

ANNUAL REPORT 2020



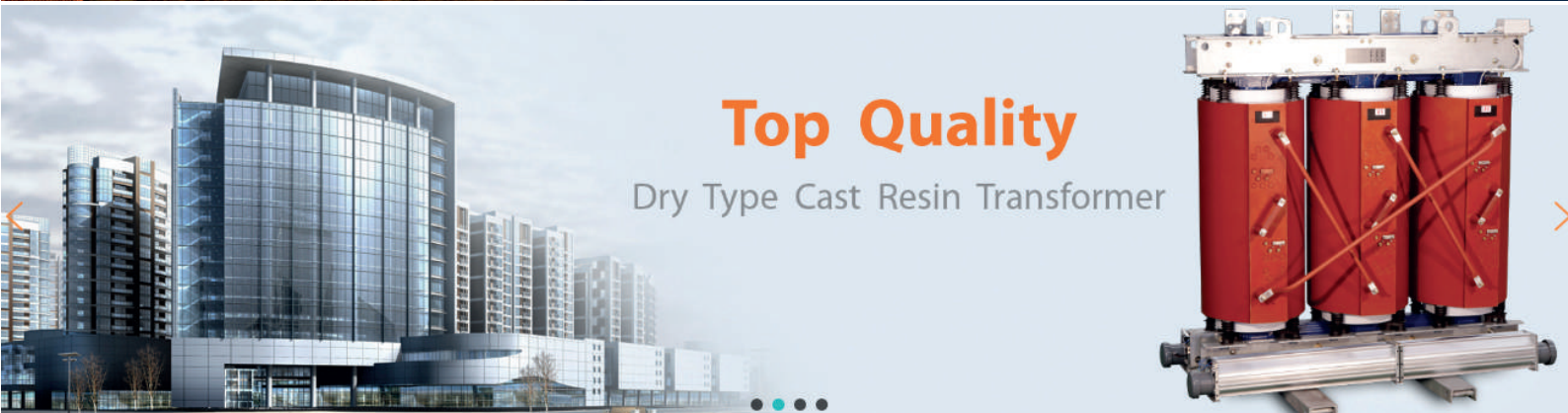
Ekarat Engineering Public Company Limited





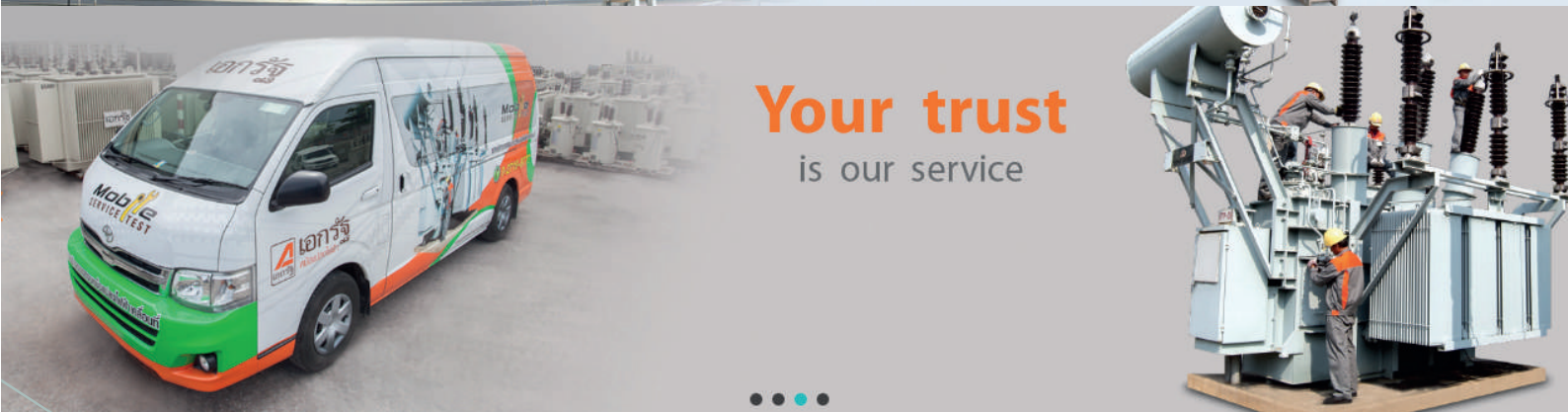
Thailand and ASEAN

Leading Transformer Business



Top Quality

Dry Type Cast Resin Transformer

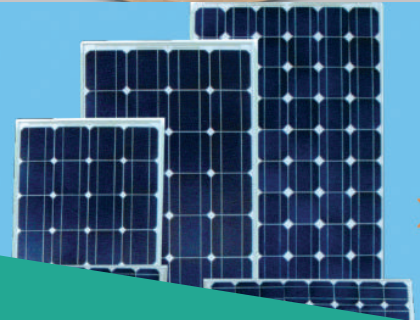


Your trust
is our service



Expertise

in Solar Power Business





Contents

| | | | |
|------------|---|------------|---|
| 04 | Financial Highlights | 05 | Message from the Chairman |
| 08 | Policy and Overview of business operations | 13 | Nature of Business Operation |
| 33 | Risk Factors | 38 | General Information |
| 42 | Securities and Shareholders Information | 46 | The Structure of Management |
| 59 | Corporate Governance | 85 | Corporate Social Responsibility |
| 102 | Internal Control and Risk Management | 106 | Audit Committees Report |
| 110 | Related Party Transactions | 114 | Business Performance and Financial Status |
| 122 | The Board of Directors obligation for the Financial Statement | 127 | Financial Statements |
| 193 | Board of Director & Board of Management | | |



Summary of Financial Information of Ekarat Engineering Public Company Limited and Subsidiary

| | | 2018 | 2019 | 2020 |
|---|------------------|----------|----------|----------|
| Statement of Profit or Loss and Other Comprehensive Income | | | | |
| Revenue from operation | (Million Baht) | 1,464.30 | 1,629.93 | 1,487.54 |
| Total revenue | (Million Baht) | 1,492.21 | 1,649.94 | 1,503.49 |
| Total Costs | (Million Baht) | 1,193.66 | 1,218.63 | 1,113.54 |
| Gross Profit | (Million Baht) | 270.64 | 411.31 | 374.00 |
| Distribution Costs | (Million Baht) | 119.41 | 143.79 | 99.14 |
| Administrative Expenses | (Million Baht) | 155.60 | 169.58 | 150.12 |
| Finance Cost | (Million Baht) | 22.13 | 21.56 | 19.69 |
| Tax Expenses | (Million Baht) | 68.03 | (2.81) | (24.44) |
| Profit for the year | (Million Baht) | (279.65) | 82.88 | 97.66 |
| Non-controlling interests | (Million Baht) | - | 0.34 | (0.78) |
| Profit for the year attributable to equity holders of the Company | (Million Baht) | (279.65) | 82.55 | 98.44 |
| Statement of Financial Position | | | | |
| Total Assets | (Million Baht) | 1,616.25 | 1,715.09 | 1,529.53 |
| Total Liabilities | (Million Baht) | 735.24 | 740.05 | 466.49 |
| Total Shareholders' Equity | (Million Baht) | 881.01 | 975.04 | 1,063.03 |
| Shares Capital | | | | |
| Ordinary Shares | (Million Shares) | 1,343.29 | 1,343.29 | 1,343.29 |
| Paid-up Share Capital | (Million Baht) | 1,074.63 | 1,074.63 | 1,074.63 |
| Par Value | (Baht) | 0.80 | 0.80 | 0.80 |
| Earnings (loss) Per Share | (Baht) | (0.208) | 0.061 | 0.073 |
| Book Value per Share | (Baht) | 0.66 | 0.70 | 0.75 |
| Financial Ratio | | | | |
| Gross Profit Margin | (%) | 19.31 | 22.88 | 25.22 |
| Net Profit Margin | (%) | (18.74) | 4.89 | 6.55 |
| Return on Total Assets | (%) | (17.95) | 6.44 | 8.74 |
| Return on Equity | (%) | (26.86) | 8.90 | 9.67 |
| Total Debt to Equity | (times) | 0.83 | 0.76 | 0.44 |



Message from the Chairman Mr. Vichit Yamboonruang Chairman of the Board

In year 2020, This was an important year in the Company's business operations. Ekarat Engineering Public Company Limited had prepared the organization to keep up with the situation of the COVID-19 epidemic, which has seriously affected the global economy. The Company is committed to operating the business according to the new vision and strategic plan for 2020 based on the definition "Quality and Confidence". This is the most important vision to drive "Ekarat" Transformer to be the number one of the market share in ASEAN region according to the vision.

For our operating performance in the year 2020, although the Company rather affected by the COVID-19 epidemic, the Company still managed to increase its net profit 19.25% from the year 2019 with net profit of 82.55 Million Baht to 98.44 Million Baht, Total Revenue was 1,503.49 Million Baht, decrease of 8.87% from the previous year. The Company's focus on cost control and reduce all expenses. In addition, the Company realizes the importance of all stakeholders, especially the shareholders who trust in the management of the Board and Management Team. We aim to accelerate profitability and reduce the accumulated loss in our financial statements as quickly as possible so that we can pay dividends to shareholders in the following years.

As for the transformer industry in last year, there was a high competition. So the Company focused on the development of transformers by incorporating IT technology in order to work



more efficiently and quickly, along with reducing production costs and maintain as good quality as original. For the solar energy business, although the Company had revenues from the installation of solar power generation systems decreased from the previous year. But the future trend of using the renewable energy continually increase. Including the government policies to support renewable energy, especially Solar Rooftop power generation systems. There is a solar project in the public sector that encourages ordinary houses to install solar panels on their roofs to produce electricity by themselves and sell the surplus to the Electricity Authority.

For the year 2021, the Company's strategy is to be the leading transformer manufacturer in the ASEAN region through building long-term relationships with clients and partners and expanding overseas businesses to grow even more, including the development of product by innovation and new technology. Along with attention to sustainability in many ways such as environmental, quality products and human resource development, which seems to be the heart and the driving force of the business, must be developed simultaneously.

On behalf of the Board of Directors and Management Team, we would like to express our sincere gratitude to all stakeholders for always kind support to the Company. We strive to develop the Company's potential to maintaining leadership in the transformer business with sustainable growth, along with emphasize on the social responsibility for the most benefit of all stakeholders.

On behalf of the Directors and Management Team
Ekarat Engineering Public Company Limited

(Mr. Vichit Yamboonruang)
Chairman of the Board





Ekarat Engineering Public Company Limited (the “Company”) was incorporated on June 24, 1981 with initial registered capital amount 4 Million baht by Noichaiboon’s Family as a major shareholder. The Company operates manufacturing and distribution (Distribution Transformer) under the trademark “EKARAT” which distributed in both domestic and international markets in South East Asia, South Asia, the Middle East and Australia, gained the trust in design and engineering until the sales always be the number one.

In 1994, the Company transformed into a public company. The Company increased its registered capital 302 Million baht in 1998, then in 2006 the Company was approved to be listed and started trading in the Stock Exchange of Thailand in the energy and utility sector under the name of the securities “ AKR” and increased the registered capital to 790 million baht with a total of common stock 790 million shares with a par value of 1 baht per share. Later in 2012, the Company reduced its registered capital by reducing the par value to par 0.80 baht which caused the registered and paid-up capital of the company to decrease to 632 million baht. Later in 2013, the Company increased the registered capital to 1,074.63 million baht by issuing new ordinary shares 503 million shares par value 0.80 baht which is making the Company with registered capital 1,074.63 million baht and divided into common stock 1,343.29 million shares until now. The Company has issued the Warrants to purchase ordinary shares of the Company (AKR-W1) to the existing shareholders in the number of 671,571,134 units.

In addition, the Company has the initiative to find new businesses which was consistent and able to support the transformer business therefore the importance and need for clean energy sources for electricity generation to be recognized by observing the potential and various factors in Thailand. The solar energy business, which was the solar power generation system producing the clean energy to be renewable and good for our environments. In 2004, the Company invested in establishing Ekarat Solar Company Limited to manufacture and supply solar cell (Solar Module), with manufacturing, assembly and distribution of solar panels at Chachoengsao Province with a capacity of 15 MW per year. Later in 2006, the Company set up a solar cell factory at Amata City Industrial Estate, Rayong Province, with a capacity of 25 MW per year. In addition, the Company also designs and installs electricity from solar energy and renewable energy and to be consultant on the energy conservation process, including the construction of power plants. In 2015, the Company invested in the establishment of Ekarat Energy Company Limited, which was operated in all energy businesses as a distributor, advising, bidding, investing in the energy business industry including various power plants both inside and outside the country.

In the present, the Company Headquarter is already operational in Bangkok. The transformer



factory and the solar panel assembly is located at Chachoengsao Province. The solar cell factory is located in Rayong Province. In addition, there are 11 Service Centers for transformer in nationwide.

Policy and organization direction

The Company is committed to produce the products that are standard and durable, be able to meet the needs of consumers in all aspects by running the business under the good corporate governance. Adhere to the principles of corporate governance with transparency, accountability, ethics and commitment to sustainable business development with the environment and social responsibility with regard to stakeholders both inside and outside the organization.

June 19, 2020, The Board of Directors has reviewed and changed the vision, mission, policy and operating strategy in accordance with the main goals of the Company, appropriate current situation and disseminated to employees in the organization in general. The details are as follows;

Vision

“To be a leader organization in transformer business and renewable energy. Which we aim to be the highest market share in ASEAN.”

Missions

1. Continue developing quality of Products and Services to be more durable and effective.
2. Serves customer with a professional, follow international standard and work under the law and regulation.
3. Focus on maximize return on investment for shareholder, customer, partner and employees.

Philosophy of work

“Adhere to the quality and be honest to customer”

Corporate policy

1. Operate the business with a moral which are acceptable in the business sector
2. Bring the policy of “quality throughout the organization” to use for developing the product, service and business management
3. Facilitate for learning and developing new idea in order to drive organization forward.
4. Choose an investment and operate the business to get the return of investment not more than 10% with low risk.
5. Search for the opportunity to grow the business in both vertical and horizontal, domestic and international market.
6. Focus on aggressive market strategies for every customer (existing and new customer).



2020's Business Plan

We operate and run business under the motto of “keep our quality and be honest to customer”. Therefore, this made who we are today, which is to be the leader in distribution transformer business. Our 2020's business plan are as follow;

1. Increase total revenue from 2019 by 10%
2. Net profit will be equal to 4% from total revenue
3. Improve and develop marketing and sales

Marketing strategies

1. Focus on aggressive marketing with target customer

Meeting with major business group in order to know customer needs and problems. Then we can plan our production line, to be ready to serve and meet customer expectation for the order that have a very short lead time.

2. Develop and increase sales channels

Increase the number of sales branch and service center to make sure that our service is cover the whole country. Thus, we have call center to response to customer 24 hour.

3. Create promotion for sales

Create promotion for stimulating the sales and service. For example, give a discount to our dealer who are be able to sales over sales target. Moreover, on service maintenance we will provide promotion pack gage which include transformer oil testing and analysis. Thus, to have an off-line booth events, in order to increase brand awareness.

4. Manage the marketing data to support sales

To search for the information of old customer, for gaining more sales and service. Thus, to summarize the situation in the market in every quarter, in order to use the data to increase sales for the company.

Expansion and increase of business competitiveness

The Company plans to expand and increase the competitiveness of the business by

- Increasing the ability of personnel to provide advice on investing in solar power plants including services in various areas to respond to an investor.
- Increasing competitiveness by finding business partners that are technologically advanced continuously developing and training skills for employees. It is an important to maintain the leadership of the Company.

In this regard, the Board of Directors' meeting will review Vision, the business plan and follow up on the Company's performance annually to adjust the operating strategy to suit the changing situation at all the times.



Changes and developments in 2020

- In 2019, The Company issued and allocated the Warrants in the number of 671,644,702 units to the existing shareholders of the Company on a pro rata basis to their respective shareholdings (Rights Offering), at no cost with a term of 2 years from the issuance date. The exercise ratio was 1 unit of Warrants shall be entitled to purchase 1 ordinary share. In the past, there were no the warrant holders expressing their intention to exercise their rights to purchase the Company's shares.
- The Company has established new Service Center, Phitsanulok Service Center. Which will provide maintenance and repair services for transformers covering the area of 6 provinces in the north, including Phitsanulok, Uttaradit, Sukhothai, Tak, Kamphaeng Phet and Phichit. To increase the ability to serve customers and solve the problems of the Company's transformers more quickly. Presently, the Company had 11 Service Centers nationwide.
- The Company has invested and improved the production process for 2020
 - The production department has provided a tool for measuring partial discharge online (Online Partial Discharge) for 1,300,000 Baht. To facilitate the inspection and diagnosis of the quality of insulators that may lose some insulation condition via the Internet which is important in the maintenance analysis of high voltage systems.
 - The Company has installed the Solar Rooftop 262.75 kW, additional on the factory roof at Bang Pakong, Chachoengsao, amount 10.56 Million Baht to produce electricity for use within the factory and reduce the cost of electricity consumption.
- The awards that the Company received in 2020
 - "Thai Green Label Scheme" a certification of quality and environmentally friendly products by the Thai Environment Institute. The Company was certified transformer green label from an additional 26 items ranging from 50 – 2000 kVA. There were 13 items of 22 kV power system and 13 items of 33 kV power system. That's mean the Company's products through the evaluation and make sure that the standards of environmental compliance by using clean technology and have little environmental impact.





Structure of shareholding for EKARAT ENGINEERING PCL. Group

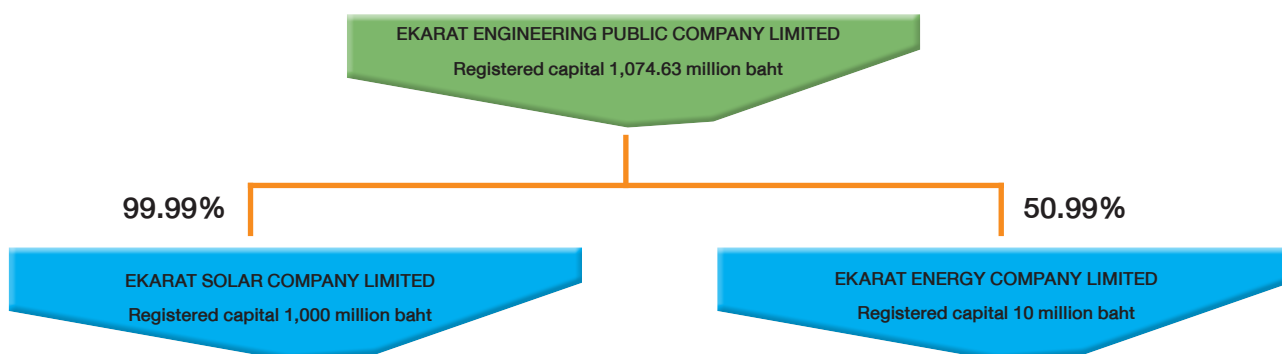
The Company is a manufacturer and distributor of transformers under the “EKARAT” trademark. Later, the Company expanded business from seeing the importance of renewable energy. Especially solar energy, which was not widespread in Thailand. Therefore established a subsidiary to operate solar cell production and distribution business, the details are as follows;

1. Ekarat Solar Co.,Ltd. has a registered capital 1,000 million baht. The Company holds 99.99% of shares. It was established on April 9, 2004 to operate solar cell and solar cell business. By the solar cell factory located at Amata City Industrial Estate, Rayong Province and the solar cell production plant is located at Bangpakong, Chachoengsao Province. The Board of Directors of the Company has 4 members, namely Mr. Wiwat Sangtian, Mr.Danucha Noichaiboon, Mr.Anan Santichewasatian and Mr.Daroonwat Noichaiboon, to manage the business to be in line with the established business plan.

At the present, the asset of Ekarat Solar Co.,Ltd. have been sold to the Company in order to continue using solar energy business.

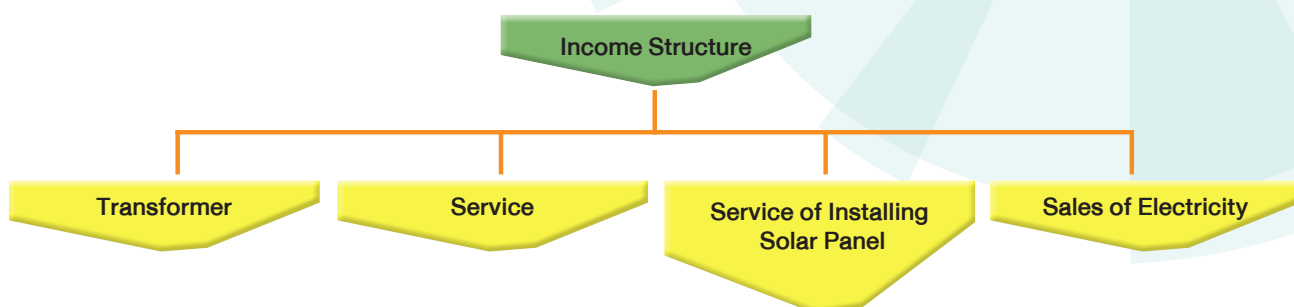
2. Ekarat Energy Co.,Ltd. has a registered capital 10 million baht.The Company holds 50.99% of shares.It was established on 22 April 2015 to operate solar energy business. By having 4 executive directors together with the Company namely, Mr.Danucha Noichaiboon, Mrs.Daranee Kantamara, Mr.Anan Santichewasatian and Ms. Urawee Kanokpruk.

As of December 31, 2020, the Company has a diagram of the shareholding structure of the Group as follows:





In 2020, the Company mainly generates income from transformer and services. Its income structure for fiscal years ended December 31, 2018, 2019 and 2020 was as follows:



(Unit : Million Baht)

| | 2018 | | 2019 | | 2020 | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Revenue | % | Revenue | % | Revenue | % |
| Revenue from sales of goods | 1,114.08 | 74.66 | 1,182.48 | 71.66 | 1,145.10 | 76.16 |
| Revenue from services and maintenance | 197.84 | 13.26 | 210.31 | 12.75 | 223.27 | 14.85 |
| Revenue from service of installing a solar panel | 107.07 | 7.18 | 188.84 | 11.45 | 75.56 | 5.03 |
| Revenue from sales of electricity current | 45.31 | 3.04 | 48.31 | 2.93 | 43.61 | 2.90 |
| Other incomes * | 27.91 | 1.87 | 20.00 | 1.21 | 15.95 | 1.06 |
| Total Revenues | 1,492.21 | 100.00 | 1,649.94 | 100.00 | 1,503.49 | 100.00 |

* Revenue from sales of goods consists of income from distribution transformers and raw materials.

Other incomes means other incomes except revenue from sales of goods and services such as Income from sales of scrap, interest etc.

Description of Products and Services

From the structure of the group of companies which consists of Ekarat Engineering Public Company Limited, Ekarat Solar Company Limited and Ekarat Energy Company Limited. The product and service of the Company and subsidiaries can be divided into 3 types of Distribution Transformer, Service and Solar Energy with the detail as follows:

1. Distribution Transformer

The quality product that be proud of the Company which has been popular, trustworthy on the top of customer under the trademark “Ekarat” which is a high quality transformer that can be compared to various global standards Including international standards (IEC), German standards (VDE & DIN), American standards (ANSI) and Japanese standards (JIS) There is also a distinctive feature is the low loss can withstand lightning voltage (Impulse Voltage) and short-circuit current



in maximum when compared to general transformer. Therefore has the least damage rate.

The Company is the first and only manufacturer that dares to protect the damage that will occur. We guarantee the quality of our transformer for 10 years (under the term of the Company) and for all customers that are installed our transformer in Thailand.

The Company can design and manufacture all types of transformers according to international standards or according to customer's need IEC 60076, ANSI C57, VDE 0532 & DIN 4290, JIS, TIS 384-2543 (2000). The Company's transformer has the electric power between 1 kVA to 30,000 kVA, both 1-phase and 3-phase with a maximum voltage not over 36 kV, maximum production capacity of 4,900 units or 2,900 MVA per year.

Our product is **Distribution Transformer** which is used to convert the voltage from the high voltage supply line of the Metropolitan Electricity Authority (MEA) or the Provincial Electricity Authority (PEA) at the pressure level 33 kV 22 kV or 11 kV to the voltage supply line low at a voltage of 230 V or 400 V to be sent to small power users such as houses. You can see it on electric pole on both sides of the road. Some business agencies have to obtain high voltage from MEA or PEA directly and install the distribution transformer by themselves to reduce voltage suitable for use. These business units include medium-sized industrial plants, hotels, hospitals, shopping centers, etc. Distribution transformers can be divided into 2 types as follows:

- **Oil Type Distribution Transformer**, using oil to circulate inside for cooling and acting as insulation. Most of oil distribution transformers will be installed outdoors and can be divided into 2 types of oil distribution transformers as follows:

- Open Type with Conservator, is an old type distribution transformer which has been used for a long time. It cooled by oil and have pipes to allow air to pass through. In addition, there is also a silica gel, a clear blue color to help absorb moisture and measure of the insulation value of transformer oil. It must always check the transformer oil every 6-12 months.

- Hermetically Sealed Transformers, this type of oil distribution transformer is a sealed transformer to prevent air entry. Therefore, it has the ability to prevent moisture very well without containing silica gel helps to filter moisture and can maintain the insulation condition of the transformer oil for a long time.

- **Dry Type Cast Resin**, generally, dry type resin distribution transformer is priced 2-3 times higher than oil distribution transformers. The power sizes ranging from 1-2,500 kVA. It cooling by air and use the resin and polyester as a coil coating to provide a good insulating property to prevent heat.

2. Service

The service work can be divided into 2 groups, namely the maintenance and repair of the distribution transformer system and the design, installation and maintenance of electrical systems. With details of each work group as follows;

- **The maintenance and repair of the distribution transformer**

Transformer is an important electrical device. Any problems caused by the failure of the transformer cannot supply electricity then will immediately affect the user especially in various industries. The production process must be stopped. Until it may cause a loss in the business system is a high value. Therefore, planning for maintenance of the transformer according to the time period and receiving services from those with direct expertise in addition to prolonging the service life. It also prevents severe damage that may occur. In addition, the Company also provides services covering repairs when problems occur. By focusing on providing services that cover all areas and fast, 24 hours a day. Will provide maintenance and repair services for all types of transformers and all voltage systems by testing and analyzing the quality of oil transformers (DGA), filters and oil transformers check and fix leaks change spare parts, check service, repair and overhaul, as well as fix transformer on site by a team of engineers and technicians with experience in maintenance and repair services for transformers for more than 30 years with equipment and modern testing machines including being able to give advice and improve electrical systems. In addition, during the maintenance and repair of transformers. The Company has provided an alternate distribution transformer from small to large, more than 100 units to support customers. The customers can borrow, use the distribution transformer until the distribution transformer that the customer ordered, finished production, or completed the repair, which will have a period of production or repair not more than 3 months by the time of production or repair of the transformer. The distribution depends on the size of the distribution transformer. In addition, customers can rent transformers for the Company's distribution system if customers do not want to buy distribution transformers with a year-to-year lease agreement.

- **Design, Installation and Maintenance of electrical systems.**

Design, Installation and Maintenance of electrical systems. There are products and services as follows.

(1) Maintenance for On Load Tap Changer (parts of the transformer): The Company's personnel have been trained by the On Load Tap Changer's manufacturer. Therefore, they can give advices on the conditional based maintenance, preventive maintenance, change parts, which can provide distribution transformers for all brands and all electrical systems.

(2) Maintenance services and industrial electrical motor repair: The Company provides maintenance and repair services for industrial electrical motors in accordance with ISO 9001: 2000.



Customers can request free charges in the first operating the service team will check the solution at the factory including installation, test run and overhaul. In addition, the alternating current (AC) industrial electrical motor which have voltage ranges during 380 volts to 6,600 volts are also provided to repair DC motors (Direct Current: DC) voltage range from 110 volts to 1,200 volts including changing the rotor bar, spraying the shaft, changing the shaft, connecting the lid or hitting the Laser Alignment Renew Commutator and slip-ring with 1 year warranty.

(3) Electrical system maintenance: The Company provides electrical system maintenance services to enhance the efficiency of the power supply system with the continuous and consistent importance of the preventive maintenance for the control cabinet due to the dirty electrical equipment such as dust, powder, soot, smoke and other including the cause of the electrical equipment in the power distribution cabinet, also the release of heat until the heat increases at the electrical connection point or the connection point between electrical equipment which caused by the heat accumulated when using. In case of, the metal expands and shrink regularly, damage the electrical equipment, result in the stop supplying electricity for emergency repairs. Therefore, equipment should be maintained with cleaning and check the fastening on electrical equipment firmly at least once a year, which can be maintained in the cycle of annual maintenance or maintenance when encountering hot spots by checking the thermo vision.

(4) Generator maintenance and repair services: The Company sells spare parts, alternator engines, generators and standard installation of generator. The Company also has provided a service to update the generator set and ATS to be an automatic system, parallel generator (Synchronize Generator), control cabinet and various equipment Including repair, maintenance (Preventive Maintenance), service charge list or annual service contract. In addition, the Company is able to provide the repair or overhaul services for generator's customer by skilled technicians and modern equipment.

(5) Design and installation of industrial electrical systems, both medium and low voltage systems: For power users who need a comprehensive service from the initial construction to the power supply by designing skills and supervising with professional engineer.

(6) Design and construction of substation (Substation): The Company is the design recipient, installation and construction of 69-115 kV power substation for large power users to reduce the cost of electricity about 15-20 percent and will also make the power system efficiency.

(7) Management system consulting: The Company provides consulting services, ISO 9000 quality management system, ISO 14000 environmental management system, occupational health and safety management system OHSAS / TIS 18000 System for quality standards, testing laboratories and calibration of ISO / IEC 17025 and activity systems, suggestions, 5S activities, QCC HACCP etc.



professional consultants who work together to create systems that are in line with the business requirements and comply with standards.

(8) Calibration laboratory services: The Company provides calibration services for electrical measuring instruments and dimensional calibration with a calibration laboratory that has been certified by the ISO / IEC 17025 standard laboratory testing and calibration system from the Office of Industrial Standards, Ministry of Industry. In addition, the Company gets ready for service to respond the customers with the Mobile Service Test which can test the transformer without the electricity. It can be display the test results at the onsite and send information through the internet immediately.

The Company has established service and sales centers in every region which is already have the equipment, transformers distribution reserve and skilled engineers who have experience in controlling each center provide all the time. There are 11 sales and service centers, as follows:

| Service Center | Service Area |
|----------------------------|---|
| 1. Bangkok Center | 3 Provinces : Bangkok Samutprakarn Nontaburi |
| 2. Chachoengsao Center | 7 Provinces : Chonburi Chachoengsao Rayong Chanthaburi Prachinburi Sakao Trat |
| 3. Ayutthaya Center | 11 Provinces : Ayutthaya Pathumthani Angthong Nakhonnayok Saraburi Lopburi Singburi Chainat Uthaithani Nakhonsawan Phetchabol |
| 4. Nakhonpathom Center | 8 Provinces : Nakhonpathom Kanchanaburi Phetchaburi Prachuapkhirikhan Samutsakhon Samutsongkhram Ratchaburi Suphanburi |
| 5. Konkaen Center | 9 Provinces : Konkaen Udonthani Kalasin Loei Nakhonpanom Mukdahan Nongkhai Nongbualamphu Sakonnakhon |
| 6. Nakhonratchasima Center | 10 Provinces : Nakhonratchasima Chaiyaphum Buriram Roiet Surin Ubonratchatani Srisakat Amnatcharoen Mahasarakham Yasothon |
| 7. Chiangmai Center | 8 Provinces : Chiangmai Chiangrai Maehongson Payao Lamphun Lampang Nan Phrae |



| Service Center | Service Area |
|------------------------|---|
| 8. Songkhla Center | 7 Provinces : Songkhla Trang Pattani Narathiwat Yala Satun Phattalung |
| 9. Suratthani Center | 4 Provinces : Suratthani Chumphon Ranong Nakhonsithummrat |
| 10. Phuket Center | 3 Provinces : Phuket Krabi Phangnga |
| 11. Phitsanulok Center | 6 Provinces : Phitsanulok Uttaradit Sukhothai Tak Kamphaengphet Phichit |

3. Solar Farm

In 2010, the Company has established Solar Farm for generating electricity at Srimahapho District, Prachinburi Province, which has power capacity 0.627 Megawatt per year and selling to Provincial Electricity Authority (PEA) and received the adder supporting from PEA at rate 8 Baht per year in 10 years which due in accordance with the agreement in this year 2020.

Then, in 2016 the Company has expanded the solar power plant project phase 2 at Prachinburi which located at the same location as phase 1 with capacity 0.627 megawatts per year. Total production capacity 1.26 megawatts per year.



In 2016, the Company got a job in the solar power generation project on the ground for government agencies and agricultural cooperatives. The Company agrees with the requirements of Bangbuathong agricultural cooperatives and the Company was all project developers from investment, design, procurement and construction of projects or was called EPC with the objective of producing, sending and selling electrical energy to the Metropolitan Electricity Authority. The purchase rate



of electricity is not more than 5.66 baht per unit, fixed throughout the contract period of 25 years, located at Laharn Sub-district, Bang Bua Thong District, Nonthaburi Province with a capacity 3.35 megawatts per year.



4. Solar energy business

The Company is a manufacturer and distributor of Solar PV Module. We are a provider of design and installation of solar power systems and other renewable and consulting on energy conservation. The Company's solar panels certified by TIS 1843-2553 or equivalent to the international standard IEC 61215 and TIS 2580 or equivalent to the international standard IEC 61730. Solar cells, which generated the power from 5 watts to 340 watts, are from the Thai Industrial Standards Institute since September 28, 2017.

Solar Energy work can be divided according to the detail of products and services as follows:

- **Solar Cell**

The Company had a factory to produce solar cells which located at Amata City Industrial Estate, Rayong Province. It had full capacity at 25 megawatts per year. But due to the high price competition, especially the products from China. While the cost of production of solar cells of the Company still too high to compete, It is caused by various factors of production. Especially the price of main raw materials which must be imported from abroad. In 2020, the Company's solar cell production was lower than the target.

- **Solar PV Module**

The Company manufactures and sells crystalline silicon solar modules from the customer orders (Made to Order). The Company can produce solar panels from 5 watts to 340 watts depending on the demand of customer. The Company's solar cell can be effective in converting solar energy into electrical energy which is approximately 18 percent of all solar energy received. Solar cell has 20-25 years lifetime.



Marketing and Competition

Marketing Policy of Product and Service

Competition Strategy

1. Distribution Transformer

The Company focuses on selling high quality distribution transformer. The factors supporting the production of quality transformers are below;

- Selection of quality materials such as silicon steel, coil, transformer oil, insulating paper etc. The materials purchased from domestic such as copper wire, transformer oil, etc. and foreign countries such as silicon steel Coil, cast resin etc.
- Using the modern machinery such as the folding fin, which is used to fold the long steel sheet into the fins to make the heat sink fins of the transformer wall must have the least connection. In order to prevent leakage of the tank and foil winding, which is a modern technology for producing low voltage coils to provide a balanced and efficient distribution of electricity resistance to the short circuit and maximum power surge which does not damage the coil.
- The Company has received technology from leading companies around the world such as Starkstrom-Geratebau GmbH, Germany, Westing House Co., Ltd., USA and Elco Co., Ltd., Israel, for example, to receive the technology of transformer distribution system such as sealed oil type and dry resin type from Starkstrom-Geratebau GmbH, Germany in the production and process. The Company realized the strengths and weaknesses of each technology in order to be able to use in the country appropriately.
- Executives and personnel have experienced in the distribution transformer system for a long time. They have been trained from leading companies around the world of transformer manufacturing technologies such as Westing House Co.,Ltd., USA, Elco Co.,Ltd., Israel Starkstrom-Geratebau GmbH, Germany, etc.

The production process of the distribution transformer system using modern machines and quality personnel. The Company's products have received a certificate of electrical quality testing in the resistance to short circuits from the KEMA Institute in Netherlands and CESI in Italy. In addition to the Company was the first manufacturers' transformer in the Thailand which has received ISO 9001 and ISO 14001 environmental management system. Being reliable in quality and being accepted from the public and private sectors both inside and outside the country.

2. Service

Transformer maintenance, repair services and electrical system maintenance of the Company are very important task because it prevents the severe damage from the accidents. The Company will focus

on using 11 service centers nationwide. In providing customer service for inspection, maintenance, repair services and other electrical systems throughout 24 hours. So that, the Company able to take care customers almost every provinces and creating confidence for the customers that will receive professional services by checking, maintenance and repair completely and quickly.

3. Solar Energy

The Company focuses on the policy to produce quality solar panels with modern technology. The solar panels will be tested each panel prior to distribution to the customer to ensure the quality standards solar panels such as TIS 1843-2010 or equivalent to IEC 61215 and TIS 2580 or equivalent to IEC 61730 from the Thai Industrial Standards Institute.

Target group

1. Distribution transformer

The Oil Type Distribution Transformer will focus on enterprises customers and customers in various industries. The state enterprise customers such as Metropolitan Electricity Authority and Provincial Electricity Authority. The Company will always participate in tenders with both state enterprises which the Company can win the tender regularly. For customers in various industries, the focus will be on high-growth industries, which are important markets that use a large number of distribution transformers, including the automotive industry, petrochemical industry, construction material industry, communication industry, real estate industry, food industry agro-industry, textile industry hotel and tourism industry, etc. The sales to private customers will focus on sales through the following groups of customers:

- Major contractors: The Company makes a good relationship with related persons from engineers, procurement department to the highest level of management continuously to support the technical information and create activities between the management of both sides to closely monitor the work. There are weekly project meetings to summarize the progress until closing the sales.
- Medium to small contractors: The Company makes a good relationship with the top management to support information and to help other. Also the area for sales staff is clearly divided.
- The project owner: The Company provides the information about the project for accessing to the project owner. The Company will present to the project owner about the importance of selecting to use the transformer distribution with high-quality. The importance of long-assurance and realize to the transformer damages when using the transformer distribution with low-quality. The project owner will realize the quality and contractor to select the high quality product.



