons or transactions with government or private sectors.
- (12) Anti-Corruption Policy & Practices is applicable to human management process from recruitment, selection, promotion, performance evaluation and remuneration. The supervisor from all level must communicate and educate employees for such that matter using in business activities under responsibilities and governance efficiently.

In 2023, Directors, Executives and Employees of the company participated in announcing and displaying the symbol of the united front anti-corruption.



PRACTICES IN INFORMATION DISCLOSURE AND CONFIDENTIALITY

The Company discloses necessary information to executive, employees, stakeholders and related persons on an accurate, sufficient, timely, transparent basis through the accessible channel by disclose the information in the form of Annual Information Disclosure (Form 56-1) and Annual Report (Form 56-2) including the Company's website and other appropriate channels to efficiently perform duties in accordance with rules and regulations of SEC and SET.

In addition, the Company is committed to maintaining confidentiality based on Handling confidential, market-sensitive information: Principles of good practice as the good practices for the Company and prevent the disclosure of confidential information which might cause destroy to the Company or used for the abuse of benefits with taking advantages of investors, shareholders and stakeholders in public.

PRACTICES FOR DEALING WITH CONFIDENTIAL INFORMATION THAT AFFECT THE PRICE OF SECURITIES

are as follows.

- The directors, executives and employees should comply with the Company's policy on securities trading include trading instructions by avoiding trading the Company's securities for a period of 1 month prior to the disclosure of financial statement to the public and within 24 hours after the announcement of the financial statements, which is the time when the company Important information has been disclosed that may affect the price of the Company's securities including using insider information according to the Company's code of conduct.
- The Company has limited the number of persons who need to access to confidential information as less as possible (need to know basis).
- The Company has a preservation copy documents related to confidential transaction on a safety basis and destroys when no need to use. There are a limited group of assigned staff or employees to get access to information.
- The Company cultivates its culture by regularly communicating to ensure that all employees are aware of their duty to maintain the Company's confidentiality and also to avoid disclose that to public.
- The Company reviews regularly by storing and controlling information up-to-date on a safety basis.

In this regard, the securities trading information, securities holding of directors and executives including related persons will be reported to the Board of Directors' meeting on a quarterly basis. In 2023, it was not found that any directors, executives, or related employees traded securities during the period of the Company prohibiting the trading of securities.

COMMUNICATION CHANNELS TO REPORT SUSPICIOUS SITUATIONS OR REQUEST RECOMMENDATION RELATED TO ANTI-CORRUPTION

Reporting suspicious situations which might be involved in corruptible actions, improper, break law and the Company's regulations as well as code of conduct is considered to be one of the channels that help the Company to get information about corruptible actions faster which in turn help the Company to take immediate actions. This also helps to protect the Company's benefits of stakeholders efficiently. To do that, one who makes complaints or request recommendation needs to specify the details of suspicious situations, complaints or issues along with name, address and telephone number. Thus, the Company defines communication channels to report suspicious situations, complaints or request recommendation about anti-corruption as follows;

- Employees or stakeholders who face with corruptible actions within the Company or any suspicious actions which might get involved in corruption must immediately report such issues to their supervisors or internal audit team or responsible persons or complaint channels of the Company as appropriate. If there are any questions, please consult directly with the supervisor or internal audit team or responsible persons
- Enclosed mail and send directly to Chairman of the Board of Directors as follows;
Chairman of the Board of Directors
BJC Heavy Industries Public Company Limited
594 Moo 4 Makhamkoo, Nikompattana, Rayong 21180
- E-mail
 - Audit Committees : bjc-id@bjc1994.com
 - Complaint unit : spy@bjc1994.com
- Opinion Box located inside the Company and working sites

In case of one who would like to inform complaints to Chief Executive Officer or Executive Committees, please send the complaints to Chairman of Audit Committees directly.

Persons who can inform suspicious situations or makes complaints are all the Company's stakeholders composing of shareholders, customers, business competitors, creditors, government sectors, communities, society, executives and employees. The information will be kept confidential no matter what communication channels are used.

In case of urgent issues related to corruption, related persons must immediately and respectively report and then propose to the top management to make quick decisions.

To report suspicious situations or make complaints must be made in good faith. If the Company finds fraudulent notices, intent to bully others to damage, degrading reputation, being insulted, being abhorred or being embarrassed, etc., if done by the Company's employee, the disciplinary punish will be imposed. However, if the outsider resulting in destroys to the Company, the offender will be prosecuted as specified by law.

Moreover, the Company discloses full details of Anti-Corruption Policy & Practices on its website. Please go to the following link

<https://www.bjc1994.com/bjchi/th/investor-relation/corporate-governance/anti-corruption/>

In 2023, there was no case about use of non-public information, suspicious situations or complains related to Corruption

POLICY AND PRACTICE ON INFORMATION MANAGEMENT SYSTEM AND SAFETY

Information it is an important business asset of the Company that must be properly maintained and well protected. Therefore, it needs to be supervised under good internal control. Currently, the company has established the security of information systems by applying security technologies as used in the organization to help work and reduce security risks at an appropriate level and create the highest efficiency with security, reliability, continuity and effectiveness to ensure that information management system is in the security as follows;

- Provide appropriate rules and regulations and comply with legal requirements
- Provide a structure of responsible persons such as a department or a person taking care of data and information systems
- Determine the rights of access to the data and information systems
- Ensure that risks arising from the use of information are managed.
- Prepare for situations and learn new techniques in terms of maintaining information security on a regular basis.

The Company's internal audit department and Dharmniti Internal Audit Co., Ltd. Shall conduct audit process of the Company's operations and control systems as well as information technology system in line with the guidance from the Securities and Exchange Commission (SEC) on an annual basis to continuously develop and improve information management system and safety.

2.4 INTERNAL CONTROL AND CONNECTED TRANSACTION

INTERNAL CONTROL AND RISK MANAGEMENT

According to the Board of Directors' meeting No.1/2024 held on 21st February 2024, with the full attendance of the three Audit Committee members, the Board of Directors assessed the adequacy of the Company's internal control in 2023 using the evaluation form from the Securities and Exchange Commission (SEC) which covers 5 key aspects:

- (1) Control Environment : determining integrity, ethic and the code of conduct for the management and staff on a suitable basis. This is relevant to monitoring and evaluating process for the practice of the code of conduct as well as changing acts conflicting with integrity by complying with the code of conduct under the appropriate time frame.
- (2) Risk Management : defining clear and sufficient objectives to identify and evaluate related risks covering the organization from the organization, business units, departments and other working functions. This includes how to adequately formulate action plans and measures to control the risks which might be external and internal risks in relation to acceptance, reduction and avoidance or sharing of risk.
- (3) Control Activities : determining clear control measures as the written policy covering risks appropriately and the characteristics of organization such as environment, work complexity, work scope and other specific features. Moreover, the company defines clear authority scopes by separating into 3 aspects including authority, accounting record and information technology and asset protection as check and balance system.
- (4) Information & Communication : implementing a system in order for Board of Director to gain sufficient information for decision-making in the business operation from internal and external way related to the work.
- (5) Monitoring : monitoring and evaluating the internal control system to fully ensure that the internal control system is fully implemented on an appropriate way. The company also assigns Internal Audit department to monitor working functions of each unit and conduct the internal control report to send it directly to Audit Committee on a quarterly basis.

Based on the inquiries with Management and the studies undertaken by the internal auditors and information evaluating the adequacy of the internal control system, the Board of Directors has the opinion that the Company has adequate internal control and risk management systems. The Company has assigned and allocated sufficient personnel to operate its internal control system effectively, preventing any Director or management to abuse the Company's assets. In addition to putting in place clear lines for delegation of authority and preparing written standard operating procedures (SOP), the Company has set up auditing mechanisms to independently monitor and evaluate the internal controls. In addition, The Company has a system to store important documents that directors, auditors and authorized person can access and verify within an appropriate time period. Furthermore, the internal control system possesses appropriate measures to sufficiently control all relevant transactions with related parties or persons with potential conflicts of interest.

BJCHI has appointed Dharmniti Internal Audit Co., Ltd. to be an internal auditor which work with BJCHI's internal audit department to assume the roles and responsibilities approved by the Audit Committee to evaluate key aspects of the Company's operations and control systems as well as information technology system in line with the guidance from the Securities and Exchange Commission (SEC). The audits include assessment, recommendations and agreement on how and when the corrective actions will be implemented to address the issues revealed through the audit assessments. At the present, the Company has taken actions to address all the issues raised by the Company's internal auditor.

Dharmniti Internal Audit Co., Ltd. has assigned Ms. Kitlada Somngam, Deputy Director, to be the team leader responsible for conducting internal audits for the Company in 2022. Ms. Kitlada Somngam has sufficient qualifications with independence and experience for more than ten years of experience in being an independent auditor for similar businesses. In addition, she has received a wide range of internal control training including International Standards for the Professional Practice of Internal Auditing, Internal Audit Training Program to prepare for Internal Auditor (Pre CIA), Chulalongkorn University and How to Write the Fact Finding etc. Upon review of her qualifications, the Audit Committee concluded that she was qualified to be the internal auditor for the Company. Moreover, BJCHI has in place an internal audit department to support and coordinate with Ms. Kitlada Somngam and her Dharmniti team. Any appointment, transfer and dismissal of the Company's Head of Internal Audit must be approved by the Audit Committee.

In addition, BJCHI appointed A.M.T. & Associates as its external auditor for 2023. The auditor has audited and assessed the internal control of the accounting system according to all relevant accounting standards. A.M.T. & Associates has reported to the Audit Committee that no issues were found involving internal controls for accounting system and operations for 2023 financial statements.

CONNECTED TRANSACTION

End of 2023, the Company received financial assistance from one director, considered as persons with potential conflict of interest. The Audit Committee viewed that the connected transactions are reasonable as the Company received financial assistance from the director without any compensation. Details are as follow:

| Description | Value of Connected Transaction (Million Baht) | | |
|--|---|----------------------|---|
| | As of 31 Dec 2023 | As of 31 Dec 2022 | As of 31 Dec 2021 |
| <p>Mr. Seung Woo Lee Type of Relation : be a director who has an authorization to sign for the Company's business and be a shareholder by holding the shares for 28.29% of paid-up capital (as of Dec 31st , 2023)</p> <p>Guaranteed for car's hire-purchase agreement with one of financial institutions without any remuneration</p> | <p>Amount of Guaranteed (2.23) Million Baht</p> | <p>None</p> | <p>Amount of Guaranteed (0.13) Million Baht</p> |

MEASURES OR PROCEDURES IN CONNECTED TRANSACTIONS APPROVAL

The Company shall comply with the Securities and Exchange laws and regulations, notifications, orders or rules of the Capital Market Supervisory Board and the Stock Exchange of Thailand. In this regards, executives or person with conflicts of interest shall not get involved in the approval of the connected transactions.

