

**Financial Transaction with Risk to Financial Position and Operating Performance (“Financial Risk Information”)**

1. Who is responsible for disclosure of financial risk information, and what are the criteria and timeline for disclosure of information?

Answer

<b>Reporting Entity</b>	Listed company in SET/mai (“Company”)	Trusts and Funds			
<b>Types of Transactions with Financial Risk</b>	<ul style="list-style-type: none"> <li>• Asset impairment, such as investments, goodwill, inventories, assets held for sale, investment properties, and fixed assets, etc.</li> <li>• Expected credit losses (ECL) or allowance for doubtful accounts, such as account receivables, other receivables, and loans, etc.</li> <li>• Deposits for business operations or investments that have not been refunded as due.</li> <li>• Other transaction with similar nature but named otherwise.</li> </ul>				
<b>Consideration of Transaction Size for Each Transaction<sup>1/</sup> (Any of the following Characteristics)</b>	<ul style="list-style-type: none"> <li>• <math>\geq 50\%</math> of operating income<sup>2/</sup></li> <li>• The significant transaction value, as follows:                             <ul style="list-style-type: none"> <li>○ <b><u>In case shareholders’ equity is positive.</u></b><sup>3/</sup>  <math>\geq 50\%</math> of the relevant transaction value and <math>&gt; 5\%</math> of shareholders’ equity;</li> <li>○ <b><u>In case shareholders’ equity is less than zero</u></b><sup>3/</sup>  <math>\geq 50\%</math> of the relevant transaction value</li> </ul> </li> <li>• Transaction which causes an operating loss<sup>4/</sup></li> </ul>	<ul style="list-style-type: none"> <li>• <math>\geq 50\%</math> of operating income<sup>2/</sup></li> <li>• The significant transaction value, as follows:                             <ul style="list-style-type: none"> <li>○ <b><u>In cases net asset is positive</u></b>  <math>\geq 50\%</math> of the relevant transaction value and <math>&gt; 5\%</math> of net asset;</li> <li>○ <b><u>In cases net asset is less than zero</u></b>  <math>\geq 50\%</math> of the relevant transaction value</li> </ul> </li> <li>• Transaction which causes an operating loss, resulting to “decrease in net assets from operations<sup>4/</sup>”</li> </ul>			
<p><sup>1/</sup> Consideration based on quarterly, the latest year-to-date, or annual financial statements or consolidated financial statements (if any).</p> <p><sup>2/</sup> Operating income shall be considered in accordance with Measures in case of Events that may affect Financial Condition and Business Operation of the Listed Companies’, Trusts, and Funds as specified in Q&amp;A for CB CS CC and CF signs (as the case may be)</p> <p><sup>3/</sup> Consideration from Shareholders’ Equity Attributable to Owners of the Parent.</p> <p><sup>4/</sup> Consideration from Net Loss Attributable to Owners of the Parent, where the transaction causes the operating performance to reverse from profit to loss. In case of continuous losses, the transaction shall be considered <math>\geq 50\%</math> of net loss based on quarterly, the latest year-to-date, or annual financial statements.</p>					
<b>Procedure/ Information/ Schedule for Disclosure</b>	<ul style="list-style-type: none"> <li>• Disclose information through the SET’s electronic information disclosure system.</li> <li>• Disclose the minimum required information as specified (in the attachment).</li> <li>• Disclose information within due date for the submission of its financial statements and the progress in relation to such event within the due date for submission of its financial statements for each quarter or in case of substantial progress, disclose immediately until the rectification is fully completed.</li> </ul>				
<b>Financial Statements Period for consideration and disclosure (Consideration for both quarterly and the latest year-to-date)</b>	<b>Financial Statements Period</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Year</b>
	Quarterly Financial Statements	✓	✓	✓	
	The Latest Year-to-Date Financial Statements		✓ (For 6 months)	✓ (For 9 months)	✓

2. In cases where investments are made in multiple projects or assets simultaneously, if there is the financial risk, should the information be considered on a project-by-project basis or on a consolidated basis?

Answer As a general principle, the financial risk should be considered separately for each project or asset. However, if the projects or assets are related, their relevant transaction values should be aggregated for providing a clear explanation or disclosure of information.

3. When are the Listed Company, Trust and Fund required to disclose the information of financial transaction with risk to financial position and operating performance upon the occurrence of the events specified in the table below?