The target and marketing plan of dry type cast resin transformer distribution, focuses on the target groups as follows:

- High-rise building: The Company collects the entire system data from various departments to present the product into the sales channel and closely follow the results until the sale processes ended.
- The contractor group has to participate in the bidding for the electrical system in modification of the Metropolitan Electricity Authority: Metropolitan Electricity Authority has a policy to change the electrical building systems which it will change the oil distribution transformer into the dry type cast resin transformer distribution. Therefore, the Company follows the news of the tender for electrical system modification of the Metropolitan Electricity Authority and offering prices for the dry-type distribution transformers to contractors who participate in the bidding by coordinating with contractors who participated in the bidding, both in the design process, bidding, testing and inspection of working.
- The group have problems with the explosion of distribution transformers and replacement purchases: The Company prepares a plan to support the explosion of the distribution system transformer with competitors which will be continued every month consist of responsible accounting for buildings throughout the country and present to the customer that If the distribution transformer explodes. How to contact to alleviate the damage quickly which will lead to the sale of new distribution transformer systems.
- New building group: The Company focuses on providing technical information to designers for set technical data from the beginning of the project and closely follow until the project owner can procure the contractor including follow up throughout the sale processes ended.

The major distribution transformer customers in the country, most of them are private sector that are famous companies and contractors. For the government agencies are Provincial Electricity Authority and Metropolitan Electricity Authority. The Company's customers in 2020 are domestic private customers, Government and state enterprises, international customers equal to 683.00 299.90 and 111.80 Million Baht or 62.39% 27.40% and 10.21% respectively.

2. Service

Target group of service work are follows:

- **The private customers who are already using distribution transformers:** The Company has guaranteed the using of distribution transformer for 10 years. When the insurance period expires, most customers still use the service continued. For the maintenance of other brands transformers, the Company uses the advantage from service and sales center which has nationwide service area, to offer the service for maintenance and repair transformers to customers. The Company is able to offer



electrical system services together with the sale of distribution transformers, maintenance and repair services for distribution transformers such as MDB (Main Distribution Board), high-pressure electrical contractor work etc.

- **Industrial factories that require safety certifications in electrical systems within the factory:**

Due to government regulations, the factory must have a certificate of safety in the electrical system within the factory. Therefore, it is an opportunity to expand the sales electrical inspection services, energy conservation consulting work for both the control building and the control factory.

- **Large industrial factory:** The Company has focused on sales, service, maintenance and repair of electrical systems used in large industrial plants.

- **The government sector,** will participate in the bidding for sub-station construction with government agencies every year. Examples of projects for the construction of substation that the Company has got are Wihandaeng Power Station, Nongyai Power Station and Saiyok Power Station. The Company expects to participate in the bidding for substation construction in the following years.

3. Solar energy

The Company have both domestic and international customers which were group of customers who operate solar panel business, solar panel installation services and government agencies that are supported by government policies. Including private agencies, who interested investment into the solar rooftop installation for reducing the electricity costs. Also receive benefits from the BOI promotion, which can deduct 3 years corporate income tax at 50% the investment together with the exemption of import duty on machinery.

Price policy

1. Distribution transformer

In determining for the price of the distribution transformer products, the Company determines the price at a level similar to the competitors by relying on product quality, product design and after-sales service as a selling point. Pricing uses the raw material cost basis plus production cost, sales and management cost and the desired profit margin. The desired profit margin depends on many factors such as customer relations, order quantity, the production capacity, etc.

2. Service work

In determining for the service price, the Company determines the price at the appropriate level, which will have a price close to the price of the competitor. The Company focuses on quality and speed of service to maintain good relationships with long-term customers which will make the Company can offer sales services and other products.



3. Solar energy

In determining for the solar panels price, the Company determines the price at the price level that is close to the competitors also using the costing criteria production costs plus other costs and the desired profit margin. However, the solar panel prices will vary according to the price of raw materials is solar cell because it is very important and high value for solar panel's production.

Distribution channels

1. Distribution transformer

Distribution channels for transformers can be divided into 2 markets, namely domestic and international markets.

Domestic markets can be classified into 2 distribution channels are follows.

- **Direct sales**, which will have local sales and service centers all 11 centers as an important sales channel. It can be classified customers in 2 groups is government sector customers: Metropolitan Electricity Authority, Provincial Electricity Authority and other government agencies which will be sold through direct bidding. Private clients sector customers: industrial factories, hotels, hospitals, office buildings or large residences, etc. to sell for customers who are expanding business or owning projects with the demand of electricity in the operation.

- **Sales through intermediaries**, this group of customers are various contractors which is the bidder of the project both from the government and the private sector, then orders from the company again. At present, the proportion of distribution transformers in the domestic distribution system in 2020 is about 69.49% of private customers and 30.51% of the government sector customers. In 2018-2020, the proportion of distribution transformer by customer type can be shown according to the following table.

(Unit: Million baht)

| Customer Type/Year | 2018 | | 2019 | | 2020 | |
|-----------------------------------|---------------|---------------|-----------------|---------------|---------------|---------------|
| | Revenue | % | Revenue | % | Revenue | % |
| The private sector | 810.80 | 90.73 | 776.09 | 73.71 | 683.00 | 69.49 |
| The government & state enterprise | 82.82 | 9.27 | 276.77 | 26.29 | 299.90 | 30.51 |
| Total | 893.62 | 100.00 | 1,052.86 | 100.00 | 982.90 | 100.00 |

International market, the Company had both sales through dealers and direct sales. The international market is considered as a target for future market expansion. Especially, customers in



the Southeast Asian and the Middle East which has low consumption per capita statistics along with the consumption of the distribution transformer system still requires import from abroad. In addition, there are many foreign investors who are interesting in expanding the investment base increasingly, so the trends that are demanded the electricity and the distributed transformers are definitely increased.

However, the venue from selling the electrical distributed transformers in domestic market was 89.79% of the venue from total selling the distributed transformers. The venue from selling the distributed transformers in international markets is 10.21% of the total venues, yet we speculate the venue from the international markets will be increased by focusing on the international markets more than ever because the customers recognize in our distributed transformers. The venue from selling the distributed transformers from 2018-2020 can be divided as table below:

(Unit: Million baht)

| Market | 2018 | | 2019 | | 2020 | |
|---------------|----------|--------|----------|--------|----------|--------|
| | Revenue | % | Revenue | % | Revenue | % |
| Domestic | 893.62 | 86.30 | 1,052.86 | 91.17 | 982.90 | 89.79 |
| International | 141.82 | 13.70 | 102.02 | 8.83 | 111.80 | 10.21 |
| Total | 1,035.44 | 100.00 | 1,154.88 | 100.00 | 1,094.70 | 100.00 |

Table of the value that customers in each country order the company's transformers in 2020

| Year | Country | Value (Million Baht) | % of Selling |
|------|-----------|----------------------|--------------|
| 2020 | Laos | 49.35 | 4.51 |
| | Brunei | 32.51 | 2.97 |
| | Malaysia | 19.35 | 1.77 |
| | Singapore | 4.45 | 0.41 |
| | Myanmar | 3.39 | 0.31 |
| | Australia | 2.74 | 0.25 |
| 2019 | Laos | 54.28 | 4.70 |
| | Malaysia | 23.82 | 2.06 |
| | Brunei | 18.93 | 1.64 |
| | Myanmar | 2.23 | 0.19 |
| | Australia | 1.97 | 0.17 |



| Year | Country | Value (Million Baht) | % of Selling |
|------|-------------|----------------------|--------------|
| 2019 | Philippines | 0.61 | 0.05 |
| | Cambodia | 0.18 | 0.02 |
| 2018 | Laos | 76.36 | 7.37 |
| | Malaysia | 31.59 | 3.05 |
| | Brunei | 33.63 | 3.25 |
| | Hong kong | 0.25 | 0.02 |

2. Service

In 2020, the proportion of the Company's services revenue, most of them are private customers. The Company offers services and sell distribution transformers at the same time. In addition, the Company has 11 service and sales centers which be the important force in the sale of services because there are many opportunities to meet with customers, includes customers who are technicians provide maintenance for transformers and will also offer sales services simultaneously or in cases when customers have problems with the distribution transformer, they will contact the service center first and will get convenient and faster in providing services. The Company has provided maintenance and repair services for all brands of transformers.

3. Solar energy

Currently, the proportion of the installation of the solar power generation system of the Company in 2020 was all private customers. Distribution channels, the Company had a marketing team to meet customers to regularly sell products and to update news for participate in various projects about the solar power of government agencies and private. That has been supported by government policies such as solar power generation projects or the project of installing solar roof for the benefit of electricity production with their own business.

Industry Conditions and Competition

1. Transformer

Electricity is a fundamental factor for economic development and the expansion of the demand for electricity will be consistent with the expansion of gross domestic product. It showed that the transformer industry in domestic are likely to continue growth in line with the country's economic conditions.

The international market, the customers of the Company are ASEAN countries such as Laos, Malaysia, Brunei, etc. and South Asian countries such as India, Nepal etc. and countries in Australia continent. It showed that each country has a growth rate of gross domestic product (GDP) is higher, which is consistent with the growth rate of electrical energy demand. When the economy expands and need for more electricity, it is necessary to install more transformers in order to have adequate uses.

2. Service

Transformer maintenance and repair service industry, which is still a steady growth trend as sales of transformers which are increasing that make the service industry tend to grow continuously. As well as the service industry can grow from electrical system services such as safety certification in the electrical system of the factory, maintenance services and electrical systems used in large industrial plants.

3. Solar energy

The shortage of fossil energy that will occur in the future. Environmental and disaster problems from global warming with the solar cell technology that has been developed to be efficient which caused the price to drop. It is a driving force for investors to become more interested in this type of energy production business. Expected that the demand for energy from solar PV for the next 5 years of leading countries such as China, Japan and America will account for 80% of the global demand which will drive the expansion of production. Therefore, solar cells are a business that is likely with a growing trend and new industry with very high value.

The electricity generation from solar energy in Thailand that is high growing too. From the statistics of the Department of Alternative Energy Development and Efficiency, it showed that the performance of solar energy has increased continuously every year.

Competition

1. Transformer

At present, there are many transformer manufacturers in the market which caused resulting in higher competition than the past, but the Company still has the highest number of distribution transformer sales average from 2018-2020 and it has an average market share of transformer distribution system about 20% which shows that the company is a leader of the distribution transformer industry in Thailand.

For the competition in the international market, the Company has established partnerships with foreign operators in order to expand the production base, expand customer base and exchange various technologies.



2. Service

The Company is a leader in the maintenance and repair service's the transformer after sales because the Company have the advantages from being a major producer and there are 11 service centers in the country, spread throughout the region by receive notification 24 hours. That makes the competition in the service business still not severe.

3. Solar energy

At present, the solar energy industry in the country is quite high competitive because entrepreneurs are increasingly interested in this industry. However, the Company saw the opportunity to sell solar panels into the foreign markets with relatively high growth rates. Especially, neighbor countries such as Myanmar, Laos and Vietnam etc.

For the solar power plant business of the Company is the distribution of electricity to government agencies such as the Metropolitan Electricity Authority and the Provincial Electricity Authority. Therefore, it is without business competition.

Procurement of products and services

1. Transformer

The Company produces distribution transformers that have power at 1-30,000 kV amperes (kVA) and have a maximum voltage of no more than 36 kV under the trademark "Ekarat". There are steel core assemblies, coils and internal distribution transformer equipment, located at 190 Moo 6, Tha Sa-An Subdistrict, Bang Pakong District, Chachoengsao Province. The metal body factory is located at 260 Moo 6, Bangpakong-Chachoengsao Road, Tha Sa-an Subdistrict, Bang Pakong District, Chachoengsao Province.

The Company has the production capacity and capacity load during 2018-2020 as shown below;

| Production capacity | 2018 | 2019 | 2020 |
|-----------------------------|-----------|-----------|-----------|
| Production capacity (kVA.)* | 2,850,000 | 2,900,000 | 2,900,000 |
| Volume (kVA.) | 2,054,277 | 1,999,340 | 1,906,270 |
| Capacity load (%) | 72.08 | 68.94 | 65.73 |

* Production capacity is calculated from 1 full time work (8 hours) and additional 1-2 hours of overtime work per day.

The raw materials used in the production of distribution transformers are Copper Wire, Silicon Steel, Transformer Oil, Steel of tank body, Copper tail plate, Coil Cast Resin and other equipment. The raw materials ordered from domestic are Transformer oil, Steel of tank body, Copper wire, Enameled



copper wire, etc. The raw materials imported from foreign countries are Silicon, Copper Coil, Coil Cast Resin which can show the details of the order value of raw materials that can be classified according to the source of purchase as shown in the table below:

(Unit : Million Baht)

| Source of raw materials | 2018 | | 2019 | | 2020 | |
|-------------------------|--------|--------|--------|--------|--------|--------|
| | Value | % | Value | % | Value | % |
| Domestic | 204.00 | 38.58 | 454.10 | 54.96 | 565.36 | 76.80 |
| Foreign | 324.77 | 61.42 | 372.10 | 45.04 | 170.81 | 23.20 |
| Total | 528.76 | 100.00 | 826.20 | 100.00 | 736.17 | 100.00 |

2. Service

In terms of service, the Company has prepared more than 100 distribution transformers for customers to borrow or rent and had spare parts for maintenance and repair of distribution transformers to serve customers in the case of their transformers accident or maintenance schedules. The Company had 11 service centers and sales throughout the country to prepare for services to customers. Including, there are the calibration of electrical measurement and dimension calibration services by testing and calibration laboratories that have received ISO / IEC 17025 standards from the Office of Industrial Standards Ministry of Industry which is ready to serve customers. Our personnel have highly knowledgeable and experienced, they have to pass the training course on all service standards before the actual operation.

3. Solar energy

- **Solar Cell**

The important raw material for the production of solar cell is wafer which don't produced in Thailand. Therefore, the Company has to import wafers from foreign manufacturers to be used to produce solar panels. After that, it was sent to sell in a foreign country. Another part is used to produce solar panels for distribution in domestic.

- **Solar PV Module**

The Company manufactures and sells crystalline silicon solar modules from the customer orders (Made to Order). The Company has selected quality raw materials both in domestic and abroad which has reasonable price for quality solar panel production and had competitive price in the market.

From the production of both solar cells and solar panels, the company had a CO certificates



for export to countries in Europe and America.

- **Solar Farm**

Solar power plants of the Company totally were 2 locations and located at Si MahaPho District, Prachinburi Province and Bang Bua Thong District, Nonthaburi Province. The Company was all project developers from investment, design, procurement and construction. The objective was to produce, send and sell electricity to the Provincial Electricity Authority and the Metropolitan Electricity Authority.

The Company was the manufacturer of some parts project, including solar panels and transformers as well as purchasing the other equipment for the development of the entire project. Therefore, the product warranty form is the direct guarantee from the supplier of each type of equipment directly to the Company. In the event that the solar panel or transformer is damaged, the Company can replace the solar panel or the problem with the transformer immediately because the company is the manufacturer of those devices.

Environmental impact

The Company operates the business of manufacturing transformers distribution systems and solar panels. In the production process, some steps are required painting, piecework cleaning that occurs with an impact on the environment if the waste disposal system are not good. The Company is aware of the potential impact, Therefore, the Company has created an efficient system to eliminate the color spray that occurs from the production process that do not be harmful to workers and neighboring communities. The Company has changed to use raw materials that do not contain toxic chemicals on the environment such as below:

- Using of watercolors to reduce environmental impacts by using water as an ingredient instead of oil paint that requires thinner as a solvent.
- Using of environmentally friendly oil stain remover and using hand washing powder to wash oil stains in maintenance work.
- Using of raw materials that do not contain heavy metals which can be left behind and destroy the environment.

The Company provides training and recommend preventive methods about the operations that may cause accidents including an emergency action plan which have a practicing at least 2 times per year. In addition, the Company has also set up the Committee of Occupational Safety Health and Working Environment which is responsible to prevent various impacts. The Company has been certified with ISO 14001 environmental management system standard which shows the Company



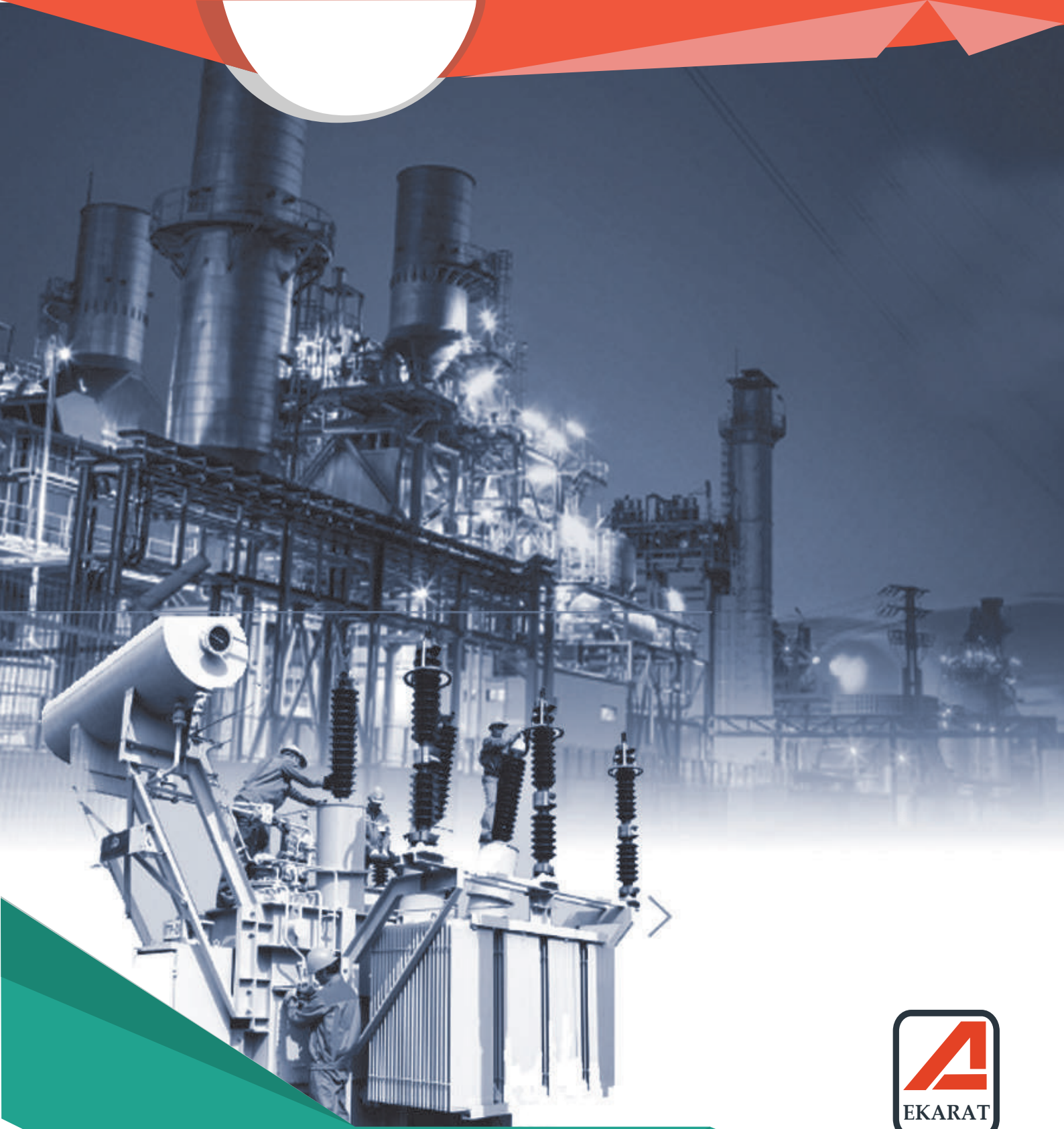
had a good environmental management system and international standards.

In addition, the Company has also used various systems to control work and the production quality such as ISO 9001: 2000 system, the health management system and TIS 18001 for safety and reduce the risk of accidents during operations. The Company had operated since 1981 and had no history of disputes or lawsuits from communities nearby the factory or being fined by government agencies related with the environment.

Outstanding Works

The Company had distribution transformers that has been ordered and preparing to deliver for customers but not yet delivered on December 31, 2020 in totally 783 units, the amount was 266.65 Million Baht.

For Solar energy, the Company had the service of installing a solar panel that have not been delivered to the customer as of December 31, 2020 in totally 658 kW, the amount was 44.75 Million Baht.





The Company is aware of the important of risk management of the organization by forming the Risk Management Committee to evaluate the potential risk and assign the strategies to conform to the objectives and goals of the Company. However, the Company had the Risk Committee to prevent the risk, but in 2020 the Company and its subsidiary still had the risk factors as shown below:

1. Distribution Transformer Business Risk

1.1 Risk related to relying on specific Distribution Transformer's customer

Most of the Company's revenue came from the sale of Distribution Transformer. In 2018, 2019, and 2020, the Company had the sale revenue from sales of Distribution Transformer to the Metropolitan Electric Authority and the Provincial Electric Authority in the amounted 82.82 Million Baht, 276.76 Million Baht, and 299.90 Million Baht or 6.64%, 20.14%, and 22.58%, respectively, of the transformer revenue and Services revenue. However, considering in the total revenue of every customer sector in 2020 was 1,481.93 Million Baht decreased by 132.56 Million Baht compared to year 2019 or decreased 8.21 % of the transformer revenue and Services revenue. The proportion of the revenue in government sector in 2019 was 276.76 Million Baht and in 2020 was 299.90 Million Baht increased by 23.13 Million Baht or increased by 8.36%.

Moreover, the revenue from government sector in 2020 increased from partially remaining budgets in 2019 and 2020. The approach to reduce the risk of dependence on specific distribution transformer's customer by continue to seek new clients to increasing revenue.

1.2 Risk related to the unstable of Distribution Transformer's raw materials price

In 2020, the Company had the major revenue from the sale of Distribution Transformer. In the production of Distribution Transformer used the local raw material and imported material likes Silicon steel, Copper wire, Transformer oil, etc. Therefore, the Company had little impact from the fluctuation of raw material prices in the world market and it wasn't affected to the total cost of production of transformers. However, the Company continues to improve and develop in order to reduce costs and plans to procure new raw materials and reserve of raw materials for use in production for about 3 months.

1.3 Risk related to the quality of the Distribution Transformer's raw material

Distribution Transformer is a very important part in the electricity system. If the transformer malfunctions the effect will cause the damage of the industry and resident. Therefore, we need to select the raw material likes Silicon steel, Copper wire, Copper plate, Insulator paper, transformer oil, and transformer tank, in the production of high quality distribution transformer. To avoid the risk from low quality of raw material, the Company has the procedure follow ISO 9001 standard which comprise with design, assign the characteristic of raw materials, monitoring and testing. Determine



the properties of raw materials used in the production of transformers with examination, testing, selection of suppliers, raw material inspection to ensure that the raw materials were ordered by the Company, according to the specified properties with standard quality

1.4 Risk related to relying on skilled staffs in the production of Distribution Transformer.

In 2020, 83.19% of the revenue from sale of Distribution Transformer and Services came from the sale of Distribution Transformer which requires experienced, knowledgeable and skilled personnel. Therefore, the skilled staffs in specialized knowledge is important to the production of Distribution Transformers and operation of the Company. Anyway, with the good operation system awarded ISO 9001, ISO standard has the operating manual, training, and operation process. If there is a new employee, it will help to understand the work process. This will enable employees to perform their work quickly.

The Company has succession plan for the important positions and has the training program to develop the staff continuously. The Company also awarded the benefit or has the policy to stimulate the staffs. For example, Provident Fund, Bonuses, Loyalty awards, this will reduce the turn over rate of the staffs.

2. Solar Energy Business Risk

Risk related to the government power purchasing policy.

In 2020, the government has a policy and promotion of the production electricity with many solar cell projects connect from the previous year, both Solar Roof and Solar Farm as follows:

2.1 Risk related Anti-Dumping Law.

Risk related Anti-Dumping Law's the Europe Union and the United States about Solar Cell from China. Chinese entrepreneurs have set up factories to produce cells and solar cells in Thailand more than past, in order to avoid that law and to get the Certificate of Origin. That make higher competition in Solar Cell. The Company had to find ways to reduce the operating cost to be competitive.

2.2 Risks from purchasing energy of the government sector.

2.2.1 In January 2015 to December 2022, the Office of Investment Promotion (BOI) announced the benefits for general entrepreneurs who have installed the Solar Rooftop system for internal use. Therefore, which was another channel that the Company can join to work.

2.3 Power Development Plan of Thailand (PDP)

From the Power Development Plan since 2018-2037 to increase the use of solar energy for about 10,000 MW (500 MW per year), divided by the government sector ratio of about 400 MW / year. The public sector is about 100 MW / year. That is a great opportunity for the Company



to expand the customer base.

3. Financial Risk

3.1 Risk from interest rate fluctuations

The Company has the risk from the uncertainty of the interest rate in the market due to the Company had credit facilities in a commercial bank. The bank code the interest rate according to the nature and purpose of the amount used as follows:

1. Facilities limit, which the rate of MLR per year.
2. L/C and/or T/R and/or short term loan or L/G, if the loan is Baht currency the rate is MOR per year.

Therefore, the Company might have the uncertainty of the interest rate that might change from the situation of the market. The interest rate in 2019 and 2020 for MLR was 6.00% and 5.47% per annum; MOR was 6.87% and 5.84% per annum, respectively which has reduced the said interest rate. The Company is supplying several financial institutions in order to choose the one with the lowest interest rate.

3.2 Foreign exchange rate risk

The Company order the material to produce the Distribution Transformer from overseas likes Silicon steel, Coil Cast Resin. The bidding and payment of raw materials will be mainly used in US dollars. However, the exchange rate has been closely monitored. In the event that the exchange rate tends to weaken, the Company will make a forward contract. Along with considering other factors to reduce the risk of exchange rate fluctuations and increase efficiency in financial management.

4. Economy and Political Risk

From the economic condition that has contracted a lot caused from the change in political situation and impact of coronavirus-19 outbreak. According to the announcement of the National Economic and Social Development Council, GDP is - 6.1% in year 2020. From the aforementioned risk factors, the Company's revenue has decreased and not meeting the goal.

However, the forecast of the NESDB, GDP will grow approximately 2.5-3.5% in 2021. The government have the measures to control the spread of the COVIC-19 virus by providing and administering vaccines thoroughly. The Company estimates that there will be a large government investment in public utilities and the expansion of renewable energy. If able to expedite the process faster, the economic growth is expected to meet the target in the first half of the year.

5. ASEAN Economic Community Risk

From the joining into AEC, Thailand has joined as an ASEAN Economic Community too. The risk that will arise from products of ASEAN countries entering the Thailand market without tax burden



according to Thai entrepreneurs and entrepreneurs in the ASEAN region to be more competitive. Consumers could choose quality products and get more benefits. However, from the past, Thailand's Transformer industry was stronger than the others in ASEAN that be the opportunity to expand the business to overseas. Therefore, Ekarat Engineering Public Company Limited, the leader in transformer business of Thailand might receive the benefit from joining AEC too.





Company Information

Company Name

EKARAT ENGINEERING PUBLIC COMPANY LIMITED

Nature of Business

- Production and distribution of distribution transformers (Distribution Trans former) with power from 1 kVA to 30,000 kVA, maximum voltage not exceeding 36 kV
- Electrical maintenance and repair services, design, installation and maintenance of electrical systems and construction of substation
- Manufacture and sell solar cells and solar panels which can produce solar panels from 30 watts to 340 watts, including the design, construction, installation, maintenance of electricity systems from solar cells

Address

9/291, UMTower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250

Registration No.

0107537002711

Website

<http://www.ekarat.co.th>

Telephone No.

0-2719-8777 (Automatic 30 lines)

Fax No.

0-2719-8760

Paid-up Capital

1,343,289,404 shares

Par Value

Baht 1 per share

Registered Capital

1,611,947,284.80 Baht

Paid-up Capital

1,074,631,523.20 Baht

Service

Center Location

1. Bangkok Center

1068/1 Soi Sukhumvit 101/1, Bang Chak Subdistrict, Phra Khanong District, Bangkok 10260 Tel. 02-393-0437, 02-746-3840-1, Fax 02-398-2903

2. Chachoengsao Center

260/6 Moo 6, Tha Sa-An Subdistrict, Bang Pakong District, Chachoengsao 24130 Tel. (038)-530-213 Fax (038)-530-214

3. Ayutthaya Center

26/7 Moo 2, Asia Road (Bang Pa-in - Nakhon Sawan), Thanu Subdistrict, Uthai District, Ayutthaya 13000 Tel. (035)-345-078 Fax (035)-345-020



| Service | Center Location |
|-----------------------------|--|
| 4. Nakhon Pathom Center | 470 Phetkasem Road, Phra Prathon Subdistrict, Muang District, Nakhonpathom 73000 Tel. (034) -244-045-6 Fax (034) -244-047 |
| 5. Klonkaen Center | 324/80 Moo 6, Mittraphap Road, Sila Subdistrict, Mueang District, Khon Kaen 40000 Tel. (043) -465-276 Fax (043) -364-277 |
| 6. Nakhon Ratchasima Center | 2175/2 Moo 6, Suebsiri Road, Nai Mueang Subdistrict, Mueang District Nakhon Ratchasima 30000 Tel. (044) -277-279 Fax (044) -277-050 |
| 7. Chiang Mai Center | 92/9 Moo 4, Tha Sala Subdistrict, Mueang District, Chiang Mai 50000 Tel. (053) -128-039 Fax (053) -128-040 |
| 8. Songkhla Center | 1496 Moo 3 Sanam Bin-Lop Buri Road, Laem Set, Khuan Lang Subdistrict Hat Yai District, Songkhla 90110 Tel. (074) -250-648 Fax (074) -250-649 |
| 9. Surat Thani Center | 54/2, Moo 5, Leam Muang Road, Makhm Tia Subdistrict, Mueang District, Surat Thani 84000 Tel. (077) -295-488 Fax (077) -295-489 |
| 10. Phuket Center | 101/220 Moo 6, Ratsada Subdistrict, Mueang District, Phuket 83000 Tel. (076) -307-570 Fax (076) -307-571 |
| 11. Phitsanulok Center | 343/4 Samo Khae Subdistrict, Mueang District, Phitsanulok 65000 Tel. (055)-307-770 Fax (055)-307-778 |

Information of subsidiaries

| | |
|----------------------|--|
| Company Name | EKARAT SOLAR COMPANY LIMITED |
| Nature of Business | Production and assembly of solar cells and solar panels Including tools and equipment in all solar power generation systems Including the design, construction, installation, maintenance of electricity systems from solar cells and other renewable energy and consulting on energy conservation |
| Proportion of Shares | 99.99% |
| Address | 9/291, UMTower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250 |
| Phone No. | 02-719-8777 |
| Fax No. | 02-719-8760 |
| Website | http://www.ekarat.co.th |



| | |
|----------------------|--|
| Company Name | EKARAT ENERGY COMPANY LIMITED |
| Nature of Business | Operate in all energy business Including investment advisory, engineering and management services, a distributor investing in the energy business industry both inside and outside the country, producing and selling electricity from solar cells |
| Proportion of Shares | 50.99% |
| Address | 9/291, UMTower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250 |
| Phone No. | 02-719-8777 |
| Fax No. | 02-719-8760 |
| Website | http://www.ekarat.co.th |

Reference information

Securities Registrar

| | |
|--------------|--|
| Company Name | THAILAND SECURITIES DEPOSITORY COMPANY LIMITED |
| Address | 93 Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400 |
| Phone No. | 02-009-9000 |
| Fax No. | 02-009-9991 |

Auditor

| | | |
|----------------|-------------------------------|----------------------|
| Auditor's Name | 1. Mr. Atipong Atipongsakul | CPA License No. 3500 |
| | 2. Mr. Vichai Ruchitanont | CPA License No. 4054 |
| | 3. Mr. Sathien Vongsnan | CPA License No. 3495 |
| | 4. Miss Kultida Pasurakul | CPA License No. 5946 |
| | 5. Mr. Yuttapong Chuamuangpan | CPA License No. 9445 |

| | |
|--------------|--|
| Company Name | ANS Audit Company Limited |
| Address | 100/72, 16th Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 |
| Phone No. | 02-645-0109 |
| Fax No. | 02-645-0110 |



Legal counsel

Lawyer Name

Mr. Pinya Champawong

Company Name

THEPNITI LAW OFFICE COMPANY LIMITED

Address

1845/11 Phaholyothin Road, Ladyao Subdistrict, Chatuchak District,
Bangkok 10900

Phone No.

02-512-1353, 02-513-5450

Fax No.

02-939-7156

Company Secretary

Name-Surname

Miss Nuanchan Sirikun

Address to contact

9/291, UM Tower, 28th Floor, Ramkhamhaeng Road,
Suan Luang Subdistrict, Suan Luang District,
Bangkok 10250

Phone No.

02-719-8777

Fax No.

02-719-8760



1. The registered and paid-up capital as of December 31, 2020

The Company has one class of shares which is ordinary share entered the holder's name and shall be of equal par value, Baht 0.80 per share

| | | |
|-------------------------------|------------------|--------|
| Registered Capital | 1,611,947,284.80 | Baht |
| Paid-up Capital | 1,074,631,523.20 | Baht |
| Comprising of ordinary shares | 1,343,289,404 | shares |

2. Shareholders

List of top 10 major shareholders, number of shares and holding percentage as of December 31, 2020

| Shareholders' Name | Shares | (%) |
|--|--------------------|---------------|
| 1. KV assets Co., Ltd.* | 170,000,000 | 12.656 |
| 2. Mr. Kongkrai Kanokpruk | 155,250,000 | 11.557 |
| 3. Miss Teeraya Kanokpruk | 100,000,000 | 7.444 |
| 4. Mr. Poompat Numpaisarn | 72,674,100 | 5.410 |
| 5. Mr. Wanchai Poolsap | 45,607,600 | 3.395 |
| 6. Miss Uravee Kanokpruk | 31,000,000 | 2.308 |
| 7. Mrs. Paradee Chiamchanya | 25,000,000 | 1.861 |
| 8. Mr. Jeerapong Itsarangkul Na Ayuttaya | 16,773,600 | 1.249 |
| 9. Mr. Sunthorn Simawara | 15,000,000 | 1.117 |
| 10. Mr. Pornchai Tongvanij | 12,683,787 | 0.944 |
| Total | 643,989,087 | 47.941 |

* Data from Thailand Securities Depository Co., Ltd. for the depositor

Remarks : * List of KV Asset Co., Ltd. Shareholders

| Shareholders' Name | Shares | (%) |
|--------------------------------|--------|-------|
| 1. Miss Rompissri Noichai boon | 99,275 | 18.05 |
| 2. Mr. Vornpahol Sangtian | 41,250 | 7.50 |
| 3. Miss Pimolwan Sangtian | 41,250 | 7.50 |
| 4. Miss Wanravee Topongkasame | 17,188 | 3.13 |
| 5. Mrs. Daranee Kantamara | 27,500 | 5.00 |



| Shareholders' Name | Shares | (%) |
|-----------------------------------|----------------|---------------|
| 6. Mr. Danucha Noichai boon | 48,125 | 8.75 |
| 7. Mr. Daroonwat Noichai boon | 27,500 | 5.00 |
| 8. Miss Chompicha Noichai boon | 99,275 | 18.05 |
| 9. Mr. Ruengrat Noichai boon | 17,188 | 3.13 |
| 10. Mr. Visitsak Noichai boon | 17,187 | 3.12 |
| 11. Miss Peerayachan Noichai boon | 97,075 | 17.65 |
| 12. Miss Khanittha Topongkasame | 17,187 | 3.12 |
| Total | 550,000 | 100.00 |

Number of Company's Stock holding by the Directors as of December 31, 2020

| Name | Position(s) | Shares | | | |
|--------------------------|---|-------------------|-------|-------------------|-------|
| | | December 31, 2019 | | December 31, 2020 | |
| | | Amount | (%) | Amount | (%) |
| Mr.Vichit Yamboonruang | Independent Director Chairman of the Board | 1,407,310 | 0.105 | 1,407,310 | 0.105 |
| Mr.Vinai Vittawasgarnvej | Independent Director Chairman of Audit Committee | - | - | - | - |
| Mr.Aroon Sricharoon | Independent Director Audit Committee | - | - | 210,000 | 0.015 |
| Mr.Wara Tongprasin | Independent Director Audit Committee Chairman of Nomination and Remuneration Committee | 39 | 0.000 | 39 | 0.000 |
| Mr.Chatri Siripanichkorn | Independent Director Nomination and Remuneration Committee | - | - | - | - |
| Mr.Thunya Sritorn | Independent Director | - | - | - | - |
| Mr.Wiwat Sangtian | Director | 170,000 | 0.013 | 170,000 | 0.013 |
| Miss Urawee Kanokpruk | Director Nomination and Remuneration Committee | 31,000,000 | 2.308 | 31,000,000 | 2.308 |



| Name | Position(s) | Shares | | | |
|------------------------|---|-------------------|--------------|-------------------|--------------|
| | | December 31, 2019 | | December 31, 2020 | |
| | | Amount | (%) | Amount | (%) |
| Mr.Danucha Noichaiboon | Managing Director Nomination and Remuneration Committee Chairman of Risk Management Committee | - | - | - | - |
| Mrs.Daranee Kantamara | Director | 1,895,453 | 0.141 | 1,895,453 | 0.141 |
| Total | | 34,472,802 | 2.566 | | 2.582 |

Foreign Holding Limit

According to the Company's Articles of Association, the Company's shares are free to transfer unless otherwise such transfer cause the alien being shareholder of AKR more than 49% of the total number of shares sold. Any transfer of shares that will cause the proportion of shares held by Aliens exceeding the above ratio, the Company has the right to refuse such transfer of shares.

As of December 31, 2020, the Company's shareholding proportion by foreigners for approximately 0.03% of the total issued shares.

3. Other Securities

The Company issued the Warrants for purchasing newly issued ordinary shares of EKR No.1 (AKR-W1) with details as follows:

- Allocated to the existing shareholders 2 existing ordinary shares for 1 unit of Warrant
- Offering price per unit 0 Baht (allocation free of charge)
- Issuance date May 31, 2019
- Expiration date May 28, 2021 (2 years)
- Issuance amount 671,571,134 units
- Number of the newly issued ordinary shares 671,571,134 shares
- Exercise ratio 1 unit of Warrant : 1 ordinary share
- Exercise price Baht 1 per share



4. Dividend Payment Policy

The Company and the subsidiary have the dividend policy to pay the dividend to the shareholders about 50% of Net profit after corporate income tax and legal reserve each year. Therefore, the company's Board of Directors is able to acts inappropriate with this policy time by time under the condition to use the profit in the best interest for shareholders likes pay back the loan, use for investment or other subject related to the company operation. However, the dividend payment must approve by the Annual General Meeting and approved by the Board of Directors.