In the event that an approval from the Board is required, the Audit Committee will present at the Board meeting to consider and express opinions on the necessity and rationality of such connected transactions. The Company has principles in entering connected transactions with common trade conditions and connected transactions with uncommon trade conditions as follows:

(A) TRANSACTIONS WITH COMMON TRADE CONDITIONS

Regarding connected transaction between the Company / its subsidiaries (if any) and directors, executives, or related persons that has won the Board's in-principal approval, the Management can approve the transaction provided that such transaction has common trade conditions that a decent person would agree with any unrelated counterparty under similar circumstances without interference from relevant directors, executives or related persons.

The Company shall prepare a summary of connected transactions and report to the Audit Committee's meeting and the Board meeting every quarter.

(B) TRANSACTIONS WITH UNCOMMON TRADE CONDITIONS

Connected transactions with uncommon trade conditions shall be considered and opined by the Audit Committee before proposing to the Board and/or shareholders for further approval. In this regard, the Company shall comply with the Securities and Exchange laws and the regulations, notifications, orders or rules of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including rules on disclosure of connected transactions.

In the event that the Audit Committee lacks expertise in reviewing the connected transaction, the Company may appoint independent professionals or the company's auditor to provide opinion of such connected transactions to support the decision of the Audit Committee and/or the Board and/or the shareholders. This is to ensure that the engagement in such connected transaction is necessary, reasonable, and taking into account the interests of the company. The Company shall disclose the connected transactions in the company's annual report and notes to the financial statements, audited by the company's auditor.

CONNECTED TRANSACTION POLICY AND TREND

To engage in any connected transaction in the future, the transaction must be necessary, reasonable, and benefit the company. The transactions must be reviewed by the Audit Committee and/or the Board, with the participation of the Audit Committee to consider and provide opinions on the rationality, pricing, and condition of the connected transactions. The terms and conditions of the transactions must be comparable with those engaged with non-related persons while the price must be fair and accountable. The Audit Committee shall have authority to review the criteria and guidelines for entering into such transaction.

In the event that the Audit Committee lacks expertise in reviewing the connected transaction, the Company may appoint independent professionals or the company's auditor to provide opinion of such connected transactions to support the decision of the Audit Committee and/or the Board and/or the shareholders. The Board must ensure that the Company complies with the Securities and Exchange laws and rules, notifications, orders or regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including rules on disclosure of connected transactions by the Company or subsidiaries (if any) in accordance with the accounting standards prescribed by the Institute of Certified Accountants and Auditors.



FINANCIAL STATEMENT

PART 3



REPORT OF THE BOARD'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Dear Shareholders,

The Board of Directors of BJC Heavy Industries Public Company Limited is responsible for ensuring the Company's financial statements are consistently prepared in accordance with the generally accepted accounting standards. In preparing the financial statements, appropriate accounting policies have been adopted and adhered to, using careful judgment and reasonable estimates. The Company has ensured that the information in the notes to financial statements was appropriately disclosed in a transparent manner to shareholders and investors. Importantly, a certified auditor from A.M.T. & Associates has audited the Company's financial statements and has issued an unqualified opinion on them.

The Board of Directors has implemented good corporate governance practice and maintained effective risk management and internal control systems in order to ensure that all accounting items are accurately and sufficiently booked in a timely manner so as to protect the Company's assets and to prevent fraudulent practice or material irregular transactions.

The Board of Directors has appointed the Audit Committee comprising of three (3) independent directors to review the accuracy of the financial statements, internal control and risk management systems, and the internal audit procedures. The Audit Committee's comments appear in the Audit Committee's Report as presented in this Annual Report.

Based on the effectiveness of the Company's internal control and internal audit systems, the Board of Directors ascertain that the financial statements of BJC Heavy Industries Public Company Limited for the year ended December 31st, 2023 were prepared in accordance with all the relevant financial reporting standards and fully represent the Company's financial position, performance and cash flow. The Company's auditor has expressed their opinion in the Auditor's Report as presented in this Annual Report.

Yours faithfully,



Mr. Kyu Young Lee
Director/Chairman of Executive Committee

Yours faithfully,



Mr. Myungsup Song
Director/Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

Opinion

I have audited the financial statements of BJC Heavy Industries Public Company Limited which comprise the statement of financial position as of December 31, 2023, the related statements of changes in equity, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, In all material respects, the financial position of BJC Heavy Industries Public Company Limited as of December 31, 2023, and financial performance and cash flows for the year then ended in accordance with Financial Reporting standards

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audited Procedures are as follows:

Recognition of contract revenues

As described in note 2.1 to the financial statements, the Company recognized contract revenues by reference to the stage of completion. Because the amount of contract revenues in the statement of income are significant and the estimation of the stage of completion is requiring significant judgment of management, therefore, I have identified that the recognition of contract revenue is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I examined recognition of contract revenue by assessing and testing the appropriateness of the internal control related to the approach used by the management over the process of entering into contracts, estimation of project cost and revision, the reasonableness of the evaluation of percentage of completion, recognition of revenue. Including testing the effectiveness of internal controls related to procurement and recording of actual contract costs by inquiring with the management and related persons, understanding, reading the contracts, selecting sample to test, testing actual cost with supporting documents and performing an analytical review of the percentage of completion estimate by engineers and the percentage of completion determined through a comparison of contract costs incurred throughout the period to the total estimate contract costs, reading the contracts and performing an analytical review of gross profit margin to detect possible irregularities.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



(DARANEE SOMKAMNERD)

Certified Public Accountant Registration No. 5007

A.M.T. & ASSOCIATES

Bangkok, Thailand, February 23, 2024

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

| | | B A H T | | |
|----------------------|--|--------------------|-------------------------|-------------------------|
| | | AS OF DECEMBER 31, | | |
| Note | | 2023 | 2022 | |
| <u>ASSETS</u> | | | | |
| CURRENT ASSETS | | | | |
| | Cash and cash equivalents | 3 | 851,619,233.81 | 1,046,415,379.67 |
| | Trade receivables - net | 4 | 153,649,496.43 | 426,817,259.33 |
| | Contract assets - net | 5 | 1,259,868,329.27 | 738,771,600.12 |
| | Other current receivables | 6 | 71,560,888.05 | 114,384,670.70 |
| | Inventories | 7 | 443,686,740.99 | 609,638,607.01 |
| | Current tax assets | | 3,236,101.46 | 2,555,112.83 |
| | Other current financial assets | 8 | 51,268,182.61 | 51,737,932.28 |
| | Other current assets | | | |
| | - Retention | 5 | 50,859,894.97 | 90,014,711.12 |
| | - Advance payment for materials and services | | 5,822,786.20 | 16,475,828.21 |
| | - Others | | 1,822,300.00 | 73,500.00 |
| | Total Current Assets | | 2,893,393,953.79 | 3,096,884,601.27 |
| NON - CURRENT ASSETS | | | | |
| | Property, plant and equipment - net | 9 and 12 | 1,249,130,625.81 | 1,310,697,610.80 |
| | Right-of-use assets - net | 10 and 14 | 38,490,503.38 | 77,476,166.54 |
| | Intangible assets - net | 11 | 7,724,842.39 | 7,078,032.45 |
| | Deferred tax assets | 23 | 19,952,421.64 | 13,359,650.11 |
| | Other non - current assets | | 6,548,328.10 | 8,646,521.10 |
| | Total Non - Current Assets | | 1,321,846,721.32 | 1,417,257,981.00 |
| | TOTAL ASSETS | | 4,215,240,675.11 | 4,514,142,582.27 |

The accompanying notes to financial statements are an integral part of these financial statements.

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

| | Note | B A H T | |
|---|------|--------------------|------------------|
| | | AS OF DECEMBER 31, | |
| | | 2023 | 2022 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | | |
| CURRENT LIABILITIES | | | |
| Trade payables and accrued contract cost | | 263,661,175.06 | 440,986,320.42 |
| Contract liabilities | 5 | 379,342,632.43 | 339,311,415.69 |
| Other payables | 13 | 51,307,719.33 | 117,008,636.92 |
| Current portion of lease liabilities | 14 | 10,836,589.20 | 22,227,031.95 |
| Provisions for severance pay | | 31,483,981.45 | 22,868,074.62 |
| Other current liabilities | | | |
| - Retention | | 62,036,131.36 | 40,366,204.88 |
| - Others | | 5,650,302.97 | 4,274,105.72 |
| Total Current Liabilities | | 804,318,531.80 | 987,041,790.20 |
| NON - CURRENT LIABILITIES | | | |
| Rental income received in advance | 30.2 | 2,096,406.49 | - |
| Lease liabilities | 14 | 4,643,112.91 | 11,073,386.82 |
| Provisions for employee benefit | 15 | 23,454,433.00 | 18,048,084.00 |
| Total Non - Current Liabilities | | 30,193,952.40 | 29,121,470.82 |
| Total Liabilities | | 834,512,484.20 | 1,016,163,261.02 |

The accompanying notes to financial statements are an integral part of these financial statements.

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

| | | B A H T | |
|--|---|--------------------|------------------|
| | | AS OF DECEMBER 31, | |
| Note | | 2023 | 2022 |
| SHAREHOLDERS' EQUITY | | | |
| Share Capital | | | |
| Authorized share capital | | | |
| | 1,599,690,001 ordinary shares of Baht 0.25 each | 399,922,500.25 | 399,922,500.25 |
| Issued and paid - up share capital | | | |
| | 1,599,690,000 ordinary shares of Baht 0.25 each | 399,922,500.00 | 399,922,500.00 |
| | Premium on share capital | 2,239,641,074.97 | 2,239,641,074.97 |
| Retained earnings | | | |
| Appropriated | | | |
| | - Legal reserve | 40,000,000.00 | 40,000,000.00 |
| | Unappropriated | 701,164,615.94 | 818,415,746.28 |
| | Total Shareholders' Equity | 3,380,728,190.91 | 3,497,979,321.25 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 4,215,240,675.11 | 4,514,142,582.27 |

The accompanying notes to financial statements are an integral part of these financial statements.

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

| | | B A H T | | | | | | | | | | |
|---|------------------------------------|--------------------------|------------------|---------------|-------------------------|------------------|-------------------|-------------------------|----------------|--|------------------|--|
| Note | Issued and paid - up share capital | Premium on share capital | Treasury shares | Appropriated | | | Retained earnings | | | Other components of equity | | |
| | | | | Legal reserve | Treasury shares reserve | Unappropriated | Legal reserve | Treasury shares reserve | Unappropriated | Other comprehensive income | | |
| | | | | | | | | | | Actuarial gains (losses) on defined employee benefit plans | Total | |
| | 399,922,500.00 | 2,239,641,074.97 | (7,664,580.00) | 40,000,000.00 | 7,664,580.00 | 693,718,753.32 | - | - | - | - | 3,373,282,328.29 | |
| Beginning balance as of January 1, 2022 | | | | | | | | | | | | |
| Change in shareholders' equity for the Year | | | | | | | | | | | | |
| Dividend payment | 17 | - | - | - | - | (79,829,010.00) | - | - | - | - | (79,829,010.00) | |
| Sale of treasury shares | 16 | - | - | 7,664,580.00 | (2,158,095.00) | - | - | - | - | - | 5,506,485.00 | |
| Reversal of treasury shares reserve | | - | - | - | (5,506,485.00) | 5,506,485.00 | - | - | - | - | - | |
| Total comprehensive income | | - | - | - | - | 189,787,285.16 | 9,232,232.80 | - | - | - | 199,019,517.96 | |
| Transferred to retained earnings | | - | - | - | - | 9,232,232.80 | (9,232,232.80) | - | - | - | - | |
| Ending balance as of December 31, 2022 | | 399,922,500.00 | 2,239,641,074.97 | - | 40,000,000.00 | 818,415,746.28 | - | - | - | - | 3,497,979,321.25 | |
| Change in shareholders' equity for the Year | | | | | | | | | | | | |
| Dividend payment | 17 | - | - | - | - | (191,962,800.00) | - | - | - | - | (191,962,800.00) | |
| Total comprehensive income (loss) | | - | - | - | - | 74,711,669.66 | - | - | - | - | 74,711,669.66 | |
| Ending balance as of December 31, 2023 | | 399,922,500.00 | 2,239,641,074.97 | - | 40,000,000.00 | 701,164,615.94 | - | - | - | - | 3,380,728,190.91 | |

The accompanying notes to financial statements are an integral part of these financial statements.

