

CREDIT TERM POLICY

1 December 2020

1. Objective

The Credit Term Policy is established in order to determine the guidelines and effective implementation for the Credit Management Regulations including to be in line with the measures set forth by the Centre for COVID-19 Situation Administration (CCSA) and guidelines for information disclosure in Form 56-1 as required by the SEC notified in accordance with the letter no. Chor Thor-1 (Wor) 68/2563 dated 11 November 2020 determined the listed companies to disclose the Credit Term Policy and the actual averaged financial ratios related to the credit term with its business partners in each industry into the MD&A content of form 56-1 since the annual period ended Y2020.

2. Scope

This policy is applicable to the Company and Subsidiaries in order to determine the guidelines of the trading credit and credit term for the effective implementation of the Credit Management Regulations

3. Policy

The Company has set guidelines of the trading credit and credit term used for general new customers in order to provide criteria for consideration by relevant departments including to verify the business steady of each customer before giving the credit term, the guidelines are as follows;

3.1 Partners/Vendors Registration (Supplier / Sub Contractor)

Juristic Customers and Juristic Trade Creditors

- Company Registration Certificate
- Certified Copy of VAT Registration Certificate (Por Pro.20) or Tax Registration Certificate of the company
- Map / Location of the office to deliver the invoices including invoice and payment conditions
- In case a Juristic trade creditor, the detail of bank account telephone number, email to proceed and notify the payment are required

Individual Persons

- Copy of ID card
- Map / Location of delivery
- In case a trade creditor, the detail of bank account telephone number, email to proceed and notify the payment are required

3.2 Credit Term Criteria (Customers)

▪ Credit Term

The general credit term is 0-30 days after the delivery date or from the invoice issued date. Anyway, **the credit term of some customers will be different from the general period depends on both party's agreement which subjected to the customer's profile, payment history, type of products, purchase volume and the continuity of orders**

▪ Maximum Credit Term

Divided by type of products as follows;

1. Quick Lime products and By-Products from limestone quarry production maximum credit term do not exceed 60 days
2. Calcium Carbonate products maximum credit term do not exceed 120 days
3. Mable products maximum credit term do not exceed 45 days
4. Calcium Carbonate Powder maximum credit term does not exceed 30 days

- 5. Machines and Machines Installation, the credit term is based on the contract signing. The down payment will be collected when the project is started and the remaining payments are subjected to the work progress or products delivery or as agreed by both parties
- 6. Trading products with subsidiaries or vice versa maximum credit term do not exceed 180 days

The normal ratio of AR turnover average of 60 days.

▪ **0-Day Credit Term Criteria or Pre-Paid Conditions**

For the one-time customers, new customers or a customer that never had the purchase history with the Company or no financial credit showing the stability of the business, the 0-day credit term or pre-paid condition will be applicable for those customers. The customer shall proceed with the payment or transfer the money to the Company’s account and present the proof of successful payment before product delivery/pick-up of the product at the factory. However, the Company does not have a policy in receiving the payment through the sales & marketing persons or the debt collection staff. The payment must proceed or transfer into the direct Company’s bank account only.

For the term of cash payment or credit card, it will be applicable for the marble products or other products which is available through the sales representatives or the customer can directly purchase at the showroom.

▪ **Risk Management of Credit Term**

Account Receivables Tracking and Report

The responsible department for the account receivables will track and report the overdue debts in each period to consider and follow-up. The overdue account receivables are categorized as follows;

- > 3 months overdue
- 3-6 months overdue
- 6-12 months overdue
- > 12 months overdue

The Company has a policy of the rate of allowance for the doubtful account as follows;

▪ **Rate of allowance for the doubtful account**

Overdue account receivables	Rate of allowance for the doubtful account (%)
More than 6 months	50%
More than 12 months	100%

▪ **Debt Default**

The responsible department for the account receivables will coordinate with the customers for the debt repayment with the support from Sales & Marketing, Accounting and Executives. In case of late repayment or debt default, the following measurements will proceed;

1) **30-120 Days of overdue account receivables**

The debt collection staff will make a phone call continually to remind the customer of the overdue debt amount and confirm the repayment date in order to avoid the debt default.

Sales & Marketing will be notified of the overdue account receivables including the debt default in order to consider holding the product delivery of the new order until the overdue debt is paid. For overdue account receivables more than 90 days or

exceeded the limited credit, the Sales & Marketing may consider holding the product delivery until the overdue debt is paid to avoid over of the credit limit. However, the consideration depends on a case by case.

2) 120-360 Days of overdue account receivables

In case the over 120 days of overdue account receivables and the debt collection department did not receive the debt repayment confirmation or debt waiver, the debt collection department will transfer such debt account to the external legal agency or external lawyer to proceed with the litigation of the debt repayment under the legal process.

3.3 Credit Term for Customers or Trade Creditors who are not the Subsidiaries

The credit term of payments is 30-90 days depending on the type of products. The billing note / invoice and payment conditions for business partners in general following the common account periods are;

- 1) billing note / invoice at every 1st-3rd of each month from 14.00-17.00 Hrs.
- 2) The transfer of payment on 5th / 15th / 25th of each month credit term period (If your due date falls on a Saturday, Sunday, or legal holiday, the due date is delayed until the next business day.)
- 3) Credit term after the billing note / invoice (i.e., 30 days credit: product delivery on 15th January, billing note / invoice shall be 1st-3rd of February and the transfer of payment will be by 5th March).
- 4) No billing note / invoice after 25th of each month

The credit term is set for some vendors, suppliers, sub-contractors or each subsidiary may different from the above conditions depending on the nature of the business, type of products, materials and services agreed by the Company or its subsidiaries on an individual basis.

The credit terms given to suppliers, partners, contractors, service providers of some or to each of subsidiaries may differ from the criteria set out above depending on the type of business, type of product, type of raw material and nature of service that the Company and its subsidiaries will make an agreement with the seller, partner, contractor or service provider or each counterparty.

The Company has no intended late payment to partners. If the scheduled payment date falls on Saturday-Sunday or public holidays, the payment date will be postponed systematically. In the case any changing payment period or any circumstance can cause a delay to the payment, the Company obliges the responsible person to notify partners.

3.4 Credit Term Policy and the Actual Averaged Financial Ratios related to the Credit Term Disclosure

The Company determined to disclose the Credit Term Policy and the Actual Averaged Financial Ratios related to the Credit Term into the MD&A content on a quarterly basis and will disclose the related financial ratios into the Annual Report form 56-1 on a yearly basis.

Date of revision 12 May 2023



Mr.Sripop Sarasas
Chairman of the Board of Directors

Revision

Item	Document number	Issued on	Approval date	Approval Reference
1	CS20201201	1 December 2020	25 February 2021	The Board of Directors Meeting no. 1/2021
2	CS20201201_Rev.1	9 March 2023	12 May 2023	The Board of Directors Meeting no. 4/2023
3				