The 2020 Annual General Meeting of Shareholders, held on June 30, 2020 has approved suspension of dividend payment for the year 2019 performance. Due to the Company's operating results had unappropriated retained loss of Baht 126.33 million. Therefore, dividends shall not be paid according to section 115 of the Public Limited Companies ACT, B.E.2535 (1992) and the Company's Article of Association No.56, dividends shall not be paid other than out of profits.

Dividend payment information from 2017-2019

| Year | 2017 | 2018 | 2019 |
|--------------------------------|-------|---------|-------|
| Earning per share (Baht) | 0.038 | (0.206) | 0.062 |
| Dividend per share (baht) | 0.03 | - | - |
| Dividend to earnings ratio (%) | 78.95 | N/A | N/A |



The Company's management structure is composed of the Board of Directors and the management. The Board of Directors has altogether 10 members, i.e. 2 executive directors and 8 non-executive directors. All the members, 6 are independent directors, which more than half of the entire Board.

The Board has appointed 4 Sub-Committees, namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Board of Management which composed of qualified persons by section 68 of the Public Limited Company Act BE 2535.

The Board of Directors

The Board of Directors has the ultimate responsibility for the administration of the Company's affairs under the Company's Articles of Association which requires that the Board consists at least 5 directors, and that no less than half of the Directors must reside in Thailand. At the Company's Annual General Meeting of Shareholders, one-third of the Directors are required to resign from their position, and new Directors are to be elected and the Directors who have resigned may be re-elected.

There were 10 Directors in the Board of Directors as at December 31, 2020 as follow:

| Name | Position | Appoint Date |
|-----------------------------|--|-------------------|
| 1.Mr. Vichit Yamboonruang | Independent Director / Chairman of the Board | February 28, 2011 |
| 2.Mr. Vinai Vittawasgarnvej | Independent Director / Chairman of Audit Committee | June 11, 2012 |
| 3.Mr. Wara Tongprasit | Independent Director / Audit Committee / Chairman of Nomination and Remuneration Committee | June 17, 2009 |
| 4.Mr. Aroon Sricharoon | Independent Director / Audit Committee | May 13, 2019 |
| 5.Mr. Chatri Siripanichkorn | Independent Director / Nomination and Remuneration Committee | July 12, 2016 |
| 6.Mr. Thunya Siltorn | Independent Director | June 30, 2020 |
| 7.Ms. Urawee Kanokpruk | Director / Nomination and Remuneration Committee | February 28, 2011 |
| 8.Mr.Danucha Noichaiboon | Director /Chairman of Risk Management Committee / Nomination and Remuneration Committee / Managing Director | January 15, 2011 |
| 9.Mr. Wiwat Sangtian | Director | June 25, 2014 |
| 10.Mrs. Daranee Kantamara | Director | January 15, 2011 |

Notes - The 2020 Annual General Meeting of Shareholders on June 30, 2020, there was a directors who retired by rotation and expressed his intent not to be nominated for re-election as a director, namely Mr. Anan Santichewasatian, therefore the meeting resolved to appoint Mr.Thunya Siltorn to be Independent Director instead Mr.Anan Santichewasatian



Directors authorized to sign in binding the Company

According to the Company's regulations has authorized directors : Either Mr.Vichit Yamboonruang, Chairman of the Board or Mr.Danucha Noichaiboon, Managing Director or making up two signatories to bind the Company, with the Company seal affixed.

Scope of power and duties of the Board of Directors

The directors shall sincerely and faithfully perform their duties and carefully act in the best interest of the Company to be in accordance with the objectives, rules and regulations of the Company and the resolution of the shareholders' meeting and the matter legally required the approval of the shareholders' meeting. The conclusion of scope of power and duties of the Board of Directors are as follow:

1. Discharge their duties and supervise the operation of the Company to ensure strict compliance with laws, objectives, articles of association, and resolutions of the Annual General Meeting.
2. To consider specify details and give approval towards vision, business strategies, direction, policy, goals, business plan and budget of the Company as per details arranged by the Management Team. Such topics are to be reviewed annually so that they are appropriate for the circumstance, business potential, and be able to create sustainability to the business.
3. Establish a Corporate Governance and Business Code of Conduct Policy, Responsible to the Society and Environment, Anti-Corruption and strict observance of this policy must be required alongside the Company's articles of association in order to ensure fairness to all stakeholders.
4. Specifying risk management policies and overseeing to ensure effective risk management systems with reviewing and assessing the systems periodically.
5. Institute systems for corporate accounting, financial reporting and auditing, and institute efficient and effective internal control and internal audit systems.
6. Provide a fair and transparent nomination system for individuals to assume Key Executive positions at level Deputy Managing Director or higher and arrange a suitable compensation system for the Executives of the Company.
7. Lead and be the role model of a performing and ethical individual in accordance with the Company's corporate governance policy.
8. Manage and resolve potential conflicts of interests and related transactions by reviewing significant transactions in order to ensure utmost benefit to the shareholders and stakeholders.
9. To consider and approve the acquisition or disposition of assets, investment in new business and any operations to be in accordance with relevant laws, notices and regulations.



10. Regularly evaluate one's own performance and discharge of duties, as well as those of the committee and the management team annually.

11. Ensure accurate, clear, transparent, reliable to disclosure of information according to relevant standards.

12. Arrange for appropriate channels of communication with each group of shareholders. Supervise disclosure of information in order to ensure correctness, coherence, transparency.

Furthermore, the power and authorities above are not including to others transaction that conduct by the company's rule and regulations which need the approval of shareholders' meeting.

Scope of power and duties of Chairman of the Board

Chairman of the Board has power, duties and responsibility as follow:

1. The Chairman has the role of overseeing policy advocacy and strategic performing manner of the company's management including giving recommendation and support the operating of the company's management but this entitle shall not participate in the daily operation.
2. Preside as chairman of the Board of Directors Meeting and shareholders meeting.
3. Encourage all directors to participate in the meeting as well as monitoring the Board of Directors Meeting and shareholders meeting effectively and successfully.
4. Strengthen the relationship between the Executive and non-Executive Directors and between the Board and Management.

Qualifications of Directors

Directors must be qualified and not disqualified under the Companies Act, for example;

- Not more than 5 directors in listed companies in the Stock Exchange of Thailand.
- Never been sentenced by final judgment to imprisonment. Except for an offense committed through negligence or a petty offense.
- Must not be a political official, unless being a director in accordance with the law.
- Not holding any position in the political parties or officials of political parties.
- Never be fired or dismissed because of malpractice.

The Board of Director's Meeting

1. The meeting of the Board of Directors shall be scheduled in advance and at least once every quarter at the head office or branches or nearby provinces.
2. The director shall attend at least 75% of all the board meetings held during the year.



3. The quorum of not less than two-thirds of all Board members is eligible to vote at the meeting to pass a resolution.

4. Invitation, details of the meeting and supporting documents shall be sent to each director at least 7 days in advance of the meeting date.

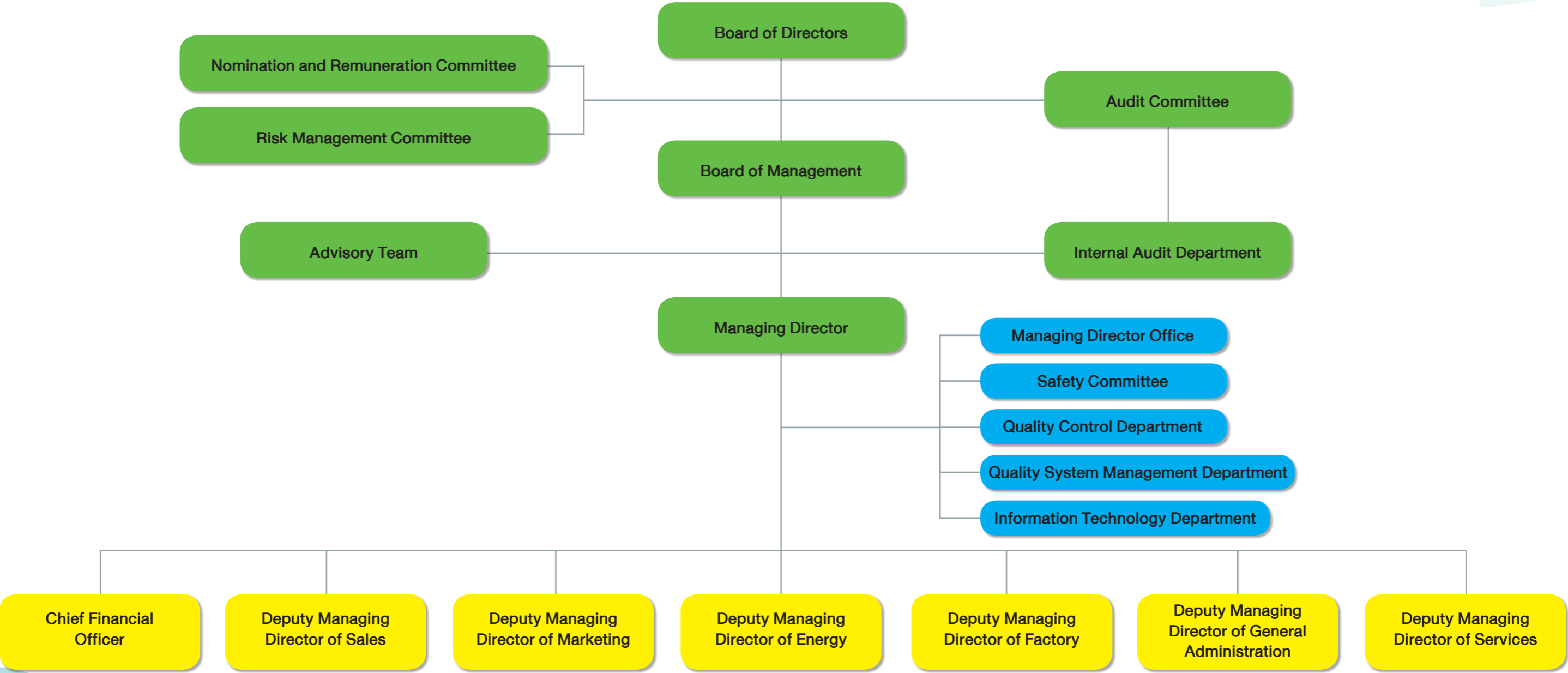
5. The Company Secretary is responsible for preparing the minutes of meeting to be submitted to the Board of Directors for approval in the first agenda of the next meeting and shall be certified by Chairman of the Board.

In 2020, the Company held a total of 11th Board of Directors' meetings. Details of meeting attendance by the individual directors are as tabulated below:

| Name | Position | The Board of Director's Meeting | |
|--------------------------|-----------------------|---------------------------------|-------------------|
| | | Number of Attendance | Number of Meeting |
| Mr.Vichit Yamboonruang | Chairman of the Board | 11 | 11 |
| | Independent Director | | |
| Mr.Vinai Vittawasgarvej | Independent Director | 11 | 11 |
| Mr.Wara Tongprasit | Independent Director | 10 | 11 |
| Mr.Aroon Sricharoon | Independent Director | 11 | 11 |
| Mr.Chatri Siripanichkorn | Independent Director | 11 | 11 |
| Mr.Thunya Siltorn | Independent Director | 5 | 11 |
| Ms.Urawee Kanokpruk | Director | 11 | 11 |
| Mr.Danucha Noichaiboon | Director | 11 | 11 |
| Mr.Wiwat Sangtian | Director | 11 | 11 |
| Mrs.Daranee Kantamara | Director | 11 | 11 |

Notes - The Annual General Meeting of Shareholders has appointed Mr.Thunya Siltorn as an Independent Director to replace Mr. Anan Santichewasatian who retired by rotation on June 30, 2020. Therefore, he has attended the Board Meeting since July 2020 onwards, totalling 5 times.

Organization Chart as at December 31, 2020





The Company's management compose of 7 persons as below:

| | | | |
|----|---------------|------------------|--|
| 1. | Mr. Danucha | Noichai boon | Managing Director |
| 2. | Mr. Anan | Santichewasatian | Chief Finance Officer |
| 3. | Mrs. Daranee | Kantamara | Deputy Managing Director of General Administration |
| 4. | Mr. Vithep | Vachirabhahu | Senior Deputy Managing Director |
| 5. | Mr. Daroonwat | Noichai boon | Deputy Managing Director of Marketing |
| 6. | Mr. Paitoon | Intrarawisut | Deputy Managing Director of Factory |
| 7. | Ms. Rompissri | Noichai boon | Deputy Managing Director of Sale and Service |

Note : Management is "Executive" as defined by the Securities and Exchange Commission (SEC).

Scope of power and duties of Managing Director

According to the Company's regulations, The Managing Director has the authority and responsibility regarding the administration as approved by the Board of Directors as follows.

1. Bring forward the policies from the Board of Directors and Responsible for all of the management received.
2. Assign the strategies to meet the goal for operation and policies.
3. Approve the important investment that code in the annual budget which approved from the Board of Directors.
4. Approve the operation plan and the policies in each division, also monitor the operation of the company to conform to the plan and policies.
5. Issue orders, rules, notices, memo for the benefit of the company and the organization tidiness.
6. Approve to appoint, hire, transfer, and dismiss of the employee whose position below the Deputy Managing Director.
7. Assign the third party, by approval of Managing Director, to manage and operate for the Managing Director in the necessary matter and not above authorized financial amount
8. Determine and bring forward the expenditure budget for the approval of the Board of Directors.
9. Conduct the employees to work with ethics, morals, laws, and cultural to the shareholders, customers and employees and related person.
10. Operated in the normal manner of the company, and in case of the important subject, Managing Director must present to the Board of Directors or the Management Board for the approval.



11. Support and develop the organization and employees in term of skill and the cultural of organization.

12. Support and encourage the education and develop new technology to increase the production and develop the business by using the resources in full capability.

13. Act with honest and care for the best of company.

In order that, the authorities give to Managing Director will act under the regulations, law and rules and regulation of the Company; In case of any actions which develop the conflict of interest to Chief Executive Officer or any related person (Notification from SEC).

The Company Secretary

The Board of Directors has approved the appointment Miss Nuanchan Sirikul as a Company Secretary since June 26, 2008 until now to comply with the Securities and Exchange Act (No.4) B.E.2551.

The duties and responsibility of the Company Secretary

1. Preparing and keeping the following documents:

1.1 A register of directors

1.2 A notice calling directors' meeting, the minutes of the board of directors and an annual report of the Company

1.3 A notice calling shareholders meeting and the minutes of the shareholders' meeting;

2. Keeping a report on conflict of interests, reported by a director or an executive.

3. Arrange the Board of Directors Meeting and Annual General Meeting of Shareholders.

4. Orientation and advising the new director.

5. Liaise with the regulatory agencies such as the Stock Exchange of Thailand.

6. Disclosure and information reporting to the regulatory agencies and public which comply with the law properly.

7. Operating any act that is abided by the Capital Market Supervisory Board and assigned by the Board of Directors.

Remuneration of the Board of Directors and the Management Team

The Company had set a policy for remuneration for directors and executives fairly and reasonably. The Nomination and Remuneration Committee will consider and scrutinize as appropriate for each position. In accordance with the financial status of the company and compared with other companies in



the same business group. The remuneration was allowance and bonus which has already approved by the shareholder's meeting every year. The details are as follow:

Remuneration of the Board of Directors and the Committees

1. Allowance

1.1 Monthly Allowance

| | | | |
|-----------------------------------|------|--------|-----------|
| • Chairman of the Board | Baht | 44,000 | per month |
| • Directors | Baht | 22,000 | per month |
| • Chairman of the Audit Committee | Baht | 20,000 | per month |
| • Audit Committees | Baht | 10,000 | per month |

1.2 Allowance for each meeting

| | | | |
|---|------|--------|-------------|
| • Chairman of Nomination and Remuneration Committee | Baht | 15,000 | per meeting |
| • Nomination and Remuneration Committees | Baht | 10,000 | per meeting |
| • Chairman of the Risk Management Committee | Baht | 15,000 | per meeting |
| • Risk Management Committees (Director) | Baht | 10,000 | per meeting |
| • Risk Management Committees (Non-Director) | Baht | 5,000 | per meeting |

2. Bonus

The Company determine the remuneration of the Board of Director as bonus in reasonable rate on the performance of each year at amount not exceeding Baht 6,000,000 at the same rate as the last year.

The details of the directors' remunerations are as follows:

Unit : Thousand Baht

| Name | Position | Remuneration | | |
|--------------------------|--|--------------|------|------|
| | | 2018 | 2019 | 2020 |
| Mr.Vichit Yamboonruang | Independent Director / Chairman of the Board | 818 | 818 | 848 |
| Mr.Vinai Vittawasgarnvej | Independent Director / Chairman of Audit Committee | 694 | 694 | 694 |
| Mr.Wara Tongprasit | Independent Director / Audit Committee / Chairman of Nomination and Remuneration Committee | 574 | 589 | 664 |



Unit : Thousand Baht

| Name | Position | Remuneration | | |
|---------------------------|--|--------------|-------|-------|
| | | 2018 | 2019 | 2020 |
| Mr.Aroon Sricharoon | Chairman of Nomination and Remuneration Committee | - | 240 | 503 |
| Mr.Chattri Siripanichkorn | Independent Director / Nomination and Remuneration Committee | 464 | 474 | 514 |
| Mr.Thunya Siltorn* | Independent Director | - | - | 132 |
| Ms.Urawee Kanokpruk | Director / Nomination and Remuneration Committee | 464 | 474 | 544 |
| Mr.Danucha Noichaiboon | Director /Chairman of Risk Management Committee / Nomination and Remuneration Committee / Managing Director | 479 | 489 | 397 |
| Mr.Wiwat Sangtian | Director | 454 | 454 | 454 |
| Mr.Anan Santichewasatian* | Director / Risk Management Committee | 464 | 464 | 332 |
| Mrs.Daranee Kantamara | Director | 454 | 454 | 322 |
| Total | | 5,454 | 5,483 | 5,404 |

Notes - *The Annual General Meeting of Shareholders has appointed Mr.Thunya Siltorn as an Independent Director to replace Mr.Anan Santichewasatian who retired by rotation on June 30, 2020.

Remuneration of the Management

Executive compensation policy is based on the Board of Directors and in accordance with the operating results of the Company. The Nomination and Remuneration Committee is responsible for determining the remuneration to reflect the performance along the practices and standards of the same business group. Then proposed the principles and the appropriate amount of remuneration to the Board of Director to consider and approve it.

The Company's management compose of 7 persons comprising Managing Director, Chief Financial Officer, Senior Deputy Managing Director, Deputy Managing Director of General Administration, Deputy Managing Director of Marketing, Deputy Managing Director of Factory and Deputy Managing Director of Sale and Service by received remuneration as detailed below:



Unit : Baht

| Year | 2018 | 2019 | 2020 |
|----------------|-------------------|-------------------|-------------------|
| Total Salary | 13,698,000 | 13,698,000 | 16,988,400 |
| Bonus | - | 1,224,000 | - |
| Provident Fund | 199,800 | 140,400 | 219,950 |
| Total | 13,897,800 | 15,062,400 | 17,208,360 |

Other Remuneration

For the Board of Directors have only compensation from meeting fees and bonus **without any additional compensation.**

For the Management team, in addition to salary compensation, bonuses and provident funds, there are other compensation such as car, fuel expense, and mobile expense.

Manpower

As of 31 December 2020, the Company had 694 employees detailed as follows:

Unit : person

| Department | 2018 | 2019 | 2020 |
|--|------------|------------|------------|
| 1. Managing Director Office | 6 | 3 | 9 |
| 2. General Management Department | 38 | 37 | 36 |
| 3. Financial and Accounting Department | 31 | 29 | 29 |
| 4. Marketing Department | 9 | 9 | 8 |
| 5. Sale Department | 31 | 32 | 33 |
| 6. Service Department | 124 | 126 | 136 |
| 7. Production Department | 495 | 469 | 440 |
| 8. Internal Audit Department | 3 | 3 | 3 |
| รวม | 737 | 708 | 694 |



Remuneration of the employee

Remuneration to staff (Excluding the Managing Director and Senior Management) for the year 2018-2020 with details of the award;

Unit : Baht

| Remuneration | 2018 | 2019 | 2020 |
|----------------|--------------------|--------------------|--------------------|
| Total Salary | 217,089,497 | 207,809,610 | 211,845,343 |
| Bonus | - | 14,353,864 | 13,440,710 |
| Provident Fund | 5,953,780 | 5,942,206 | 4,951,245 |
| Total | 223,043,277 | 228,105,680 | 230,237,298 |

Other Remuneration

The Company has provided other welfare to employees in addition to salary, overtime and bonus such as giving the uniform to employees annually for orderliness, good image and to alleviate the burden on the cost of apparel, staff shuttle bus, donating money to help charitable for staff and members of their family.

The Company recognizes about the health of employees, therefore provided annual health check-up by creating a clear operating procedure according to the standards of the Ministry of Labor and registered the provident fund in accordance with the Fund Act at the rate of 3% of the wages. However, the employees have the right to contribute 50% of the Company in the case of termination of membership after working with the Company for not less than 3 years and 100% in the case of working with the Company for at least 5 years.

In addition, as an incentive to employees who are willing to work, sacrifice, dedication and responsibility as well, the Company will grant a special award based on the annual performance evaluation.

Labor Protection

The Company recognizes the importance of safety, occupational health and work environment of employees due to different job characteristics in each department. Therefore have provided the safety, health and environment committee by select from the management and employees in various departments' the Company in order to jointly consider the correct implementation as required by law. Including supply of equipment and monitoring tools for convenient and maximum security to reduce accidents and hazards that may occur to the employees.



Employee Development Policy

It is the Company's policy to increase the standard of quality and capabilities of its work force through its development and training programs and also to prepare for more competitive environment in the future. The Company has established an organization responsible particularly for employee development and training. Budget is appropriately and sufficiently allocated for development and training in accordance with objectives of each department. Thus, development and training schemes are determined as follows;

1. Internal Training: The Internal training will be carried out by inviting instructors with expertise from external domestic or overseas organizations, to consecutively provide knowledge to employee in each level every year. Training to improve the skills of the employees by the experts within the Company continuously every year.

2. External Training: The Company will let employees participate in training arranged by external organizations and institutes, regarding technical issues, administration, management, language and occupational safety health and environment to improve the skills of the employees.

3. Oversea Training: To enhance readiness and to provide employees with opportunities to learn new know-how and techniques, the Company will send staffs to attend meetings, seminars or training of international course.

In the year 2020, the Company provided both internal and external training in total training hours of the year 4,877 hours, average staffs of 668 staffs, the average training hours is 7.30 hours per staff.

The Example it organizes training of quality service for staff, in order for them to operate tasks to their full potential, and also for the satisfaction of customers;

Course for Technicians

- Training on safety of working with electricity
- Skill Development for Service Supervisor of the Service Center

Course for Sales Staff

- Training of sale DGA and PD Online Testing
- The Selection of the right transformer for the electrical load
- Knowledge of aluminum and copper transformers



Course for Management and Supervisor

- Supervisor skills and performance management
- Improvements to reduce costs and production system management.

The Company has established rank and position determination regulation in order to clarify career path and criteria for performance appraisal increase employee morale in every level. The Company will motivate, encourage and support employee to obtain career competencies and opportunities to grow and progress through career path in correlation with their knowledge, competencies and experiences.

Dispute in year 2020

-None -



Good Corporate Governance Policies

The Company recognized the importance of the operation principles. The Company has policies on business ethics and business ethics of the Board of Directors, the Board of Management and staffs according to the good corporate governance system as practice guidelines standard in the Company's Articles of Association. The Company have policy to behave under the best practices for the director which conducted from Code of Best Practices for Directors of Listed Company that governed by The Stock Exchange of Thailand. The assigned principles must able to do practically. In addition, the Company has adopted the Good Corporate Governance to develop the policies which will increase the ability to the competition, management, and operation for the value added and efficiency of the Company which will give the security and confidential to the stakeholders.

In addition, the Company reviewed the policy and CG Code to comply with legal, economic and social change and inform directors, executives and employees to acknowledge and abide as part of the work.

In fiscal 2020, the Company complied with the five categories of corporate governance principles as follows:

1. Rights of Shareholders

The Company recognizes the importance of shareholders and their rights. the Company has implemented policies to protect the basic rights of its shareholders which include the right to purchase, sell or transfer the Company's shares or receive a share in the Company's profits, receive sufficient and timely the information, participate in the Annual General Shareholders' Meeting AGM, give proxy to vote on shareholder's behalf, make inquiries during the AGM, have rights to submit the issues for meeting agenda and be able to nominate the appropriate individuals for consideration to be appointed to Board of Directors. Shareholders shall also have the right to participate in important decisions such as electing directors of the Company, approving transactions that bear effect on the direction of the business, and making amendments to the Memorandum of Association and the Articles of Association.

Annual General Shareholders' Meeting

The Company held the AGM according to the Public Limited Companies Act B.E. 2535 (1992), in accordance with the guidelines of the SET and the Thai Institute of Directors (IOD) and monitored that the AGM was fully complied with the requirements stated in the Annual General Meeting Checklist (AGM Checklist) based on the assessment of AGM of listed companies by the Thai Investors Association, the Thai Listed Companies Association and the SEC to raise the quality of the Company's AGM as follows:



- **Date, Time and Venue to hold the AGM**

The Company convened one annual general meeting of shareholders within 4 months from the end of fiscal year. In the urgent event that need to propose special agenda which its subject to impact or related to the interests of shareholders or relating to conditions or rules, applicable laws that must be approved by shareholders. The Company will call an Extraordinary General Meeting of Shareholders to be the case.

At the Board of Directors' meeting 2/2020 held on February 27, 2020, resolved to hold the 2020 AGM on April 30, 2020 at Bu-nga Room, Golden Tulip Sovereign Hotel, Rama 9 Road, Huay Kwang, Bangkok, but the situation of the spread of viral diseases corona 2019. Therefore, the Company could not hold schedule and postponed the meeting until the situation is improved. Subsequently, the Board of Directors' Meeting No.5/2020 on May 14, 2020 resolved to schedule the 2020 Annual General Meeting of Shareholders to be on June 30, 2020 at Parichart Room, Golden Tulip Sovereign Hotel. The Company has complied with the regulations of the Stock Exchange of Thailand and informed the shareholders continually. In 2020, the Company didn't call an Extraordinary General Meeting of Shareholders.

- **Meeting invitations in advance**

The Company disclosed the Board of Director's resolutions, AGM dates and agenda by made available through the Stock Exchange of Thailand to shareholders in advance on the date of the Board of Director's meeting. The Thailand Securities Depository Co., Ltd. (TSD) is the Company's securities registrar, will deliver the invitation letter with details of the meeting agenda, importance information, opinion of the Board of Director, Minutes of the previous meeting, Annual Report and documents required for proxy which clearly specify the method used by the Company. The invitation will be send to shareholders in advance more than 21 days before AGM date.

In 2020, the Invitation Letter sent out on June 8, 2020 and published in newspapers continuously for 3 days during on June 22-24, 2020 to inform the shareholders of the meeting in advance and revealed on the Company's website in advance 30 days (since May 29, 2020).

- **Day of the AGM**

Information relevant to the AGM was also included in the information packet sent to shareholders along with the letter of invitation to attend the AGM to enable shareholders to have sufficient information to make sound decisions on the various issues proposed for consideration. Prior to commencing the 2020 AGM, the Chairman provided attendees with a summary of the Quorum and then Managing Director explained how to use the voting ballot, the voting procedure,



the vote collection process and the vote counting process. After each vote count, the Chairman announced the results of voting for each agenda to the shareholders ensuring transparency of each vote counted. On each agenda for consideration, the Board of Directors and management were on hand to provide comprehensive response to queries and/or comments that shareholders might have. In regard to the voting and vote counting process.

In regard to the voting and vote counting process, the Company strictly adhered to the Company's AOA allowing one vote per share held. The resolutions of shareholders' meeting were passed by a simple majority vote of the shareholders attending the meeting and having voting rights. In the event of a tie vote, Chairman of the meeting shall have a casting vote. In counting votes for the general agenda, only disapprove and abstain from votes were counted and the rest was regarded as approve votes. For the agenda on election of Directors will allow shareholders to vote individually. The meeting was carried out as in the order set in the agenda without addition of any items.

If any director has a stake in or involved in any agenda, will not to attend the meeting and abstain from voting on that agenda .

The 2020 AGM was scheduled at 14.00 hrs. by registering at 12.00 hrs. There were a total of 92 persons attended the meeting participants included 35 shareholders attended the meeting in person and 57 shareholders by proxy, with totaling 596,062,302 shares, accounted for 44.37% of the Company's paid-up capital which more than one-third of the total number of shares sold constituting a quorum in accordance with the regulations of the Company.

- **Disclosure of Resolutions**

Resolutions reached at the AGM were disclosed to the general public via the SET's information channel within the period of the time at the end of the day after the meeting. Details regarding the approved/disapproved resolution and the vote counts (approve/disapprove/abstain/Voided Ballot) had been clearly indicated for each agenda item that was submitted for consideration. The detailed minutes to the AGM containing names of Board members and management attending the meeting along with the resulting resolutions and the vote count on agenda items posed for shareholders' consideration along with major issues posed by shareholders and the response made by the Company were submitted to the SET within 14 days and the minutes of the AGM had also been posted on Company's website in Thai and English to allow foreign shareholders to access information thoroughly, including video and picture of the meeting.

2. Equitable Treatment of Shareholders

The Company's policy is treat all shareholders equally, fairly and in accordance with legal requirements, including measures to prevent the directors, executives and employees from using inside information to benefit himself or his allies in unlawful manners. For example, take advantage of inside information (insider trading), disclose internal information to the person involved with directors or executives. In order to build confidence in investing with the Company.

The Company arranged for the shareholders to propose agenda items for the said meeting and/or nominate qualified persons for director election in advance during December 01 – 30, 2019 and so notified the shareholders through the SET. Moreover, the Company posted information on its website, giving details about the procedure and method of consideration in a clear and transparent manner. For the 2020 Annual General Meeting of Shareholders, none of the shareholders proposed agenda items for such meeting and/or nominated qualified candidates for director election which the Company Secretary has reported to the Board of Directors for acknowledgment.

The Company has facilitated all shareholders by set to be held at an easily accessible venue, primarily for shareholders' convenience. There are registration officers and registration service points for shareholders and proxies attending the meeting appropriately and adequately. Applying technology to AGM, barcode was used in the registration and vote counting processes for time saving. The participating shareholders were treated for lunch, snacks and refreshments. The Company sent invitation letters and meeting documents in English to the foreign shareholders, allowance given to shareholders to appoint a proxy or one of Independent Director who have been specified in the proxy form to attend the meeting and vote on behalf of the shareholders without conditions. In addition, the Company has disclosed the invitation letter and the proxy form along with details and procedures on the Company's website 30 days in advance. Shareholders can ask for more information by phone or other channels such as website, e-mail etc.

3. Role of Stakeholders

The Company realizes the importance of all stakeholders. Therefore has set practice guidelines to treat all stakeholders with equity based on the sustainable mutual benefits in enhancing the competitiveness of competitive capability and generating profits to the Company. The Company has conducted its business guided by the conscience of corporate social responsibility (CSR) reflecting international environmental standards minimizing pollution and waste resulting from undertaking business activities. Therefore, the Company's Good Corporate Governance and Ethics Code were drafted and distributed to the Company's directors, executives and employees reflecting the following guidelines:



3.1 Society and the General Public

The Company realized the important of community and environment by assign the practical of working and awarded ISO 9001:2000, ISO 14001, ISO 50001:2011, and others certificates both development and negative impacts on the environment as prove of social responsibility such as participated in the Green Industry Project by committed to develop according to the objectives of the project according to the definition “Environmental friendly transformers”. The Company is supportive of activities that are beneficial to the society or communities and cultivate employees to have a sense of responsibility to society, communities and the environment.

3.2 Shareholders

The Company shall operate its business to generate satisfactory return for shareholders and ensure equitable treatment of all shareholders. The Company has the policy to acts with honestly and equally to the shareholder accordance with good corporate governance principles. Report the status of the organization regularly and completely according to reality and inform all shareholders equally. Including the opportunity for shareholders to suggestions and complaints through various channels of the Company.

3.3 Employees

Employees are provided with fair and reasonable compensation and welfare. A safety workplace has been maintained to ensure security of employees’ life and properties. The importance is given to employees’ equal opportunity of knowledge, capability and skill development and practices that are not involved in human rights violations according to Thai labor standards.

3.4 Customers

The Company has the policy to acts with honestly, equally, and responsible to the customers. Customers’ confidential information is strictly treated and is not unethically used for personal benefit or for the benefit of any related party. Customers are provided with correct, adequate and up-to-date information about products and services, including monitor the satisfaction of customers for the improvement of products and services. Therefore, the customers can trust and confident to do business with the Company and for a long-term relationship.

3.5 Trade Competitors

The Company abides by the fair competition rules, not seeking confidential information of competitors in a dishonest or inappropriate way and not damaging reputation of competitors by way of false allegation. The Company will not infringe the intellectual property rights or any other rights in relation to intellectual property of others.



3.6 Business Partners and/or Creditors

The Company strives to build confidence for Business Partners and Creditors that they will be equally and fairly treated based upon business relationship and fair returns to both parties. The Company will also avoid any situation which may cause a conflict of interest. For creditors, the Company has complied with the agreements or conditions agreed by both parties strictly; has been responsible and has not concealed information which will cause damages to the creditors. The Company reports statement of financial position to creditors regularly with accuracy and punctuality. In case of failure to fulfill its obligations in the agreement, the Company will notify the creditors immediately to find solutions including managing finances to build the appropriate structure to the Company's business operations, maintaining the confidence of creditors. Including not accepting or paying any benefits which dishonest with partners or creditors. Along with monitoring and evaluating partners to develop sustainable business operations.

Intellectual Property practice

The Company recognizes the importance of protecting intellectual property; therefore, policies were set that both the procurement and deployment must not commit to infringement of intellectual property. Moreover, education and caution are implemented on employees to create awareness on such matters, including verification by both internal and external agencies.

4. Information Disclosure and Transparency

The Company gives priority to the principles of information disclosure and transparency according to the requirements set by the SET, and the SEC. Specific departments are set to oversee the disclosure of the financial and other information related to the Company's operations sufficiently, accurately, completely, timely and transparently in order to communicate with shareholders, investors, analysts and stakeholders from all sectors to ensure even distribution of information through various channels. The Company has set the following guidelines:

Disclosure of information through the involved agencies

The Company disclosed the Company's information both financial and other important aspects to regulators, such as financial reporting and news that are essential to the investment of shareholders and investors to the SET, report of the Company's information through Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) to the SEC, report on financial information, directors and employee information including other information through Set Portal Straight Through.



The Company set up the Investor Relations Department to serving as a center for disclosing important information to investors and financial reporting process such as presentation of operating results, financial statements, information that is reported to the SET, Management Discussion and Analysis(MD&A) which show the status of the operating results and future prospects of the Company. In addition, investor relations are also responsible for promote a good relationship, communicate accurate and reliable information. Including implementing plans to ensure that all stakeholders are treated equally, have access to information and have a channel to communicate with the Company through various activities such as meeting, conference calls with executives, answering questions and providing information via phone and/or email and company visits

The Company has established that its directors, executives and persons related thereto are duty-bound to prepare and present to the Company report on changes in their holdings of the securities of the Company within three business days from the date of change. The Company Secretary is tasked to compile report on their changes in securities holdings and put in the agenda for information at the Board Meeting.

Disclosure of information through website

The shareholders, investors or interested people to know the Company's information without delay through the website, www.ekarat.co.th including the Company's background, Board of Directors, product and services, news, operating results, financial statements, shareholder information, shareholders' meetings, minutes of shareholders' meetings, a list of major shareholders, operational statistics, good corporate governance, procurement reports, the Company's AOA, and information reported to SET, etc.

Complaints and other notifications

The stakeholder can contact, get information, report news or clues both inside and outside organization through the website / telephone / Notification / via e-mail to the Company Secretary and Internal Auditor Department and HR Department.

Telephone : 02-719-8777 # 110, 369, 350

Website : <http://www.ekarat.co.th>

Email : Company Secretary : hansabur@ekarat.co.th

Internal Audit Department : suwannee@ekarat.co.th

HR Department : pittaya@ekarat.co.th

The criticism or suggestions will be forwarded to the relevant authorities to carry out improvements. Once completed, the results will be informed to the contact. The PR staff will follow



up by calling to inquiry about the customer's satisfaction.

The Management will follow all information on monthly basis for analyze trends of changing and use it as guideline to improve the production process and service and to meet the needs of all stakeholders.

For complaints, the Company provides an opportunity for the general public to complain when found inappropriate behavior of directors, executives and employees or against the business ethics of the company to Internal Audit, Company Secretary and Human Resource Department. The Company will receive all complaints equally attentive transparency and fairness to all parties and will keep confidential and protect the complainant.

In 2020, no significant ethical complaints were found.

5. Responsibility of the Board of Directors

The Board of Directors consists of individuals who have the knowledge and experience beneficial to the business operations. The Board of Directors has a duty and responsibility to set the strategic direction of the business operations in accordance with the principles of good corporate governance through the definition of the policy, strategy, goals, vision and mission, and plays a crucial role in supervising and monitoring the implementation of the Management to ensure compliance with the policy and defined strategies. The Board of Directors must act with competence, knowledge, integrity, transparency for the optimum benefits of the Company.

The Board of Directors carries out a review of the policy, vision and strategies of the Company on a yearly basis to accommodate changes in current situations. The Board of Directors has regulated the ethical standards, encouraged the Board of Directors, Management and employees to strictly comply by communicating and disclosing the practice guidelines in the Company's Good Corporate Governance and Ethics Code through the Company's website.

Board Structure

The Board Structure is in accordance with the Company's AOA, regulations of the Public Limited Companies Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 (1992) and B.E. 2551 (2008), and related rules and regulations. The Board of Directors appointed subcommittees to study and screen specific matters as detailed in Subcommittees in section 9.2

Board Composition

Directors are appointed as per the resolution of the AGM as proposed by the Nomination and Remuneration Committee and the Board of Directors, respectively, according to the Company's AOA, the



Board of Directors must consist of at least 5 directors who have knowledge and experience about the business of the Company. The Company set a policy for the Board's diversity in genders, skills, professions, and specializations, namely, industrial, engineering, financial, business management, economic, legal, political science and security.