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

| | Note | B A H T | |
|---|-----------|---------------------------------|------------------|
| | | FOR THE YEAR ENDED DECEMBER 31, | |
| | | 2023 | 2022 |
| REVENUES | | | |
| Contract revenues | | 3,493,443,228.56 | 2,709,900,837.66 |
| Other income | | | |
| - Interest and dividend income | | 23,718,069.51 | 14,990,789.74 |
| - Gain on exchange rate | 21 | 2,889,873.84 | - |
| - Others | | 22,850,688.46 | 13,114,110.78 |
| Total Revenues | | 3,542,901,860.37 | 2,738,005,738.18 |
| EXPENSES | | | |
| Contract cost | | | |
| - Production contracts cost | | 3,195,656,420.35 | 2,277,592,563.15 |
| - Idle cost | | - | 65,288,888.78 |
| Total cost of contract | | 3,195,656,420.35 | 2,342,881,451.93 |
| Distribution costs | | 1,574,940.42 | 2,243,040.82 |
| Administrative expenses | | 177,726,582.19 | 176,725,558.11 |
| Other expenses | | | |
| - Loss on exchange rate | 21 | - | 21,221,152.23 |
| - Severance pay | | 78,036,010.00 | 8,776,306.66 |
| Total Expenses | | 3,452,993,952.96 | 2,551,847,509.75 |
| PROFIT FROM OPERATING ACTIVITIES | | 89,907,907.41 | 186,158,228.43 |
| FINANCIAL COSTS | | 1,353,609.28 | 1,432,653.08 |
| IMPAIRMENT LOSS DETERMINED IN ACCORDANCE WITH TFRS 9 | 5 | 20,435,400.00 | - |
| PROFIT BEFORE INCOME TAX EXPENSES | | 68,118,898.13 | 184,725,575.35 |
| TAX EXPENSES (INCOME) | 23 | (6,592,771.53) | (5,061,709.81) |
| PROFIT FOR THE YEAR | | 74,711,669.66 | 189,787,285.16 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | | | |
| Item that will not be reclassified subsequently to profit or loss : | | | |
| Actuarial gain (loss) on defined employee benefit plans | 15 | - | 11,540,291.00 |
| Deferred tax relating to other components of equity | 15 and 23 | - | (2,308,058.20) |
| Total item that will not be reclassified subsequently to profit or loss | | - | 9,232,232.80 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | | - | 9,232,232.80 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 74,711,669.66 | 199,019,517.96 |
| BASIC EARNINGS (LOSS) PER SHARE | | 0.05 | 0.12 |
| THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARE) | 24 | 1,599,690,000 | 1,597,577,342 |

The accompanying notes to financial statements are an integral part of these financial statements.

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

| | B A H T | | |
|--|---------------------------------|------------------|------------------|
| | FOR THE YEAR ENDED DECEMBER 31, | | |
| | Note | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit of the year | | 74,711,669.66 | 189,787,285.16 |
| Adjustments to reconcile net profit to net cash provided by (used in) | | | |
| from operating activities | | | |
| Depreciation and amortization | | 168,715,771.29 | 157,878,158.33 |
| Employee benefit expenses and severance pay | | 83,442,359.00 | 4,552,500.00 |
| Interest expenses | | 1,353,609.28 | 1,432,653.08 |
| Unrealized loss (gain) on derivative | | (1,380,771.21) | - |
| Tax expenses (income) | | (6,592,771.53) | (5,061,709.81) |
| Interest and dividend income | | (23,718,069.51) | (14,990,789.74) |
| Loss (gain) on sale of property, plant and equipment | | (953,118.60) | 129,791.67 |
| Unrealized loss (gain) on exchange rate | 21 | (7,813,454.31) | 101,627,373.77 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | | 287,765,224.07 | 435,355,262.46 |
| Decrease (increase) in operating assets | | | |
| Decrease (increase) in trade receivables | | 273,250,172.40 | (330,917,569.93) |
| Decrease (increase) in contract asset | | (518,975,924.38) | (535,129,075.75) |
| Decrease (increase) in other receivables - Revenue Department receivable | | 30,431,244.06 | (52,142,756.84) |
| Decrease (increase) in other receivables - others | | 12,392,538.59 | (22,122,682.23) |
| Decrease (increase) in inventories | | 165,951,866.02 | (244,982,827.09) |
| Decrease (increase) in other current assets - retentions | | 41,962,636.58 | (61,530,903.43) |
| Decrease (increase) in other current assets - advance payment for materials and services | | 10,653,042.01 | (11,613,778.60) |
| Decrease (increase) in other current assets - others | | (1,748,800.00) | 143,940.00 |
| Decrease (increase) in other non - current assets | | 385,688.20 | (964,147.05) |
| Increase (decrease) in operating liabilities | | | |
| Increase (decrease) in trade payables and accrued contract cost | | (177,861,236.58) | 340,561,558.49 |
| Increase (decrease) in contract liabilities | | 40,031,216.74 | 83,172,147.61 |
| Increase (decrease) in other payables - rental income received in advance | | 6,289,219.85 | (18,867,659.93) |
| Increase (decrease) in other payables - accrued expenses | | 714,252.14 | 24,929,950.16 |
| Increase (decrease) in other payables - Revenue Department payable | | (2,086,320.68) | 5,162,939.08 |
| Increase (decrease) in other payables - others | | (52,884,263.76) | 40,562,604.17 |
| Increase (decrease) in provisions for severance pay | | 8,615,906.83 | 22,868,074.62 |
| Increase (decrease) in other current liabilities - retention | | 21,658,513.35 | 24,786,218.99 |
| Increase (decrease) in other current liabilities - others | | 1,378,755.00 | 2,323,846.47 |
| Increase (decrease) in other non - current liabilities | | - | (933,912.00) |
| Cash received (paid) from operating activities | | 147,923,730.44 | (299,338,770.80) |
| Net income tax Received (paid) | | (680,988.63) | 438,842.90 |
| Employee benefit and severance paid | | (78,036,010.00) | - |
| Interest received and dividend | | 20,855,268.47 | 14,990,789.74 |
| Interest paid | | - | (1,432,653.08) |
| Net cash inflow (outflow) from operating activities | | 90,062,000.28 | (285,341,791.24) |

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

| | Note | B A H T | |
|---|------|---------------------------------|------------------|
| | | FOR THE YEAR ENDED DECEMBER 31, | |
| | | 2023 | 2022 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Increase (decrease) in other payables - purchase fixed asset | | (15,637,398.65) | 13,904,815.00 |
| Decrease (increase) in other current financial assets - debt instruments | | - | 80,445,505.79 |
| Decrease (increase) in other current financial assets - investment units | | (793,397.00) | (50,435,633.65) |
| Decrease (increase) in right-of-use assets | | (7,580,000.00) | (83,250,966.78) |
| Decrease (increase) in long - term investment - bank deposit pledged as collateral | | - | 12,250,000.00 |
| Decrease (increase) in other non - current assets - advance payment for purchase of machinery | | 1,712,504.80 | (2,878,959.36) |
| Payment for purchase of property, plant and equipment | | (66,155,243.10) | (315,034,954.46) |
| Payment for purchase of intangible assets | | (4,513,041.64) | (2,321,922.40) |
| Proceeds from dividend | | 2,862,801.07 | |
| Proceeds from sale of property, plant and equipment | | 10,391,470.26 | 6,312,179.19 |
| Proceeds from sale of investment units | | - | 544,696.22 |
| Net cash inflow (outflow) from investing activities | | (79,712,304.26) | (340,465,240.45) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend payment | | (191,965,357.75) | (79,829,010.00) |
| Increase (decrease) in contract liabilities | | (17,820,716.66) | 28,978,864.35 |
| Interest paid | | (1,353,609.28) | - |
| Proceeds from disposal of treasury shares | 16 | - | 5,506,485.00 |
| Net cash inflow (outflow) from financing activities | | (211,139,683.69) | (45,343,660.65) |
| EFFECT FROM EXCHANGE RATE IN CASH AND CASH EQUIVALENTS | | 5,993,841.81 | (68,686,823.13) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET | | (194,796,145.86) | (739,837,515.47) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | | 1,046,415,379.67 | 1,786,252,895.14 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 3 | 851,619,233.81 | 1,046,415,379.67 |

The accompanying notes to financial statements are an integral part of these financial statements.

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENED DECEMBER 31, 2023

1. GENERAL INFORMATION

1.1 GENERAL MATTER

The company was incorporated as a limited company under the Thai Civil and Commercial Code on April 19, 1994, and changed its status to a public limited company under the Public Limited Company Act on May 9, 2013 and the Company's shares had been approved to be listed in the Stock Exchange of Thailand on November 28, 2013. The address of its registered office is 594 Moo 4 Tumbol Makhankoo, Amphur Nikompattana, Rayong. The company operates in Thailand, and its principal activities are the Manufactures fabricated steel and equipment and provides modularization.

1.2 BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting Professions.

The financial statements have been presented in Thai Baht, which is the functional currency of the company.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

1.3 RELATED PARTIES

Related persons through shareholding and /or directors are as follows :

| | Relationship |
|--------------------------------|--------------------------|
| Mr. Kyu Young Lee | Shareholder and director |
| Mr. Young Jun Lee | Shareholder and director |
| Mr. Seung Woo Lee | Shareholder and director |
| Mr. Seong Jin Lee | Shareholder and director |
| Mr. Myungsup Song | Director |
| Mr. Boonchuay Korkitrojana | Director |
| Mr. Ekachidd Chungcharoen | Director |
| Mr. Noppadol Dheerabutrvongkul | Director |
| Mr. Jumpot Kanjanapanyakom | Director |

1.4 ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

1.4.1 Financial reporting standards which are effective for the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after January 1, 2023. This financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

1.4.2 Financial Reporting Standards which are not effective for the current year

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Company has assessed that adoption of these amendments will not have any significant impact on the Company financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 REVENUES RECOGNITION

Contract Revenues are recognized as revenue by reference to the stage of completion, calculated based on the proportion of contract costs incurred for work performed to date bear to the total estimate contract costs and results of assessment performed by engineers of the Company. When the outcome of a contract cannot be estimated reliably, the revenue shall be recognized only to the extent of costs incurred that it is probable will be recoverable and the costs shall be recognized as an expense in the period in which they are incurred. When it is probable that total costs will exceed total contract revenue, the expected loss shall be recognized immediately as an expense in the statement of income.