(Unit: Million Baht)

Statements of Financial Position	As of 31 Mar	As of 30 Jun	As of 30 Sep	As of 31 Dec
Accounts Receivable - A	400	400	400	400
- Allowance for Expected Credit Losses (ECL)	(220)	(220)	(220)	(220)
		-No change-	-No change-	-No change-
- % ECL Ratio	55%	55%	55%	55%
<b>Net - Accounts Receivable A</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>
Accounts Receivable - B	600	600	600	600
- Allowance for Expected Credit Losses (ECL)	(10)	(20)	(40)	(400)
		↑10	↑20	↑360
- % ECL Ratio	2%	3%	7%	67%
<b>Net - Accounts Receivable B</b>	<b>590</b>	<b>580</b>	<b>560</b>	<b>200</b>
Investment in Company C	1,200	1,200	1,200	1,200
- Allowance for Impairment Loss on Investment	(100)	(500)	(500)	(500)
		↑400	-No change-	-No change-
- % Impairment Loss on Investment Ratio	8%	42%	42%	42%
<b>Net - Investment in Company C</b>	<b>1,100</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Investment Deposit in Company D</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
(Condition: The deposit must be refunded by 30 Sep if the due diligence is not successfully completed.)		-No change-	-No change-	-No change-
<b>Shareholders' Equity</b>	<b>2,100</b>	<b>2,150</b>	<b>2,650</b>	<b>2,350</b>

(Unit: Million Baht)

Statements of Income	Quarter 1	Quarter 2	Quarter 3	Annual
Operating Income	800	700	1,000	3,000
Administrative Expenses	(530)	(560)	(320)	(1,810)
- Expected Credit Losses				
○ Accounts Receivable - A	(220)	-	-	(220)
○ Accounts Receivable - B	(10)	(10)	(20)	(400)
- Impairment Loss on Investment in Company C	(100)	(400)	-	(500)
- Other Administrative Expenses	(200)	(150)	(300)	(690)
<b>Net Profit (Loss) Attributable to Owners of the Parent</b>	<b>100</b>	<b>50</b>	<b>500</b>	<b>(600)</b>

Note: Fiscal year end on 31 Dec.

Answer Summary of transactions subject to disclosure of financial risk information as follows:

<b>Transactions Required to be Disclosed</b>	<b>Reporting Deadline (Within)</b>	<b>Reason</b>
(1) ECL - Account Receivables A	Deadline for Q1 Financial Statements (Within May 15, 20xx)	For Q1, this transaction accounts for 55% of the total value of account receivables A and 11% of the shareholders' equity.
(2) ECL - Account Receivables B	Deadline for Annual Financial Statements (Within Feb 28, 20xx)	For the annual period, this transaction accounts for 67% of the total value of account receivables B and 17% of the shareholders' equity, including resulting in an operating loss.
(3) Impairment Loss on Investment in Company C	Deadline for Q2 Financial Statements (Within Aug 14, 20xx)	For Q2, this transaction accounts for 57% of the operating income
(4) Investment Deposit in Company D	Deadline for Q3 Financial Statements (Within Nov 14, 20xx)	For Q3, the company does not receive the refund of the deposit within the specified period.

4. When does the progress report in resolving financial risk issues end?

Answer - The Listed Company, Trust and Fund are required to submit the progress report within the due date for submission of their financial statements or in case of substantial progress, disclose immediately until the rectifications determined by the Board of Directors and the Audit Committee, are fully completed. In cases involving legal proceedings, the progress report shall continue until a final court judgment is rendered.

- If there is any revision to the rectification, the report is required the rationale for the revision, the approval authority, and the approval date, along with a comparison between the original and revised rectifications.

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**Events or Indications Affecting Internal Control System**

1. When does a listed company (SET/mai) disclose information regarding events that may affect its internal control system as determined by the Board of Directors or the Audit Committee?

Answer The listed company is required to immediately disclose the minimum required information (as per the attachment) on the day of occurrence of the event or prior to the first trading hours of the next business day at the latest via SET's information disclosure system.

Examples of Events

- The Audit Committee is informed by the auditor about the internal control deficiency in case of the payment for goods without evidence of receipt for 500 items, resulting in a loss of 350 million baht, representing 30% of total inventory.
- The accounting department conducts an inventory count and discovers 300 missing inventory items, resulting in a loss of 200 million baht, representing 20% of total inventory.
- Internal Audit identifies a significant investment transaction that is not complied in accordance with the established investment procedures, such as the failure to conduct due diligence, the execution of inadequately structured contractual agreements, etc.

2. When does the progress report on corrective and preventive measures regarding the internal control system end?

Answer The listed company is required to submit the progress report within the due date for submission of its financial statements or in case of substantial progress, disclose immediately until the rectifications determined by the Board of Directors and the Audit Committee, are fully completed.

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