As of December 31, 2020, 6 out of the total 10 Board's member are independent directors, which is in compliance with the corporate governance practices requiring that at least one-third of total number of directors should be independent directors. This helps to ensure that the shareholders' rights and benefits will be taken care of and the Company's benefits fully protected. It also leads to checks and balances in the board structure since 8 of them are non-executive directors and 2 are executive directors. Under such board composition, the nonexecutive directors are able to render opinion fully and independently in the consideration on all issues at the board meeting.

Term of Office of the Board of Directors

According to the Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of the directors who have the longest terms in office shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the SET is based on the method of lot-drawing. As for in the later years, the directors who serve the longest terms shall retire. The Company's Articles of Association also prescribes that the retired directors are eligible for re-election. Furthermore, whether a director can continuously remain in office without break for the longest period will be determined by the Company by taking into account his/her individual qualifications and appropriateness.

Authority and Responsibilities of Directors

The Board of Directors has authority and responsibility to oversee the Company's operations to be strictly in line with the objectives and resolutions of the AGM without violations of the laws, rules, regulations, good corporate governance principles and best practices for directors of companies listed in the SET. The Board of Directors has authority and responsibilities to approve in detail at section 8.1.2.

Combination and Segregation of Positions

The Chairman of the Board of Directors does not hold a management position but is an Independent Director and is not the same person holding the position of Managing Director. The Chairman of the Board has no relationship with other members of the Management. There is a clear written differentiation between the roles and responsibilities of the Company's Board of Directors and that of the Management.



Directorship in other companies

The Directors be appointed as directors in other listed companies up to a maximum of 5 and must notify the Board of Directors acknowledged. The Company Secretary will disclose the information in the Form 56-1 and annual report (Form 56-2). The Company prohibits the Director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest

Board of Directors Meeting and Subcommittees Meeting

• Board of Directors

Board of Directors Meetings are scheduled ahead of the fiscal year at least 3 months per meeting and special meetings called as necessary with a clear agenda item and a follow up round to evaluate performance on a regular basis. Seven days prior to the Board meeting, the Company Secretary will send an invitation letter along with agenda items and supporting documents to each director, thus giving him/her adequate time to study on the information before attending the meeting and must have at least half of the total number of directors, therefore will be a quorum.

In 2020, the Board of Directors convened 11 times in total, The Company Secretary made the written records and minutes of all meetings to be presented to the Board of Directors for review and approval in the next meeting and made the approved minutes available for further inspection by the Company's Board of Directors and other related agencies.

• Board of Management

Board of Management Meetings are scheduled at least once a month which has been defined and notified in advance.

The Board of Director had opinion that each management committee should not focus on just the time to attend the meetings. But should include sharing of opinions, advice, experience, and relationships in order to increase the benefits for the business of the Company.

• Audit Committee

Audit Committee Meeting are scheduled at least 4 times per year before the Board of Director Meeting which has been defined and notified in advance.

• Nomination and Remuneration Committee

Nomination and Remuneration Committee Meeting are scheduled at least 2 times a year before the Board of Director Meeting which has been defined and notified in advance.



• Risk Management Committee

Risk Management Committee Meeting are scheduled at least once a year before the Board of Director Meeting which has been defined and notified in advance.

Details of meeting attendance of Subcommittees in 2020

| Director | Number of Attend / Number of Meeting | | | | |
|----------------------------|--------------------------------------|---------|-----|-----|-----|
| | BOD | BOM | AC | NRC | RMC |
| Mr. Vichit Yamboonruang | 11 / 11 | | | | |
| Mr. Vinai Vittawasgarnvej | 11 / 11 | | 5/5 | | |
| Mr. Wara Tongprasin | 10 / 11 | | 5/5 | 6/6 | |
| Mr. Aroon Sricharoon | 11 / 11 | | 5/5 | | |
| Mr. Chatri Siripanichkorn | 11 / 11 | | | 6/6 | |
| Mr. Thunya Siltorn* | 5 / 11 | | | | |
| Ms. Urawee Kanokpruk | 11 / 11 | | | 6/6 | |
| Mr. Wiwat Sangtian | 11 / 11 | | | | |
| Mr. Danucha Noichai boon | 11 / 11 | 35 / 35 | | 6/6 | 1/1 |
| Mr. Anan Santichewasatian* | 6 / 11 | 32 / 35 | | | 1/1 |
| Mrs. Daranee Kantamara | 11 / 11 | 35 / 35 | | | |

Note : BOD = The Board of Director, BOM = The Board of Management, AC = Audit Committee,
NRC = Nomination and Remuneration Committee, RMC = Risk Management Committee

: The 2020 AGM on June 30, 2020 resolved to appoint Mr. Thunya Siltorn as a new Board of Director replacing Mr. Anan Santichewasatian, the director who retired by rotation.

• Non-Executive Board of Directors

According to the principles of good corporate governance, the Company determined that the meeting of Non-Executive Board of Directors without the management at least once a year. In 2020, there was an aforementioned meeting on August 17, 2020.

Performance Evaluation of the Board of Directors

The Company has determined that the performance of the Board should be evaluated at least once a year, divided into 2 different assessments are as follows:

1. Board Evaluation



2. Self Assessment

The Board of Director jointly evaluate their performance and seek rectification and improvement measures. The Company has properly reviewed its Board self-assessment guidelines and criteria to be consistent with those of the Stock Exchange of Thailand comprised three sections:

1. Board structure and qualifications
2. Board meeting
3. Roles, duties and responsibilities of the Board

The Company Secretary send the Board members the self-assessment form to evaluate their performance. The evaluation result is reported to the Company's Board of Directors in the next time.

The Board's self-assessment result for 2020, Overall, all criteria points have good average score, reflecting the Board's performance of duties according to the good corporate governance principles at a well to excellent level.

Managing Director's Performance Assessment

The Company executed Managing Director's Performance Assessment each year. The Nomination and Remuneration Committee is in charge of the annual performance assessment of the Managing Director. The Committee is to forward the assessment outcome to the Board for endorsement. The Managing Director's performance assessment has two parts which are performance and leadership. The performance appraisal outcome remained confidential and could not be made public.

Orientation of New Directors

The Company holds an orientation for new Directors by presenting the Company's information, aviation business, shareholding structure, related rules and regulations including privileges of the Directors, to allow the Directors to receive related information beneficial for managing the Company. In addition, the Directors are encouraged to attend training courses organized by the Thai Institute of Directors (IOD) to develop, support and promote the performance of the Board of Directors.

In 2020, Mr.Thunya Siltorn was appointed as a new Board of Director. The Company Secretary explained all the details above to him. In addition, Mr.Thunya attended the Director Accreditation Program (DAP) Class 174/2020 of the Thai Institute of Directors (IOD). It's course for Director to learning the roles, basic duties and legal liabilities of the directors in order to start the career with confidence by receiving a course certification from SET and SEC.



Knowledge and Skill Development for Directors and Executives

The Board of Directors and Executives are encouraged to attend training courses, seminars and activities organized by the IOD, the SET, and the SEC in order to continuously enhance their knowledge and exchange experience in various fields related to the roles of Directors and Subcommittees.

The majority of the Directors have been trained in courses organized by the IOD as follow:

- **Mr.Thunya Siltorn, Position : Independent Director**

Director Accreditation Program (DAP) 174/2020

- **Mr. Wara Tongprasin, Position : Independent Director**

Computable General Equilibrium (CGE) 16/2020

Training of the highest responsibility in finance and accounting (CFO) and the person supervising accounting.

| Program | CFO | Chief Accountant |
|-------------|-----|------------------|
| Orientation | - | - |
| Refresh | / | / |

As SEC and SET has defined the qualifications of the highest responsibility in finance and accounting (CFO) and the person supervising accounting, that required CFO and supervising accounting who has already taken up this position has to complete six hours of his/her continuing development course in accounting knowledge (refresh course) per year. The company has complied with the above regulations as detailed below:

- **The highest responsibility in finance and accounting (CFO)**

The Company's CFO was Mr.Anan Santichewasatian, Position : Chief Financial Officer. He has been appointed to the position since 2008 until now.

In 2020, He attended the training for continuously develop their knowledge of accounting standards in program "The Management Accounting for Planning and Decision Course" by the Federation of Accounting Professions, in the royal patronage for a period of 7 hours in accordance with the rules by SET.

- **The person supervising accounting**

The person supervising accounting of the Company was Mrs.Somjit Phokabutr, Position : Accounting Manager. She has been appointed to the position since 2015 until now.



In 2020, She attended the training for continuously develop her knowledge of accounting standards, detailed as follow:

- “Revenue recognition as TFRS15 for general business and Matters related to auditing in revenue recognition Course” by the Federation of Accounting Professions, in the royal patronage for a period of 6 hours.
- “Business health check Through financial statements for executives Course” by ANS Audit Co., Ltd., in the royal patronage for a period of 6.30 hours.
- “Understanding the fair value measurement TERS13, Class 1/2020” by the Federation of Accounting Professions, in the royal patronage for a period of 6 hours.
- “Deferred Income Tax, Class 2/2020” by the Federation of Accounting Professions, in the royal patronage for a period of 6 hours.
- “Workshop on the preparation of consolidated financial statements Course” by the Federation of Accounting Professions, in the royal patronage for a period of 6.30 hours.

Subcommittees

The Board of Director appointed four sets of Committees to study and scrutinize specific matters as follows:

1. The Management Board

As of December 31, 2020, there were 7 members in the Management Board as follow:

| | | |
|------------------|------------------|--|
| 1. Mr. Danucha | Noichaiboon | Managing Director |
| 2. Mr. Anan | Santichewasatian | Chief Financial Officer |
| 3. Mrs. Daranee | Kantamara | Deputy Managing Director of General Administration |
| 4. Mr. Vithep | Vachirabrahmu | Senior Deputy Managing Director |
| 5. Mr. Daroonwat | Noichaiboon | Deputy Managing Director of Marketing |
| 6. Mr. Paitoon | Intrarawisut | Deputy Managing Director of Factory |
| 7. Ms. Rompissri | Noichaiboon | Deputy Managing Director of Sale and Service |

Scope of power and duties of the Management Board

The Management Board has the authority and responsibility for the management of the Company in regard to normal operations. By co-determining business policies, goals, operational plans, business strategy, budget, management structure to propose to the Board of Directors’ meeting and/or the shareholders’ meeting for approval before proceeding. Including checking and monitoring



the Company's performance according to the policy. The current board of management has the authority as follows:

1. Report and present the business policies, Goals, operation plan, business strategies, and annual budgeting of the Company for the Board of Directors approval.
2. Control and monitor the Company's operation to go along with rules, regulations, business policies, business plan, and business strategies by the resolution of the Board of Directors and/or the resolution of the shareholders' meeting.
3. Determine and assign the Human Resource Management policies, IT Technology, expand the businesses, Personal Relations, and regulated the operation to meet the company's goal.
4. Determine and approve to bid in the project or be a contractor for the agencies or the person.
5. Approve the appoint, hire, dismiss, assign fees, compensation, bonus, and workfare for the employee and Management team, except for appoint, hire, transfer, and dismiss Internal Audit Department Manager and officer which need the approval of the Audit Committee. For the appointment, hire, transfer, and dismiss of Deputy Managing Director and higher positions and the advisors, the Remuneration Committee will be determine and pass the subject to the Board of Directors to approve. The Management Board is authorized to perform the financial transactions:
 - 5.1 If conducted in the business plan or budget which is already approved, the Management Board can use in the line that already approved.
 - 5.2 If not in concern with 5.1 above, the Management Board can approve the financial amount not over Baht 20 million and the amount mentioned is include with the financial transactions, capital expenditure and can approve for the financial obligations (Loan) in any kind of financial tools which not over Baht 20 million and the affiliate, when the transaction is finish, the Management Board need to report the conclusion to the Board of Director.
6. The Management Board has the power to authorize one or more than one person to perform an action for the Management Board which the action is under the control of the Management Board within the period of time and the Management Board can cancel of modify the authority or power.
7. Perform the tasks received from the Board of Directors.

In addition, the approval of the aforementioned items must not cause the Management Board or the authorized person from the Management Board able to approve items that he or someone may have conflicts, or may have other conflicts of interest (according to the Company's



Articles of Association and The Securities and Exchange Commission Act) done with the Company or its subsidiaries, except for approval of transactions that are normal course of business with clear details.

In the case of any actions that have or may have an interest or stake in the management committee or persons who may have conflicts. The Management Committee shall propose that to the Audit Committee and the Board of Directors for approval. The directors and persons who may have conflict of interest shall not be entitled to vote at the meeting of the Board on such matters.

2. Audit Committee

As of December 31, 2020, the member of Audit Committee is as follow:

- | | | |
|--------------|----------------|---------------------------------|
| 1. Mr. Vinai | Vittavasarnvej | Chairman of the Audit Committee |
| 2. Mr. Wara | Tongprasin | Audit Committee |
| 3. Mr. Aroon | Sricharoon | Audit Committee |

Secretary of the Audit Committee is the manager of Internal Audit Department, Mrs. Suwannee Sujaritvanitchpong.

Two members of the Audit Committee are knowledgeable and experienced in reviewing reliability of Financial Statements, Mr.Vinai Vittavasarnvej and Mr.Wara Tongprasin who graduated with a Bachelor's Degree in Accounting as well as work experience related to accounting.

Scope of power and duties of the Audit Committee

1. To review the Company's financial statements to ensure they are accurate, complete, and reliable.
2. To review the efficiency and effectiveness of the Company's Internal Controls and Internal Audit procedures by included the bellowing topics.
 - 2.1 Give the consent to appointed, rotated, layoff, and determine to reward the head of Internal Audit.
 - 2.2 Determine the independent of Internal Audit Division, in term of operation, reporting and structure.
3. To review the efficiency and effectiveness of the Company's risk management systems.
4. To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.
5. Determine and selected to nominate and remunerate the Company auditor and considering the independent of Company auditor which might give the company other services.



6. Meeting with the Company auditor without the management for receive the comment from auditor at least once a year.

7. To review and submit an opinion on Internal Audit plans, practices of the Internal Audit group and coordinate with external auditors and report the performance of Audit Committee to the Board of Directors at least 4 times a year.

8. To consider disclosure of corporate information so it is reliable and adequate especially in the case of any related transactions or potential conflict of interest.

9. To prepare a report on corporate governance reviewed by the audit committee and signed by the Chairman of the Audit Committee for disclosure in the Company's annual report. The information including with:

9.1 The number of meetings and attendance of each member of the Audit Committee.

9.2 The opinion of the Audit Committee on the following issues:

- The accuracy, completion, and reliable of Company financial report.
- The adequacy of internal control system.
- To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.
- The suitability of the external auditor.
- Conflict of interest transactions.
- Opinions or comments received by applying follow the AC's charter.

10. To perform other tasks assigned by the Board of Directors and Audit committee approved.

The responsibility of the Audit Committee

The Audit Committee has the responsible to the Board of Directors in terms of the duties received from the Board of Directors but the responsibility in the activities, which the company get involve, with other party is the Board of Directors obligation.

3. Nomination and Remuneration Committee

As of December 31, 2020, there were 4 members of the Nomination and Remuneration Committee as follow:

| | | |
|----------------|----------------|---|
| 1. Mr. Wara | Tongprasin | Chairman of the Nomination and Remuneration Committee |
| 2. Ms. Urawee | Kanokpruk | Nomination and Remuneration Committee |
| 3. Mr. Danucha | Noichaiboon | Nomination and Remuneration Committee |
| 4. Mr. Chatri | Siripanichkorn | Nomination and Remuneration Committee |



Secretary of the Nomination and Remuneration Committee is Mr. Danucha Noichaiboon

Scope of power and duties of the Nomination and Remuneration Committee

1. Assign the policies, qualification, and procedure for the nomination of the director and management level.
2. Determine the nomination policies for the benefit of the Company.
3. Nominate and select the qualify person follow the related rules and regulations and present to the Board of Directors for the appointment of Director or management level.
4. Control and monitor the suitable size and structure of the Board of Directors and adjust the size and structure to conform to the changing environment.
5. Present to the Board of Directors for the nomination of the directors replacing the resigned directors from the articles of association.
6. Give the proposal and evaluation of the management level.
7. To perform other tasks assigned by the Board of Directors.
8. Broach with the rules of Board of Directors compensation, Executive Board compensation, Others Committee, and the advisor of the Company to approve by the Board of Directors.

For the Managing Director, Deputy Managing Director or above positions, and Internal Audit Department Manager compensation is determined by the Nomination and Remuneration Committee and pass through the Board of Directors to approve.

9. Broach with the rules of Board of Directors annual compensation to approve by the Board of Directors before the shareholders' meeting approval.
10. Determine the employee's bonus to approve by the Board of Directors.
11. Determine the employee's annual adjusted salary to approve by the Board of Directors.
12. Determine the rules and regulations of the company that concern to the benefit of the employee by the order of the Board of Directors.

4. Risk Management Committee

As of December 31, 2020, there were 7 members in the Risk Management Committee as follow:

- | | | |
|------------------|------------------|---|
| 1. Mr. Danucha | Noichaiboon | Chairman of the Risk Management Committee |
| 2. Mr. Anan | Santichewasatian | Risk Management Committee |
| 3. Mr. Vithep | Vachirabhahu | Risk Management Committee |
| 4. Mr. Daroonwat | Noichaiboon | Risk Management Committee |
| 5. Mr. Paithoon | Indaravisute | Risk Management Committee |
| 6. Mrs. Supaporn | Chansuroj | Risk Management Committee |
| 7. Mr. Somphong | Rob-loak | Risk Management Committee and Secretary |



Scope of power and duties of the Risk Management Committee

1. Evaluate, analyze, and develop the framework of risk management and the method of risk evaluation in the future.
2. Assign the policies of overall risk management of the Company which include any important type of risk likes business risk, competitive, production, procurement, credit risk, liquidity risk, and exchange rate risk.
3. Assign the conform strategies with the Company risk management policies which can be evaluate, monitor, and control the risk
4. Assign the sufficient policies and risk management including with the efficiency of the system and follow the policies.
5. Report the result of approach to the Board of Directors to modify direct to the policies and regulations of risk management and notice to the Audit Committee for the proper audit.

Nomination and Appointment of Directors and Top Management

Nomination of Directors

According to the Company's Articles of Association, the Board of Directors shall consist of not less than 5 directors as decided and not less than half of all directors shall have residence in the Kingdom. The Company's director shall have the qualifications and not be under the prohibition prescribed by the law. At every AGM, one-third of the Directors shall retire from office. If the number is not a multiple of three, then the number nearest to one-third shall retire from office or the Director's positions are vacant from the other causes.

In the appointment of directors, the Nomination and Remuneration Committee has duty and responsibility for selecting and screening qualified persons as prescribed in the Company's Articles of Association and nominating the qualified persons based on the structure, size and composition of the Board of Directors for independent directors' qualifications shall be set forth in notification of the Capital Market Supervisory Board. By considering the list of suitable persons from:

- (1) The person who is the former director who has expired to propose to the next position.
- (2) The shareholders' nomination (if any);
- (3) The nomination by the Chairman of the Board, Directors, etc;
- (4) Therecruitmentoftheknowledgeable,skilfulandexperiencedpersonsidealfortheCompany.

The Company provides an opportunity for shareholders to participate in the nomination of qualified under the terms and conditions set out in the December 1 - 31, 2019.



The qualifications of the Company's Directors being recruited as follow:

- (1) The qualified according to the company's regulations, have knowledge and understanding of the Company's business, assigns the strategies and policies, and supervises for the effective practice of the strategies,
- (2) The recruited persons would be able to perform the director's duties with prudence, integrity, morals and responsibilities, and make decisions based on fact and logic,
- (3) No restrictions as defined by the other related laws, rules and regulations,
- (4) The independence of each Independent Director,
- (5) The director's ability to make time dedication: considering from the number of companies in which the director is holding a position, for example, so that they have enough time to join the Board Meeting regularly and are able to control and monitor the Company's operations.

The Nomination and Remuneration Committee considers and presents the list of candidates to the Board of Directors in order to propose to the shareholders' meeting for consideration and appointment.

The directors are appointed by the majority vote of the AGM based on the following criteria and methods:

1. One shareholder shall have one vote for each share;
2. Each shareholder shall exercise all the votes he or she has to elect one or several person(s) to be directors but cannot divide the votes for any person to any extent;
3. Persons receiving the most votes, in descending order, are those who are elected directors, to the number of directors who are to be elected. If there is a tie in the last to be elected and this would exceed the said number of directors, lots shall be drawn to meet the required number.

At every AGM, at least one-third or the closest number to one-third of the directors must retire. The directors to retire for the year and second year following the Company registration shall be selected by means of the lucky draw. For the later years, the directors being at term for the longest period shall retire while the duly-retired directors can be re-elected into the position.

In the case that the director's positions are vacant from the other causes apart from the duly retirement when the term ends, the Board of Directors can elect any qualified persons having no restrictions according to the law to be the replacement directors in the next Board, except that the director's term remains less than 2 months, then the new replacement director shall be in the position for as long as the remaining period of that retired one in such term.

The AGM might resolve for any Director to retire before the term ends with the majority vote of at least three-fourths of all shareholders attending the meeting and holding the rights to vote and



the combined share amount of not less than half of the share amount held by the shareholders attending the meeting and holding the rights to vote in such meeting.

Nomination of independent directors

The Company has criteria for selecting independent directors by considering the minimum qualifications in accordance with the regulations of the Securities and Exchange Commission. Also consider candidates with experience and ability to be able to provide opinions and suggestions that are beneficial to the operations of the company. Including be famous personalities who will enrich the image of the Company must not be beneficiary whether directly or indirectly with the Company, Related Companies, Subsidiaries and major shareholders. Including the freedom to express opinions freely, not under the control of the executive, major shareholders, related persons or close relatives of such persons.

The qualifications of Independent Directors as announced by the Capital Market Supervisory Board are as follows:

1. Must hold no more than 1 percent of the total outstanding voting shares of the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company. Shareholding of the Independent Director includes shares held by persons related to that particular Director.
2. Is not or has never been a part of the management, staff, employee, consultant earning salary or controlling person of the Company, parent company, subsidiaries, associated companies or subsidiaries of the same level, major shareholder or controlling person of the Company unless the position has been terminated for over 2 years.
3. Is not related by blood or through legal bonding which includes father, mother, spouses, siblings, children, spouses of children, to other directors, management, major shareholder, controlling person of the Company or any person being nominated to the director, management or controlling position of the Company or its subsidiary.
4. Does not or never have business relationships with the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company which may distract one's independent judgment. This also includes not having been a shareholder of significance or a controlling person of the entity having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company unless the person's term has been terminated for at least 2 years.
5. Is not or has never been the auditor of the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and is not a shareholder of significance, a



controlling person or a partner of an audit firm where the auditor of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company is subject to, unless the position has been terminated for at least 2 years.

6. Is not or has never been a professional service provider that includes being a legal advisor or financial advisor receiving remuneration for over THB 2 million per annum from the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and is not a shareholder of significance, a controlling person or a partner of a professional service provider of that type unless that position has been terminated for at least 2 years.

7. Is not an appointed director acting as the proxy of the Company's Board of Directors, major shareholder or shareholder as a related person to the major shareholder.

8. Must not operate or own a similar type of business that is a direct competitor to the Company or subsidiaries; is not a major partner in a limited partnership, a Director with management authority, staff, employee, a consultant earning salary or holding more than 1 percent of total voting shares of other companies operating similar type of business and regarded as direct competitor to the Company or subsidiaries.

9. Have no other characteristics that would prevent the provision of independent point of view concerning the Company's operations.

Appointment of Top Management

In regard to top management succession planning, the Board of Directors has assigned the Remuneration and Nomination Committee to set up criteria and procedures for the selection of qualified candidates for top management positions. It is required that such plan be annually reviewed and the results thereof be reported to the Board of Directors.

The appointment of Managing Director, which is the Company's top management position, is made by the Nomination and Remuneration Committee who has authority to define criteria and methods for recruiting the qualified persons with ideal knowledge, abilities and experiences and without the restrictions as defined by the Standard Qualifications for Directors and Officials of State Enterprises Act B.E. 2518 (1975) and the amendment and other related laws to take the position of President. The names of the nominee will be proposed to the Board of Directors for further consideration.

The Board of Directors has set a policy limiting the number of directorships in other companies where Managing Director can hold office as follows:

Managing Director is able to hold no more than 5 positions in other listed companies by inform the Board of Director. The Company Secretary will disclose the information in the Annual Information Form (Form 56-1) and Annual Report (Form 56-2).



The Company prohibits Managing Director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest.

Conflict of Interest

The Company's Board of Directors has set up the policy on conflicts of interest based on the principle that any decision on business conduct must be made with respect to the highest interests of the Company only. Any action which might lead to conflicts of interest must be avoided. It is specified that any person relevant to or connected with the subject to be considered is obliged to acknowledge the Company of his/her relationship to or connection with the matter. He/She is not permitted to join the party which judges the case and does not have the power to authorize that particular transaction. No irregular conditions or regulations are specially set for such case. It is also stipulated that the Office of Internal Audit and the Audit Committee are responsible for taking care of and solving the conflicts of interest. However, to date, the Company has not experienced the problem related to conflicts of interest. The Audit Committee will report the carefully considered connected transaction matter and any matter containing a conflict of interest to the Board of Directors in compliance with the regulations of the SET. Such information is disclosed in the Company's Annual Report and the Updated Registration Statement (56-1 Form). Whenever changes in securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the SEC respectively according to Section 59 of the Securities and Exchange Act of B.E.2535.

Monitoring of Associated Companies

To supervise the operations of Subsidiaries, the Company as a shareholder has sent representatives to supervise the interests as well as coordinated cooperation between Subsidiaries. The Company's representatives are those who have been approved by the Management and the Executive Board or the Board of Directors to take positions as Directors in two Subsidiaries. The representatives are either members of the Company's Board of Directors or executive management total 4 persons who have knowledge and understanding of the business and can determine policies that are crucial to business operation, provide management guidelines that will benefit to the Company.

In a major policy, the representatives of the Company obtain the policy of the Company



before offering an opinion at the meeting of Subsidiaries, such as allocation of profit, dividend or submission of state revenue, the election of replaced Directors who expired from term of office, the increase - decrease capital, termination - merger. The Company's representative must report information within the given time to the Company's Management and the Board of Directors.

In addition, the Company has arranged analysis, monitoring, and report on the performance of Subsidiaries, on a quarterly or yearly basis to allow the management and the Board of Directors to use the information in making decisions and determining direction and guidance to regulate investment Subsidiaries.

Policies on Insider Information

The Company has the policies on insider information, prescribing that no Director, Executive and employee who knows or possesses inside information shall trade securities by resorting to inside information, which is material non-public information, in such a manner that it is likely to have an effect on the price or value of securities, and has known or possessed while holding a position or the line of work responsible for or capable of accessing inside information. Any actions, either for the benefit of oneself or other persons or to pass on such information to others, are prohibited. No Director, Executive and employee, and who has known or possessed inside information, shall trade securities during the period of 1 month prior to and 24 hours post the disclosure of the Company's financial statements.

Including having policies and adhering to ethics and integrity in business operations to customers, business partners and shareholders. There are clear requirements and codes of conduct in case that employees or executives disclose company information or used for their own acts or transactions that may have conflict of interest. It is a serious offense and may be subject to disciplinary action.

The Company has informed the directors and executives regarding the duty of shareholding report in shareholding of AKR shares by the Directors, Executive as well as their spouses and minor children. Any change in such securities holding shall be reported to the SEC in accordance with Section 59 of the Securities and Exchange Act and send a copy of the report to the Company on the same day or slowly on the next working day.

The Company has imposed penalties for not complying with insider information, sent by mail to the staff and management were informed accordingly.

Risk Management

The Company evaluates the adequacy of its existing internal control system on a yearly



basis. Its Risk Management Committee also assesses internal and external risk factors, analyzes them and follows up the outcome besides finding measures to mitigate risks within the organization and properly improve the operation for more effectiveness.

Auditor's Fee

- **Audit fee**

The Company and its Subsidiaries paid audit fees to ANS Audit Co., Ltd. for undertaking financial audit work for the past fiscal year in the amount of 1,880,000 Baht.

- **Non-audit fee**

- None -

Compliance with Good Corporate Governance in other areas

The Company has continuously improved and uplifted its operation to be in line with the principles of good corporate governance. However, in 2020, there were issues in CGR which could not be covered. Details are as follows:

- Does the Company require a minimum quorum of at least 2/3 for board decisions?

Article 24 of the Company's regulation only prescribes that at the meeting of the Board of Directors, there must be not less than half of the total number of directors present to constitute a quorum but does not specify the minimum quorum to pass resolutions.

- Does the Company use cumulative voting in the election of board members?

The Company cannot use Cumulative Voting as the procedure of voting for the Company's Directors. As Article 21 of the Company's regulation stipulates that one shareholder shall have one vote for each share. Each shareholder shall exercise all the votes he or she has, to select one or several person(s) to be directors but cannot divide the votes for any person to any extent.

- Does the Board have a policy to limit the number of year in the position of Independent Director for not more than 9 years?

The Board of Directors have considered the said policy and found that the Independent Director of the Company is qualified in accordance with the regulations of the Securities and Exchange Commission. He or She able to provide comments and suggestions that benefit to the operations of the Company and has understanding of the Company's business experience as well as the Independent Director of the Company without benefits or interests whether directly or indirectly to the Company, its subsidiaries or shareholders.

The Board of Directors has deemed it appropriate not to limit the number of years the tenure of Independent Directors of the Company not exceeding 9 years, according to the reason mentioned above.



Corporate Social Responsibility

Overview Policy

The Company is committed to conducting business with social responsibility, environment and good governance. Under the operating philosophy “Adhering to quality and integrity for customers” important both product quality and quality in corporate management. By striving to develop the potential of personnel in the organization improve the development of quality products, create better quality for society, and create a sustainable return for shareholders. So that the organization can live happily with the community and society. As well as elevating the progress of all stakeholders together, therefore, the Company has established the following corporate policies.

Corporate policy

1. Operate the business with a moral which are acceptable in the business sector
2. Bring the policy of “quality throughout the organization” to use for developing the product, service and business management
3. Facilitate for learning and developing new idea in order to drive organization forward.
4. Choose an investment and operate the business to get the return of investment not more than 10% with low risk.
5. Search for the opportunity to grow the business in both vertical and horizontal, domestic and international market.
6. Focus on aggressive market strategies for every customer (existing and new customer).

The Company has adopted the corporate Social Responsibility (CSR) to be a part of the operation continuously. In the year 2020, the Company received awards for conducting corporate social responsibility activities as follows:

- “Thai Green Label Scheme” a certification of quality and environmentally friendly products by the Thai Environment Institute. In 2020, the Company received 26 additional green label power transformers certification, there were 13 items of 22 kV and 13 items of 33 kV power system.





CSR in Process

Guidelines for “Social Responsibility” in accordance with the Stock Exchange of Thailand, divided into 8 topics:

1. Fair business operation

The Company is committed to conducting business fairly and transparently. Recognizing the



overall social responsibility encourage the Board of Directors, executives and all employees of the Company perform duties. Under the ethical principles of the Company's business which has been announced for employees to acknowledge and as a rule of practice which has been updated to be consistent throughout the present. The details are as follows;

1.1 Fair competition

According to the Company policy is fair competition but full of determination. At the same time, the Company will not use illegal or immoral methods to collect information that is used for the benefit of the competition. Although it is consenting to exchange information, stealing trade information, trade secrets of competitors either in product, price, production, sale or auction which is not allowed by competitors whether written or verbal.

The Company has set out procedures and measures to prevent involvement in behaviors that hinder competition. While encouraging employees to recognize the importance of compliance with laws.

1.2 Promoting social responsibility in the value chain

The Company has established a clear and systematic policy on procurement of social responsibility such as procurement control. The selection of procurement sources as well as monitoring and evaluating suppliers to develop sustainable business operations by adhering to the principle of performing duties with integrity, fairness and maintaining good relationships with partners, coordinate and support each other, safety technology, increasing productivity, reduce environmental problems to step into business stability together.

1.3 Respect for property rights

The Company will not violate intellectual property or any other rights related to intellectual property of others. Whether it is copyright, patent, trade secret and any terms of the license agreement or commercial contract. By requiring executives and employees to use products or services that are properly licensed.

1.4 Responsible politics

The Company recognizes the importance of transparent business operations. Especially about the activities related to politics in all sectors. Whether it is helping or the benefits that give rise to the power of political control that is not correct. By the Company has informed the employees to acknowledge and strictly observe.



2. Anti-corruption

The Company has established a policy on anti-corruption under the business operation, using fair business strategy, transparency, adherence, good quality of the product is important and strictly abide by relevant laws. The Company is committed to anti-corruption by prohibiting the Board of Directors, executives and employees of the Company relating to any corruption. Giving and receiving all forms of direct and indirect such as a bribes reception, donation and political assistance calling or receiving any benefits or assets. That will lead to practice or refrain from performing their own responsibilities. Because the Company to lose benefits unless it is the case of laws, regulations, notifications, regulations, local customs or trade tradition can be done.

The Company has communicated policies and guidelines to employees at all levels. Including all related parties of the company. In the year 2019, the Company conducted the following activities;

- Publication and guidelines via the Company's website and the internet system within the Company which is easily accessible and throughout the organization along with closing the announcement to publicize to employees.
- New staff training to study and understand the content of ethics in business operations, Work regulations, policies and guidelines for anti-corruption. Both executive level and all staff.
- The Company conducted a survey and assessed the risks of corruption that may occur in the organization. In order to acknowledge the potential for corruption in the organization Internal, control assessment including proposing preventive measures. By the Company to bring the survey results to review guidelines, internal control system and work processes that may have gaps in control. Then used to improve the preventive measures and announcements for the implementation of the entire organization, such as rules of compliance trade competition connected transactions, etc.
- The Company has established a policy and guideline for whistle-blowing policy. In order to support and pay attention to all stakeholders, whether they are internal or external personnel. Third parties can report clues in cases of corruption or misconduct in business ethics or related regulations in order to help improve, correct or operate to be more accurate, appropriate, transparent and effective in business operations

The Company gives importance to all stakeholders by listening to comments, suggestions for mutual benefits and provide opportunities for stakeholders to complain in the event that the stakeholders. Do not receive fairness or can report clues if witnessing behavior that indicates fraud



corruption of individuals in the Company. The stakeholders can contact through various channels as follows;

1. By E-mail address: suwannee@ekarat.co.th or hansabur@ekarat.co.th
2. Letter to the Chairman of Audit Committee / the Board of Directors / Company Secretary by sending to Ekarat Engineering PCL., 9/291 UM Tower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250

The Company will accept your complaints and suggestions to check and contact you shortly. With the company giving priority to confidential information to protect the whistleblower and will consider the complaints fairly. In the past year, the company did not receive any information or clues.

3. Respect for human rights

The Company operates on the basis of respect for human rights. No discrimination for reasons of nationality, race, religion, language, age, gender, social status. No human rights abuses. Do not hire child labor. Do not commit or encourage forced labor in all forms.

- **Support for Disabled Individuals Program**

The Company supports and promotes disabled group of individuals to have stable careers and jobs by giving fairness and security to all levels of employees with the opportunity for disabled workers to work with the Company according to the individual's ability. At the present, there are 7 disabled individuals working for AKR Group.

The Company has complied with the Thai labor law in the care of various benefits which employees should receive. Whether it is a Social Security Fund and Provident Fund by creating a manual on the management of Thai labor standards TLS 8001-2003 on labor protection, labor relations welfare safety, occupational health and working environment. Which the Company has implemented and continuously improved with the opportunity for employees to make complaints and improve about matters that are perceived to be violating their rights. In accordance with the process steps set out in the operation regulations, the Company has a booth to receive comments, complaints or suggestions. Then, summarize, collect and send to Human Resources Department to check and improve. In the event that there are comments or complaints that cannot be concluded. They will present to the executive meeting to consider.



4. Fair treatment for labor

- Wage and welfare benefits

The Company has improved the salary structure to be consistent with the competitive conditions of the labor market and in accordance with the law. With the survey of salary rates of other operators in the same area to ensure fairness for employees. The evaluation of the performance of employees at all levels twice a year to use the assessment results to adjust the level and adjust the annual salary. The Company provided Social Security Fund, Provident Fund and various benefits such as having a shuttle bus, sports venues and supporting various sports equipment etc.

- Safety and occupational health

The Company has established the Safety, Occupational Health and Working Environment Policy. The executives and employees at all levels collaborate to implement the policy continuously and efficiently. Also appointed the Safety, Occupational Health and Working Environment Committee which consists of executives and representatives of employees at all levels. In order to ensure the compliance with the ISO 14001 environmental management system standards. The employees participate in the decision on the safety and occupational health, safety policies and plans as follows;

- Provide a safe working environment to prevent danger and reduce risks that may arise from work processes or work environments.
- Requires training for all employees to understand safety regulations to cultivate work consciousness and realize the potential dangers.
- Provide a hygienic bathroom, clean drinking water, Factors for proper and adequate first aid.
- The Company will arrange for pregnant women to work safely. Not harmful to pregnancy without dismissal reduce positions or cut benefits because of pregnancy.

In addition, the Company has a welfare and health promotion activities, such as organizing sports and recreational facilities which will be beneficial to mental health and physical health of employees, random sampling of alcohol and also taking into account the prevention and solution of drug problems in the workplace. By managing according to the standard criteria for prevention and resolution of narcotics problems in the workplace of Chachoengsao Province and received a certificate from Chachoengsao Province on 17 August 2016.

In 2020, there were 14 employees with accidents and injuries from work, representing 2.02% of all employees. Which is only a minor injury. However, the company still strives to cultivate safety awareness for employees regularly.



5. Responsibility to consumers

The Company adheres to the corporate ethics. “Honest and trustworthy” with the goal of success is to receive the highest trust and satisfaction from our customers. Therefore, directors, executives and employees of the Company must adhere to honesty (duty of loyalty), justice and accuracy in order to obtain the trust for the customers.

- **Safety from products and services**

The Company continuously researches and develops to produce products that are safe and quality to consumers. Under the management system in accordance with the quality, safety and environmental standards such as the selection of environmentally raw materials, no harmful chemicals or heavy metal components and safe for consumers. Also guarantee products and services according to the specified conditions.

- **Product warranty**

The Company has a policy to guarantee the transformer for 10 years. The customer will receive a warranty card with details which inform the customer about the usage instructions, warranty period, warranty scope and telephone number to contact the service department. In the case of a problem with the transformer which during the first 3 years from the date of purchase. The Company will be responsible for correcting, repairing or replacing the new device for the customer without charge. Depending on the severity of the problem which must be considered in the case according to the conditions of the Company. After the 4th year onwards, the Company will provide maintenance services for the transformer to customers by making an annual service contract. To track and check the operation of the transformer for safety in use and prevention of unexpected events that may occur, such as transformers, explosions, etc. which will cause damage to the business of the customer from power outages or fire. Having a backup power transformer for customers to use while waiting to repair the transformer.