2.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, deposits at banks on saving accounts and current accounts and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

2.3 CONTRACT ASSATS - UNBILLED CONTRACT WORK / CONTRACT LIABILITIES

Unbilled contract work comprises the costs of materials and labor, subcontractor charges, services and overheads plus the attributable net gains or losses less the amounts already billed to customers.

The excess of the value of a contract work over the amount billed to the customer is presented as "Contract assets" under current assets. The excess of the amount billed to a customer over the value of the contract work is presented as "Contract liabilities" under current liabilities.

2.4 INVENTORIES

Raw material and supplies are stated at the lower of cost (first - in, first - out method) or net realizable value.

2.5 OTHER CURRENT FINANCIAL ASSETS

Investments in unit trusts, which the Company holds as investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the value of securities are included in statement of comprehensive income.

The weighted average method is used for computation of the cost of other current financial assets.

2.6 PROPERTY, PLANT AND EQUIPMENT

Property are stated at cost.

Plant and equipment are stated at cost net of accumulated depreciation.

Depreciation is calculated on the straight - line method based on the estimated useful lives of assets are as follows :

| | YEARS |
|---|--------|
| Building | 2 - 30 |
| Machinery and equipment | 5 - 20 |
| Furniture, fixture and office equipment | 3 - 15 |
| Vehicles | 2 - 20 |

2.7 INTANGIBLE ASSETS

Computer software and Certificate of Product Standard is stated at cost net of accumulated amortization.

Amortization is calculated on the straight - line method based on the estimated useful lives of assets are as follows :

| | YEARS |
|---------------------------------|--------|
| Computer software | 5 - 10 |
| Certificate of product standard | 3 - 5 |

2.8 FINANCIAL INSTRUMENTS

Classification and measurement

Financial assets that are debt instruments are measured at amortised cost except investment units are measured at fair value through profit or loss.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Company assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Company applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.

2.9 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are converted at the exchange rate of the transaction date. Assets and liabilities in foreign currencies at the end of year are converted at average bank buying and selling rate at that date respectively.

Gain or loss from translations are included in determining earnings.

2.10 BASIC EARNINGS PER SHARE

Basic earnings per share is determined by dividing net profit by weighted average number of issued and fully paid up shares capital.

2.11 ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant areas of estimation uncertainty and critical judgments related to allowance for expected credit loss, allowance for decline in value of inventories, allowance for impairment of investment, depreciation, amortization, allowance for impairment of assets, provisions for severance pay, provisions for employee benefit and recognition of revenue by reference to the stage of completion.

2.12 EMPLOYEE BENEFITS

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Retirement benefit

Severance Payment as specified in Thai Law are recognized as expenses in the comprehensive income statement along the service period of employees. The Company's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method.

However, the actual benefit obligation may be different from the estimate.

The company recognized the actuarial gains of losses arising from defined benefit plan in the period incurred in comprehensive income.

The Company recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the statement of income when the Company plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

2.13 INCOME TAX

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.14 LEASES

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

THE COMPANY AS LESSEE

RIGHT - OF - USE ASSETS

The Company recognises right - of - use assets at the commencement date of the lease. Right - of - use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right - of - use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right - of - use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right - of - use assets are depreciated on a straight - line basis from the commencement date of the lease to the earlier of the end of the useful life of the right - of - use asset or the end of the lease term as follow:

| | YEARS |
|-------------------|--------|
| Land tenure right | 30 |
| Lease right | 2 - 3 |
| Machinery | 15 |
| Vehicles | 5 - 10 |

2.15 LEASE LIABILITIES

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Company recognises interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in - substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Short - term leases and Leases of low - value assets

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

The Company as lessor

The Company classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, The Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight - line basis over the lease term.

Sub lease

When the Company is an intermediate lessor, it accounts for its interests in the head lease and sub - lease separately. It assesses the lease classification of a sub - lease with reference to the right - of - use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short - term lease to which the Company apply the exemption described in "Short - term leases and leases of low - value asset, then it classifies the sub - lease as an operating lease.

The Company as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Company continues to account for the lease liability and right - of - use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Company derecognise the right - of - use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

3. CASH AND CASH EQUIVALENTS

| | B A H T | |
|--------------------------------------|-----------------------|-------------------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Cash | 295,862.00 | 295,941.00 |
| Current and saving deposits at banks | 465,043,839.78 | 716,520,884.60 |
| Deposit in foreign registered fund | 386,279,532.03 | 329,598,554.07 |
| Total cash and cash equivalents | <u>851,619,233.81</u> | <u>1,046,415,379.67</u> |

4. TRADE RECEIVABLES - NET

As of December 31, 2023 and 2022, the trade receivables are classified by aging as follows :

| | B A H T | |
|--|-----------------------|-----------------------|
| | As of December 31 | |
| | 2023 | 2022 |
| Current | 50,425,582.65 | 317,481,276.91 |
| Overdue | | |
| Less than 3 months | 103,223,913.78 | 109,218,548.21 |
| Over 12 months | - | 1,611,232.41 |
| Total | <u>153,649,496.43</u> | <u>428,311,057.53</u> |
| <u>Less</u> Allowance for expected credit losses | - | (1,493,798.20) |
| Trade Receivables - Net | <u>153,649,496.43</u> | <u>426,817,259.33</u> |

The change in the allowance for expected credit loss as of December 31, 2023 is as follow :

| | B A H T |
|---------------------------------|----------------|
| Balance as of December 31, 2022 | 1,493,798.20 |
| Received during the year | (1,493,798.20) |
| Balance as of December 31, 2023 | <u>-</u> |

5. CONTRACT ASSETS - NET/ CONTRACT LIABILITIES

5.1 Contract balances

| | B A H T | |
|--|-------------------------|-----------------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Contract assets | | |
| Project value as per contracts | 8,184,806,862.77 | 7,177,960,795.38 |
| Accumulated amount recognized as revenue on percentage of completion basis | 7,582,877,822.37 | 5,435,900,335.82 |
| <u>Less</u> Value of total billed | (6,212,757,388.29) | (4,574,277,565.80) |
| <u>Add (Less)</u> Differences arising from currency translation | (65,428,411.06) | (98,462,876.15) |
| Unbilled contract work | 1,304,692,023.02 | 763,159,893.87 |
| <u>Less</u> Allowance for expected credit loss | (44,823,693.75) | (24,388,293.75) |
| Contract assets - net | <u>1,259,868,329.27</u> | <u>738,771,600.12</u> |
| Retention | | |
| - Current | <u>50,859,894.97</u> | <u>90,014,711.12</u> |
| Contract liabilities | | |
| Project value as per contracts | 1,457,499,229.35 | 882,008,757.02 |
| Value of total billed | 916,057,856.02 | 384,593,508.10 |
| <u>Less</u> Accumulated amount recognized as revenue on percentage of completion basis | (497,318,319.96) | (13,547,259.80) |
| <u>Add (Less)</u> Differences arising from currency translation | (39,396,903.63) | (31,734,832.61) |
| Contract liabilities | <u>379,342,632.43</u> | <u>339,311,415.69</u> |

Contract assets are classified by aging as follows :

| | B A H T | |
|--|-------------------|-----------------|
| | As of December 31 | |
| | 2023 | 2022 |
| Less than or up to 3 months | 945,585,781.14 | 454,172,936.76 |
| Over 3 months to 6 months | 237,058,435.20 | 185,748,378.90 |
| Over 12 months | 122,047,806.68 | 123,238,578.21 |
| Total | 1,304,692,023.02 | 763,159,893.87 |
| <u>Less</u> Allowance for expected credit losses | (44,823,693.75) | (24,388,293.75) |
| Contract assets - Net | 1,259,868,329.27 | 738,771,600.12 |

As at December 31, 2023 and 2022, the balance of contract assets - unbilled contract work of Baht 1,259.87 million and Baht 738.77 million respectively is expected to be billed within one year.

The change in the allowance expected credit loss as of December 31, 2023 is as follow :

| | B A H T |
|---------------------------------|---------------|
| Balance as of December 31, 2022 | 24,388,293.75 |
| Increase during the year | 20,435,400.00 |
| Balance as of December 31, 2023 | 44,823,693.75 |

CONTRACTS IN PROGRESS

As of December 31, 2023 and 2022, the Company has the aggregate amount of costs in process incurred and recognized profit up to date approximately amounted to Baht 5,105.01 million and Baht 2,460.71 million respectively.

5.2 Revenue recognized in relation to contract balances

| | B A H T | |
|---|--------------------|----------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Revenue recognized that was included in contract liabilities at the beginning of the year | 339,311,415.69 | 256,139,268.08 |

5.3 Revenue to be recognized for the remaining performance obligations

As of December 31, 2023, revenue totaling Baht 1,732.11 million is expected to be recognized in the future in respect of performance obligations under contracts with customers that are uncompleted. The Company expects to satisfy these performance obligations within 3 years.

6. OTHER CURRENT RECEIVABLES

| | B A H T | |
|-------------------------------|----------------------|-----------------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Prepaid expenses | 5,181,886.40 | 7,520,875.86 |
| <u>Less</u> Non - current | (590,794.84) | (539,543.06) |
| Current | 4,591,091.56 | 6,981,332.80 |
| Other receivables | 8,237,616.45 | 16,830,764.55 |
| <u>Less</u> Non - current | - | (87,499.98) |
| Current | 8,237,616.45 | 16,743,264.57 |
| Revenue Department receivable | 58,229,651.93 | 90,347,135.67 |
| Others | 502,528.11 | 312,937.66 |
| Total | <u>71,560,888.05</u> | <u>114,384,670.70</u> |

7. INVENTORIES

| | B A H T | |
|---------------------------|-----------------------|-----------------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Raw material and supplies | 443,686,740.99 | 591,849,159.87 |
| Goods in transit | - | 17,789,447.14 |
| Total | <u>443,686,740.99</u> | <u>609,638,607.01</u> |

8. OTHER CURRENT FINANCIAL ASSETS

| | B A H T | |
|--|----------------------|----------------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Financial assets measurement at fair value through Profit or loss | | |
| Foreign registered fund - Investment units in fund | 49,887,411.40 | 51,737,932.28 |
| Derivatives - forward contracts | 1,380,771.21 | - |
| Total Other current financial assets | <u>51,268,182.61</u> | <u>51,737,932.28</u> |