- **Marketing communication with customers**

- The Company has prepared a warranty certificate sent to the customer along with the product. The detailed information on the characteristics of the product is made in the catalog format. Distributed to customers through sales staff service centers nationwide and distributors both domestically and internationally.

- The Company will conduct a survey of customer's satisfaction after servicing the transformer from maintenance service technicians of our service centers on quarterly. In the past



year, it was found that customers were very satisfied with the work of service technicians.

- The Company has a process to review customer complaints on the quality and safety of products. Including following up after correcting and finding protection methods.
- Have a policy to maintain the confidentiality of customers by not disclosing their information or using it illegally for the benefit of oneself or related persons.

6. Environmental care

The Company is aware of the important of environment. Therefore has a clear policy and goal regarding energy conservation along with reviewing for continuous development every year.

Energy conservation policy is the implementation of the energy management system in every business process with the goal and objective to promote the use of energy for efficiency and maximum benefits. Including compliance with other laws and regulations associated. This is considered the responsibility of executives and staff at all levels to cooperate in complying with the prescribed measures. The Company have communicated and publicized such policies to both internal and external stakeholders in general. The Company has implemented the following energy and environmental conservation policies are as follows;

- **Energy conservation** by designing energy-saving products develop appropriate and continuous energy management systems. Improve energy efficiency in the production process and the technology used.

> The design of the transformer that has a lower loss than normal, according to the draft of the Green Label, which will reduce losses in the power supply system that occurs during use. Allowing users to reduce electricity costs from losses in transformers that are less.

- **Saving resources** by reusing and wasting from the production process, such as bringing wood chips, unused pallets or steel structures to be used as a cabinet or table for placing and providing a recreational corner for employees to sit and read. Using recycled paper to reduce the use of paper for internal work, etc. The Board of Directors had a policy to promote efficient use of resources. By setting off the lights and air conditioning during the lunch break for 1 hour and providing training on environmental knowledge to the employees according to ISO 14001 standard.

- **Pollution prevention** by controlling and choosing appropriate chemicals, reduce pollution to the environment and harm the production process, control wastewater quality before being released to the public. Including preventing interference with the surrounding communities, both noise and vibration from the following manufacturing processes.



- > The use of transformer oil without substance Polychlorinated Biphenyls (PCBs) which are difficult to decompose chemicals and can accumulate in both living organisms and the environment. Causing various symptoms such as chronic bronchial liver cancer Impaired nervous system, etc.

- > The use of silica gel that is plated from natural organic substances instead of Crystal Violet plated from Cobalt Chloride, which is a banned substance in the product.

- > The use of plastics that do not contain heavy metals.

- > The use of water colors to reduce the impact on the environment by using water as an ingredient instead of oil paint that must be used thinner as solvent.

- > The use of varnish without heavy metal.

- > Using hand washing powder to wash oil stains in maintenance work.

- > Use an environmentally friendly oil stain remover.

- > Carbon Footprint Project is a life cycle assessment of products from raw materials, production process, transportation, product using and product scrap management after use. By specifying the amount of energy and raw materials used including waste that is released into the environment, process of collecting and evaluating the value of emissions that cause global warming to find ways to improve the environmental impact to a minimum which covers all products transformers and solar panels.

- > Change the lighting bulb in the factory to be an energy-saving LED bulb, saving 3,312 kW-h of electricity per month, or reducing electricity costs by approximately 162,950 baht per year and the amount of greenhouse gas that is reduced by 10.30%.

- > Installed 851.26 kW solar power generation system (Grid connected System) on the factory roof, allowing the Company to save electricity by 330,791.37 Baht per year and have income from selling electricity 59,736.48 Baht per month.

- > Reduce the amount of oil used in the forklift by 5% per year. There were cost of forklift oil costs reduced by 5,039.26 baht per month and resulting in reduced greenhouse gas volume too.

7. Community or social development

The Company gives importance to working with communities by arranging for representatives to consult with the community and dialogue step by step. To collect information from the community appropriately before implementing various projects in the development of society, organizations,



educational institutions and nearby communities. As well as maintaining the traditional desserts, local traditions and instill conscience for employees at all levels to be responsible and participate in various activities for society. In 2020, the Company has implemented the following activities;

- Educational support project by the Company provides opportunities for students from various institutions visited the factory to study and learn the production process of the Company that are transformer and solar panel, including internships in order to increase knowledge and experience from actual work. In addition, the Company also has a project to accept students who want to find work experience. At a rate of not more than 70 people per year.



8. Innovation and innovation which is derived from operations that are responsible for society, the environment and stakeholders.

The Company places great importance on product quality. “EKARAT” transformer is outstanding and has a reputation for high quality and durability. Causing customers to trust and have the highest number of sales throughout. Therefore, the Company must continuously improve and develop products to invent new innovations and technologies which be beneficial to the Company, customers and stakeholders in every part, especially reducing production costs but maintain the same high quality. In order to be able to compete on price with more competitors. Including the review of the production process to be more efficient as well. In 2020, the Company has developed innovations and production processes as follows;

- **Ekarat IOT Transformer**

The Company has realized the importance of developing transformers. The energy management was efficient, time-saving and cost-saving in the work plan. As well as creating better



safety standards for the establishment of the customer. The Company has developed a wireless data meter connection to the transformer, able to measure, store, display the usage status through the Real-Time Online Monitoring system by storing them on the Cloud Server. The users can check back at any time and alert if an unusual event occurs on autopilot to users via Email, SMS, including Line Application.

Operations and report preparation

The Company has prepared a report according to the framework of the Global Reporting Initiative (GRI), taking into account the stakeholders that are important to the sustainability factor, consisting of employees, customers, partners, shareholders, communities and related government agencies. Linking relationships with social responsibility in both economic, social and environmental aspects including disclosed the report as part of the Annual Report.

Activities for social and environmental benefits (CSR after process)

The Company has continuously provided projects to reward society and the environment. Including cultivating consciousness for personnel at all levels to be responsible and participate in various activities. In 2020, the Company had activities for society and the environment as follows;

- The Company and employees jointly made merit with Phrabat Nampu Temple, Lopburi Province by donating money, some consumer goods for Luang Por Alongkot Abbot, Phrabat Nampu Temple to help orphans and HIV-infected patients.





- Donated alcohol gel for hand washing and mask to Bang Pakong Hospital and Ban Pho Hospital, Chachoengsao for doctors and nurses to prevent the spread of the virus Corona-19.



- Become part of sending concern and support materials needed to work selflessly for the medical staff in the hospitals in the southern provinces, including Yala hospital, Wachira Phuket Hospital, Patong Hospital, Thalang Hospital and Banangsta Hospital.





- The Company gave the alcohol gel and the equipment for hand-washing by foot for 6 schools in Bang Pakong District, Chachoengsao Province, around the factory area. That equipment was made from waste materials in the factory which is designed and made by our employees.



- The executives and employees of the Company supported “I give you this student uniform Project” by giving scholarships and sneakers for students of Ban Tha Khan School, Tha Takiab District, Chachoengsao Province.





- The Company has joined the project “The Federation of Chachoengsao Provincial Industry joined forces to protect the safety in religious places” by service technical staff volunteering in helping to inspect and assess the safety of the electrical system for religious places in Chachoengsao Province, including Ket Samosorn Temple, Pracha Bamrung Temple, Plong ah-kad Temple, Bua Limrat Bamrung Temple, Tha Sa-an Temple, Phanita Ram Temple, Mongkhon Sopit Temple, Utha Ram Temple, Yum Yatun Islam Mosque Ko Rai.



- The Company participated in the “1 Glass 1 Sapling Project” by campaigning to collect unused plastic water glasses at the Sirinat Queen Mangrove Forest Ecosystem Study Center, Pranburi District, Prachuap Khiri Khan.



- The Company participated in “Rehabilitating the ecosystem, releasing crab and fish species to increase the integrity of Bang Pakong River Project” with the Chachoengsao Environment Protection Association. By studying the mangrove forest ecosystem and properly releasing sea crabs at Ban Samet Ngam Mangrove Forest Development Project, Chanthaburi Province in November 2020 and will bring the crab species to be released into Bang Pakong River at Sanam Chan Temple, Ban Pho District, Chachoengsao Province in December 2020.



- December 2020, Ban Pho District Environment Committee and Chachoengsao Environmental Protection Association, Ban Pho District Environmental Network joining the ecological restoration project to releasing crab, fish and shrimp at Sanam Chan Temple, Ban Pho District, Chachoengsao Province. Offering a royal charity, The Royal Birth of His Majesty King Bhumibol Adulyadej. For increase the integrity of the Bang Pakong River and restore the ecosystem, coastal aquatic resources in natural water sources and create learning processes and participation in communities around the river. To build awareness, create a commitment and care for aquatic animal resources located in coastal communities. So that people can consume and earn their living.





- The Company continuously encourages employees to participate in blood donation with the Chachoengsao Red Cross and Bang Pakong Red Cross Division throughout the year 2020.



- In addition, the Director had a policy to survey the opinions of residents in the communities around the factory about the Company's environmental management system to acknowledge the impact from our operations to communities around the factory which will be used to improve and create satisfaction annually.



For the news and the activities related to CSR of the Company can be followed at <https://www.ekarat.co.th>





Opinion of the Board of Directors on the Company's Internal Control

The Company places importance on continuous internal control and risk management. The Board of Directors has set up and assigned the Audit Committee to be responsible for reviewing adequacy and appropriateness of internal control and risk management. By discharge of duty in compliance with the applicable laws, notifications, and regulations.

At the Board of Directors' meeting No.1/2021 on 21 January 2021, all the audit committees attended that namely Mr.Vinai Vittawasarnvej, Mr.Aroon Sricharoon and Mr.Wara Tongprasit. The Board of Directors evaluated the internal control system by asking information from the management department to inspect the documents prepared by the management and answering the evaluation form of the internal control system of the company by themselves in 5 elements, organization and environment, Risk management, the operational control of the management, information and communication system, tracking system. The Board of Directors concluded that the company has adequate internal controls to business operations and no significant deficiencies to the company. The Company's internal control in the previous year can sum up as follows:

1. Control within organization

- The Company is well aware of its corporate responsibility for the society as a whole, by ensuring its directors, executives and employees conduct ethical business without seeking personal benefits for themselves or others, avoiding conflict of interest, and refraining from the happening of corruption in their responsible works. A proper disciplinary procedure is posed in case of breaching the Company's regulations, disseminated to all executives and employees.
- The Company has defined the roles of the Board of Directors and the Management in Business Etc. The Board of Directors has assigned the Board of Management to undertake business administration on its behalf, to determine policies, the organization structure and targets on business administration.
- The Company has established a selection and nomination process to recruit personnel with required knowledge, skills, expertise and experience, for staff and executive levels. It has a process in place for performance evaluation and salary increment. The other remuneration and benefits are made available as appropriate to employees at all levels without discrimination, Promote the development of employee potential and has also worked out a succession plan.
- The Company has an independent work unit handling internal audit and following up on other work units' operations in terms of internal control, risk management and compliance with applicable laws. Such internal audit unit shall implement in line with the annual audit plan, and shall



report the audit result to both the Board of Management and the Audit Committee for acknowledgement, as well as comments and recommendation for the management's improvement and remedial action accordingly.

- The Audit Committee shall perform duties with independence in the scope of power and duties prescribed in the Audit Committee Charter. It has reviewed financial reports, risk management, internal control and audit systems, proposed appointment of external auditor and auditor remuneration and connected transactions or transactions that may have conflict of interest. Results of such review by the Audit Committee are also proposed to the meeting of the Board of Directors for acknowledgement and consideration on a quarterly basis and published in the Audit Committee's annual report.

2. Risk assessment

- The Company had analysis various risk factors in external factors, for example, the competition of transformer market, economic and politics, disaster etc. and internal factor are raw material, production, information technology, the management of inventory etc. Risk Management Committee reviewed risk identification and risk level assessment, and examined risk management to ensure efficiency and suitability with the organization, closely followed up on risk management performance, and reported risk management activities of all departments as the significant agenda items to the meetings of the Audit Committee and the Board of Directors for acknowledgment and consideration.

3. Control activities

- The Company has put in place written about policies, corporate rules and operation manual to control operations in financial transactions, procurement, production, quality control, sales of goods and general administration with scope of power, duties, responsibilities and approval amount limit for each level and request for budget spending. The management will communicate them to staff members for further translation into practice. The operation monitoring system is in place with reporting at meetings held at all levels on a weekly, monthly and quarterly. If found an error, will correct immediately. In addition, the Company ensures the establishment, review and improvement of policy and regulatory manuals to suit the situation.

- The Company has appointed representatives as directors in associated companies to follow up operations of such companies

- Company Secretary has been assigned to keep and regularly update information on



the significant shareholder, directors, executives, and connected persons, to facilitate monitoring and review of related transactions or transactions prone to conflict of interest.

4. Information and communication

- The Company has established adequate information and communication system. It has prepared accurate, complete and reliable information within an appropriate period, IT system is in place to support the data storing/searching and the operations and has been updated to meet the changes in the IT world such as prevention, access to the IT systems of the Company wrongfully. In addition, the Public Information Center is set up to control and manage the Company's information to strictly comply with the Official Information Act.

- The Company has an adequate and effective IT system. There are communication channels in and between the departments, allowing timely and quick access of news and information through such means as meetings, emails, intranet, internal broadcast and social media such as Line Group of operating lines, etc., thus ensuring the efficient up-to-date communication within the company and reaching to all employees which is the vital factor in maintaining the unity.

- For external parties, the Company has disclosed and communicated its information comprehensively and equitably to the stakeholders through its communication channel, i.e., www.ekarat.co.th and in case of disclosure according to the criteria of the Stock Exchange of Thailand (SET), such as financial report, annual report of operating results, and minutes of the annual general meeting of shareholders, via the SET's information system and the company's website. Moreover, the company has made available a channel for its stakeholders to report any incident or any act prone to a violation of the laws and rules as well as the code of business ethics, which may cause damage to the company by post or e-mail to the Company secretary or Managing Director. The Company also conducts customer satisfaction surveys to listen to the problems and complaints including the suggestions to improve services for more efficiency.

5. Monitoring activities

- The Company has a process to monitor business operations at director, executive, and managerial levels through various meetings, namely Board of Management (weekly), Board of Directors meeting (quarterly), Board Committee meetings to consider to consider and improve to achieve the goals regularly.

- The Company monitors and evaluates its internal controls at all levels and preparing the internal control reports annually Including reviewing and evaluating the effectiveness of the



internal audit from the Company's internal audit department according to the set plans.

- The internal auditors will prepare the audit report and suggestion for improvement and presented to Executives for acknowledgement and approval. The Office of the Internal Audit monitors the progress of those implementations through to completion and provides a summary of progress for presentation to Managing Director and Audit Committee to ensure the effective practice as per the recommendations. Also, in the case of suspected transactions or actions that could potentially cause damage to the Company's operating results such as conflicts of interest, fraud, major irregularity or deficiency in the internal control system or a breach of rules, the head of Office of the Internal Audit will report to the Managing Director and the Audit Committee immediately.

Head of Internal Audit Control

The Board of Management, with the consent of the Audit Committee, has appointed Mrs.Suwannee Sujaritwanichapong as Manager of Internal Audit Control Department and taking effect on April 18, 2005. She had internal audit work experience and obtained training relating to internal audit work, i.e. a course for Certificate of Internal Auditor of the Institute of Internal Auditors of Thailand and risk management course and has knowledge and understanding of the Company's business activities and operations. She is thus considered qualified and appropriate to perform duties in this position.

Appointment, removal or rotation of Manager of Internal Audit Control Department shall be subject to approval or consent from the Audit Committee.



The Audit Committee of Ekarat Engineering Public Company Limited (the “Company”), appointed by the resolution of the Board of Directors on February 18, 2005, comprises 3 independent directors namely;

| | | |
|--------------|----------------|-----------------------------|
| 1. Mr. Vinai | Vittavasarnvej | Chairman of Audit Committee |
| 2. Mr. Wara | Tongprasin | Audit Committee member |
| 3. Mr. Aroon | Sricharoon | Audit Committee member |

The Audit Committee members were not the executive or staff or related person with the Company. The Audit Committee carries out its duties in accordance with the scope of authority and responsibilities approved by the Board of Directors and as required by the Audit Committee Charter, in line with the regulations stipulated by the Office of the Securities and Exchange Commission (the “SEC”) in verifying the accuracy of the financial reports, the adequacy and the effectiveness of both the internal control and the risk management systems, the Company’s compliance with relevant rules, regulations and applicable laws, including the oversight of the work the Office of Internal Audit. Mrs. Suwannee Sujaritvanichpong who is Internal Audit Manager, as the secretary of the Audit Committee.

Since January 1 – December 31, 2020, the Audit Committee held 5 meetings. The Audit Committee has invited the management and/or the company’s auditors to attend the meeting for discuss or inform the board as the agenda required. The Audit Committee’s meeting considered the subjects as stipulated duties as follows:

Verification of Financial Reports

The Audit Committee verified the quarterly and the annual separated and consolidated financial statements for the fiscal year 2020. They also verified the information reviewed and audited by the external auditors as disclosed in notes to the financial statements. At the Audit Committee Meetings, the Committee together with the Company’s management and the external auditors considered the estimates, the discretion in accounting issues and significant audit findings as shown in the report of the external auditors.

Verification of Connected Transactions, Related Party Transactions or Transactions that might Cause Conflicts of Interest

The Audit Committee quarterly verified, oversaw and provided opinions on connected transactions, related party transactions or the transactions that might cause conflicts of interest of the Company and its subsidiaries based on the principles of due care, reasonableness, the benefits of the Company’s stakeholders and sufficient information disclosure as required by normal business practice. The



Committee is of the opinion that these transactions were reasonable and transparent; in addition, they were conducted for the optimum benefit of the Company and accurately disclosed in due time.³ Presented the Internal audit reports and corrective suggestions to the Board of Directors.

Nomination of the Company's External Auditors to Propose for Appointment and Consideration on the Audit Fee thereof for the Year 2021

The Audit Committee considered selecting and nominating external auditors for the Company by principally taking into account their audit knowledge, expertise, experiences, creditability, independence and work quality as well as the appropriateness of the audit fee. For the year 2021, the Committee resolved to approve nominating the auditors from ANS Audit Company Limited for the Board of Directors' consideration to further propose for the shareholders' meeting's approval to appoint them as the Company's external auditors along with the fixing of the audit fee thereof.

Verification of Internal Control System and Internal Audit

The Audit Committee verified the effectiveness and the adequacy of the Company's internal control system which included the anti-corruption and the oversight of the performance of the Office of Internal Audit to be in accordance with the annual audit work plan. To this regard, the Committee provided recommendations and continually monitored significant corrective actions in order to ensure that the Company's work policies as well as work processes were in conformity with the Corporate Governance Code (CG Code) and the internal control was adequate and appropriate.

Verification of Compliance with Applicable Laws, Relevant Rules and Regulations

The Audit Committee verified the Company's operation to be in compliance with the Securities and Exchange Act, the rules and the regulations stipulated by the SEC and relevant laws. They also acknowledged changes in the rules and regulations that might affect the Company's business operation.

Verification of Risk Management

The Audit Committee and the management quarterly conducted the verification of the efficiency and the appropriateness of the Company's risk management processes, starting from risk management policy, risk management plans and means to cope with the situations that might affect the operating results of Jasmine International Group.

Audit Committee's Self Assessment

The Audit Committee evaluated their performances, both as a party and as an individual committee, in compliance with the CG Code as required by the Stock Exchange of Thailand, in



order to ensure that their duties were efficiently carried out and the targets were all achieved as planned. According to the self assessment results, the Committee fulfilled their duties as stipulated by the Audit Committee Charter with adequate independence and responsibility. They quarterly reported their performances to the Board of Directors and equitably provided opinions and recommendations for the benefits of all the stakeholders.

In summary, the Audit Committee is of the opinion that for the year 2020, the Company's financial statements were prepared accurately in compliance with both the generally accepted financial reporting standards and accounting principles; the entering into the connected transaction was reasonable and for the optimum benefit of the Company; the internal control and risk management systems were adequate and effective. Furthermore, in view of the Committee, the Company's operations were in compliance with the applicable laws and relevant regulations, in line with its good CG Code. No significant shortcomings were found.

On behalf of the Audit Committee,

(Mr. Vinai Vittavasgarvej)

Chairman of the Audit Committee





Related Transaction

The Company has specified rule including guidelines clearly on the related transaction with the associated persons, subject to strictly comply with the notification and regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission is principal, summarized as followings.

- Proposing a connected transaction under such the rules to the Board of Directors and/or the shareholders' meeting for the approval. Through the consideration of the Audit Committee for fairness, the pricing is reasonable and take into the best interests of the Company and the interest directors no right to cast vote at the meeting.
- Disclosure of connected transactions with related companies adequately and comply with the regulations of the Securities and Exchange Commission. As well as the accounting standards on information disclosure about related parties or businesses.

The Company has significant transactions with related parties, which are directly and indirectly related through inter-company shareholding or common shareholders and directorships. The related transactions comply with the terms and conditions specified in the agreement between the Company and the concerned parties.

1. The relationship of the parties

| Name | Country | Nature of relationships | Related by |
|---|----------|-------------------------|--|
| Ekarat Solar Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 99.99% |
| Ekarat Energy Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 51% |
| SKP Consulting and Engineering Co.,Ltd. | Thailand | Related Company | The company that is close person of the directors being the shareholder and director |

Balance with related parties as at December 31, 2020 and 2019 are as follows:

2. Other receivables – related company

Unit: Baht

| Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|------|-------------------------------|--------|
| 2020 | 2019 | 2020 | 2019 |
| Other receivables | | | |
| Ekarat Energy Co., Ltd. | | | |
| - | - | 60,000 | 36,000 |



3. Short-term loans and interest receivables to related parties - net

Transaction of short - term loans and interest receivable to related parties - net as at December 31, 2020 and 2019 are as follows:

Unit: Baht

| Separate financial statements | | | | |
|--|-------------------|----------|-------------|-------------------|
| | December 31, 2019 | Increase | Decrease | December 31, 2020 |
| Short-term loans | | | | |
| Ekarat Solar Co., Ltd. | 10,496,986 | - | - | 10,496,986 |
| Ekarat Energy Co., Ltd. | 6,000,000 | - | (6,000,000) | - |
| Total | 16,496,986 | - | (6,000,000) | 10,496,986 |
| Interest receivables | | | | |
| Ekarat Solar Co., Ltd. | 15,817 | 485,982 | - | 501,799 |
| Ekarat Energy Co., Ltd. | 97,521 | 49,057 | (146,578) | - |
| Total | 113,338 | 535,039 | (146,578) | 501,799 |
| Total short-term loans and interest receivables | 16,610,324 | 535,039 | (6,146,578) | 10,998,785 |
| Less allowance for expected credit loss | (10,512,803) | | | (10,998,785) |
| Short-term loans and interest receivables - net | 6,097,521 | | | - |

For the years ended December 31, 2020 and 2019, there was movement in the allowance for expected credit loss of short term loans and accrued interest income as follows:

Unit: Baht

| | Separate financial statements | |
|-------------------------------|-------------------------------|-------------|
| | 2020 | 2019 |
| Balance as beginning of year | 10,512,803 | 11,200,571 |
| Increase during the year | 485,982 | 547,425 |
| Decrease during the year | - | (1,235,193) |
| Balance as the ending of year | 10,998,785 | 10,512,803 |



4. Significant transactions with related parties

Significant transactions with related parties for the years ended December 31, 2020 and 2019 consisted of:

| Unit: Baht | | | | | |
|---|-----------------------------------|-----------|-------------------------------|-----------|---|
| | Consolidated financial statements | | Separate financial statements | | |
| | 2020 | 2019 | 2020 | 2019 | Pricing Policy |
| Rental income | | | | | |
| Ekarat Energy Co., Ltd. | - | - | 24,000 | 24,000 | Mutually agreed price based on the contract |
| Interest income | | | | | |
| Ekarat Solar Co., Ltd. | - | - | 485,982 | 547,425 | Based on the agreed price according to the interest rates of domestic commercial banks. |
| Ekarat Energy Co., Ltd | - | - | 49,057 | 97,521 | Based on the agreed price according to the interest rates of domestic commercial banks. |
| Purchase of goods | | | | | |
| Ekarat Solar Co., Ltd. | - | - | - | 146,537 | Based on the agreed price |
| Consultan fee | | | | | |
| SKP Consulting and Engineering CO.,Ltd. | 5,607,477 | 5,607,477 | 5,607,477 | 5,607,477 | Mutually agreed price based on the contrac |

5. Remuneration of key management

Remuneration of key management for the years ended December 31, 2020 and 2019 consisted of:

| Unit: Baht | | |
|----------------------------|--|------------|
| | Consolidated and Separate financial statements | |
| | 2020 | 2019 |
| Benefit - short-term | 21,448,400 | 24,759,000 |
| Benefit - after retirement | 763,500 | 545,160 |
| Directors' remuneration | 5,492,083 | 5,508,000 |
| Total | 27,703,983 | 30,812,160 |



Necessity and reasonableness of related party transaction

For the above of related party transactions, the Company has the propose to bring the highest benefits as per the Company's regular business procedure and agreeable prices from the related companies, thus yield benefit of both with no propose transfer benefits to each other or no transactions in particular.

Policy on Future Connected Transaction

The Audit Committee will oversee the future related party transaction to ensure that transactions are make property with a fair rate of return and approved in accordance with appropriate processes and procedures. Items and values of related party transaction are to be disclosed in compliance to relevant regulatory requirements.



The consolidated financial statements of 2020 comprise of separate financial statements and its subsidiaries, Ekarat Solar Co., Ltd. and Ekarat Energy Co., Ltd.

1. Highlights of the Consolidated Financial Statements and Key Financial Ratios

| (Unit : Baht million) | 2020 | 2019 | 2018 |
|---|----------|----------|----------|
| Statement of Income | | | |
| Revenues from operation | 1,487.54 | 1,629.93 | 1,464.30 |
| Total Revenues | 1,503.49 | 1,649.94 | 1,492.21 |
| Total Costs | 1,113.54 | 1,218.63 | 1,193.66 |
| Distribution Costs | 99.14 | 143.79 | 119.41 |
| Administration Expenses | 150.12 | 169.58 | 155.60 |
| Financial Cost | 19.69 | 21.56 | 22.13 |
| Gross Profit | 374.00 | 411.31 | 270.64 |
| Tax Expenses | (24.44) | (2.81) | 68.03 |
| Profit for the year | 97.66 | 82.88 | (279.65) |
| Non-controlling interests | (0.78) | 0.34 | - |
| Profit for the year attributable to equity holders of the Company | 98.44 | 82.55 | (279.65) |
| Statement of Financial Position | | | |
| Total Assets | 1,529.53 | 1,715.10 | 1,616.25 |
| Total Liabilities | 466.49 | 740.05 | 735.24 |
| Total Shareholders' Equity | 1,063.03 | 975.04 | 881.01 |
| Statement of Cash Flows | | | |
| Net cash provided by operating activities | 259.54 | 16.68 | 106.73 |
| Net cash used in investing activities | (19.03) | (24.89) | (43.06) |
| Net cash used in financing activities | (220.68) | (2.35) | (63.68) |
| Net cash and cash equivalents increase (decrease) - net | 19.83 | (10.56) | (0.02) |
| Cash and cash equivalents at the beginning of the year | 41.37 | 51.93 | 51.95 |
| Cash and cash equivalents at the ending of the year | 61.21 | 41.37 | 51.93 |



| (Unit : Baht million) | 2020 | 2019 | 2018 |
|------------------------------|----------|----------|----------|
| Share capital | | | |
| Ordinary Shares | 1,343.29 | 1,343.29 | 1,343.29 |
| Paid-up share Capital | 1,074.63 | 1,074.63 | 1,074.63 |
| Par Value | 0.80 | 0.80 | 0.80 |
| Earnings Per Share | 0.073 | 0.061 | (0.208) |
| Financial Ratios | | | |
| Gross Profit Margin (%) | 25.22 | 22.88 | 19.31 |
| Net Profit Margin (%) | 6.55 | 4.89 | (18.74) |
| Return on Total Assets (%) | 8.74 | 6.44 | (17.95) |
| Return on Equity (%) | 9.67 | 8.90 | (26.86) |
| Total Debt to Equity (Times) | 0.44 | 0.76 | 0.83 |

2. Management Discussion and Analysis

Performance comparison between fiscal years 2020 and 2019:

| Unit : Million Baht | 2020 | 2019 | Variance | |
|--|----------|----------|----------|---------|
| | | | MTHB | % |
| Total revenue from operation | 1,487.54 | 1,629.93 | (142.39) | (8.74) |
| - Revenue from sales of goods | 1,145.10 | 1,182.48 | (37.38) | (3.16) |
| - Revenue from services and maintenance | 223.27 | 210.31 | 12.96 | 6.16 |
| - Revenue from service of installing a solar panel | 75.56 | 188.84 | (113.28) | (59.99) |
| - Revenue from sales of electricity current | 43.62 | 48.31 | (4.69) | (9.71) |
| Total cost from operation | 1,113.54 | 1,218.63 | (105.08) | (8.62) |
| - Cost of goods sold | 903.51 | 945.80 | (42.29) | (4.47) |
| - Cost of services and maintenance | 118.97 | 119.28 | (0.31) | (0.26) |
| - Cost from installation of solar electric generating system | 70.27 | 168.70 | (98.43) | (58.35) |
| - Cost of electricity current sales | 19.68 | 23.15 | (3.47) | (14.99) |



| Unit : Million Baht | 2020 | 2019 | Variance | |
|---|--------|---------|----------|----------|
| | | | MTHB | % |
| - Reversed loss on devaluation of goods | (1.11) | 38.31 | (39.42) | (102.90) |
| Gross profit | 374.00 | 411.31 | (37.31) | (9.07) |
| Other incomes | 15.95 | 20.00 | (4.06) | (20.28) |
| Reversal of (loss on) assets impairment | 1.10 | (10.69) | (11.79) | (110.29) |
| Selling expenses | 99.14 | 143.79 | (44.66) | (31.06) |
| Administrative expenses | 150.12 | 169.58 | (19.45) | (11.47) |
| Financial cost | 19.69 | 21.56 | (1.87) | (8.67) |
| Profit before income tax expenses | 122.10 | 85.69 | 36.41 | 42.49 |
| Tax expense | 24.44 | 2.81 | 21.63 | 770.23 |
| Profit (loss) for the year | 97.66 | 82.88 | 14.78 | 17.83 |
| Non-controlling interests | (0.78) | 0.34 | (1.12) | (332.67) |
| Profit for the year attributable to equity holders of the Company | 98.44 | 82.55 | 15.90 | 19.26 |
| Earnings (loss) per share | 0.073 | 0.061 | 0.012 | 19.67 |

Operation Analysis

Revenues

The Company had the revenues comprised in 4 activities was Sales of Distribution Transformers, Services and maintenances, Service of installing a solar panel and Sales of electricity current.

1. The revenue from goods sold in year 2020 and 2019 was Baht 1,145.10 million and Baht 1,182.48 million, respectively or decreased 3.16%. This was due to the decrease in revenue from selling the distribution of transformers for private sectors customers.

2. The revenue from services and maintenances in year 2020 and 2019 was Baht 223.27 million and Baht 210.31 million, respectively or increased 6.16%. Mainly increased from the general services and other contractors.

3. The revenue from service of installing a solar panel in year 2020 and 2019 was Baht 75.56 million and Baht 188.84 million, respectively or decreased 59.99% because the Company had the major projects of installation of solar power generation system less than previous year.



4. The revenue from sales of electricity current in year 2020 and 2019 was Baht 43.62 million and Baht 48.31 million, respectively or decreased 9.71%. because the adder of the Solar Power Plant Phase 1, Prachinburi Province has expired in July 2020.

Cost of sales

1. The Company had the cost of goods sold in year 2020 and 2019 of Baht 903.51 million and Baht 945.80 million, respectively or decreased 4.47%, according to the revenue decreased. The proportion of cost of goods sold to the revenue from goods sold in year 2020 and 2019 was 78.90% and 79.98%, respectively, its decreased when compare to year 2019 about 1.08%.

2. The Cost of services and maintenances in year 2020 and 2019 was Baht 118.97 million and Baht 119.28 million, respectively or decreased 0.26%, according to the revenue increase. The proportion of cost of services and maintenances to the revenue from services and maintenances in year 2020 and 2019 was 53.29% and 56.72% or decreased 3.43%.

3. The Cost of service of installing a solar panel in year 2020 and 2019 was Baht 70.27 million and Baht 168.70 million, respectively or decreased 58.35% according to the revenue decreased. The proportion of cost of installing a solar panel to the revenue from installing a solar panel in 2020 was 93.00% higher than year 2019 which was 89.33% or increased 3.67%.

4. The Cost of electricity sold in year 2020 and 2019 was Baht 19.68 million and Baht 23.15 million, respectively or decreased 14.99%. Mostly was the depreciation of Solar Farm phase 1 in Prachinburi Province. The proportion of Cost of electricity sold to the revenue from sales of electricity current in year 2020 and 2019 about 45.11% and 47.93%, respectively or decreased 2.82%.

Reversal of (loss on) assets impairment

The Company had reversal of (loss on) assets impairment in year 2020 and 2019 was Baht 1.10 million and Baht (10.69) million, decrease 110.29% from year 2019. In year 2020 the Company has disposed of assets which recorded the assets impairment in year 2019

Distribution costs

The Company had the distribution costs in year 2020 and 2019 of Baht 99.14 million and Baht 143.79 million respectively, decrease 31.06% from year 2019. The proportion of the distribution costs to total revenues in year 2020 and 2019 was 6.59% and 8.72%, respectively or decreased 2.13% in accordance with the decreased revenue from the distribution of transformers and most of the expenses are related to sales.



Administration Expenses

The Company had the administration expenses in year 2020 and 2019 of Baht 150.12 million and Baht 169.58 million respectively, decrease 11.47% from year 2019. Due to the reduced expenses were bonus and cost of living allowance of employee. The proportion of the administration expenses to total revenues in year 2020 and 2019 is 9.98% and 10.28%, respectively or decreased 0.3%.

Gross Profit

The Company had the gross profit margin from the sale of goods in year 2020 and 2019 was 21.10% and 20.02%, respectively. The gross profit margin from services and maintenances in year 2020 and 2019 was 46.71% and 43.28%, respectively. The gross profit margin from service of installing a solar panel in year 2020 and 2019 was 7.00% and 10.67%, respectively. The gross profit margin from the sales of electricity current in year 2020 and 2019 was 54.89% and 52.07%, respectively.

In 2020, the Company is committed to manage of controlling production costs and various expenses. As a result, the gross margin of the majority of the revenue increase from the previous year. Except for the installation of solar electric generating system with a lower gross margin from the uncertainty of raw material prices

Tax expense

The Company has tax expenses in year 2020 and 2019 of Baht 24.44 million, increased Baht 21.63 million or 770.23% when compared to year 2019. As a result of the benefit of non-taxable from promoted operation (BOI) from installing Solar rooftop at the factory had expired in mid-2020. The proportion of tax expenses to total revenues in year 2020 and 2019 is 1.63% and 0.17%, respectively or increased 1.46%.

Net Profit of the year

The Company has Net Profit in year 2020 and 2019 of Baht 97.66 million and Baht 82.88 million, respectively, increased Baht 14.78 million or 17.83% when compared to year 2019.



Financial Analysis

Summary of financial position

| Unit : Million Baht | 2020 | 2019 | Variance | |
|---|-----------------|-----------------|-----------------|----------------|
| | | | MTHB | % |
| Asset | | | | |
| - Cash and cash equivalents | 61.21 | 41.37 | 19.84 | 47.96 |
| - Trade and other receivables | 267.42 | 424.18 | (156.76) | (36.96) |
| - Inventories | 380.08 | 429.63 | (49.55) | (11.53) |
| Total current assets | 717.27 | 910.45 | (193.18) | (21.22) |
| - Property, plant and equipment | 599.43 | 657.57 | (58.14) | (8.84) |
| - Right-of-use assets | 92.31 | - | 92.31 | 100 |
| - Deferred tax assets | 82.61 | 88.76 | (6.15) | (6.93) |
| Total non-current assets | 812.26 | 804.64 | 7.62 | 0.95 |
| Total assets | 1,529.53 | 1,715.09 | (185.56) | (10.82) |
| Liabilities | | | | |
| - Short-term loans from financial institutions | 38.23 | 217.05 | (178.82) | (82.38) |
| - Trade and other payables | 110.26 | 192.15 | (81.89) | (42.62) |
| - Accrued expenses | 24.48 | 57.72 | (33.24) | (57.59) |
| Total current liabilities | 254.55 | 560.02 | (305.47) | (54.55) |
| - Long-term loans from financial institutions | 59.89 | 87.96 | (28.07) | (31.91) |
| - Lease liabilities | 63.64 | 7.86 | 55.78 | 710.19 |
| - Non-current provisions for employee benefit | 82.91 | 78.20 | 4.71 | 6.02 |
| Total non-current liabilities | 211.94 | 180.02 | 31.92 | 17.73 |
| Total liabilities | 466.49 | 740.05 | (273.56) | (36.97) |
| Shareholders' equity | 1,063.03 | 975.04 | 87.99 | 9.02 |
| Total liabilities and shareholders' equity | 1,529.53 | 1,715.09 | (185.56) | (10.82) |



Assets

As at December 31, 2020 and 2019, the Company had the total assets of Baht 1,529.53 million and 1,715.09 million, respectively or decreased Baht 185.56 million or 10.82%. Most of the decreased assets were trade receivables and other receivables. The property, plant and equipment are classified into relevant accounts and recorded rights-of-use assets in order to comply with TFRS16 on “Lease Agreement”

Trade and Others receivable

As at December 31, 2020 and 2019, the Company had trade and others receivable after deducted allowance for doubtful debt of Baht 267.42 million and Baht 424.18 million, respectively or decreased Baht 156.78 million or 36.96%. Most of them were trade accounts receivable from the decrease of service installation of solar panel revenue.

The Company had the credit terms for the customer about 30-90 days. The average collection days in year 2020 and 2019 was 85 and 78 days, respectively. It found that the Company could collect debt from customers slower from last year.

Inventories

The Company had the Inventories (Net) after deducted the allowance for devaluation of inventories at December 31, 2020 and 2019 of Baht 380.08 million and Baht 429.63 million, respectively. In 2019, the raw materials need to be prepared for the producing transformers of the Provincial Electricity Authority and prepare solar panel materials for private projects. Those has been produced and delivered successfully in 2020.

In year 2020, the Inventories comprise of Finished goods deducted the allowance for devaluation of inventories Baht 141.05 million, Work in process Baht 111.16 million, Raw Material Baht 172.48 million, Supplies Baht 5.85 million, and Materials in transit Baht 15.44 million. The inventories turnover ratio in year 2020 and 2019 was 2.75 and 2.95 times.

Property, plant and equipment

As at December 31, 2020 and 2019, the Company had property, plant and equipment of Baht 599.43 million and Baht 657.57 million, respectively or decreased Baht 58.14 million or 8.84%. Because the account is classified to the right-of-use asset in order to comply with TFRS16 on “Lease Agreement”

Right-of-use assets

As at December 31, 2020 and 2019, the Company had right-of-use assets of Baht 92.31 million and Baht 0.00 million, respectively or increased 100%. In accordance with TFRS16 subject “Lease Agreement”, the relevant accounts are classified and recorded as right-of-use assets such as land lease agreements of Solar Farm in Nonthaburi province, machinery and vehicles.



Deferred tax assets

As at December 31, 2020 and 2019, the Company had Deferred tax assets of Baht 82.51 million and Baht 88.76 million, respectively or decreased Baht 6.15 million or 6.93%. It was mainly due to the difference in depreciation and accounting allowance and tax on asset impairment at the Rayong plant.

Liabilities

As at December 31, 2020 and 2019, the Company had the liabilities of Baht 466.49 million and Baht 740.05 million or decreased Baht 273.56 million or 36.97%. The reason for the reduction of liabilities was mainly from short-term loans from financial institutions whereby the Company made payment of promissory notes and trust receipts.

Trade and Other Payable

As at December 31, 2020 and 2019, the Company recorded trade and other payables of Baht 110.26 million and Baht 192.15 million, respectively or decreased Baht 81.89 million or 42.62%. Because the Company has purchased raw materials for transformer production less than last year.

The Company received the credit terms from the creditor about 30-60 days. The average repayment days of year 2020 and 2019 are 49 and 63 days, respectively. The rate of payment payable was faster than last year.

Short-term and Long-term loans from financial institutions

As at December 31, 2020 and 2019, the Company had short-term loans from financial institutions of Baht 38.23 million and Baht 217.05 million, respectively or decreased Baht 178.82 million or 82.38%.

The Company had long-term loans from financial institutions of Baht 59.89 million and Baht 87.96 million, respectively or decreased Baht 28.07 million or 31.91%. Because the Company has paid both short-term and long-term loans during the year.

Shareholders' Equity

As at December 31, 2020 and 2019, the Company shareholders' equity was Baht 1,063.03 million and Baht 975.04 million, respectively or increased Baht 87.99 million or 9.02% because the Company had Net profit from operation in the consolidated financial statements of Baht 97.66 million, resulting in the accumulated loss decreased to Baht 37.56 million.

Capital Structure Suitability

The Company's Debt to Equity (D/E) ratio at December 31, 2020 and 2019 was 0.44 and 0.76 times, respectively. The D/E ratio better than last year, due to the Company's debt has greatly reduced about 36.97% while the shareholders' equity increased from the net profit about 9.02%.



The Board of Directors of Ekarat Engineering Public Company Limited concerned to the duty and responsibility of the completeness and accuracy of the financial statements. The financial statements of Ekarat Engineering Public Company Limited were prepared in accordance with the rules and regulations of the company and generally accepted accounting standards in Thailand. Appropriate accounting policies were selected and applied consistently and were accompanied by careful judgment. All of the important data is disclosed in Notes to financial statements accurately which audited by Certified Public Accountant and reviewed by the Audit Committee.

The Board of Directors has appointed the Audit Committee, which comprised with the Independent Directors, to review and responsible for the quality of the financial statements and internal audit. The observation of Audit Committee related to these matters is appeared in the Audit Committees' Report which is in this annual report.

The Board of Directors has ensured the accuracy and appropriated disclosure of the Company's financial statements disclosed in the annual report year 2020 and the financial statements were prepared in accordance with the generally accepted accounting standards. The internal audit of the Company was accurate and appropriated.

Mr. Danucha Noichaiboon
Managing Director



Independent Auditor's Report

To the Shareholders and the Board of Directors of Ekarat Engineering Public Company Limited and its Subsidiaries

Opinion

I have audited the accompanying consolidated and separate financial statements of Ekarat Engineering Public Company Limited and its subsidiaries (the Group) and of Ekarat Engineering Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Ekarat Engineering Public Company Limited and its subsidiaries and of Ekarat Engineering Public Company Limited respectively as at December 31, 2020, and consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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



Impairment of Property, Plant and Equipment

Risk

As discussed in Note to Financial Statements No. 13, the Company has ceased its production of a factory at Rayong. This is an indication of impairment of the property, plant and equipment. The Company has related property, plant and equipment with a net book value as at December 31, 2020 and 2019, the amount of Baht 110.98 million and of Baht 123.94 million, respectively. The provision for impairment requires significant judgment by Management.

Auditor's Responses

I obtained an understanding of the Company's policy to determine the allowance for impairment of property, plant and equipment. I also considered the appropriateness of the allowance for impairment of the property, plant and equipment by verifying Management's cash flow projection. The verification includes assessment of the work done by the independent appraiser, assessment of the significant assumptions and testing the computation of the amount of estimated impairment.

Other Information

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

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

In connection with my audit of the 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 charge with governance to correct the materially misstatement.

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

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



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

Those charged with governance are responsible for overseeing the Group's and 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I have required to draw attention in my



auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Atipong AtipongSakul

Certified Public Accountant

Registration Number 3500

ANS Audit Company Limited
Bangkok, February 25, 2021



EKARAT ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Unit: Baht

| | Notes | Consolidated financial statments | | Separate financial statements | |
|---|--------|----------------------------------|----------------------|-------------------------------|----------------------|
| | | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 61,206,903 | 41,372,862 | 60,008,609 | 37,660,327 |
| Current financial asset - net | 6 | - | 34,542 | - | 34,542 |
| Trade and other current receivables - net | 4.2, 7 | 267,415,698 | 424,181,025 | 265,042,693 | 415,698,560 |
| Short-term loan and interest income to related companies - net | 4.3 | - | - | - | 6,097,521 |
| Inventories - net | 8 | 380,082,537 | 429,626,950 | 380,082,537 | 429,626,950 |
| Deposit and advance payment for goods | | 7,160,556 | 12,616,916 | 7,160,556 | 12,616,916 |
| Other current assets | | 1,401,106 | 2,613,436 | 1,075,440 | 1,999,462 |
| Total current assets | | 717,266,800 | 910,445,731 | 713,369,835 | 903,734,278 |
| Non-current assets | | | | | |
| Investments in subsidiary companies - net | 9 | - | - | 1,274,925 | 1,274,925 |
| Non-current financial assets - net | 10 | 19,650,000 | 19,650,000 | 19,650,000 | 19,650,000 |
| Investment properties - net | 11 | 1,631,755 | 1,631,755 | 1,631,755 | 1,631,755 |
| Assets for rent - net | 12 | 4,431,352 | 3,235,399 | 4,431,352 | 3,235,399 |
| Property, plant and equipment - net | 13 | 599,427,561 | 657,573,396 | 595,212,569 | 653,061,738 |
| Right-of-use assets - net | 14 | 92,305,833 | - | 92,305,833 | - |
| Intangible assets - net | 15 | 386,539 | 8,817,118 | 386,539 | 8,817,118 |
| Prepaid rent under operating lease - net | 16 | - | 4,473,569 | - | 4,473,569 |
| Deferred tax assets - net | 17 | 82,610,739 | 88,764,303 | 82,610,739 | 88,764,303 |
| Withholding tax | | 10,933,941 | 19,617,092 | 10,384,166 | 19,616,076 |
| Other non-current assets | | 882,154 | 882,154 | 882,154 | 882,154 |
| Total non-current assets | | 812,259,874 | 804,644,786 | 808,770,032 | 801,407,037 |
| Total assets | | 1,529,526,674 | 1,715,090,517 | 1,522,139,867 | 1,705,141,315 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Unit: Baht

Liabilities and shareholders' equity

Current liabilities

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Short-term loans from financial institutions | 18 | 38,234,082 | 217,049,555 | 38,234,082 | 217,049,555 |
| Trade and other current payables | 19 | 110,264,560 | 192,153,325 | 108,224,788 | 190,564,670 |
| Accrued expenses | | 24,478,798 | 57,721,528 | 19,848,653 | 53,121,383 |
| Advance received for goods and services | 20 | 26,349,739 | 51,875,926 | 26,349,739 | 51,875,926 |
| Current portion of loans from financial institutions | 21 | 27,965,331 | 27,934,878 | 27,965,331 | 27,934,878 |
| Current portion of lease liabilities | 22 | 12,931,264 | 5,449,076 | 12,931,264 | 5,449,076 |
| Accrued corporate income tax | | 5,845,324 | - | 5,845,324 | - |
| Other current liabilities | | 8,480,342 | 7,839,956 | 8,132,077 | 7,295,732 |
| Total current liabilities | | 254,549,440 | 560,024,244 | 247,531,258 | 553,291,220 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions - net | 21 | 59,892,112 | 87,964,703 | 59,892,112 | 87,964,703 |
| Lease liabilities - net | 22 | 63,640,902 | 7,855,096 | 63,640,902 | 7,855,096 |
| Non-current provisions for employee benefit | 23 | 82,911,046 | 78,203,626 | 82,911,046 | 78,203,626 |
| Other non-current liabilities | | 5,498,705 | 5,998,419 | 5,498,705 | 5,998,419 |
| Total non-current liabilities | | 211,942,765 | 180,021,844 | 211,942,765 | 180,021,844 |
| Total liabilities | | 466,492,205 | 740,046,088 | 459,474,023 | 733,313,064 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Unit: Baht

Liabilities and shareholders' equity

Shareholder's equity

Shares capital

Authorized

Common shares 2,014,934,106 shares of Baht 0.80 each

Issued and paid-up

Common shares 1,343,289,404 shares of Baht 0.80 each

Surplus on change of proportion interest in subsidiary

Retained earnings (deficit)

Appropriated

Legal reserve

Unappropriated

Other components of equity

Total equity of the parent company

Non-controlling interests

Total shareholders' equity

Total liabilities and shareholders' equity

| Notes | Consolidated financial statements | | Separate financial statements | |
|-------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| | | | | |
| | | | | |
| | | | | |
| 24 | 1,611,947,285 | 1,611,947,285 | 1,611,947,285 | 1,611,947,285 |
| | | | | |
| | 1,074,631,523 | 1,074,631,523 | 1,074,631,523 | 1,074,631,523 |
| 9 | 364,450 | 364,450 | - | - |
| | | | | |
| 25 | 25,182,581 | 25,182,581 | 25,182,581 | 25,182,581 |
| | (37,557,281) | (126,331,856) | (37,148,260) | (127,985,853) |
| | - | - | - | - |
| | 1,062,621,273 | 973,846,698 | 1,062,665,844 | 971,828,251 |
| | 413,196 | 1,197,731 | - | - |
| | 1,063,034,469 | 975,044,429 | 1,062,665,844 | 971,828,251 |
| | 1,529,526,674 | 1,715,090,517 | 1,522,139,867 | 1,705,141,315 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| | | Consolidated financial statments | | Separate financial statements | | |
|---|---------|----------------------------------|-----------------|-------------------------------|-----------------|---------------|
| | Notes | 2020 | 2019 | 2020 | 2019 | |
| Revenues | | | | | | |
| Revenue from sales of goods | 4.4, 27 | 1,145,097,196 | 1,182,479,549 | 1,145,032,406 | 1,182,008,463 | |
| Revenue from services and maintenance | | 223,268,724 | 210,307,565 | 223,292,724 | 210,331,565 | |
| Revenue from service of installing a solar panel | | 75,561,410 | 188,842,205 | 69,988,610 | 173,843,205 | |
| Revenue from sales of electricity | | 43,615,677 | 48,305,648 | 43,615,677 | 48,305,648 | |
| Total revenues | | 1,487,543,007 | 1,629,934,967 | 1,481,929,417 | 1,614,488,881 | |
| Costs | | | | | | |
| Cost of goods sold | | (903,505,745) | (945,797,587) | (902,121,654) | (906,513,828) | |
| Cost of services and maintenance | | (118,974,343) | (119,284,791) | (118,974,343) | (119,284,791) | |
| Cost from service of installing a solar panel | | (70,268,920) | (168,702,941) | (64,842,499) | (155,583,957) | |
| Cost of electricity sold | | (19,676,436) | (23,152,771) | (19,379,771) | (22,856,105) | |
| Reversal of (loss on) devaluation of goods | | (1,115,620) | 38,309,346 | (2,499,710) | (1,182,790) | |
| Total costs | | (1,113,541,064) | (1,218,628,744) | (1,107,817,977) | (1,205,421,471) | |
| Gross profit | 4.4 | 374,001,943 | 411,306,223 | 374,111,440 | 409,067,410 | |
| Other income | | 15,948,312 | 20,004,423 | 16,479,335 | 20,634,398 | |
| Reversal of (loss on) assets impairment | | 1,099,972 | (10,688,883) | 1,099,972 | (10,688,883) | |
| Distribution costs | | (99,136,308) | (143,792,305) | (99,136,308) | (143,792,305) | |
| Administrative expenses | | 4.4 | (150,122,263) | (169,575,655) | (147,915,230) | (167,105,634) |
| Profit from operating activities | | 141,791,656 | 107,253,803 | 144,639,209 | 108,114,986 | |
| Finance cost | | (19,689,865) | (21,562,423) | (19,689,865) | (21,562,423) | |
| Profit before income tax expenses | | 122,101,791 | 85,691,380 | 124,949,344 | 86,552,563 | |
| Tax expense | | 17 | (24,443,641) | (2,808,880) | (24,443,641) | (2,808,880) |
| Profit for the year | | | 97,658,150 | 82,882,500 | 100,505,703 | 83,743,683 |
| Other comprehensive income (loss) : | | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss: | | | | | | |
| Gains(losses) on re-measurements of defined benefit plans | 23 | (12,085,138) | 12,411,661 | (12,085,138) | 12,411,661 | |
| Income tax relating to components of other comprehensive income | | | | | | |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|-------------|-------------------------------|-------------|
| | | 2020 | 2019 | 2020 | 2019 |
| that will not be reclassified to profit or loss | 17 | 2,417,028 | (2,482,332) | 2,417,028 | (2,482,332) |
| Other comprehensive income (expense) for the year, net of tax | | (9,668,110) | 9,929,329 | (9,668,110) | 9,929,329 |
| Total comprehensive income for the year | | 87,990,040 | 92,811,829 | 90,837,593 | 93,673,012 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| Notes | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| Profit (loss) attributable to | | | | |
| Equity holders of the parent | 98,442,685 | 82,545,319 | 100,505,703 | 83,743,683 |
| Non-controlling interests | (784,535) | 337,181 | - | - |
| | 97,658,150 | 82,882,500 | 100,505,703 | 83,743,683 |
| Total comprehensive profit (loss) attributable to | | | | |
| Equity holders of the parent | 88,774,575 | 92,474,648 | 90,837,593 | 93,673,012 |
| Non-controlling interests | (784,535) | 337,181 | - | - |
| | 87,990,040 | 92,811,829 | 90,837,593 | 93,673,012 |
| Earnings per share | | | | |
| Basic earnings per share | | | | |
| Earnings attributable to equity holders of the parent | 0.073 | 0.061 | 0.075 | 0.062 |
| Number of weighted average share (Shares) | 1,343,289,404 | 1,343,289,404 | 1,343,289,404 | 1,343,289,404 |
| Diluted earnings per share | | | | |
| Earnings attributable to equity holders of the parent | 0.073 | 0.061 | 0.075 | 0.062 |
| Number of weighted average share (Shares) | 1,343,289,404 | 1,343,289,404 | 1,343,289,404 | 1,343,289,404 |

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| Consolidated financial statements | | | | | | | | | |
|-----------------------------------|----------------------------------|--|-----------------------------|----------------------------|---|---------------------------------|-----------------------------------|--------------------------|----------------------------|
| | | | | Other component of equity | | | | | |
| | | | | Other comprehensive income | | | | | |
| Notes | Share capital issued and paid-up | Surplus on change of proportion interest in subsidiary | Retained earnings (deficit) | | Gains(losses) on re-measurements of defined benefit plans | Total other component of equity | Total parent shareholders' equity | Non-controlling interest | Total shareholders' equity |
| | 1,074,631,523 | - | 25,182,581 | (218,806,504) | - | - | 881,007,600 | - | 881,007,600 |
| 9 | - | 364,450 | - | - | - | - | 364,450 | 860,550 | 1,225,000 |
| 23 | - | - | - | 9,929,329 | (9,929,329) | - | - | - | - |
| | - | - | - | 82,545,319 | 9,929,329 | 9,929,329 | 92,474,648 | 337,181 | 92,811,829 |
| | 1,074,631,523 | 364,450 | 25,182,581 | (126,331,856) | - | - | 973,846,698 | 1,197,731 | 975,044,429 |
| | 1,074,631,523 | 364,450 | 25,182,581 | (126,331,856) | - | - | 973,846,698 | 1,197,731 | 975,044,429 |
| 23 | - | - | - | (9,668,110) | 9,668,110 | 9,668,110 | - | - | - |
| | - | - | - | 98,442,685 | (9,668,110) | (9,668,110) | 88,774,575 | (784,535) | 87,990,040 |
| | 1,074,631,523 | 364,450 | 25,182,581 | (37,557,281) | - | - | 1,062,621,273 | 413,196 | 1,063,034,469 |

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| Notes | Separate financial statements | | | Other component of equity | | Total shareholders' equity |
|---|------------------------------------|-----------------------------|----------------|----------------------------|---|---------------------------------|
| | “Share capital issued and paid-up” | Retained earnings (deficit) | Unappropriated | Other comprehensive income | Gains(losses) on re-measurements of defined benefit plans | Total other component of equity |
| Balance as at January 1, 2019 | 1,074,631,523 | 25,182,581 | (221,658,865) | - | - | 878,155,239 |
| Change in shareholders' equity for the year : | | | | | | |
| Transferred to retained earnings | - | - | 9,929,329 | (9,929,329) | | - |
| Comprehensive income for the year | - | - | 83,743,683 | 9,929,329 | | 93,673,012 |
| Balance as at December 31, 2019 | 1,074,631,523 | 25,182,581 | (127,985,853) | - | - | 971,828,251 |
| Balance as at January 1, 2020 | 1,074,631,523 | 25,182,581 | (127,985,853) | - | - | 971,828,251 |
| Change in shareholders' equity for the year : | | | | | | |
| Transferred to retained earnings | - | - | (9,668,110) | 9,668,110 | | - |
| Comprehensive income (loss) for the year | - | - | 100,505,703 | (9,668,110) | | 90,837,593 |
| Balance as at December 31, 2020 | 1,074,631,523 | 25,182,581 | (37,148,260) | - | - | 1,062,665,844 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities : | | | | |
| Profit for the year | 97,658,150 | 82,882,500 | 100,505,703 | 83,743,683 |
| Adjustments to reconcile net profit to net cash provided by (used in) operating activities | | | | |
| Expected credit loss | 1,882,616 | 1,143,670 | 1,926,225 | 941,030 |
| Loss on devaluation of inventories (reversal) | 1,115,620 | (38,309,346) | 2,499,710 | 1,182,790 |
| Loss on impairment of property, plant and equipment (reversal) | (1,038,736) | 10,795,290 | (1,038,736) | 10,795,290 |
| Lose from change in fair value | 34,542 | - | 34,542 | - |
| Amortization of intangible assets | 210,002 | 634,681 | 210,002 | 634,681 |
| Amortization of prepaid rent under operating lease | - | 203,369 | - | 203,369 |
| Depreciation of right-of-use assets | 11,945,543 | - | 11,945,543 | - |
| Depreciation | 64,037,339 | 65,579,017 | 63,740,673 | 65,282,351 |
| Non-current provisions for employee benefit | 6,213,818 | 26,023,413 | 6,213,818 | 26,023,413 |
| (Gain) loss from disposals of assets | 286,031 | (685,183) | 286,031 | (685,183) |
| Unrealized gain on exchange rate | (449,832) | (288,373) | (7,459) | (773,502) |
| Transfer liabilities to be revenues | (6,715,442) | (1,252,260) | (6,715,442) | (1,252,260) |
| Interest expense | 19,689,865 | 21,562,423 | 19,689,865 | 21,562,423 |
| Interest income | (301,020) | (299,888) | (832,046) | (929,864) |
| Income tax expenses | 24,443,641 | 2,808,880 | 24,443,641 | 2,808,880 |
| Profit from operations before changes in operating assets and liabilities | 219,012,137 | 170,798,193 | 222,902,070 | 209,537,101 |
| Operating assets (increase) decrease | | | | |
| Trade and other current receivables | 155,363,024 | (149,668,949) | 149,253,053 | (141,188,529) |
| Inventories | 46,339,937 | 26,528,343 | 44,955,847 | (12,963,797) |
| Deposit and advance payments for goods | 5,456,360 | (11,857,643) | 5,456,360 | (11,857,643) |
| Other current assets | 1,212,330 | (720,089) | 924,022 | (159,464) |
| Other non-current assets | - | 7,474 | - | 7,474 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------|-------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other current payables | (78,018,697) | (42,376,945) | (78,469,814) | (44,193,225) |
| Accrued expenses | (30,839,771) | 24,282,900 | (30,869,771) | 24,199,900 |
| Advance received for goods and services | (24,671,266) | 23,736,793 | (24,671,266) | 23,736,793 |
| Other current liabilities | 640,386 | (406,012) | 836,345 | (894,034) |
| Other non-current liabilities | (499,714) | 724,343 | (499,714) | 724,343 |
| Cash received from operating activities | 293,994,726 | 41,048,408 | 289,817,132 | 46,948,919 |
| Employee benefit obligations paid | (13,591,536) | (4,806,000) | (13,591,536) | (4,806,000) |
| Interest expenses paid | (19,519,765) | (21,691,819) | (19,519,765) | (21,691,819) |
| Received refundable income tax | 9,227,002 | 12,105,064 | 9,227,002 | 12,105,064 |
| Income tax paid | (10,572,350) | (9,975,604) | (10,022,817) | (10,365,824) |
| Net cash provided by operating activities | 259,538,077 | 16,680,049 | 255,910,016 | 22,190,340 |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------|-------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from investing activities : | | | | |
| Cash received from sales of investment in subsidiary | - | 1,225,000 | - | 1,225,000 |
| Cash received (paid) for short-term loan to related company | - | - | 6,000,000 | (6,000,000) |
| Cash received from sales of assets for rent | 3,490,226 | 2,138,415 | 3,490,226 | 2,138,415 |
| Cash received from sale of property, plant and equipment | 579,960 | 5,607 | 579,960 | 5,607 |
| Cash paid for acquisition of assets for rent | (2,575,750) | (1,765,542) | (2,575,750) | (1,765,542) |
| Cash paid for acquisition of property, plant and equipment | (19,016,844) | (18,663,967) | (19,016,844) | (18,663,967) |
| Cash paid for assets payable | (1,684,423) | (7,150,903) | (1,684,423) | (7,150,903) |
| Cash paid for acquisition of intangible assets | (123,748) | (6,300) | (123,748) | (6,300) |
| Increase in restricted deposit with bank | - | (1,000,000) | - | (1,000,000) |
| Cash received from interest income | 302,003 | 327,855 | 444,305 | 1,547,849 |
| Net cash used in investing activities | (19,028,576) | (24,889,835) | (12,886,274) | (29,669,841) |
| Cash flows from financing activities : | | | | |
| Increase (decrease) in short-term loans from financial institutions | (178,809,434) | 2,010,996 | (178,809,434) | 2,010,996 |
| Repayment of liabilities under financial lease contracts | (13,594,026) | (9,589,637) | (13,594,026) | (9,589,637) |
| Proceeds from long-term loans from financial institutions | - | 31,500,000 | - | 31,500,000 |
| Repayment of long-term loans from financial institutions | (28,272,000) | (26,272,000) | (28,272,000) | (26,272,000) |
| Net cash used in financing activities | (220,675,460) | (2,350,641) | (220,675,460) | (2,350,641) |
| Net cash and cash equivalents increase (decrease) - net | 19,834,041 | (10,560,427) | 22,348,282 | (9,830,142) |
| Cash and cash equivalents at the beginning of the year | 41,372,862 | 51,933,289 | 37,660,327 | 47,490,469 |
| Cash and cash equivalents at the ending of the year | 61,206,903 | 41,372,862 | 60,008,609 | 37,660,327 |
| Supplemental cash flow information: | | | | |
| Non- cash transactions : | | | | |
| Transfer of inventories to property, plant and equipment | 750,581 | 5,978,070 | 750,581 | 5,978,070 |
| Transfer of inventories to asset for rent | 1,338,275 | - | 1,338,275 | - |
| Transfer of asset for rent to inventories | - | 10,359 | - | 10,359 |
| Transfer of property, plant and equipment to assets for rent | 272,743 | - | 272,743 | - |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-----------|-------------------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| Acquisition of assets on credit | 1,294,950 | 1,655,928 | 1,294,950 | 1,655,928 |
| Transfer of property, plant and equipment to right-of-use assets | 14,571,462 | - | 14,571,462 | - |
| Transfer of intangible assets to right-of-use assets | 8,344,325 | - | 8,344,325 | - |
| Transfer of prepaid rental expenses under operating lease agreements to right-of-use assets | 4,473,569 | - | 4,473,569 | - |
| Right-of-use assets increased from liabilities under lease agreements | 76,862,020 | - | 76,862,020 | - |



EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

1. General

Information

Ekarat Engineering Public Company Limited (“Company”) was registered as a public company under Company Registration Number 0107537002711 on December 9, 1994, and was listed on the Stock Exchange of Thailand on August 7, 2006.

The head office is located at 9/291 UM Tower, 28th Floor, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok.

The Company and its subsidiaries (“Group”) manufacture and distribute transformers and install solar farms.

The Company has the following four branches:

Factory 1: 190/1 Moo 6 Hoklee Canal, Bangpakong River, Tambon Thasa-An, Amphur Bangpakong, Chachoengsao Province.

Factory 2: 7/242 Moo 6 Tambon Mabyangporn, Amphur Pluakdang, Rayong Province.

Solar thermal power plants:

Factory 1: 365, 365/1 Moo 3 Tambon Kroksoomboon Amphur Sri-mahapo Prachinburi Province.

Factory 2: 78 Moo 9 Tambon Lahore Amphur Bang Bua Thong Nonthaburi Province.

2. Basis of preparation of the financial statements

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with Notification of the Department of Business Development, dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on the Thai version.



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

Preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Coronavirus Pandemic 2019 (COVID-19)

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

Basis of preparation of consolidation financial statements

a) The consolidated financial statements include the financial statements of the Company and its subsidiaries (together referred to as “Group”) are as follows:

| Name | Nature of business | Incorporation | % of shareholding | |
|-------------------------|---|---------------|-------------------|-------|
| | | | 2020 | 2019 |
| Ekarat Solar Co., Ltd. | Distributor of solar cell and solar panel | Thailand | 99.99 | 99.99 |
| Ekarat Energy Co., Ltd. | Operate on solar electric power | Thailand | 51.00 | 51.00 |



b) A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements present investments in subsidiaries according to the Cost Method.

New financial reporting standards and accounting treatment guidance

(a) Financial reporting standards that became effective in the current year

During the year 2020, the Company and its subsidiaries adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards seek alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of either the Company or its subsidiaries, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases. The changes to key principles and impacts are summarized as follows:

Financial reporting standards related to financial instruments

TFRSs related to financial instruments consists of the following five accounting standards and interpretations:

Financial reporting standards:

TFRS 7

Financial Instruments: Disclosures

TFRS 9

Financial Instruments



Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs, related to financial instruments, make stipulations related to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17

Impact on the financial information

The Group has adopted these two groups of reporting standards as from January 1, 2020 under the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 is as follows:



Unit: Baht

Consolidated financial statements

Statement of financial position

Assets

Current assets

| | | | | |
|-------------------------------|--------|----------|---|--------|
| Short-term investments - net | 34,542 | (34,542) | - | - |
| Current financial asset - net | - | 34,542 | - | 34,542 |

Non-current assets

| | | | | |
|--|-------------|--------------|--------------|-------------|
| Property, plant and equipment - net | 657,573,396 | - | (14,571,462) | 643,001,934 |
| Right-of-use assets - net | - | - | 67,491,004 | 67,491,004 |
| Intangible assets - net | 8,817,118 | - | (8,344,325) | 472,793 |
| Restricted deposits with banks | 19,650,000 | (19,650,000) | - | - |
| Non-current financial asset | - | 19,650,000 | - | 19,650,000 |
| Prepaid rent under operating lease - net | 4,473,569 | - | (4,473,569) | - |

Liabilities and shareholders' equity

Current liabilities

| | | | | |
|--------------------------------------|-----------|---|-----------|-----------|
| Current portion of lease liabilities | 5,449,076 | - | 1,219,468 | 6,668,544 |
|--------------------------------------|-----------|---|-----------|-----------|

Non-current liabilities

| | | | | |
|-------------------------|-----------|---|------------|------------|
| Lease liabilities - net | 7,855,096 | - | 38,882,180 | 46,737,276 |
|-------------------------|-----------|---|------------|------------|



Unit: Baht

| Separate financial statements | | | |
|-------------------------------|---|---------|-----------------------------|
| As at December 31, 2019 | Financial reporting standards related to financial instruments | TFRS 16 | As at January 1, 2020 |

Statement of financial position

Assets

Current assets

| | | | | |
|-------------------------------|--------|----------|---|--------|
| Short-term investments - net | 34,542 | (34,542) | - | - |
| Current financial asset - net | - | 34,542 | - | 34,542 |

Non-current assets

| | | | | |
|---|-------------|--------------|--------------|-------------|
| Property, plant and equipment - net | 657,573,396 | - | (14,571,462) | 643,001,934 |
| Right-of-use assets - net | - | - | 67,491,004 | 67,491,004 |
| Intangible assets - net | 8,817,118 | - | (8,344,325) | 472,793 |
| Restricted deposits with banks | 19,650,000 | (19,650,000) | - | - |
| Non-current financial asset | - | 19,650,000 | - | 19,650,000 |
| Prepaid rent under operating lease - net | 4,473,569 | - | (4,473,569) | - |

Liabilities and shareholders' equity

Current liabilities

| | | | | |
|--------------------------------------|-----------|---|-----------|-----------|
| Current portion of lease liabilities | 5,449,076 | - | 1,219,468 | 6,668,544 |
|--------------------------------------|-----------|---|-----------|-----------|

Non-current liabilities

| | | | | |
|-------------------------|-----------|---|------------|------------|
| Lease liabilities - net | 7,855,096 | - | 38,882,180 | 46,737,276 |
|-------------------------|-----------|---|------------|------------|

The change in the accounting policies due to the adoption of the TFRSs, Financial Instruments and TFRS 16, Leases, has not affected retained earnings as at January 1, 2020.

Lease agreement

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 Leases. Right-of-use assets were measured at amounts equal to the lease liability, and recognised in the statement of financial



position immediately before the date of initial application. These liabilities were measured at the present value by discounting remaining lease payments using the Group's implicit interest rate. The Group and the Company's implicit interest rate applied to the lease liabilities as at January 1, 2020 was 4.5%

For leases previously classified as finance leases applying TAS 17, the Group recognised the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

(b) Revised financial reporting standards

In January 2021, the Federation of Accounting Professions announced the new TFRS 16 Lease (revised 2020), which was amended to provide the following two practical forms of relief:

- 1) Rent concessions to lessees as a result of the COVID-19 pandemic:

A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.

- 2) Lease modifications as a result of interest rate benchmark reform:

This will be effective for fiscal periods beginning on or after January 1, 2022.

The management of the Group believes that the revised financial reporting standards will not have any significant impact to the financial statements when it is adopted.

(c) Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19."

The Accounting Treatment Guidance was published in the Royal Government Gazette on April 22, 2020, and is effective for financial statements prepared for reporting periods between January 1, 2020 and December 31, 2020.

Among the temporary relief measures on accounting alternatives, the Group has elected not to consider forward-looking information to measure the expected credit losses of trade receivable when using simplified approach.

3. Significant accounting policies and accounting judgments and estimates

3.1 Significant accounting policies

Revenue recognition

Sales are recognized upon the transfer of ownership to customers in exchange for the consideration to which the Company is entitled. Sales are shown net of sales taxes and discounts.



- Revenue from service and maintenance is recognized upon service completion and in accordance with the service contract.
- Revenue from installation of solar electric generating systems is recognized when a performance obligation is satisfied over the period of the contract by measuring progress towards complete satisfaction of that performance obligation by referencing the completion of a physical proportion of the contract work performed as assessed by the project engineers.

Recognized revenue not yet due according to the contracts has been presented under the caption of “Contract asset” in the statement of financial position. The amounts recognized are reclassified to trade receivables when the Group’s right to consideration is unconditional, such as upon completion of services and acceptance by the customer.

Amounts received by the Group or that are due from customers with the obligation to transfer services to customers are presented under the caption of “Contract liability” in the statement of financial position. Contract liabilities are classified as “Advance received for goods and services” and will be recognized as revenue when the obligation satisfied under the term of contract.

- The Group recognizes revenue from sales of electricity when electricity is distributed to customers. Sales are recognized based on units of sale delivered at the applicable tariff rates.

The Group received a subsidy from government for the purchase of the electricity, in accordance with project support for a small-scale solar electricity generator, at the rate of Baht 8 per kilowatt-hour in compliance with the announcement of the Provincial Power Authority and the Resolution of the Board of Energy Policy, dated March 9, 2009. The subsidy period is 10 years from the electricity trade date. The Company started trading electricity on April 2010. Such subsidy is recognized as income when the electricity is distributed to the Provincial Power Authority.

- Rental income is recognized based on the term of the lease.
- Interest income is recognized on an accrual basis based on the effective interest rate.
- Other income is recognized on an accrual basis.

Expense recognition

- Costs of installation of solar electric generating systems are recognized when a performance obligation is satisfied over the period of the contract by measuring progress towards complete satisfaction of that performance obligation by referencing the completion of a physical proportion of the contract work performed as assessed by the project engineers. The estimated total cost is determined by the Group’s project engineers or its responsible person, but such estimate is subject to change. Expected loss from each project is provided and charged as an expense in the



period when the estimated total costs of the project exceed its total contracted income.

The actual cost of services incurred but not yet recognized as cost of services in profit or loss is referred to as “Work in process” under current assets in the statement of financial position, while contracts whose calculated costs of construction exceed incurred costs of construction are shown as “Accrued expense” under current liabilities in the statement of financial position.

Work in process includes the cost of raw materials, direct labor and other expenses incurred for each project. Such work in progress is valued at the lower of cost or net realizable value.

- Payments made under operating leases are recognized in profit or loss according to the straight-line method over the term of the lease. Contingent rentals are charged to profit or loss for the accounting period in which they are incurred.

- Financial cost consists of interest expenses or other expenses of a similar nature charged to profit or loss in the year such expenses are incurred except where they are partly recorded as cost of assets due to the effect of the long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amounts under finance lease contracts is charged to profit or loss by the effective rate method.

- Other expenses are recognized on an accrual basis

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits in the forms of savings and current accounts, and fixed accounts that do not exceed three months and that are not subject to withdrawal restrictions.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9’s simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventories

Inventories are recorded at cost adjusted by allowance for inventories that are slow-moving or obsolete (if any) or net realizable value, whichever is the lower. Cost is computed as follows:

Raw materials and supplies are valued at cost by using the first-in, first-out method.



Finished goods and work in process are valued at cost by using the specific identification method.

Net realizable value is the estimated selling price in the ordinary course of business less the expenses necessary to make the sale.

Financial assets and financial liabilities

Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.



- FVOCI: A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- FVPL: A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

Investments

In the separate financial statements, investments in subsidiary companies are recorded according to the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in profit or loss when the investments have been disposed or impaired.



Investment properties

Investment properties are recorded at cost. Afterward, the Group recorded the investment properties, which is land at cost less allowance for accumulated impairment (if any).

The Group recognized the difference between the net amount received from disposal and the carrying amount of the asset in profit or loss in the period the investment properties were removed from the account.

Assets for rent

Assets for rent are inventories for rent or loans to customers that have been recorded at the initial value at cost. Afterward, the Group recorded assets for rent at cost less accumulated depreciation and allowance for accumulated impairment (if any). Depreciations are calculated by the straight-line method over the useful life for five years.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Afterward, the Group recorded the property, plant and equipment at cost less accumulated depreciation and allowance for accumulated impairment (if any) and depreciation is calculated by the straight-line method over the following estimated useful lives:

| | Estimated useful lives (years) |
|-----------------------------------|-----------------------------------|
| Office buildings and construction | 10-40 |
| Machinery, tools and equipment | 5-25 |
| Furniture and office equipment | 3-5 |
| Vehicles | 5 |

The Group did not carry depreciation for land, land improvements and assets under construction. In the case of impairment of assets, the Group will calculate the depreciation of the assets using the carrying amount after deducting allowance for loss on impairment (if any) over the remaining useful life of the asset.

Property, plant and equipment shall be eliminated from accounts on disposal or where no future economic benefits are expected from their usage or disposal. Profit or loss arising on disposal is recognized in profit or loss when such asset is eliminated from accounts.

Intangible assets

Intangible assets are shown at cost less accumulated, amortized expenses and allowance for impairment (if any) of that asset. The Group amortizes intangible assets with certain useful lives systematically throughout the useful life of individual asset and will review the period and method for amortization of intangible assets with certainty in useful life at least at the end of every year. Amortized expenses will be recognized in profit or loss based on period during which economic benefits are expected from the assets.

Impairment of assets

The Company and subsidiaries have considered the impairment of assets-property, plant and equipment, investments and intangible assets and other non-current assets whenever events or changes indicate that the carrying amount of an asset exceeds recoverable amount (net selling price of the asset under the normal course of operations or its utilization value, whichever is higher) by considering the impairment for each asset item or each asset unit generating cash flow, whichever is practical.