9. PROPERTY, PLANT AND EQUIPMENT - NET

| Cost | B A H T | | | | | | TOTAL |
|---------------------------------|----------------|------------------|-------------------------|---|-----------------|---|--------------------|
| | Land | Building | Machinery and equipment | Fixture, furniture and office equipment | Vehicles | Work in progress / machinery under installation | |
| As of 31 December, 2022 | 113,794,021.88 | 676,036,888.15 | 1,191,429,605.23 | 105,553,417.63 | 123,351,560.56 | 137,571,595.88 | 2,347,737,089.33 |
| Additions | - | - | 2,660,491.34 | 2,706,919.73 | 2,156,035.52 | 58,631,796.51 | 66,155,243.10 |
| Disposals / written - off | (5,000,000.00) | (8,057,074.68) | - | (2,397,783.15) | (4,845,448.60) | - | (20,300,306.43) |
| Transfer | - | 76,945,799.58 | 96,243,624.10 | - | 4,490,000.00 | (177,679,423.68) | - |
| As of 31 December, 2023 | 108,794,021.88 | 744,925,613.05 | 1,290,333,720.67 | 105,862,554.21 | 125,152,147.48 | 18,523,968.71 | 2,393,592,026.00 |
| <u>Accumulated depreciation</u> | | | | | | | |
| As of 31 December, 2022 | - | (233,735,701.84) | (645,629,788.73) | (80,376,495.19) | (77,297,492.77) | - | (1,037,039,478.53) |
| Depreciation for the year | - | (22,403,311.02) | (80,414,918.00) | (5,745,643.40) | (9,720,004.01) | - | (118,283,876.43) |
| Disposals / written - off | - | 5,471,718.58 | - | 2,160,806.36 | 3,229,429.83 | - | 10,861,954.77 |
| As of 31 December, 2023 | - | (250,667,294.28) | (726,044,706.73) | (83,961,332.23) | (83,788,066.95) | - | (1,144,461,400.19) |
| <u>Net book value</u> | | | | | | | |
| As of 31 December, 2022 | 113,794,021.88 | 442,301,186.31 | 545,799,816.50 | 25,176,922.44 | 46,054,067.79 | 137,571,595.88 | 1,310,697,610.80 |
| As of 31 December, 2023 | 108,794,021.88 | 494,258,318.77 | 564,289,013.94 | 21,901,221.98 | 41,364,080.53 | 18,523,968.71 | 1,249,130,625.81 |

Depreciation charges for year amounted to Baht 118,283,876.43 in year 2023 and Baht 96,425,038.81 in year 2022 are included in determining earnings.

As of December 31, 2023 and 2022, the Company has fully depreciates fixed assets but are still in use in the original cost of Baht 132.58 million and Baht 135.01 million respectively.

As of December 31, 2023 and 2022, a part of land are mortgaged to a local bank as collateral for credit line of bank overdraft and letter of guarantee amount of Baht 174.60 million.

10. RIGHT-OF-USE ASSETS - NET

B A H T

| | Land tenure right | Lease right | Machinery | Vehicles | Total |
|---------------------------------|-------------------|------------------|--------------|-----------------|------------------|
| <u>COST</u> : | | | | | |
| As of December 31, 2022 | 9,860,000.00 | 164,154,896.05 | 8,691,588.78 | 14,486,635.51 | 197,193,120.34 |
| Additional | - | - | - | 7,580,000.00 | 7,580,000.00 |
| As of December 31, 2023 | 9,860,000.00 | 164,154,896.05 | 8,691,588.78 | 22,066,635.51 | 204,773,120.34 |
| <u>ACCUMULATED AMORTIZATION</u> | | | | | |
| As of December 31, 2022 | (2,886,863.93) | (109,471,115.26) | (321,008.87) | (7,037,965.74) | (119,716,953.80) |
| Amortization for the year | (328,666.66) | (42,257,217.79) | (521,495.38) | (3,458,283.33) | (46,565,663.16) |
| As of December 31, 2023 | (3,215,530.59) | (151,728,333.05) | (842,504.25) | (10,496,249.07) | (166,282,616.96) |
| <u>NET BOOK VALUE</u> : | | | | | |
| As of December 31, 2022 | 6,973,136.07 | 54,683,780.79 | 8,370,579.91 | 7,448,669.77 | 77,476,166.54 |
| As of December 31, 2023 | 6,644,469.41 | 12,426,563.00 | 7,849,084.53 | 11,570,386.44 | 38,490,503.38 |

The following are the amounts recognised in profit or loss for the years ended December 31, 2023 and 2022 are as follow :

| | B A H T | |
|---------------------------------------|---------------|---------------|
| | 2023 | 2022 |
| Amortization of right-of-use assets | 46,565,663.16 | 57,690,933.44 |
| Interest expense on lease liabilities | 1,352,298.46 | 1,432,646.67 |
| Expense relating to short-term lease | 6,774,388.80 | 7,623,028.80 |
| Total | 54,692,350.42 | 66,746,608.91 |

11. INTANGIBLE ASSETS - NET

| | B A H T | | | |
|-----------------------------------|-------------------|---------------------------------|--------------------------------------|-----------------|
| | Computer software | Certificate of Product standard | Work in progress - Computer software | Total |
| <u>COST :</u> | | | | |
| As of December 31, 2022 | 16,284,008.65 | 19,571,914.89 | - | 35,855,923.54 |
| Additional | 444,657.12 | 1,788,174.52 | 2,280,210.00 | 4,513,041.64 |
| As of December 31, 2023 | 16,728,665.77 | 21,360,089.41 | 2,280,210.00 | 40,368,965.18 |
| <u>ACCUMULATED AMORTIZATION :</u> | | | | |
| As of December 31, 2022 | (13,013,278.15) | (15,764,612.94) | - | (28,777,891.09) |
| Amortization for the year | (1,502,558.03) | (2,363,673.67) | - | (3,866,231.70) |
| As of December 31, 2023 | (14,515,836.18) | (18,128,286.61) | - | (32,644,122.79) |
| <u>NET BOOK VALUE :</u> | | | | |
| As of December 31, 2022 | 3,270,730.50 | 3,807,301.95 | - | 7,078,032.45 |
| As of December 31, 2023 | 2,212,829.59 | 3,231,802.80 | 2,280,210.00 | 7,724,842.39 |

Amortization expenses for the years amounted to Baht 3,866,231.70 in year 2023 and Baht 3,762,186.08 in year 2022 are included in statement of comprehensive income.

12. CREDIT FACILITIES

As of December 31, 2023 and 2022, the Company has credit facilities with three banks for overdraft and loan facilities which are guarantee mortgaged part of land and building as follows :

| | MILLION BAHT | |
|--|--------------------|----------|
| | As of December 31, | |
| | 2023 | 2022 |
| Overdraft and loan facilities | 30.00 | 30.00 |
| Letter of guarantee - Existing facilities | 360.00 | 360.00 |
| Letter of guarantee, letter of credits and trust receipts - New facilities | 6,938.92 | 6,398.17 |

13. OTHER PAYABLES

| | BAHT | |
|---|----------------------|-----------------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Rental income received in advance (Note 30.2) | 6,289,220.04 | 2,096,406.68 |
| Other received in advance | 1,953,243.28 | 13,053,591.21 |
| Accrued expenses | 32,044,723.76 | 31,330,471.62 |
| Payable for purchase fixed assets | 912,388.25 | 16,549,786.90 |
| Revenue Department payable | 4,796,112.32 | 6,882,433.00 |
| Others | 5,312,031.68 | 47,095,947.51 |
| Total | <u>51,307,719.33</u> | <u>117,008,636.92</u> |

14. LEASE LIABILITIES

| | B A H T | |
|---|------------------------|------------------------|
| | 2023 | 2022 |
| Lease liabilities as of January 1 | 33,300,418.77 | 4,321,554.42 |
| Increase (Decrease) during the year : | | |
| <u>Add</u> Lease payments at the commencement date | 5,994,195.12 | 48,016,722.45 |
| <u>Less</u> Deferred interest expenses | (568,445.12) | (2,631,951.54) |
| <u>Add</u> Amortization of deferred interest expenses | 1,352,298.46 | 1,432,646.67 |
| <u>Less</u> Paid in year | (24,598,765.12) | (17,838,553.23) |
| Lease liabilities as of December 31 | <u>15,479,702.11</u> | <u>33,300,418.77</u> |
| <u>Less</u> Current portion | <u>(10,836,589.20)</u> | <u>(22,227,031.95)</u> |
| Lease liabilities - net of current portion | <u>4,643,112.91</u> | <u>11,073,386.82</u> |

As of December 31, 2023 and 2022, the Company has lease obligations with the period of payment as follows :

| | B A H T | | |
|------------------------------------|-------------------------|-------------------|----------------------|
| | As of December 31, 2023 | | |
| | Principal | Deferred interest | Total |
| Payment due within 1 year | 10,836,589.20 | 426,537.83 | 11,263,127.03 |
| Payment due over 1 year to 5 years | 4,643,112.91 | 221,025.17 | 4,864,138.08 |
| Total | <u>15,479,702.11</u> | <u>647,563.00</u> | <u>16,127,265.11</u> |

| | B A H T | | |
|------------------------------------|-------------------------|---------------------|----------------------|
| | As of December 31, 2022 | | |
| | Principal | Deferred interest | Total |
| Payment due within 1 year | 22,227,031.95 | 1,163,422.26 | 23,390,454.21 |
| Payment due over 1 year to 5 years | 11,073,386.82 | 267,994.21 | 11,341,381.03 |
| Total | <u>33,300,418.77</u> | <u>1,431,416.47</u> | <u>34,731,835.24</u> |

Under the term of lease contracts referred to above, the Company have the right to purchase the assets at the quoted price at the expiry date of the leases contracts and the Company have to comply with certain conditions and restriction as specified in the lease contracts.

15. PROVISIONS FOR EMPLOYEE BENEFIT

- Movement in the present value of the provisions for employee benefit for the years ended December 31, 2023 and 2022 are as follows :

| | B A H T | |
|---|----------------------|----------------------|
| | 2023 | 2022 |
| Provisions for employee benefit as of January 1 | 18,048,084.00 | 25,035,875.00 |
| Current service cost and interest | 5,406,349.00 | 4,552,500.00 |
| Actuarial (gain) loss on defined employee benefit plans | - | (11,540,291.00) |
| Provisions for employee benefit as of December 31 | <u>23,454,433.00</u> | <u>18,048,084.00</u> |

- Expenses recognized in profit or loss as of December 31, 2023 and 2022 are as follow :

| | BAHT | |
|-----------------------|---------------------------------|---------------------|
| | For the year ended December 31, | |
| | 2023 | 2022 |
| Current service costs | 5,059,869.00 | 4,293,408.00 |
| Interest cost | 346,480.00 | 259,092.00 |
| Total | <u>5,406,349.00</u> | <u>4,552,500.00</u> |

- Principal actuarial assumptions as of December 31, 2023 and 2022 are as follows :

| | PERCENT | |
|------------------------|--------------------|-----------|
| | As of December 31, | |
| | 2023 | 2022 |
| Discount rate | 1.92 | 1.92 |
| Salary increase rate | 5 | 5 |
| Employee turnover rate | 0-31* | 0-31* |
| Mortality rate | TMO2017** | TMO2017** |

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017

- Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of December 31, 2023 as follows:
- If the discount rate increases (decreases) by 1%, the employee benefit obligation would decrease Baht 1.26 million (increase Baht 1.40 million).
- If the salary increase rate increases (decreases) by 1%, the employee benefit obligation would increase Baht 1.52 million (decrease Baht 1.39 million).
- If the turnover rate increases (decreases) by 1%, the employee benefit obligation would decrease Baht 1.43 million (increase Baht 0.79 million).
- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation would increase (decrease) Baht 0.11 million.