If the carrying amount of an asset exceeds its net realizable value, the Company and subsidiaries will recognize an impairment loss in the statements of comprehensive income for the period or decrease appraisal surplus if those assets have been revaluated and recorded as appraisal surplus included in shareholders' equity. The Company and subsidiaries will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment as "other income" or "appraisal surplus," whichever is practical.

Trade and other payables

Trade and other payables are stated at cost.

Interest bearing liabilities

Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as expense for the year.

Employee benefits

Short-term employee benefits

The Group recognizes salaries, wages, bonuses, and contributions to the social security fund and its provident fund as expenses on an accrual basis.



Post-employment benefits

The Group has severance pay obligations to employees upon their retirement under labor law. The defined benefits plan is defined as a post-employment benefit plan.

The obligation under the defined benefits plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The Projected Unit Credit Method, allocates benefits for the current period and previous period that must be paid to an employee who provided services to the Group throughout various periods according to the calculation formula of the benefits of the project. And, accordingly, such benefits will be allocated according to the straight-line method throughout the service life of the employee until retirement.

Current service costs, past service costs and gains and losses on settlement including gains and losses from reducing project size and project benefit payments when reducing project size will be recognized in the income statement for the period during which the transaction occurs. Actuarial gains and losses arising from post-employment benefits are recognized immediately in profit or loss.

The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

Estimation of liabilities

Provisions are recognized when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Leases

Leases - where the Group is the lessee

At inception of a contract, the Group assesses whether the 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 Group recognizes right-of-use ("ROU") asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.



The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further



reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

Foreign currency transactions are translated into Baht at the rates prevailing on the dates of their occurrence. Monetary assets and liabilities denominated in foreign currency that are outstanding at the period then ended are translated into Thai Baht at the foreign exchange rate prevailing at that date. Exchange gains or losses from translations are included as income or expenses in the income statement for the year.

Non-monetary assets and liabilities, which are derived from accounting items denominated in foreign currencies, are recorded at their initial cost and then converted into Baht using exchange rates prevailing on that date.

Income tax

Income tax expenses for the year comprise current and deferred tax. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to items recognized directly in shareholders' equity or in other comprehensive income.

Current tax

The Group recognizes current tax at the amount expected to be paid to the taxation authorities, calculated based on taxable profits in accordance with the Revenue Code.

Deferred tax

The Group recognizes deferred tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using tax rates enacted at the end of the reporting period.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.



Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Group and the Company.

They also include associated companies and individuals that directly or indirectly own a voting interest in the Company giving them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Group and the Company's operations.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there is no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and that maximize the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Basis earnings per share

Basis earnings per share are calculated by dividing profit for the year of the Company (excluding other comprehensive income) by the weighted average number of issued and fully paid shares during the accounting year.



Segment information

Sectorial business operations are disclosed under the separate business sectors of the Group. The business segment is the business sector that sources products or provides services which have different risk and return from the risks and return of the products or services provided by other business sectors.

Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include bank deposits, trade receivables and payables, other receivables and payables, loan receivables and payables, and receivables and payables under financial lease contracts. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make significant judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, management is required to use judgement regarding whether each obligation to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other obligation in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognizes revenue over time if the:

- Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- Entity's performance creates or enhances a customer controlled asset as the asset is created or enhanced; and



- Entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognized over time, management is required to use judgement to measure progress towards complete satisfaction of a performance obligation based on information provided by the Group's project managers and certificates of works from its customers.

Allowance for devaluation of inventories

In determining the reduced cost of inventories to net realizable value, management makes judgment and estimates of the net realizable value of inventories based on the amount the inventories that are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, management makes judgement and estimates about expected losses from stock obsolescence based upon aging profile of inventories and prevailing economic conditions.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Impairment of investment in subsidiary

The Company treats investment in its subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what constitutes "significant" or "prolonged" requires judgment by management.

Property, plant and equipment and depreciation

In determining depreciation of property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount.



This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Post-employment benefits under defined benefit plans

Obligations under defined benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

4. Transactions with related parties

The Company has significant transactions with related parties, which are directly and indirectly related through inter-company shareholding or common shareholders and directorships. The related transactions comply with the terms and conditions specified in the agreement between the Company and the concerned parties.

4.1 Relationship among the parties

| Name | Country | Nature of relationships | Related by |
|---|----------|-------------------------|--|
| Ekarat Solar Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 99.99% |
| Ekarat Energy Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 51% |
| "SKP Consulting and Engineering Co.,Ltd." | Thailand | Related Company | The company that is close person of the directors being the shareholder and director |

Balances with related parties as at December 31, 2020 and 2019 are as follows:



4.2 Other receivables – related company

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|-----------------------------------|------|-------------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Other receivables | | | | |
| Ekarat Energy Co., Ltd. | - | - | 60,000 | 36,000 |

4.3 Short-term loans and interest receivables to related parties – net

Short-term loans and interest receivables to related parties - net as at December 31, 2020 and 2019 are as follows:

Unit: Baht

| | Separate financial statements | | | |
|--|-------------------------------|----------|-------------|-------------------|
| | December 31, 2019 | Increase | Decrease | December 31, 2020 |
| Short-term loans | | | | |
| Ekarat Solar Co., Ltd. | 10,496,986 | - | - | 10,496,986 |
| Ekarat Energy Co., Ltd. | 6,000,000 | - | (6,000,000) | - |
| Total | 16,496,986 | - | (6,000,000) | 10,496,986 |
| Interest receivables | | | | |
| Ekarat Solar Co., Ltd. | 15,817 | 485,982 | - | 501,799 |
| Ekarat Energy Co., Ltd. | 97,521 | 49,057 | (146,578) | - |
| Total | 113,338 | 535,039 | (146,578) | 501,799 |
| Total short-term loans and interest receivables | 16,610,324 | 535,039 | (6,146,578) | 10,998,785 |
| Less allowance for expected credit loss | (10,512,803) | | | (10,998,785) |
| Short-term loans and interest receivables - net | 6,097,521 | | | - |





4.5 Remuneration of key management

Remuneration of key management for the years ended December 31, 2020 and 2019 consisted of:

Unit: Baht

Benefit - short-term
Benefit - after retirement
Directors' remuneration
Total

| Consolidated and Separate financial statements | |
|--|------------|
| 2020 | 2019 |
| 21,448,400 | 24,759,000 |
| 763,500 | 545,160 |
| 5,492,083 | 5,508,000 |
| 27,703,983 | 30,812,160 |

5. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2020 and 2019 are as follows:

Unit: Baht

Cash on hand
Current accounts
Savings deposit
Cheque due for deposit
Total cash and cash equivalents

| Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|------------|-------------------------------|------------|
| 2020 | 2019 | 2020 | 2019 |
| 794,834 | 746,433 | 785,000 | 730,000 |
| 3,122,091 | 12,602,714 | 3,122,091 | 12,602,714 |
| 56,320,199 | 22,776,824 | 55,131,739 | 19,080,722 |
| 969,779 | 5,246,891 | 969,779 | 5,246,891 |
| 61,206,903 | 41,372,862 | 60,008,609 | 37,660,327 |

6. Current financial assets - net

Current financial assets - net as at December 31, 2020 and 2019 is as follows:

Unit: Baht

Investment in equity instrument on marketable securities
Loss from change in fair value
Total current financial assets - net

| Consolidated and Separate financial statements | |
|--|-------------|
| 2020 | 2019 |
| 1,128,315 | 1,128,315 |
| (1,128,315) | (1,093,773) |
| - | 34,542 |



As at December 31, 2020 and 2019, the fair value of equity instrument on marketable securities, arranged in Tier 1, calculation by the last offer price.

As at December 31, 2020 and 2019, there was movement in the loss from change in fair value of current financial assets as follows:

| Unit: Baht | | |
|--|------------------|------------------|
| Consolidated and Separate financial statements | | |
| | 2020 | 2019 |
| Balance as beginning of years | 1,093,773 | 1,093,773 |
| Increase during the years | 34,542 | - |
| Balance as the ending of years | 1,128,315 | 1,093,773 |

7. Trade and other current receivables - net

Trade and other current receivables - net as at December 31, 2020 and 2019 are as follows:

| Unit: Baht | | | | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade receivables | | | | |
| - Trade receivables - other parties | 234,736,978 | 399,579,323 | 228,770,973 | 393,887,391 |
| Contract assets | 19,468,358 | 22,552,053 | 17,366,879 | 14,548,453 |
| Post-dated cheque | 18,331,286 | 13,100,063 | 18,331,286 | 13,100,063 |
| Total trade receivables | 272,536,622 | 435,231,439 | 264,469,138 | 421,535,907 |
| Less allowance for expected credit loss | (20,415,456) | (18,912,780) | (14,781,151) | (13,720,848) |
| Total trade receivables - net | 252,121,166 | 416,318,659 | 249,687,987 | 407,815,059 |
| Other current receivables | | | | |
| - Other receivables - related party | - | - | 60,000 | 36,000 |
| - Other receivables - other parties | 4,779,010 | 4,766,931 | 4,779,010 | 4,766,931 |
| Prepaid expenses | 12,880,136 | 4,864,279 | 12,880,136 | 4,864,279 |
| Others | 1,834,761 | 2,583,082 | 1,834,935 | 2,415,666 |
| Total other current receivables | 19,493,907 | 12,214,292 | 19,554,081 | 12,082,876 |
| Less allowance for expected credit loss | (4,199,375) | (4,351,926) | (4,199,375) | (4,199,375) |
| Total other current receivables - net | 15,294,532 | 7,862,366 | 15,354,706 | 7,883,501 |
| Total trade and other current receivables - net | 267,415,698 | 424,181,025 | 265,042,693 | 415,698,560 |



As at December 31, 2020 and 2019, the Company's trade receivables can be analyzed as follows:

| Unit: Baht | | | | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade receivables - other parties | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 106,892,520 | 257,390,780 | 106,892,520 | 256,890,780 |
| Over due | | | | |
| Less than 3 months | 83,687,592 | 103,082,762 | 83,355,892 | 103,082,762 |
| From 3 months to 6 months | 6,979,734 | 10,916,413 | 6,979,734 | 10,916,413 |
| From 6 months to 12 months | 6,834,393 | 6,274,171 | 6,834,393 | 6,274,171 |
| More than 12 months | 30,342,739 | 21,915,197 | 24,708,434 | 16,723,265 |
| Total | 234,736,978 | 399,579,323 | 228,770,973 | 393,887,391 |
| Contract assets | | | | |
| Aged on the basis of services dates | | | | |
| Less than 3 months | 16,339,180 | 20,448,589 | 16,238,600 | 12,444,989 |
| From 3 months to 6 months | 672,565 | 1,246,163 | 672,565 | 1,246,163 |
| From 6 months to 12 months | 2,402,154 | 597,191 | 401,255 | 597,191 |
| More than 12 months | 54,459 | 260,110 | 54,459 | 260,110 |
| Total | 19,468,358 | 22,552,053 | 17,366,879 | 14,548,453 |
| Post-dated cheque | | | | |
| Not yet due | 18,331,286 | 13,100,063 | 18,331,286 | 13,100,063 |
| Total | 272,536,622 | 435,231,439 | 264,469,138 | 421,535,907 |
| Less allowance for expected credit loss | (20,415,456) | (18,912,780) | (14,781,151) | (13,720,848) |
| Total trade receivables - net | 252,121,166 | 416,318,659 | 249,687,987 | 407,815,059 |

The normal credit terms for a Group customer are approximately 30 - 90 days with average age of 30-90 days for a post-dated cheque.

As at December 31, 2020, part of trade receivable overdue more than 12 months represent receivable which is under installment payments.

For the year ended December 31, 2020, movement in the allowance for expected credit loss of trade receivables and contract assets are as follows:

| Unit: Baht | | |
|---------------------------------------|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| | 2020 | 2019 |
| As at January 1, | 18,912,780 | 13,720,848 |
| Increase during the year | 2,499,018 | 2,056,645 |
| Less reversal of expected credit loss | (996,342) | (996,342) |
| As at December 31, | 20,415,456 | 14,781,151 |



8. Inventories – net

Inventories - net as at December 31, 2020 and 2019 are as follows:

| | Unit : Baht | | | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Raw materials | 172,478,915 | 204,667,997 | 172,033,655 | 201,234,114 |
| Raw materials - in transit | 15,436,948 | 16,692,294 | 15,436,948 | 16,692,294 |
| Work in process | 111,156,842 | 97,622,137 | 111,156,842 | 97,622,137 |
| Finished goods | 106,450,010 | 137,132,892 | 104,760,795 | 135,443,677 |
| Supplies | 5,984,920 | 6,183,346 | 5,947,420 | 6,145,847 |
| Total | 411,507,635 | 462,298,666 | 409,335,660 | 457,138,069 |
| Less allowance for decline in value of goods | (31,425,098) | (32,671,716) | (29,253,123) | (27,511,119) |
| Total inventories - net | 380,082,537 | 429,626,950 | 380,082,537 | 429,626,950 |

For the year ended December 31, 2020, the Group's movement of allowance for the decline in value of goods (cost of goods exceeding net realizable value and allowance for deteriorated and obsolete goods) was as follows:

| | Unit : Baht | |
|---|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| As at January 1, 2020 | 32,671,716 | 27,511,119 |
| Add Loss on provision of declining in value of inventories | 13,062,188 | 13,062,188 |
| Less Disposal of the deteriorate inventories | (13,551,101) | (10,562,479) |
| Transferred to assets | (757,705) | (757,705) |
| As at December 31, 2020 | 31,425,098 | 29,253,123 |

9. Investments in subsidiary companies – net

Investments in subsidiary companies - net as at December 31, 2020 and 2019 are as follows:

| | Unit : Million Baht | | | | | | | | | |
|-------------------------|--------------------------------|-------|--------------------------------------|-------|-------------------------------|-----------------|--------------------------|-----------------|-------------|-------------|
| | Percentage of Shareholding (%) | | Paid-up share Capital (Million Baht) | | Separate financial statements | | | | | |
| | | | | | Cost method | | Allowance for impairment | | Net | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Ekarat Solar Co., Ltd. | 99.99 | 99.99 | 1,000 | 1,000 | 999.99 | 999.99 | (999.99) | (999.99) | - | - |
| Ekarat Energy Co., Ltd. | 51.00 | 51.00 | 2.50 | 2.50 | 1.27 | 1.27 | - | - | 1.27 | 1.27 |
| Total | | | | | 1,001.26 | 1,001.26 | (999.99) | (999.99) | 1.27 | 1.27 |



On March 28, 2019, the Company sold its 49% stake in a subsidiary, Ekarat Energy Co.,Ltd., to a third party for total amount of Baht 1.23 million. As a result, its shareholding in such subsidiary changed from 99.99% to 51%. The surplus on change in its investment proportion, valued at Baht 0.36 million, is presented under shareholders' equity.

10. Non – current finance assets – net

Non – current finance assets – net as at December 31, 2020 are as follows:

Unit : Baht

| Consolidated and Separate financial statements | | | | | | |
|--|--|----------------|-------|--|----------------|-------|
| Level of fair value | December 31, 2020 | | | January 1, 2020 | | |
| | Fair value either through other comprehensive income | Amortised cost | Total | Fair value either through other comprehensive income | Amortised cost | Total |

Non - current finance assets - net

Investments in common stock -

non listed companies

ระดับ 3

-

-

-

-

-

-

Deposits at financial institutions

with collateral obligations

ระดับ 1

-

19,650,000.00

19,650,000.00

-

19,650,000.00

19,650,000.00

Total

-

19,650,000.00

19,650,000.00

-

19,650,000.00

19,650,000.00

Investments in common stock - non listed companies - net as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

| | Percentage of Shareholding (%) | | Paid-up share Capital (Million Baht) | | Consolidated and Separate financial statements | | | | | |
|--------------------------------|--------------------------------|------|--------------------------------------|------|--|-------------|--------------------------|---------------|----------|----------|
| | | | | | Cost method | | Allowance for impairment | | Net | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| G.E.C. Engineering Co.,Ltd. | 1.19 | 1.19 | 230 | 230 | 2.73 | 2.73 | (2.73) | (2.73) | - | - |
| Saha Karn Engineering Co.,Ltd. | 0.04 | 0.04 | 403 | 403 | 0.16 | 0.16 | (0.16) | (0.16) | - | - |
| Total | | | | | 2.89 | 2.89 | (2.89) | (2.89) | - | - |

As at December 31, 2020 and 2019, restricted bank deposits are used to guarantee credit and obligations with commercial banks as mentioned in Notes 18, 21 and 31.1.



11. Investment properties – net

Investment properties – net as at December 31, 2020 and 2019 are as follows:

| | | Unit : Baht | |
|-------------------------------|--|--|--------------|
| | | Consolidated and Separate financial statements | |
| | | 2020 | 2019 |
| Cost | | 12,973,886 | 12,973,886 |
| Less allowance for impairment | | (11,342,131) | (11,342,131) |
| Net | | 1,631,755 | 1,631,755 |

As at December 31, 2020 and 2019, the Company and a related company jointly registered ownership of land, valued of Baht 12.42 million, with an area of 136 rai 1 ngan and 67 square wah. (Total cost is Baht 17.92 million).

According to the “Market Approach”, the investment property has a Level 3 fair value.



12. Assets for rent - net

For the years ended December 31, 2020, the movement of assets for rent - net are as follows:

| | Unit: Baht | | | | |
|--|--|--|--------------------------------|----------------------|--------------|
| | Consolidated and Separate financial statements | | | | |
| | Repurchased transformer | Transformer reserved at service center | Transformer for borrow or rent | Solar panet for rent | Total |
| Cost | | | | | |
| Balance as at January 1, 2020 | 19,534,311 | 2,373,210 | 6,297,440 | 107,356 | 28,312,317 |
| Acquisition | 2,575,750 | - | - | - | 2,575,750 |
| Transfer In (Transfer out) | 4,419,801 | 77,742 | (1,926,718) | (1,879) | 2,568,946 |
| Disposal | (3,682,744) | - | - | - | (3,682,744) |
| Balance as at December 31, 2020 | 22,847,118 | 2,450,952 | 4,370,722 | 105,477 | 29,774,269 |
| Accumulated depreciation | | | | | |
| Balance as at January 1, 2020 | (15,782,095) | (2,362,642) | (5,626,531) | - | (23,771,268) |
| Depreciation for the year | (810,386) | (63,043) | (289,883) | - | (1,163,312) |
| (Transfer in) Transfer out | (3,761,665) | 201,649 | 2,238,372 | - | (1,321,644) |
| Disposal | 1,855,241 | - | - | - | 1,855,241 |
| Balance as at December 31, 2020 | (18,498,905) | (2,224,036) | (3,678,042) | - | (24,400,983) |
| Accumulated allowance for impairment | | | | | |
| Balance as at January 1, 2020 | (1,212,309) | - | - | (93,341) | (1,305,650) |
| Decreases during the year | 270,375 | - | - | 93,341 | 363,716 |
| Balance as at December 31, 2020 | (941,934) | - | - | - | (941,934) |
| Net book value | | | | | |
| As at December 31, 2020 | 3,406,279 | 226,916 | 692,680 | 105,477 | 4,431,352 |
| As at December 31, 2019 | 2,539,907 | 10,568 | 670,909 | 14,015 | 3,235,399 |
| Depreciations in the statements of profit or loss for the years | | | | | |
| Ended December 31, 2020 | | | | | 1,163,312 |
| Ended December 31, 2019 | | | | | 1,138,884 |



13. Property, plant and equipment - net

For the years ended December 31, 2020, the movements of property, plant and equipment - net are as follows:

Unit: Baht

| | Consolidated financial statements | | | | | | |
|---|-----------------------------------|---------------------------|--------------------------------|--------------------------------|--------------|-------------------------|-----------------|
| | Land and land improvement | Building and construction | Machinery, tools and equipment | Furniture and office equipment | Vehicles | Work under construction | Total |
| Cost | | | | | | | |
| Balance as at January 1, 2020 | 104,034,296 | 940,464,070 | 1,547,543,573 | 77,986,640 | 78,773,403 | 13,536,153 | 2,762,338,135 |
| Acquisition | - | 2,306,860 | 10,599,628 | 2,116,522 | 78,000 | 6,132,102 | 21,233,112 |
| Transfer in (Transfer out) | - | 12,932,747 | 2,271,609 | 204,709 | - | (16,288,112) | (879,047) |
| Disposal | - | (76,000) | (5,369,141) | (157,435) | (17,469,159) | - | (23,071,735) |
| Transfer to right-of-use assets | - | - | (8,118,309) | - | (17,213,688) | - | (25,331,997) |
| Balance as at December 31, 2020 | 104,034,296 | 955,627,677 | 1,546,927,360 | 80,150,436 | 44,168,556 | 3,380,143 | 2,734,288,468 |
| Accumulated depreciation | | | | | | | |
| Balance as at January 1, 2020 | - | (457,139,882) | (892,033,093) | (69,777,786) | (65,009,383) | - | (1,483,960,144) |
| Depreciation for the year | - | (22,779,920) | (35,179,342) | (3,535,587) | (1,379,177) | - | (62,874,026) |
| Transfer out | - | - | 411,457 | - | - | - | 411,457 |
| Disposal | - | 24,108 | 3,520,375 | 156,767 | 16,865,880 | - | 20,567,130 |
| Transfer to right-of-use assets | - | - | 2,524,463 | - | 8,236,072 | - | 10,760,535 |
| Balance as at December 31, 2020 | - | (479,895,694) | (920,756,140) | (73,156,606) | (41,286,608) | - | (1,515,095,048) |
| Accumulated allowance for impairment: | | | | | | | |
| Balance as at January 1, 2020 | - | (124,418,206) | (495,180,401) | (58,426) | - | (1,147,562) | (620,804,595) |
| Increase (Decrease) during the year | - | - | 1,054,419 | - | - | (15,683) | 1,038,736 |
| Balance as at December 31, 2020 | - | (124,418,206) | (494,125,982) | (58,426) | - | (1,163,245) | (619,765,859) |
| Net book value | | | | | | | |
| As at December 31, 2020 | 104,034,296 | 351,313,777 | 132,045,238 | 6,935,404 | 2,881,948 | 2,216,898 | 599,427,561 |
| As at December 31, 2019 | 104,034,296 | 358,905,982 | 160,330,079 | 8,150,428 | 13,764,020 | 12,388,591 | 657,573,396 |
| Depreciations in the statements of profit or loss for the year | | | | | | | |
| Ended December 31, 2020 | | | | | | | 62,874,026 |
| Ended December 31, 2019 | | | | | | | 64,566,128 |



Unit : Baht

Separate financial statements

| | Land and land improvement | Building and construction | Machinery, tools and equipment | Furniture and office equipment | Vehicles | Work under construction | Total |
|---|---------------------------|---------------------------|--------------------------------|--------------------------------|--------------|-------------------------|-----------------|
| Cost | | | | | | | |
| Balance as at January 1, 2020 | 112,075,491 | 772,164,386 | 1,087,650,769 | 68,976,283 | 79,109,403 | 13,704,189 | 2,133,680,521 |
| Acquisition | - | 2,306,860 | 10,599,628 | 2,116,522 | 78,000 | 6,132,102 | 21,233,112 |
| Transfer in (Transfer out) | - | 12,932,747 | 2,271,609 | 204,709 | - | (16,288,112) | (879,047) |
| Disposal | - | (76,000) | (5,369,141) | (157,435) | (17,469,159) | - | (23,071,735) |
| Transfer to right-of-use assets | - | - | (8,118,309) | - | (17,213,688) | - | (25,331,997) |
| Balance as at December 31, 2020 | 112,075,491 | 787,327,993 | 1,087,034,556 | 71,140,079 | 44,504,556 | 3,548,179 | 2,105,630,854 |
| Accumulated depreciation | | | | | | | |
| Balance as at January 1, 2020 | - | (361,763,899) | (590,499,966) | (60,376,732) | (65,377,332) | - | (1,078,017,929) |
| Depreciation for the year | - | (22,483,255) | (35,179,342) | (3,535,587) | (1,379,177) | - | (62,577,361) |
| Transfer out | - | - | 411,457 | - | - | - | 411,457 |
| Disposal | - | 24,108 | 3,520,375 | 156,767 | 16,865,881 | - | 20,567,131 |
| Transfer to right-of-use assets | - | - | 2,524,463 | - | 8,236,072 | - | 10,760,535 |
| Balance as at December 31, 2020 | - | (384,223,046) | (619,223,013) | (63,755,552) | (41,654,556) | - | (1,108,856,167) |
| Accumulated allowance for impairment: | | | | | | | |
| Balance as at January 1, 2020 | - | (101,347,314) | (300,054,174) | (51,804) | - | (1,147,562) | (402,600,854) |
| (Increase) Decrease during the year | - | - | 1,054,419 | - | - | (15,683) | 1,038,736 |
| Balance as at December 31, 2020 | - | (101,347,314) | (298,999,755) | (51,804) | - | (1,163,245) | (401,562,118) |
| Net book value | | | | | | | |
| As at December 31, 2020 | 112,075,491 | 301,757,633 | 168,811,788 | 7,332,723 | 2,850,000 | 2,384,934 | 595,212,569 |
| As at December 31, 2019 | 112,075,491 | 309,053,173 | 197,096,629 | 8,547,747 | 13,732,071 | 12,556,627 | 653,061,738 |
| Depreciations in the statements of profit or loss for the year | | | | | | | |
| Ended December 31, 2020 | | | | | | | 62,577,361 |
| Ended December 31, 2019 | | | | | | | 64,269,461 |

As at December 31, 2018, the management of the Group has assessed the net realizable value of assets in the production and distribution section of solar cells panels by independent appraisers approved by the Securities and Exchange Commission of Thailand (SEC). The results showed that the expected return value of the assets (calculated by cost method) is lower than the book value of



assets according to the consolidated and separate financial statements in the amount of Baht 347.61 million. Therefore the management considered to record the allowance for impairment of assets in the consolidated and separate statement of income for the year 2018 in whole amount. As at December 31, 2020 and 2019, the Company has net book value of these unused assets of Baht 110.98 million and Baht 123.94 million respectively.

As at December 31, 2020 and 2019, assets under the Project Solar Farm, with booked values of Baht 133.37 million and Baht 141.07 million, respectively, are assets that the Company has right to utilize in its sale of electricity from a government agency for a 25-year term.. Such project is situated on land owned by multiple parties, as discussed in Note to Financial Statements No. 14.

As at December 31, 2020 and 2019, the assets, costing Baht 581.30 million and Baht 550.87 million respectively, were fully depreciated. However, most of such assets are still in use.

As at December 31, 2020 and 2019, the Group mortgaged land with constructions with carrying amounts of Baht 180.18 million and Baht 189.41 million respectively, as well as buildings and machinery with carrying amounts of Baht 50.19 million and Baht 64.09 million respectively, as collateral against credit facilities and obligations with commercial banks as mentioned in Notes to Financial Statements 18, 21 and 31.1.

As at December 31, 2020 and 2019, the Group has unused assets with booked values of Baht 118.79 million and Baht 132.73 million, respectively.



14. Right-of-use assets – net

Movements of the right-of-use assets during the year ended December 31, 2020 are summarized below.

| | Unit: Baht | | | | |
|--|--|--------------------------------|--------------------------------|--------------|--------------|
| | Consolidated and Separate financial statements | | | | |
| | Land usage | Machinery, tools and equipment | Furniture and office equipment | vehicles | Total |
| Cost | | | | | |
| Balance as at January 1, 2020 - before restated | - | - | - | - | - |
| Adjustments of right-of-use assets due to TFRS 16 adoption | 40,101,648 | - | - | - | 40,101,648 |
| Transfer due to TFRS 16 adoption from : | | | | | |
| Property, plant and equipment | - | 8,118,309 | - | 17,213,688 | 25,331,997 |
| Intangible assets | 9,450,272 | - | - | - | 9,450,272 |
| Prepaid rent under operating lease | 5,085,348 | - | - | - | 5,085,348 |
| Balance as at January 1, 2020 - as restated | 54,637,268 | 8,118,309 | - | 17,213,688 | 79,969,265 |
| Addition | - | 1,000,000 | 1,575,000 | 34,185,372 | 36,760,372 |
| Disposal | - | - | - | (3,554,398) | (3,554,398) |
| Balance as at December 31, 2020 | 54,637,268 | 9,118,309 | 1,575,000 | 47,844,662 | 113,175,239 |
| Accumulated depreciation | | | | | |
| Balance as at January 1, 2020 - before restated | - | - | - | - | - |
| Transfer due to TFRS 16 adoption from : | | | | | |
| Property, plant and equipment | - | (2,524,463) | - | (8,236,072) | (10,760,535) |
| Intangible assets | (1,105,947) | - | - | - | (1,105,947) |
| Prepaid rent under operating lease | (611,779) | - | - | - | (611,779) |
| Balance as at January 1, 2020 - as restated | (1,717,726) | (2,524,463) | - | (8,236,072) | (12,478,261) |
| Depreciation | (2,406,152) | (1,640,600) | (80,216) | (7,818,575) | (11,945,543) |
| Disposal | - | - | - | 3,554,398 | 3,554,398 |
| Balance as at December 31, 2020 | (4,123,878) | (4,165,063) | (80,216) | (12,500,249) | (20,869,406) |
| Net book value | | | | | |
| As at December 31, 2020 | 50,513,390 | 4,953,246 | 1,494,784 | 35,344,413 | 92,305,833 |
| As at January 1, 2020 | 52,919,542 | 5,593,846 | - | 8,977,616 | 67,491,004 |
| Depreciation in the statements of profit or loss for the year | | | | | |
| Ended December 31, 2020 | | | | | 11,945,543 |



On August 22, 2016, the Company entered into an agreement to support a ground-based solar farm project to generate electricity for government and agricultural cooperatives. The agreement has a 25-year term, from January 1, 2017 to December 31, 2041, and carries an obligation to pay for such projects, until completion, as follows:

| | Unit: Baht |
|------------------------------|--|
| Land usage fee | 23,789,500 |
| Agreement granted fee | 9,025,000 |
| Royalty for electricity sale | Percentage of sales before expenses each month (Minimum guarantee of Baht 47,906,675) |

As at December 31, 2020, the right to distribute electricity to the project owners represents right-of-use assets, valued at Baht 7.96 million (As at December 31, 2019, presented as intangible assets, valued at Baht 8.34 million according Note to Financial Statements 15). This accords with the compensation payment terms under the Ground-Based Solar Farm Agreement.

15. Intangible assets – net

For the year ended December 31, 2020, movements of intangible assets - net are as follows:

| | Unit: Baht | | |
|---|-----------------------------------|---------------------------------|--------------|
| | Consolidated financial statements | | |
| | Computer software | Right to distribute electricity | Total |
| Cost | | | |
| Balance as at January 1, 2020 | 27,792,379 | 9,450,272 | 37,242,651 |
| Increase during the year | 123,748 | - | 123,748 |
| Transfer to right-of-use assets | - | (9,450,272) | (9,450,272) |
| Balance as at December 31, 2020 | 27,916,127 | - | 27,916,127 |
| Accumulated amortization | | | |
| Balance as at January 1, 2020 | (24,892,492) | (1,105,947) | (25,998,439) |
| Amotisation for the year | (210,002) | - | (210,002) |
| Transfer to right-of-use assets | - | 1,105,947 | 1,105,947 |
| Balance as at December 31, 2020 | (25,102,494) | - | (25,102,494) |
| Accumulated allowance for impairment | | | |
| Balance as at January 1, 2020 | (2,427,094) | - | (2,427,094) |
| Decreases during the year | - | - | - |
| Balance as at December 31, 2020 | (2,427,094) | - | (2,427,094) |
| Net book value | | | |
| As at December 31, 2020 | 386,539 | - | 386,539 |



Unit: Baht

| Consolidated financial statements | | | |
|---|-------------------|---------------------------------|-----------|
| | Computer software | Right to distribute electricity | Total |
| As at December 31, 2019 | 472,793 | 8,344,325 | 8,817,118 |
| Amortisation in the statements of profit or loss for the year | | | |
| Ended December 31, 2020 | | | 210,002 |
| Ended December 31, 2019 | | | 634,681 |

Unit: Baht

| Separate financial statements | | | |
|--|-------------------|---------------------------------|--------------|
| | Computer software | Right to distribute electricity | Total |
| Cost | | | |
| Balance as at January 1, 2020 | 20,605,266 | 9,450,272 | 30,055,538 |
| Increase during the year | 123,748 | - | 123,748 |
| Transfer to right-of-use assets | - | (9,450,272) | (9,450,272) |
| Balance as at December 31, 2020 | 20,729,014 | - | 20,729,014 |
| Accumulated amortization | | | |
| Balance as at January 1, 2020 | (20,132,473) | (1,105,947) | (21,238,420) |
| Amotisation for the year | (210,002) | - | (210,002) |
| Transfer to right-of-use assets | - | 1,105,947 | 1,105,947 |
| Balance as at December 31, 2020 | (20,342,475) | - | (20,342,475) |
| Net book value | | | |
| As at December 31, 2020 | 386,539 | - | 386,539 |
| As at December 31, 2019 | 472,793 | 8,344,325 | 8,817,118 |
| Amortization in the statements of profit or loss for the year | | | |
| Ended December 31, 2020 | | | 210,002 |
| Ended December 31, 2019 | | | 159,284 |

As at December 31, 2020 and 2019, the intangible assets, costing Baht 19.65 million and Baht 19.29 million respectively, were fully amortized but are still in use.



16. Prepaid rent under operation lease - net

For the years ended December 31, 2020, movement of prepaid rent under operation lease - net is as follows:

| Unit : Baht | |
|--|-------------|
| Consolidated and Separate financial statements | |
| | |
| 2020 | 2019 |
| Balance as at January 1, | 4,473,569 |
| Transfer to right-of-use assets | (4,473,569) |
| Balance as at December 31, | 4,473,569 |

17. Deferred tax assets - net

Deferred tax assets - net as at December 31, 2020 and 2019 are as follows:

| Unit : Baht | |
|--|-------------|
| Consolidated and Separate financial statements | |
| | |
| 2020 | 2019 |
| Deferred tax assets | 84,824,456 |
| Deferred tax liabilities | (2,213,717) |
| Net | 82,610,739 |

Movement of deferred tax assets and liabilities incurred during the year ended December 31, 2020 are as follows:

| Unit : Baht | |
|---|-----------------------------|
| Consolidated and Separate financial statements | |
| Movement increase (decrease) | |
| January 1, 2020 | Statement of profit or loss |
| Other comprehensive income | December 31, 2020 |
| Deferred tax assets : | |
| Allowance for devaluation of inventories | 5,502,224 |
| Allowance for impairment of fixed assets and related depreciation | 69,367,393 |
| Non-current provisions for employee benefit | 15,640,725 |
| Estimated demolition | 90,126 |
| Lease agreements | - |
| Total | 90,600,468 |
| Deferred tax liability : | |
| Depreciation from life expectancy change | (2,102,149) |
| Depreciation | 265,984 |
| Total | (1,836,165) |
| Net | 88,764,303 |



Unit : Baht

| Consolidated and Separate financial statements | | | | |
|---|--------------------|-----------------------------|----------------------------|--------------------|
| Movement increase (decrease) | | | | |
| | January 1, 2019 | Statement of profit or loss | Other comprehensive income | December 31, 2019 |
| Deferred tax assets : | | | | |
| Allowance for devaluation of inventories | 4,426,493 | 1,075,731 | - | 5,502,224 |
| Allowance for impairment of fixed assets and related depreciation | 76,131,830 | (6,764,437) | - | 69,367,393 |
| Non-current provisions for employee benefit | 13,879,572 | 4,243,485 | (2,482,332) | 15,640,725 |
| Tax loss carry forward | 1,478,263 | (1,478,263) | - | - |
| Estimated demolition | 53,656 | 36,470 | - | 90,126 |
| Total | 95,969,814 | (2,887,014) | (2,482,332) | 90,600,468 |
| Deferred tax liability : | | | | |
| Depreciation from life expectancy change | (2,370,774) | 134,312 | - | (2,102,149) |
| Depreciation | 321,674 | (56,178) | - | 265,984 |
| Total | (1,914,299) | 78,134 | - | (1,836,165) |
| Net | 94,055,515 | (2,808,880) | (2,482,332) | 88,764,303 |

Tax expense for the years ended December 31, 2020 and 2019 are as follows:

| Unit: Baht | | |
|--|-------------------|------------------|
| Consolidated and Separate financial statements | | |
| | 2020 | 2019 |
| Current tax expense | | |
| Current periods | 15,873,049 | - |
| Deferred tax expense | | |
| Movement in temporary differences | 8,570,592 | 2,808,880 |
| Total tax expense | 24,443,641 | 2,808,880 |



Reconciliation of effective tax rate

| | Unit: Baht | | | |
|--|-----------------------------------|--------------|-------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Profit before tax expenses | 122,101,791 | 85,691,380 | 124,949,344 | 86,552,563 |
| Tax rate | 20% | 20% | 20% | 20% |
| Current tax expense as tax rate | 24,420,358 | 17,138,276 | 24,989,869 | 17,310,513 |
| Tax effects on: | | | | |
| Benefit of non-taxable promoted operation (BOI) | - | (14,549,500) | - | (14,549,501) |
| Net loss in current year, not recognized as deferred tax | 597,699 | 8,805 | - | - |
| Net loss in past event, not recognized as deferred tax | (1,712,749) | - | (1,712,749) | - |
| Income tax on inter-company profit | (37,863) | 196,887 | - | - |
| Non-deductible expenses by the Revenue Code | 2,327,656 | 2,908,634 | 2,317,981 | 2,829,819 |
| Non-taxable income/deductible expense | (1,151,460) | (2,894,222) | (1,151,460) | (2,781,951) |
| Tax expense | 24,443,641 | 2,808,880 | 24,443,641 | 2,808,880 |
| The average effective tax rate | 20% | 3% | 20% | 3% |

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2020 and 2019.