In presenting the above sensitivity analysis, the present value of the employee benefit obligations has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

16. SHARE CAPITAL, TREASURY SHARES AND APPROPRIATED RETAINED EARNINGS FOR TREASURY SHARES

During August 29, 2022 to September 8, 2022, the Company has sold total of treasury share 3,109,800 shares (par value of Baht 0.25 each) at a total of Baht 5.51 million.

The treasury stock program for financial management purposes for the repurchase of not exceeding 16,000,000 shares at the par value of Baht 0.25 per share or equivalent to not exceeding 1% of the total of paid - up shares and not exceeding amounted to Baht 40 million. The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand, the Board of Directors of the Company has approved on February 25, 2019, The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand, starting from March 13, 2019 to September 12, 2019. The Company had purchased back of shares on the Stock Exchange of Thailand from June 17, 2019 to August 19, 2019. Amounted 3,109,800 ordinary shares (par value of Baht 0.25 each), or 0.19% of the total number of issued and fully paid up shares, for a total of Baht 7.66 million.

17. DIVIDEND PAYMENT

At the Annual General Meeting of the Shareholders on April 22, 2022 has approved to pay the dividend from the retained earnings on profit from Non-BOI business at the rate of Baht 0.05 per share total amount of Baht 79.83 million Which is paid on May 11, 2022

At the Annual General Meeting of the Shareholders on April 21, 2023 has approved to pay dividend from the retained earnings on profit from BOI business in the form of cash at the rate of Baht 0.12 per share with the total amount of Baht 191.96 million Which is paid on 19 May, 2023.

18. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside as legal reserve of at least 5% of its net profit of each year after deduction of deficit (if any) until the reserve reaches 10% of authorized share capital. This reserve is not available for dividend distribution.

19. PROVIDENT FUNDS

The Company has established the provident fund for its employee in year 2013. Each employee to contribute 5% of the gross salary and the Company contributes the same amount. The fund is managed by a local finance institution under Provident Fund Act. (B.E.2530) and Provident Fund Act. (No.2 B.E.2542).

The Company has contributed to the fund for the year ended December 31, 2023 and 2022 amounted to Baht 3.54 million and Baht 3.73 million respectively.

20. REVENUES

Revenues from the BOI - promoted and non - promoted industries for the years ended December 31, 2023 and 2022 are as follows:

| | 2023 (BAHT) | | |
|----------------------------|---------------------------|---------------------------|-------------------------|
| | BOI - Promoted Industries | Non - Promoted Industries | Total Revenues |
| Contract revenues - Export | 3,409,307,230.05 | - | 3,409,307,230.05 |
| Contract revenues - Local | - | 84,135,998.51 | 84,135,998.51 |
| Other income | 1,327,192.92 | 45,241,565.05 | 46,568,757.97 |
| Total | <u>3,410,634,422.97</u> | <u>129,377,563.56</u> | <u>3,540,011,986.53</u> |

| | 2022 (BAHT) | | |
|----------------------------|---------------------------|---------------------------|-------------------------|
| | BOI - Promoted Industries | Non - Promoted Industries | Total Revenues |
| Contract revenues - Export | 2,622,972,251.22 | - | 2,622,972,251.22 |
| Contract revenues - Local | - | 86,928,586.44 | 86,928,586.44 |
| Other income | 6,226,174.65 | 21,878,725.87 | 28,104,900.52 |
| Total | <u>2,629,198,425.87</u> | <u>108,807,312.31</u> | <u>2,738,005,738.18</u> |

21. GAIN (LOSS) ON EXCHANGE RATE

| | B A H T | |
|------------------------|---------------------------------|------------------------|
| | For the year ended December 31, | |
| | 2023 | 2022 |
| Realized gain (loss) | (4,923,580.47) | 80,406,221.54 |
| Unrealized gain (loss) | 7,813,454.31 | (101,627,373.77) |
| Total | <u>2,889,873.84</u> | <u>(21,221,152.23)</u> |

22. EXPENSES BY NATURE

The expenditure items of expenses classified by nature for the year ended December 31, 2023 and 2022 are as follows :

| | B A H T | |
|-------------------------------|---------------------------------|----------------|
| | For the year ended December 31, | |
| | 2023 | 2022 |
| Raw material and supplies use | 607,375,167.88 | 845,329,690.66 |
| Employee expenses | 1,085,344,798.57 | 665,837,304.89 |
| Services cost | 1,030,958,447.96 | 650,589,913.16 |
| Labor cost | 306,819,520.74 | 68,242,957.23 |
| Depreciation and amortization | 168,715,771.29 | 153,371,922.86 |

23. TAX EXPENSES (INCOME)

The Company received promotional privileges from the Board of Investment including exemption from corporate income tax in BOI - promoted industries (as stated in the note to financial statement 27).

The income tax rate being used is 20%.

- Tax expenses for the year ended December 31, 2023 and 2022 consisted of

| | B A H T | |
|---|---------------------------------|-----------------------|
| | For the year ended December 31, | |
| | 2023 | 2022 |
| Deferred tax expense (income) of the year | - | - |
| Deferred tax expense (income) of Temporary difference | (6,592,771.53) | (5,061,709.81) |
| Tax expense (income) reported in statement of comprehensive income | <u>(6,592,771.53)</u> | <u>(5,061,709.81)</u> |

- Income tax relating to each component of other comprehensive income for the year ended December 31, 2023 and 2022, consisted of:

| | BAHT | |
|-----------------------|---------------------------------|----------------|
| | For the year ended December 31, | |
| | 2023 | 2022 |
| Actuarial loss (gain) | - | (2,308,058.20) |

- Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2023 and 2022 as follow:

| | B A H T | |
|--|---------------------------------|-----------------|
| | For the year ended December 31, | |
| | 2023 | 2022 |
| Accounting profit before tax | 68,118,898.13 | 184,725,575.35 |
| Applicable tax rate | 20% | 20% |
| Accounting profit before tax multiplied by applicable tax rate | 13,623,779.63 | 36,945,115.07 |
| Tax effect of : | | |
| - Revenues granted income tax exemption | (21,247,285.82) | (55,937,950.49) |
| - Non - deductible expenses | 5,692,187.98 | 1,063,021.05 |
| - Loss for non - promoted business of current year which no deferred tax asset was recognized | - | 12,868,104.56 |
| - The amount of deferred tax expense relating to the origination | (4,661,453.32) | - |
| Tax expense (income) reported in statements of income | (6,592,771.53) | (5,061,709.81) |

- The components of deferred tax assets are as follows:

| | B A H T | |
|--------------------------------------|--------------------|---------------|
| | As of December 31, | |
| | 2023 | 2022 |
| Deferred tax assets | | |
| Provision for severance pay | 6,296,796.29 | 4,573,614.92 |
| Provision for employee benefit | 4,690,886.60 | 3,609,616.80 |
| Allowance for expected credit losses | 8,964,738.75 | 5,176,418.39 |
| Total | 19,952,421.64 | 13,359,650.11 |

The Company has tax losses carry forward amount of Baht 511.06 million in year 2023 and Baht 922.76 million in year 2022 expire in year 2023 to year 2028. Deferred tax assets have not been recognised in the financial statements of the Company in respect of this items because it is not certain that future taxable profit will be generated against which the Company can utilise the benefits there from.

24. WEIGHTED AVERAGE OF ORDINARY SHARES

According to the treasury shares, the Company has adjusted the weighted average number of ordinary shares used in recalculation of the earnings per share for the year ended December 31, 2022 to reflect the effect of the change of number of share to earnings per share as follows:

| | Shares | |
|---|----------------------------|----------------------|
| | For the year ended 2023 | December 31, 2022 |
| Issued and paid - up of ordinary, shares | 1,599,690,000 | 1,599,690,000 |
| <u>Less</u> Treasury shares on June 17 - 21, 2019 (2,109,800 Shares) | - | (2,109,800) |
| Treasury shares on August 19, 2019 (1,000,000 Shares) | - | (1,000,000) |
| <u>Add</u> Sale of treasury shares on August 29 - 31, 2022 (791,200 Shares) | - | 266,624 |
| Sale of treasury shares on September 1 - 8, 2022 (2,318,600 Share) | - | 730,518 |
| Weighted average number of ordinary shares | <u>1,599,690,000</u> | <u>1,597,577,342</u> |

25. TRANSACTIONS WITH RELATED PARTIES

25.1 The outstanding balance of significant business transactions with related person as of December 31, 2023 and 2022 are as follows :

| | MILLION BAHT | |
|---------------------------------|--------------|-------------|
| | 2023 | 2022 |
| <u>The outstanding balances</u> | | |
| Other payables - other | <u>0.13</u> | <u>0.13</u> |

25.2 MANAGEMENT BENEFIT EXPENSES

Management benefit expenses consist of salary, bonus and other benefits of directors and management of the Company.

Management benefit expenses for the year ended December 31, 2023 and 2022 are as follows :

| | MILLION BAHT | |
|--------------------------------|--------------|--------------|
| | 2023 | 2022 |
| Short - term employee benefits | 17.92 | 19.92 |
| Post employee benefits | 1.08 | (3.25) |
| Total | <u>19.00</u> | <u>16.67</u> |

26. THE FINANCIAL INFORMATION BY SEGMENT

The Company proposed financial statements that classified by business segment and geography segment as Follows :

1. Business Segment
 - 1.1 Contract revenues
 - 1.2 Service Income
2. Geography Segment
 - 2.1 Local
 - 2.2 Oversea

| | MILLION BAHT | | | | | |
|--|-------------------------------------|--------------|-----------------|-------------------------------------|--------------|-----------------|
| | For the year ended December 31,2023 | | | For the year ended December 31,2022 | | |
| | Oversea | Local | Total | Oversea | Local | Total |
| Contract revenues | 3,409.30 | - | 3,409.30 | 2,622.97 | - | 2,622.97 |
| Service revenues | - | 84.14 | 84.14 | - | 86.93 | 86.93 |
| Total Revenues | 3,409.30 | 84.14 | 3,493.44 | 2,622.97 | 86.93 | 2,709.90 |
| Gross profit (loss) | 315.71 | (17.93) | 297.78 | 382.72 | (15.69) | 367.03 |
| Other income and expenses | | | | | | |
| Other income | | | 46.57 | | | 28.10 |
| Distribution costs | | | (1.57) | | | (2.24) |
| Administrative expenses | | | (177.73) | | | (176.73) |
| Gain (loss) on exchange rate | | | 2.89 | | | (21.22) |
| Severance pay | | | (78.04) | | | (8.78) |
| Finance costs | | | (1.35) | | | (1.43) |
| Impairment loss determined in accordance with TFRS 9 | | | (20.43) | | | - |
| Tax income (expenses) | | | 6.59 | | | 5.06 |
| Net profit (loss) | | | 74.71 | | | 189.79 |

| | MILLION BAHT | | | | | |
|---------------------|-------------------------|-------|-----------------|-------------------------|-------|-----------------|
| | As of December 31, 2023 | | | As of December 31, 2022 | | |
| | Oversea | Local | Total | Oversea | Local | Total |
| Assets operations | | | | | | |
| Trade receivables | 150.88 | 2.77 | 153.65 | 405.82 | 21.00 | 426.82 |
| Contract assets | 1,259.87 | - | 1,259.87 | 738.77 | - | 738.77 |
| Inventories | 398.44 | 45.25 | 443.69 | 551.35 | 58.29 | 609.64 |
| General assets | | | 2,358.03 | | | 2,738.91 |
| Total assets | | | 4,215.24 | | | 4,514.14 |

Major customer information

In year 2023 and 2022 the Company has earned from 2 and 3 major respectively customers from Overseas operating amounted to Baht 3,409.31 million and Baht 2,553.67 million respectively

27. INDUSTRIAL PROMOTIONAL PRIVILEGES

The Company has received promotional privileges from the Board of Investment and is existing as of December 31, 2023 and 2022 in 2 certificates.