18. Short-term loans from financial institutions

Short-term loans from financial institutions as at December 31, 2020 and 2019 are as follows:

| | Unit: Baht | | | |
|------------------------|--|---------------|-------------|---------------|
| | Consolidated and Separate financial statements | | | |
| | 2020 | Interest rate | 2019 | Interest rate |
| Promissory notes | 28,100,000 | MLR-0.5% | 64,082,000 | MLR-0.5% |
| Trust receipts payable | 10,134,082 | MLR-0.5% | 152,967,555 | MLR-0.5% |
| Total | 38,234,082 | | 217,049,555 | |

As at December 31, 2020 and 2019, the Company has overdrafts and short-term loans from three local banks totaling Baht 1,133.84 million and the Company has overdrafts and short-term loans from two local banks totaling Baht 1,000.64 million, respectively. These loans are guaranteed by bank deposits in Note to Financial Statements No.10, and land with constructions and machineries in Note to Financial Statements No.13



19. Trade and other current payables

Trade and other current payables as at December 31, 2020 and 2019 are as follows:

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-------------|-------------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| Trade payables | | | | |
| Other parties | 99,232,891 | 171,881,355 | 97,200,329 | 170,439,024 |
| Total trade payable | 99,232,891 | 171,881,355 | 97,200,329 | 170,439,024 |
| Other current payables | | | | |
| Other parties | 8,756,157 | 17,587,423 | 8,748,947 | 17,441,099 |
| Assets payables | 1,305,264 | 1,694,737 | 1,305,264 | 1,694,737 |
| Others | 970,248 | 989,810 | 970,248 | 989,810 |
| Total other current payables | 11,031,669 | 20,271,970 | 11,024,459 | 20,125,646 |
| Total trade and other current payables | 110,264,560 | 192,153,325 | 108,224,788 | 190,564,670 |

20. Advances received for goods and services

Advances received for goods and services liabilities as at December 31, 2020 and 2019 consisted of:

Unit: Baht

| | Consolidated and Separate financial statements | |
|--|--|------------|
| | 2020 | 2019 |
| Deposit received in advance | 580,300 | 425,300 |
| Advance received for goods | 16,269,659 | 14,918,426 |
| Advance received from services and maintenance contracts | 9,472,780 | 15,905,742 |
| Contract liabilities | 27,000 | 20,626,458 |
| Total | 26,349,739 | 51,875,926 |



As at December 31, 2020 and 2019, contract liabilities is as follows:

| | Unit: Baht | | | |
|---|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Contract assets | | | | |
| Value of contract | 116,008,501 | 169,135,492 | 95,428,501 | 150,435,492 |
| Revenue recognised on percentage of completion basis | 108,310,528 | 158,755,074 | 87,824,528 | 143,795,074 |
| Less Value of progress billings (Installment) | (104,420,923) | (149,609,150) | (86,274,923) | (142,129,150) |
| Contract assets (included in trade and other receivable - net) | 3,889,605 | 9,145,924 | 1,549,605 | 1,665,924 |
| Contract liabilities | | | | |
| Value of contract | 540,000 | 90,114,859 | 540,000 | 90,114,859 |
| Value of progress billings | 540,000 | 50,674,589 | 540,000 | 50,674,589 |
| Less Revenue recognised on percentage of completion basis | (513,000) | (30,048,131) | (513,000) | (30,048,131) |
| Contract liabilities | 27,000 | 20,626,458 | 27,000 | 20,626,458 |

21. Long-term loans from a financial institution - net

Long-term loans from a financial institution - net as at December 31, 2020 and 2019 are as follows:

| | Unit: Baht | |
|---|--|--------------|
| | Consolidated and Separate financial statements | |
| | 2020 | 2019 |
| Long-term loans from financial institutions | 88,674,000 | 116,946,000 |
| Less deferred front end fee | (816,557) | (1,046,419) |
| Total | 87,857,443 | 115,899,581 |
| Less current portion of long-term loans | (27,965,331) | (27,934,878) |
| Long-term loans from financial institutions - net | 59,892,112 | 87,964,703 |



The movements in long-term loans from financial institution for the year ended December 31, 2020 are as follows:

As at January 1, 2020

Less repayment during the year

As at December 31, 2020

Unit: Baht

Consolidated and Separate
financial statements

116,946,000

(28,272,000)

88,674,000

As at December 31, 2020 and 2019, long-term loans from financial institutions are as follows:

| Unit: (Million Baht) | | | | ((%)/ annum) | | Repayment of principal and interest rate |
|----------------------|--------|---------------------|--------|---------------|-----------|--|
| Credit Line | | Outstanding balance | | Interest rate | | |
| 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | |
| 120.00 | 120.00 | 61.53 | 77.25 | MLR-1.50% | MLR-1.50% | <ul style="list-style-type: none">• Loan for the purpose of investing in a government authorized ground-based solar farm project. The repayment is a total of 84 instalments at the rate of Baht 1.31 million per instalment and must be settled by November 2024.• Interest is paid monthly from the date of first withdrawal. |
| 25.00 | 25.00 | 6.24 | 12.50 | MLR-1.50% | MLR-1.50% | <ul style="list-style-type: none">• Loan for the purpose of reimbursement of land. The repayment is a total of 48 instalments at the rate of Baht 0.521 million per instalment and must be settled by December 2021.• Interest is paid monthly from the date of first withdrawal. |
| 19.50 | 19.50 | 11.70 | 15.60 | 3.50% | 3.50% | <ul style="list-style-type: none">• Loan for the purpose of investment and operation of energy reduction. The repayment is a total of 60 instalments at the rate of Baht 0.325 million per instalment and must be settled by December 2023.• Interest is paid monthly from the date of first withdrawal. |
| 12.00 | 12.00 | 9.20 | 11.60 | 3.50% | 3.50% | <ul style="list-style-type: none">• Loan for the purpose of investment and operation of energy reduction.The repayment is a total of 60 instalments at the rate of Baht 0.2 million per instalment and must be settled by October 2024.• nterest is paid monthly from the date of first withdrawal. |
| 176.50 | 176.50 | 88.67 | 116.95 | | | |



Collaterals

As at December 31, 2020 and 2019, the Company has land and certain machines, as mentioned in Note to Financial Statements No. 13, and bank deposits, as mentioned in Note to Financial Statements No. 10, as collateral.

The Company has purchased an insurance policy for machines and equipment for the highest insurable amount allowable by insurance company. The benefit derivable from such policy is to be given to the lending financial institution. The Company must comply with material loan provisions, for example, maintain a debt to equity ratio and debt repayment capacity ratio as stated in the contracts until the completion of the repayment.

22. Lease liabilities - net

Lease liabilities - net as at December 30, 2020 and January 1, 2020 consisted of:

| Unit: Baht | | |
|--|-------------------|-----------------|
| Consolidated and Separate financial statements | | |
| | December 31, 2020 | January 1, 2020 |
| Due not later than one year | | |
| Minimum payments | 16,834,473 | 8,847,929 |
| Deferred interest | (3,903,210) | (2,179,385) |
| Lease liabilities - net | 12,931,263 | 6,668,544 |
| Due later than one year but not later than five years | | |
| Minimum payments | 39,991,338 | 19,995,819 |
| Deferred interest | (8,447,059) | (6,799,698) |
| Lease liabilities - net | 31,544,279 | 13,196,121 |
| Due later than five years | | |
| Minimum payments | 44,794,145 | 47,715,040 |
| Deferred interest | (12,697,522) | (14,173,885) |
| Lease liabilities - net | 32,096,623 | 33,541,155 |

The Company entered into an agreement to support a ground-based solar farm to generate electricity for government and agricultural cooperatives with a 25-year term, as mentioned in Note to Financial Statement No.14.

The Company entered into vehicle lease agreements with various financial institutions for four-five year periods.

The Company entered into an agreement with a financial institution for the sale and lease back of machinery.

The contract has a three-year term.



23. Non-current provisions for employee benefits

Movement of the present value of non-current provisions for employee benefits in the statements of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

Unit : Baht

| Consolidated and Separate financial statements | | |
|---|-------------------|-------------------|
| Post - employment benefit plan | | |
| | 2020 | 2019 |
| Non-current provisions for employee benefit as at beginning of years | 78,203,626 | 69,397,874 |
| Included in profit or loss: | | |
| Current service cost | 3,638,095 | 3,885,072 |
| Interest cost | 2,575,723 | 2,649,149 |
| Past service cost | - | 19,489,192 |
| Included in other comprehensive income: | | |
| Actuarial gain (loss) arising from | | |
| Financial assumptions changes | 6,906,823 | (14,568,180) |
| Experience adjustments | 5,178,315 | 2,156,519 |
| Benefit paid during the years | (13,591,536) | (4,806,000) |
| Non-current provisions for employee benefit as at ending of years | 82,911,046 | 78,203,626 |

Expenses are recognized in the statement of comprehensive income for the years ended December 31, 2020 and 2019, as follows:

Unit: Baht

| Consolidated and Separate financial statements | | |
|--|------------------|-------------------|
| | 2020 | 2019 |
| Included in profit or loss: | | |
| Cost of sales | 4,236,974 | 18,650,204 |
| Administrative expenses | 1,976,844 | 7,373,209 |
| Total | 6,213,818 | 26,023,413 |
| Included in other comprehensive income: | | |
| Actuarial (gain) loss arising from assumptions changes | 12,085,138 | (12,411,661) |



Principal actuarial assumptions as at December 31, 2020 and 2019 (represented by the weighted-average) consisted of:

| | (Percentage (%)/annum) | |
|-----------------------------|--|--|
| | Consolidated and Separate financial statements | |
| | 2020 | 2019 |
| Discount rate | 1.73% | 3.16% |
| Future salary increase rate | 5.65% | 6.19% |
| Mortality rate | 100% of Thai Mortality Ordinary Tables of 2017 | 100% of Thai Mortality Ordinary Tables of 2017 |
| Turnover rate | | |
| Under 20 years old | 14% | 21% |
| 20 - 29 years old | 20% | 21% |
| 30 - 39 years old | 12% | 13% |
| 40 - 59 years old | 5% | 5% |
| Above 60 years old | 0% | 0% |
| Retired | 60 years | 60 years |

Changes in the actuarial assumption will affect employee benefit obligation for the years ended December 31, 2020 and 2019 as follows:

| | Unit: Baht | | | |
|---|--|-------------|-------------|-------------|
| | Consolidated and Separate financial statements | | | |
| | 2020 | | 2019 | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.50% movement) | (3,758,132) | 4,034,156 | (3,113,966) | 3,330,970 |
| Future salary increases rate (0.50% movement) | 3,751,632 | (3,536,785) | 3,515,632 | (3,314,941) |
| Employee turnover (1.00% movement) | (4,067,005) | 4,345,265 | (7,380,937) | 8,427,918 |

The Group has a defined benefits plan, in accordance with severance payment provisions under labor law, for eligible retired employees according to their work service periods at various rates.

The actuarial assumption of the discount rate is estimated from the weighted average of yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from the mortality table from the Office of Insurance Commission.

The actuarial assumption of resignation rate is estimated based on an historical data base on employee age ranges.



24. Share capital

On April 30, 2019, Ordinary Shareholders' Meeting No 1/2019 approved the increase in registered capital from the existing Baht 1,074,631,523 to Baht 1,611,947,285, a Baht 537,315,762 increase, by issuing 671,644,702 new ordinary shares at the par value of Baht 0.80 to accommodate the exercise price of a warrant. The Company registered the share capital increase with the Ministry of Commerce on May 14, 2019.

25. Legal reserve

Pursuant to the Public Company Limited Act, the Company is required to appropriate, as a legal reserve, at least 5% of annual net profit less the total accumulated deficit brought forward (if any) until the reserve reaches at least 10% of the authorized share capital.

26. Warrant

On April 30, 2019, Ordinary Shareholders' Meeting No.1/2019 approved to issue the warrant to purchase the Company's Ordinary Shares No.1 (AKR-W1) allocated to existing shareholders, in proportion to the existing shareholders (Rights Offer), a maximum of 671,644,702 units with free value at the ratio of two ordinary shares to one unit, at the exercise price of Baht 1.00 per share. Such warrant will be valid for two years from its issuance date.

On May 31, 2019, the Company issued the warrant to purchase the Company's Ordinary Shares No.1 (AKR-W1) allocated to existing shareholders, in proportion to the existing shareholders (Rights Offer), a maximum of 671,644,702 units with free value at the ratio of two ordinary shares to one unit.

As at December 31, 2020 and 2019, such warrant was not exercised.

The exercise price of the warrant (AKR-W1) is higher than the average market price of the Company's ordinary shares for the years ended December 31, 2020 and 2019. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the years ended December 31, 2020 and 2019.



27. Operating segment

The operating segment information in the consolidated financial statement for the years ended December 31, 2020 and 2019 is as follows:

| | Unit: Million Baht | | | | | | | | | |
|--|-----------------------------------|----------|----------|----------|-------------------------------|----------|-------------|---------|-----------------------------------|------------|
| | Goods production and distribution | | Services | | Installation of a solar panel | | Electricity | | Consolidated financial statements | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues from sales and services | 1,145.09 | 1,182.48 | 223.27 | 210.31 | 75.56 | 188.84 | 43.62 | 48.31 | 1,487.54 | 1,629.94 |
| Cost of sale and service | (904.62) | (907.49) | (118.97) | (119.28) | (70.27) | (168.70) | (19.68) | (23.15) | (1,113.54) | (1,218.62) |
| Gross profit | 240.47 | 274.99 | 104.30 | 91.03 | 5.29 | 20.14 | 23.94 | 25.16 | 374.00 | 411.32 |
| Distribution costs and administrative expenses | | | | | | | | | (249.26) | (313.38) |
| Profit from operation | | | | | | | | | 124.74 | 97.94 |
| Other income | | | | | | | | | 15.95 | 20.00 |
| Reversal (loss) on impairment of assets | | | | | | | | | 1.10 | (10.69) |
| Finance costs | | | | | | | | | (19.69) | (21.56) |
| Income tax expenses | | | | | | | | | (24.44) | (2.81) |
| Profit for the years | | | | | | | | | 97.66 | 82.88 |

For the years ended December 31, 2019, the Group had revenues from major customers, representing approximately 15.91 of total revenues from operations.

Details of the sectorial business assets as at December 31, 2020 and 2019 are as follows:

| | Unit: Million Baht | | | | | | | |
|--------------|-----------------------------------|--------|-------------------|--------|-----------------|--------|-----------------------------------|----------|
| | Goods production and distribution | | | | | | Consolidated financial statements | |
| | Electricity | | Sell transformers | | Sell solar cell | | 2020 | 2019 |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Fixed assets | 195.43 | 209.08 | 261.41 | 306.53 | 142.59 | 141.96 | 599.43 | 657.57 |
| Other assets | | | | | | | 930.10 | 1,057.52 |
| Total assets | | | | | | | 1,529.53 | 1,715.09 |



28. Financial Instruments

Financial risk management policy

The Group bears risk due to interest rate fluctuations and from non-performance of contractual obligations by contractual parties. The Group will consider using the appropriate financial instruments when it deems it is necessary to manage such risks. However, the Group does not have a policy to hold or issue any financial instruments for speculation or for trading.

Risk from credit provision

The Group bears risk due to credit provision related to trade receivables. However, the Group has set a policy to conduct business only with reliable traders with good financial status in order to reduce the risk of financial loss. The Group does not have high concentrations of credit risk since it has a large and diverse customer base. Maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

Liquidity risk

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

Risk from interest rates

The Group bears significant risk over interest rates on financial instruments, which includes loans from financial institutions. Therefore, it is subject to risk in relation to floating interest rates which may fluctuate in the future, possibly affecting the operating results and cash flows.

As at December 31, 2020 and 2019, significant financial instruments have the following details: (with respect to interest rates, they are already shown in related Notes to Financial Statements).

Unit: Million Baht

| Consolidated financial statements | | | | | |
|-----------------------------------|-----------------------------|-------------------|------------------------|----------------------|-------|
| December 31, 2020 | | | | | |
| Fixed interest rate | | | Floating Interest rate | Non Interest bearing | Total |
| Within 1 year | more than 1 year to 5 years | more than 5 years | | | |
| - | - | - | 56 | 5 | 61 |
| - | - | - | - | 267 | 267 |
| - | - | - | 20 | - | 20 |
| - | - | - | 76 | 272 | 348 |

Financial assets

| | | | | | | |
|---------------------------------|---|---|---|----|-----|-----|
| Cash and cash equivalents | - | - | - | 56 | 5 | 61 |
| Trade and other receivables-net | - | - | - | - | 267 | 267 |
| Restricted deposits with bank | - | - | - | 20 | - | 20 |
| Total | - | - | - | 76 | 272 | 348 |



Unit: Million Baht

Financial liabilities

| | | | | | | |
|---|----|----|----|-----|-----|-----|
| Short-term loans from financial institutions | - | - | - | 38 | - | 38 |
| Trade and other current payables | - | - | - | - | 110 | 110 |
| Lease liabilities-net | 13 | 32 | 32 | - | - | 77 |
| Long-term loans from financial institutions-net | - | - | - | 88 | - | 88 |
| Total | 13 | 32 | 32 | 126 | 110 | 313 |

Unit: Million Baht

Financial assets

| | | | | | | |
|----------------------------------|---|---|---|----|-----|-----|
| Cash and cash equivalents | - | - | - | 23 | 18 | 41 |
| Trade and orther receivables-net | - | - | - | - | 424 | 424 |
| Restricted deposits with bank | - | - | - | 20 | - | 20 |
| Total | - | - | - | 43 | 442 | 485 |

Financial liabilities

| | | | | | | |
|---|---|---|---|-----|-----|-----|
| Short-term loans from financial institutions | - | - | - | 217 | - | 217 |
| Trade and other current payables | - | - | - | - | 192 | 192 |
| Lease liabilities-net | 5 | 8 | - | - | - | 13 |
| Long-term loans from financial institutions-net | - | - | - | 116 | - | 116 |
| Total | 5 | 8 | - | 333 | 192 | 538 |



Risk on exchange rates

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

As at December 31, 2020 and 2019, the Group did not enter into forward exchange contracts for the following:

| | Consolidated financial statements | | | |
|------------|-----------------------------------|---------|-------------------------------|-----------|
| | Trade receivables | | Trust receipts/Trade payables | |
| | 2020 | 2019 | 2020 | 2019 |
| US Dollar | 32,000 | 37,650 | 492,173 | 1,615,257 |
| Euro | 141,975 | 141,975 | 103,880 | 320,869 |
| SGD Dollar | 281,500 | 264,000 | - | - |
| Ringgit | 80,990 | 672,939 | - | - |

| | Separate financial statements | | | |
|------------|-------------------------------|---------|-------------------------------|-----------|
| | Trade receivables | | Trust receipts/Trade payables | |
| | 2020 | 2019 | 2020 | 2019 |
| US Dollar | 30,000 | 35,650 | 492,173 | 1,615,257 |
| Euro | - | - | 103,880 | 320,869 |
| SGD Dollar | 281,500 | 264,000 | - | - |
| Ringgit | 80,990 | 672,939 | - | - |

Fair values

The financial assets and liabilities have book values comparable to market prices, as these financial instruments will be due in the short time and bear interest rates comparable to market rates. As a result, these financial assets and liabilities have reflected their fair values.



29. Expenses by nature

The Company has significant expenses by nature for the years ended December 31, 2020 and 2019 as follows:

| | Unit : Baht | | | |
|--|----------------------------------|-------------|------------------------------|--------------|
| | Consolidated financial statement | | Separate financial statement | |
| | 2020 | 2019 | 2020 | 2019 |
| Changes in finished goods and work in progress (increase) decrease | 17,148,176 | 20,783,945 | 17,148,176 | (15,825,930) |
| Raw material and supplies used | 647,226,146 | 838,388,347 | 644,237,523 | 838,388,347 |
| Loss from decline in value of inventories | 1,115,620 | 285,287 | 2,499,710 | 1,182,790 |
| Loss on impairment of fixed assets (reversal) | (1,099,972) | 10,688,883 | (1,099,972) | 10,688,883 |
| Employee expense | 264,220,876 | 274,212,094 | 262,690,876 | 273,282,094 |
| Directors' remuneration | 22,211,900 | 25,304,160 | 22,211,900 | 25,304,160 |
| Depreciation and amortization | 76,192,882 | 66,339,692 | 75,896,217 | 66,043,026 |
| Management consulting fee | 7,467,477 | 10,857,477 | 7,467,477 | 10,857,477 |
| Commission and consultation | 43,469,502 | 68,006,696 | 43,469,502 | 67,806,696 |

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund, on a monthly basis, at rates that depend on the work period of the particular employee. A local financial institution is managing the provident fund. The provident fund will pay out to the particular employee upon termination in accordance with the fund rules. For the years ended December 31, 2020 and 2019, in the consolidated and separate financial statements, the Company's contributions amounted to approximately Baht 5.93 million and Baht 5.75 million, respectively.



31. Commitment and contingent liabilities

31.1. As at December 31, 2020 and 2019, the Group has the following credit facilities with financial institutions:

| Unit: Million Baht | | | | | | |
|--|----------|-----------|-------------------|----------|-----------|---------------|
| Consolidated financial statement | | | | | | |
| 2020 | | | 2019 | | | |
| Credit facilities | Utilized | Available | Credit facilities | Utilized | Available | Interest rate |
| Letters of guarantee | 129.43 | | 170.89 | | | 1.25% - 1.75% |
| Promissory note | 28.10 | | 64.08 | | | MLR-0.5% |
| Letter of credit, trust receipt and packing credit | 933.84 | 766.18 | 800.64 | 367.64 | | MLR-0.5% |
| Bank overdraft | - | | - | | | MOR |
| Local factoring | 200.00 | 200.00 | 200.00 | 200.00 | | MOR-0.75% |
| Long-term loans | 176.50 | - | 176.50 | - | | MLR-1.50% |

Commitment and contingent liabilities are guaranteed by deposits at financial institutions in Note to Financial Statements No. 10, and by mortgage of the Company's land with constructions in Note to Financial Statements No. 13.

31.2. As at December 31, 2020 and 2019, the Company has commitments on asset rental and other service agreements in the amounts of Baht 3.20 million and Baht 3.38 million, respectively.

31.3. The Company have commitments under two construction and architectural design contracts in the amount of Baht 2.80 million. As at December 31, 2020, the Company have outstanding commitments under such contacts of Baht 0.59 million

32. Investment promotion privileges

As at December 31, 2020 and 2019, the Board of Investment, under the Investment Promotion Act B.E.2520, granted the Company the following promotional privileges:

32.1. The Company is promoted to generate electricity from solar cells, a Type 7.1 Activity: Utilities and Basic Services No.1105 (1)/2010, dated February 5, 2010, effective on December 14, 2009, and No. 1297(1)/2013, dated March 7, 2013, effective on October 3, 2012.

32.2. The Company is promoted to generate electricity from solar cells, a Type 7.1.1.2 Activity: Utilities and Basic Services No. 60-0018-1-00-1-0, dated January 11, 2017, effective on November 7, 2016. The Company enjoys the following rights and privileges:



- Exemption from corporate income tax on net profit derived from the promoted activity for 8 years, commencing from the date of income is earned from that activity. Where a loss has been incurred during corporate income tax exemption period, the promoted Company is granted permission to deduct such annual loss from net profits accrued for a maximum of 5 years after expiration of the corporate income tax period.

- Exemption for dividends derived from the promoted activity throughout the period the promoted company receives the corporate income tax exemption privilege.

- Fifty percent corporate income tax reduction (from the prevailing rate) on profits earned from the promoted activity for a maximum of 5 years after the expiry of the corporate income tax exemption period.

- Double deduction from taxable income from transportation, electricity and water costs for the period of 10 years after the expiry of the exemption period.

- Twenty-five percent reduction allowed for project infrastructure installation or construction cost in addition to the normal depreciation.

32.3. The Company is promoted to manufacture Transformers and Solar Cells Type 5.1.3, Electrical Appliances Type 5.4.8, and Parts and Equipment Used for Solar Energy No. 60-0803-1-04-1-0, dated July 21, 2017, effective on May 15, 2017. The Company enjoys the following rights and privileges:

- Immigration of skilled foreign experts, including their spouse and dependents, into the Kingdom of Thailand.

- Import duty exemption for machinery, as approved by the BOI.

- Exemption from corporate income tax on net profits derived from the promoted business, not exceeding 50 percent of the investment value, to improve production efficiency, excluding land and working capital, for a 3-year period from the date of receiving income after receiving the BOI Certificate.

- Exemption from corporate income tax on dividends derived from the promoted activity throughout the promoted period.

- Exemption of import duties for imported products to be re-exported for a period of one year from the date of first import.

The Company has income and expenses for the years ended December 31, 2020 and 2019, from the promoted activity as follows:



Unit: Baht

| Separate financial statements | | | |
|--|---------------|---------------|-----------------|
| For the year ended December 31, 2020 | | | |
| | Promoted | Non-promoted | Total |
| Revenue from sales and services | 551,124,624 | 930,804,793 | 1,481,929,417 |
| Other income | 6,781,650 | 9,697,685 | 16,479,335 |
| Total revenue | 557,906,274 | 940,502,478 | 1,498,408,752 |
| Costs | (463,087,310) | (642,230,957) | (1,105,318,267) |
| Loss on devaluation of goods | (2,260,103) | (239,607) | (2,499,710) |
| Distribution costs and administrative expenses | (103,124,349) | (143,927,189) | (247,051,538) |
| Reversal of loss on assets impairment | 1,099,972 | - | 1,099,972 |
| Finance costs | (7,067,502) | (12,622,363) | (19,689,865) |
| Total expenses | (574,439,292) | (799,020,116) | (1,373,459,408) |
| Profit (loss) before income tax expenses | (16,533,018) | 141,482,362 | 124,949,344 |

Unit: Baht

| Separate financial statements | | | |
|--|-----------------|---------------|-----------------|
| For the year ended December 31, 2019 | | | |
| | Promoted | Non-promoted | Total |
| Revenue from sales and services | 1,197,538,019 | 416,950,862 | 1,614,488,881 |
| Other income | 12,277,374 | 8,357,024 | 20,634,398 |
| Total revenue | 1,209,815,393 | 425,307,886 | 1,635,123,279 |
| Costs | (895,806,001) | (308,432,680) | (1,204,238,681) |
| Reversal of (loss on) devaluation of goods | 76,098 | (1,258,888) | (1,182,790) |
| Distribution costs and administrative expenses | (251,644,932) | (59,253,007) | (310,897,939) |
| Loss on impairment of fixed assets | (2,415,098) | (8,273,785) | (10,688,883) |
| Finance costs | (15,941,380) | (5,621,043) | (21,562,423) |
| Total expenses | (1,165,731,313) | (382,839,403) | (1,548,570,716) |
| Profit before income tax | 44,084,080 | 42,468,483 | 86,552,563 |

33. Approval of financial statements

These financial statements have been approved by the Company's Board of Directors on February 25, 2021.



• Board of Directors & Board of Management

Mr. Vichit Yamboonruang

Independent Director / Chairman of the Board

Age : 79 years

Education / Training

- Bachelor of Economics, Commerce and Accountancy, Chulalongkorn University
- M.A.(Economics) Columbia University New York, USA.
- Ph.D. Public&International Affairs, University of Pittsburgh, Pennsylvania, USA.

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) / 2004
- Director Accreditation Program (DAP) / 2004
- Audit Committee Program (ACP) / 2004
- Role of the Chairman Program (RCP) / 2004
- Charter Director Class (CDC) / 2007
- Boards that Make a Difference (BMD) / 2017

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- 2018-present Independent Director / Chairman of Audit Committee
BMP Energy PCL.
- 2012-present Independent Director / Chairman of Audit Committee
Sherwood Chemicals PCL.
- 2012-present Chairman of the Board of Director
Wiik & Hoeglund PCL.
- 2012-present Independent Director / Chairman of Audit Committee
Jasmine International PCL.

Companies or other entities

- 2018-present Chairman of the Board
V C K Solutions Co., Ltd.

Percentage of Shareholding : 1,407,310 shares or 0.105%

Percentage of Shareholding by Spouse and Minor Child : Mrs.Preyawan Yamboonrueng (Spouse)
149,922 Shares or 0.011%

Relationship between executives : None





Mr.Vinai Vittavasgarnvej

Independent Director / Chairman of Audit Committee

Age : 70 years

Education / Training

- Bachelor of Commerce and Accountancy, Thammasat University
- Master of Political Science, Thammasat University
- Thailand National Defence College (2004)
- Capital Market Academy (2011)



Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 77/2006
- Audit Committee Program (ACP) 40/2012

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- 2019 - present Independent Director / Audit Committee / Corporate Governance Committee
Charoen Pokphand Foods PCL.
- 2014 - present Independent Director / Vice Chairman of the Board / Chairman of Audit Committee
Srisawad Power 1979 PCL.
- 2012 - present Independent Director / Chairman of the Board of Director
Sahamitr Pressure Container PCL.
- 2019 - 2019 Chairman of the Board
JSSR Group Co., Ltd
- 2016 - 2019 Independent Director / Audit Committee
Syn Mun Kong Insurance PCL.
- 2011 - 2015 Independent Director / Chairman of the Board of Director
Bangkok Dec-Con PCL.

Companies or other entities

- None -

Percentage of Shareholding

: None

Percentage of Shareholding by Spouse and Minor Child

: None

Relationship between executives

: None



Mr.Aroon Sricharoon

Independent Director / Audit Committee

Age : 74 years

Education / Training

- Bachelor of Political Science / Communication Arts, Sukhothai Thammathirat Open University
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute
- Top Executive Program in Urban Development Management, Class 2

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 165/2019

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

-None-

Companies or other entities

- 2003 - present The President
Alpha Siamese Co., Ltd.
- 1991 - present Managing Director
Sahapatanakanpim Co., Ltd.
- 2015 - 2016 Chairman of Advisors
Flea Market Management Committee, Bangkok
- 2014 - 2015 Chairman of Advisors
Flea Market Director Department, Bangkok

Percentage of Shareholding : None

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None





Mr. Wara Tongprasin

Independent Director / Audit Committee /

Chairman of Nomination and Remuneration Committee

Age : 49 years

Education / Training

- Bachelor of Business Administration (Accounting),
Ramkhamhaeng University
- Tax Auditor and CPA



Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 80/2009
- Advanced Audit Committee Program (AACP) 20/2015
- Risk Management Program for Corporate Leaders (RCL) 14/2018
- Computable General Equilibrium (CGE) 16/2020

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- 2014 - present Independent Director / Chairman of Audit Committee
Airports of Thailand PCL.

Companies or other entities

- 2012 – present Managing Director
The Asset Audit Co., Ltd.
- 2013 - 2019 Director
Wara Holding Co., Ltd.
- 2013 - 2018 Director
First Audit Co., Ltd.

Percentage of Shareholding : 39 Shares or 0.000%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None



Mr.Chatree Siripanichakorn

Independent Director /

Nomination and Remuneration Committee

Age : 73 years

Education / Training

- Bachelor of Commerce and Accountancy, Thammasat University
- Bachelor of Laws , Thammasat University
- Barrister 29, The Thai Bar Under The Royal Patronage

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 2013

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- 2013 - present Chairman of Audit Committee
RAJA FERRY PORT PCL.

Companies or other entities

- 2018 - Present Independent Director / Audit Committee
All Inspire Development PCL.

Percentage of Shareholding : None

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None





Mr. Thunya Sriton

Mr.Chatree Siripanichakorn

Independent Director

Age : 74 years

Education / Training

- Bachelor of Engineering, Chulalongkorn University

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 174/2020

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2016 - present Freelance Engineer
- 2008 - 2016 Chief Operation Officer
Italianthai Power Co., Ltd.
- 2004 - 2008 Managing Director
Ratchaburi Power Co., Ltd.

Percentage of Shareholding : None

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None





Miss Urawee Kanokpruk

Director / Nomination and Remuneration Committee

Age : 43 years

Education / Training

- Bachelor of Engineering, Chulalongkorn University
- Master of Engineering, University of Florida, U.S.A.

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 90/2011

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

-None-

Companies or other entities

- 2019 - present Director
Ekarat Energy Co., Ltd.
- 2013 - present Director
Business Values Promotion Center Co., Ltd.
- 2012 - present Director
Saendee Drinking Water Co., Ltd.
- 2012 - present Project Management Manager
Chula Engineering Co., Ltd.
- 2005 - present Director
Kanokpruk Co., Ltd.
- 2015 - 2019 Director
Thai Super Esco Co., Ltd.
- 2012 - 2019 Director
Hippolicious Co., Ltd.
- 2008 - 2015 Researcher
Chula Unisearch, Chulalongkorn University
- 2007 - 2015 Researcher
NIDA-Center for Business Innovation (NIDA-CBI)
- 2006 - 2015 Planning Expert
Management Strategy Center



Percentage of Shareholding : 31,000,000 Shares or 2.308%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None



Mr.Wiwat Sangtian

Director

Age : 70 years

Education / Training

- Bachelor of Civil Engineering, Chulalongkorn University
- Master of Civil Engineering, Carnegie-Mellon University, U.S.A.
- Ph.D. Civil Engineering, Carnegie-Mellon University, U.S.A.



Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 2014

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2004 - present Managing Director
Ekarat Solar Co., Ltd
- 1996 – present Director
Ekarat Power&Management Co., Ltd.
- 1988 – present Director
Ekarat Chemical Co., Ltd.

Percentage of Shareholding : 170,000 Shares or 0.013%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None



Mr. Danucha Noichaiboon

Director

Managing Director

Chairman of Risk Management Committee

Nomination and remuneration Committee

Age : 64 years



Education / Training

- Bachelor of Business Administration, Ramkhamhaeng University
- Master of Business Administration, Ramkhamhaeng University
- Diploma, National Defence College, The Joint State - Private Sector Course Class 17 Thailand National Defence College

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 90/2011

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2015 - present Director
Ekarat Energy Co., Ltd.
- 2005 - present Director
KV Asset Co., Ltd.
- 2004 - present Director
Ekarat Solar Co., Ltd.
- 1995 - present Director
Ekarat Land and Development Co., Ltd.
- 1987 - present Director
Ekarat Power Electronic Co., Ltd.

Percentage of Shareholding : None

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : Younger Brother's Mrs.Daranee Kantamara and
Older Brother's Mr.Daroonwat Noichai



Mr. Anan Santichewasatian

Risk Management Committee

Chief Financial Officer

Age : 66 years

Education / Training

- Bachelor of Business Administration (Accountancy), College of Technology and Vocational Education
- Master of Business Administration (Management), Kasetsart University
- Diploma, National Defence College, The Joint State - Private Sector Course 2004 Thailand National Defence College

Training Program Organized by Thai Institute of Directors Association (IOD)

- Audit Committee Program (ACP) 18/2007
- Director Accreditation Program (DAP) 62/2007
- Director Certification Program (DCP) 90/2007
- Advanced Audit Committee Program (AACP) 24/2016
- Risk Management Program for Corporate Leaders (RCL) 11/2018

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- 2007 - 2020 Director
Ekarat Engineerin PCL

Companies or other entities

- 2015-present Director
Ekarat Energy Co., Ltd.
- 2012-present Independent Director / Audit Committee
Bangkok Mass Transit System PCL.
- 2007-present Director
Ekarat Solar Co., Ltd.

Percentage of Shareholding : None

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None





Mrs.Daranee Kantamara

Director /

Deputy of Managing Director in General Management

Age : 67 years

Education / Training

- Bachelor of Business Administration,
Ramkhamhaeng University

Training Program Organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 90/2011

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2015 - present Director
Ekarat Energy Co., Ltd.
- 2005 - Present Director
KV Asset Co., Ltd.

Percentage of Shareholding : 1,895,453 Shares or 0.141%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : Sister of Mr.Danucha Noichaiboon and
Mr.Daroonwat Noichaiboon





Mr.Vitthep Vachirabrahm

Senior Deputy Managing Director

Age : 65 years

Education / Training

- Bachelor of Business Administration, Roosevelt University, USA
- MBA Marketing, California International, USA

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2012 - present Director
Ekarat Power Electronic Co., Ltd.



Percentage of Shareholding : None

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None



Mr.Daroonwat Noichaiboon

Deputy of Managing Director in Marketing

Age : 62 years

Education / Training

- Bachelor of Business Administration, Ramkhamhaeng Uniniversity
- Master of Business Administration, Ramkhamhaeng Uniniversity
- Security Psychology Program, Institute of Security Psychology
- Diploma, National Defence College, The Joint State - Private Sector Course 2010, Thailand National Defence College
- Advanced Security Management Program (ASMP) class 8

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2004 - present Director
Ekarat Solar Co., Ltd.

Percentage of Shareholding : 3,366,652 Shares or 0.251%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : Brother of Mrs.Daranee Kantamara and Mr.Danucha Noichaiboon





Mr. Paitoon Intrarawisut

Deputy of Managing Director of Factory

Age : 62 years

Education / Training

- High School Certificate, Watdansamrong School
- All quality standardization Courses
- Role of Executives at All Levels / Time Management Strategic Planning / Cost Reduction
- Improvement and development to reduce quality work processes Course

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2019 Acting as Deputy Managing Director of Factory
Ekarat Engineering PCL.
- 2016 – 2018 Factory Manager
Ekarat Engineering PCL.
- 2008 – 2016 Production Manager
Ekarat Engineering PCL.

Percentage of Shareholding : 75,555 shares or 0.006%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None





Miss Rompissri Noichaiboon

Deputy Managing Director of Sale and Service

Purchasing Manager

Age : 44 years

Education / Training

- Bachelor of Engineering, Rangsit University
- Master of Operations Research, George Washington University, USA
- All quality standardization Courses
- Role of Executives at All Levels / Time Management / Strategic Planning / Cost Reduction
- Human Capital Management Techniques and Organizations for the Highest Returns Course

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- 2019 Acting as Deputy Managing Director of Sale and Service / Purchasing Manager
Ekarat Engineering PCL.
- 2012 - 2019 Purchasing Manager
Ekarat Engineering PCL.
- 2006 – 2012 Human Resources and Administration Manager
Ekarat Engineering PCL.

Percentage of Shareholding : 7,115,587 shares or 0.530%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : Niece of Mrs. Daranee Kantamara and
Mr. Danucha Noichaiboon and
Mr. Daroonwat Noichaiboon





Miss Nuanchan Sirikul

Company Secretary

Age : 68 years

Education / Training

- Bachelor of Business Administration, Bangkok University

Training Program Organized by Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP 27/2008)
- Effective Minute Taking (EMT 11/2008)

Working Experience in the last 5 years

Listed company on Stock Exchange of Thailand

- None -

Companies or other entities

- None -

Percentage of Shareholding : 4,617 shares or 0.0003%

Percentage of Shareholding by Spouse and Minor Child : None

Relationship between executives : None



Ekarat Engineering Public Company Limited

9/291 U.M.Tower Bldg., Ramkhamhaeng Rd., Suanluang District.,
Bangkok 10250 Thailand.

Call Center : 095-371-5551

Tel : (+662) 719-8777

Fax : (+662) 719-8760

www.ekarat.co.th