No. 1 Promotional certificate dated February 3, 2014 is for steel structure. The main privileges include exemption from corporate income tax for the promoted activities for a period of 5 years from the date revenue is first derived. (September 30, 2018).

No. 2 Promotional certificate dated February 3, 2014 is for steel structure. The main privileges include exemption from corporate income tax for the promoted activities for a period of 5 years from the date revenue is first derived. (April 30, 2021).

To be entitled to the privileges, the Company must comply with the terms and conditions as specified in the promotional certificates.

28. COMMITMENT AND CONTINGENT LIABILITIES

As of December 31, 2023 and 2022, the Company has commitment and contingent liabilities as follows :

28.1 Contingent liabilities to banks for letters of guarantee are as follows :

| | MILLION | |
|------------------|---------|-------|
| | 2023 | 2022 |
| BAHT | 36.10 | 36.30 |
| US DOLLAR | 60.06 | 44.67 |
| AUSTRALIA DOLLAR | 5.31 | 5.31 |
| EURO | 0.02 | 0.02 |

28.2 Commitment to purchase of fixed assets as of December 31, 2023 and 2022 amounted to approximately Baht 2.23 million and Baht 19.38 million respectively.

28.3 Commitment to purchase of materials and services as of December 31, 2023 and 2022 amounted to approximately Baht 138.86 million and Baht 415.23 million respectively.

28.4 Commitment under short - term lease and lease of low - value assets which have a payment due within 1 year as of December 31, 2023 and 2022 amounted to Baht 2.43 Million and Baht 2.63 million respectively.

29. FINANCIAL INSTRUMENTS

29.1 FINANCIAL RISK MANAGEMENT POLICY

The Company's financial instruments, principally comprise deposits with financial institutions, trade receivables and payables, receivable and payable - principals. The financial risks associated with these financial instruments and how they are managed is described below.

CREDIT RISK

(A) Trade receivables

The Company is exposed to credit risk primarily with respect to trade. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and receivable - principals as stated in the statements of financial position.

(B) Deposits with financial institutions

The Company is exposed to risk arising from deposit with financial institutions. However, the counterparties are banks with a good credit rating, for which the Company considers to have low credit risk.

LIQUIDITY RISK

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

The remaining contractual maturities of financial liabilities at the reporting date are as follows:

| | MILLION BATH | | | | Total |
|--|-----------------|----------------|--|-------------------|---------------|
| | Carrying amount | 1 year or less | More than 1 year but Less than 5 years | More than 5 years | |
| <u>As of December 31, 2023</u> | | | | | |
| Non - derivative financial liabilities | | | | | |
| - Trade payables and accrued contract cost | 263.66 | 263.66 | - | - | 263.66 |
| - Contract liabilities | 379.34 | 379.34 | - | - | 379.34 |
| - Other payables | 53.40 | 51.30 | 2.10 | - | 53.40 |
| - Lease liabilities | 15.48 | 10.84 | 4.64 | - | 15.48 |
| - Other liabilities | 67.69 | 67.69 | - | - | 67.69 |
| | <u>779.57</u> | <u>772.83</u> | <u>6.74</u> | <u>-</u> | <u>779.57</u> |
| Derivative financial liabilities | - | - | - | - | - |

MARKET RISK

(A) Risk from foreign exchange rate

The Company encounters risk in foreign exchange rate because company has foreign receivables and payables. The Company uses derivative instruments to manage such risks. The Company does not use foreign currency forward contracts for trading purposes.

As of December 31, 2023 and 2022, the Company has assets and liabilities in foreign currencies as follows:

| | MILLION | |
|---|-------------------|-------------------|
| | December 31, 2023 | December 31, 2022 |
| <u>Foreign currency denominated assets</u> | | |
| Bank deposits | | |
| - US DOLLAR | 21.66 | 27.46 |
| Trade receivables | | |
| - US DOLLAR | 4.43 | 11.84 |
| Retention | | |
| - US DOLLAR | 1.49 | 2.62 |
| Investment | | |
| - US DOLLAR | 1.46 | 1.50 |
| Advance payment for purchase of material | | |
| - US DOLLAR | 0.10 | 0.11 |
| Advance payment for purchase of fix assets | | |
| - US DOLLAR | 0.02 | 0.03 |
| <u>Foreign currency denominated liabilities</u> | | |
| Trade payables | | |
| - US DOLLAR | 0.08 | 0.57 |
| Retention | | |
| - US DOLLAR | 0.01 | 0.03 |

As of December 31, 2023 The company has forward contracts with a financial institutions for risk management instrument as follow :

| Foreign currency | Sold amount | Contractual exchange rate | Contractual maturity date |
|------------------|--------------|---------------------------|---------------------------|
| US DOLLAR | 1,000,000.00 | 35.580 | 16 January 2024 |

(B) Risk from interest rate

The Company's exposure to interest rate risk relates primarily to its cash at financial institutions. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

29.2 FAIR VALUE

The Company's financial assets and financial liabilities measured at amortised cost (except investment units at fair value) and the majority of the Company's financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

30. AGREEMENT

30.1 On March 1, 2020, the Company (Lessee) entered into a service agreement with a local company as a land lessor. Such area is located in the navy port which can create benefits for existing and potential projects. The assigned area is 25 Rais where can be extended another 10 Rais without any additional cost in land lease. The leasing term will be 3 years, starting from March 1, 2020 - February 28, 2023 with the total rental amounted to Baht 90 million which the Company has recorded as Right - of - use assets as described in note 10 to the financial statement.

In addition to the matter of land lease, the Company and the land lessor also aims to be the long-term business partnership by exchanging resources, knowledge between the parties to achieve business plans and create the long-term sustainable growth in steel fabrication business.

At the end of the contract, the Company did not renew such a contract.

30.2 On May 1, 2020, the Company (Lessor) entered into a land lease agreement with a local company. The leasing term will be 3 years with the total rental and advance received as of contract date amounted to Baht 31.45 million.

On May 1, 2023, the Company entered into the land lease agreement with the above company for the period of 2 years with the rental and advance received taken from the above agreement as of contract date in the amounted to Baht 12.58 million.

30.3 On April 11, 2022, the Company (Lessee) entered into a service agreement with a local company. The assigned area is 20 Rais the leasing term will be 2 years, starting from May 1, 2022 - April 30, 2024 with the total rental and advance payment amounted to Baht 76.80 million which the Company has recorded as Right - of - use assets as described in note 10 to the financial statement.

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of directors of the Company on February 21, 2024.

ATTACHMENTS



Attachment 1 :

Details of Directors, Executive, Authorized Person, the person taking the highest responsibility in finance and accounting and the person who is responsible for overseeing the company's account and Company Secretary

Details of Directors, Executive, Authorized Person, the person taking the highest responsibility in finance and accounting are already disclosed on page 4-15 in 2023 Form 56-1 one report

The person who is responsible for overseeing the company's account

Miss Soison Kaewkhemthong

Accounting Manager

| | |
|--|--|
| Age | 52 Years |
| Educational Background and Training Course | <ul style="list-style-type: none">○ MBA Managerial Accounting, Burapha University○ 2022, Updated Thai Financial Reporting Standards (TFRS)○ 2022, Manufacturing Cost Management |
| Work Experience | <p>BJC Heavy Industries Pcl.</p> <ul style="list-style-type: none">○ 2022 - Present Accounting Manager <p>HRI Entec Co.,LTD.</p> <ul style="list-style-type: none">○ 2017 - 2020 Accounting and Financial Director <p>BJC Heavy Industries Pcl.</p> <ul style="list-style-type: none">○ 2008 - 2017 Accounting Manager |
| Shareholding in the company | None |
| Relationship with other Executives | None |

Mr. Tummarat Deethong
 Legal
 Company Secretary

| | |
|--|---|
| Age | 34 Years |
| Educational Background and Training Course | <ul style="list-style-type: none"> ◦ Bachelor of Law, 2nd class of honors, Hauchiew Chalermprakiet University. ◦ How to disclose information on SETLink 2023 , The Stock Exchange of Thailand ◦ Company Secretary Program (CSP), Thai institute of Directors (IOD) Class 140/2023 ◦ Advocacy Training 2018, Lawyers Council Under the Royal Patronage |
| Work Experience | <p>BJC Heavy Industries Pcl.</p> <ul style="list-style-type: none"> ◦ 2023 - Present Company Secretary ◦ 2020 - Present Legal & Assistant Company Secretary <p>AJE Thai Co., Ltd.</p> <ul style="list-style-type: none"> ◦ 2018 - 2020 Legal Specialist <p>Posco (Thailand) Co., Ltd.</p> <ul style="list-style-type: none"> ◦ 2017 - 2018 Senior Legal Officer <p>AJE Thai Co., Ltd.</p> <ul style="list-style-type: none"> ◦ 2012 - 2017 Legal Officer |
| Shareholding in the company | None |
| Relationship with other Executives | None |

Attachment 2 :

Details of the Subsidiary's Director
 - None -

Attachment 3 :

Details of the Head of Internal Audit

BJCHI has appointed Dharmniti Internal Audit Co., Ltd. to be an internal auditor which work with BJCHI's internal audit department to assume the roles and responsibilities approved by the Audit Committee to evaluate key aspects of the Company's operations and control systems as well as information technology system in line with the guidance from the Securities and Exchange Commission (SEC). The audits include assessment, recommendations and agreement on how and when the corrective actions will be implemented to address the issues revealed through the audit assessments. At the present, the Company has taken actions to address all the issues raised by the Company's internal auditor. Dharmniti Internal Audit Co., Ltd. assigned Ms. Kitlada Somngam, Deputy Director, to be the team leader responsible for conducting internal audits for the Company in 2023.

Ms. Kitlada Somngam has sufficient qualifications with independence and experience for more than ten years of experience in being an independent auditor for similar businesses. In addition, she has received a wide range of internal control training including International Standards for the Professional Practice of Internal Auditing, Internal Audit Training Program to prepare for Internal Auditor (Pre CIA), Chulalongkorn University and How to Write the Fact Finding etc. Upon review of her qualifications, the Audit Committee concluded that she was qualified to be the internal auditor for the Company. Moreover, BJCHI has in place an internal audit department to support and coordinate with Ms. Kitlada Somngam and her Dharmniti team. Any appointment, transfer and dismissal of the Company's Head of Internal Audit must be approved by the Audit Committee.

| Name-Surname | Age (Year) | Education Background/ Training Course | Working Experience for the past 5 years | | |
|--|------------|--|---|--|--|
| | | | Period | Title | Section/Company/ Business Type |
| 1. Ms. Kitlada Somngam Certified Professional Internal Audit of Thailand (CPIAT) | 38 | Education Background <ul style="list-style-type: none"> ● Bachelor of Management, majoring in Accounting Information System, Walailak University Training Course <ul style="list-style-type: none"> ● Business in Digital Era and Law Risk ● Collective Action Coalition Against Corruption (CAC) ● How to Write the Fact Finding ● International Standards for the Professional Practice of Internal Auditing ● IT Audit Process ● Integrated Audit of Sales and Receivable System ● Organic Act on Counter Corruption B.E. 2542 (1999) ● Internal Auditor Standards Part 1 ● Internal Audit Program : Prepared Course for Certified Internal Auditor (Pre-CIA), Chulalongkorn University | 2007-2010 2010-2013 2014-2015 | <ul style="list-style-type: none"> ● Internal Auditor ● Senior Internal Auditor ● Assistant Director of Risk Management and Internal Audit Division | <ul style="list-style-type: none"> ● Dharmniti Auditing Co., Ltd. Accounting and Internal Audit Service |
| | | | 2016-2017 2018- Present | <ul style="list-style-type: none"> ● Manager ● Deputy Director | <ul style="list-style-type: none"> ● Dharmniti Internal Audit Co., Ltd. Internal Audit Service |

| Name-Surname | Age (Year) | Education Background/ Training Course | Working Experience for the past 5 years | | |
|--------------|------------|--|---|-------|-----------------------------------|
| | | | Period | Title | Section/Company/ Business Type |
| | | <ul style="list-style-type: none"> ○ Internal Audit Comprehensive IAC ○ Good internal control system for service businesses (hospitals) ○ Good internal control system for the production business ○ Good internal control system for the energy business ○ Control process warehouse and delivery system (Inventory & Delivery) ○ Control process accounting and financial systems ○ Control process Human resource management system ○ Control process procurement system ○ Digital Asset: general knowledge and related laws. ○ Basic knowledge about customs duties. ○ Cyber security audit ○ Information Technology System General Control (ITGC) ○ Thailand's Personal Data Protection Act (PDPA) B.E.2019 (A.D.2019) ○ Training course "Preparing Form 56-1 One Report - Reporting information on sustainability" ○ Agile Auditing ○ Asian Confederation of Institutes of Internal Auditors Conference 2022 (Thailand) ○ Cyber Risk Management Cyber Risk Management ○ Training to update the Personal Data Protection Act. ○ Fraud Risk training ○ Training on ethics of internal auditors (Ethic) | | | |

Attachment 4 :

Property used in Business and Details of the Property Appraisal Report

Details of the Property used in business, Page 41

Details of the Property Appraisal Report

- None -

Attachment 5 :

Company Policies in detail

Policy and Guidelines on Corporate Governance

The Company discloses Policy and Guidelines on Corporate Governance in detail on its website under Investor Relation Section. Investors can also see such information in detail as the following QR Code



Business Ethics

The Company discloses Business Ethics in detail on its website under Investor Relation Section. Investors can also see such information in detail as the following QR Code



Anti-Corruption

The Company discloses Anti-Corruption in detail on its website under Investor Relation Section. Investors can also see such information in detail as the following QR Code



Sustainability Policy

The Company discloses Sustainability Policy in detail on its website under Investor Relation Section. Investors can also see such information in detail as the following QR Code



Attachment 6 :

Audit Committee Report

Dear Shareholders

The Audit Committee comprises of three qualified independent directors as follows;

- 1) Mr. Noppadol Dheerabutvongkul, the Chairman of Audit Committee who has the extensive experience in Accounting and Finance.,
- 2) Assoc. Prof.Dr. Ekachidd Chungcharoen, the Audit Committee's members and
- 3) Mr. Jumpot Kanjanapanyakom, the Audit Committee's members.

In addition, Mr.Tummarat Deethong serves as the Audit Committee's Secretary. The scopes, duties and responsibilities of the Audit Committee are in accordance with the regulations of the Stock Exchange of Thailand and the charter of Audit Committee. These

regulations are used as guideline for corporate governance and provision of independent opinions to ensure efficient, effective, transparent and fair business operations. The Audit

Committee met four times in 2023. In addition, The Audit Committee freely expressed their opinions from their duties and roles. Thus, The Audit Committee had the following opinions;

1. Review of 2023 quarterly and annual financial statements

The Audit Committee reviews 2023 quarterly and annual financial statements along with the external auditors by asking and receiving the information from the management and external auditors relevant to the accuracy, completeness and sufficient disclosure of financial statement. The Audit Committee has opinion that the financial statements

were essentially accurate and disclosed in a complete and reliable basis according to Thai Financial Reporting Standards, compliance with the Auditor's opinions as well as the clear disclosure of notes to financial statement in a correct, complete and reliable basis.

2. Review of Internal Control System

In 2023, the Audit Committee and internal auditors have regular review of Internal Control System as approved by the internal audit plan covering the Company's significantly operational system in accordance with COSO framework. The Audit Committee has opinion that the Company's internal control system is adequate. The Company has determined the operating procedure, for all related parties covering rules and regulations to conform to good internal control system along with managing, controlling, performing, monitoring and reporting of all business units on a regular basis in order for the Company to accomplish the Company's objectives. Additionally, the Company conducted internal control assessment covering control environment, risk assessment, control activities, information & communication and monitoring in accordance with the internal control assessment system of Securities and Exchange Commission.

3. Governance and Revision of Internal Audit

The Audit Committee together with the Management has reviewed and considered the mission, objectives, scope of work, responsibilities, independency, and audit plan of internal audit department. In 2023, the Company assigned Dharmniti Internal Audit Co., Ltd. to conduct internal auditing together with the Company's internal audit team in accordance with the International Standards for the Professional Practice of Internal Auditing. Based on the internal audit report, the Audit Committee has an opinion that the internal auditing has been conducted in line with the audit plan with proper monitoring to ensure that their recommendation are carried out in line with the policy, operating procedure, laws, relevant rules including Information and Technology system which possibly results in business risks by regularly monitoring and submitting the report to enhance effectiveness of the internal control system along with taking other issues and opportunities leading to improper operation in all business unit. Moreover, the Audit Committee together with the management has evaluated internal auditor's performance and proposed to the Board of Directors to consider reappointing Dharmniti Internal Audit Co., Ltd. as the Company's Internal Auditor in 2024 and proposed the appropriate remuneration.

4. Revision and Monitor of Risk Management

Risk Management Committees defined existing and potential risks in the future as well as specified by risk preventive measures to reduce the likelihood of risk events and potential impacts on business operations in order to manage the risk factors effectively and cover major risks with readiness to respond to potential risk factors. Thus, the Risk Management Committees assessed, reviewed and made the report on a regular basis. Moreover, the Company employed the internal control and internal audit system as tools to assess and cope with risks and sufficiency of internal control system by changing, modifying and monitoring performance in line with recommendations from internal audit. As a result of that, The Audit Committee has agreed with the internal auditor that the Company has adequate and appropriate procedure to manage risks to ensure that risks are kept at acceptable level.

5. Enforcement of with Rules & Regulations and the Company's policies

The Audit Committee has revision of internal audit by considering sufficiency of corporate governance process and controlling the Company's business operation to comply with laws, rules & regulations, the Company's objectives and policies under business ethic, corporate governance, corruption protective policies, social responsibilities, safety, environment and quality of life of all stakeholders in line with the requirement of The Securities and Exchange Commission and the Stock Exchange of Thailand. In 2023, The Audit Committee has opinion that there were no significant matters about non-compliance, complaints, suspicious situations against ethics, anti-corruption and corporate governance policy

6. Review and Comments on Connected Transactions

The Audit Committee has similar opinion with the Company's auditor that the Company has entered into connected transactions with transparency, fair, no conflict of interest, and adequate information disclosure to the public in compliance with regulations of the Securities and Exchange Commission.

7. Performance Assessment of Audit Committees

The Audit Committee has annually conducted Assessment of Audit Committees one times both in a committee and individual basis to be in line with the good practices of Audit Committees. The assessment indicated that Audit Committees fully performed their duties under the charter and good practices of Audit Committees in line with rules and regulations of the Stock Exchange of Thailand. Moreover, Board of Directors was accordingly acknowledged by the assessment report.

8. Meeting with External Auditors

The Audit Committee has the meeting with external auditors from A.M.T. & Associates one times without the management about the performance of external auditors, the financial statement preparation, the appropriateness of accounting policies, key matters of international accounting standard, the recommendation from external auditors. It was found that the disclosure of financial statements, notes to financial statement, accounting

policies were prepared on an accurate, appropriate and reliable basis in line with international accounting standard and/or financial reporting standard expressed by an external auditor report.

9. Consideration of selecting, appointing the auditor and proposing audit fees

The Audit Committee together with the Management reviewed the selection of the Company's auditor by considering the reliability, independence, professional ethics capability to provide services and advice on accounting standards, track record, ability to complete auditing tasks on time and provision of useful opinions to the Company as well as the suitable remuneration of audit fee. In 2023, A.M.T. & Associates performed satisfactory auditing tasks for the Company. Hence, the Audit Committee has proposed that the Board of Directors recommends the shareholders' meeting to approve the appointment of Ms. Nutsaluk Sarochanunjean, Certified Public Accountant (Thailand) No. 4563 or Ms. Daranee Somkamnerd, Certified Public Accountant (Thailand) No. 5007, or

Ms. Jarunee Nuammae, Certified Public Accountant (Thailand) No. 5596 or MR. Siramate Akkharachotkullanun, Certified Public Accountant No. 11821 of A.M.T. & Associates to be the Company's auditor in 2024 and offers the audit fees.

10. Meeting Report of Audit Committees to Board of Director

The Audit Committee made the meeting report to the Board of Directors every time in line with best practices of Audit Committees defined by The Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee had observations and recommendations for matters covering accounting and finance, internal audit, risk management, the Company's operation, the project management, environment

preservation, occupational health and safety information as well as working environment in order for the management to consider and take any actions. It also included monitoring, modifying based on internal audit report and making the report by Audit Committees for the Board of Director's acknowledgement.

On behalf of the Audit Committee
BJC Heavy Industries Public Company Limited



Mr. Noppadol Dheerabutrvingkul
Chairman of the Audit Committee

“One-Stop” operations in steel fabrication help to improve production efficiency, significantly reducing delivery lead-times as well as production costs for clients





BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED

594 Moo 4, Makhamkoo, Nikompattana, Rayong, 21180 Thailand
Tel : +66 (0) 33 017 345 - 7, Fax: +66 (0) 33 017 348, www.bjc1994.com