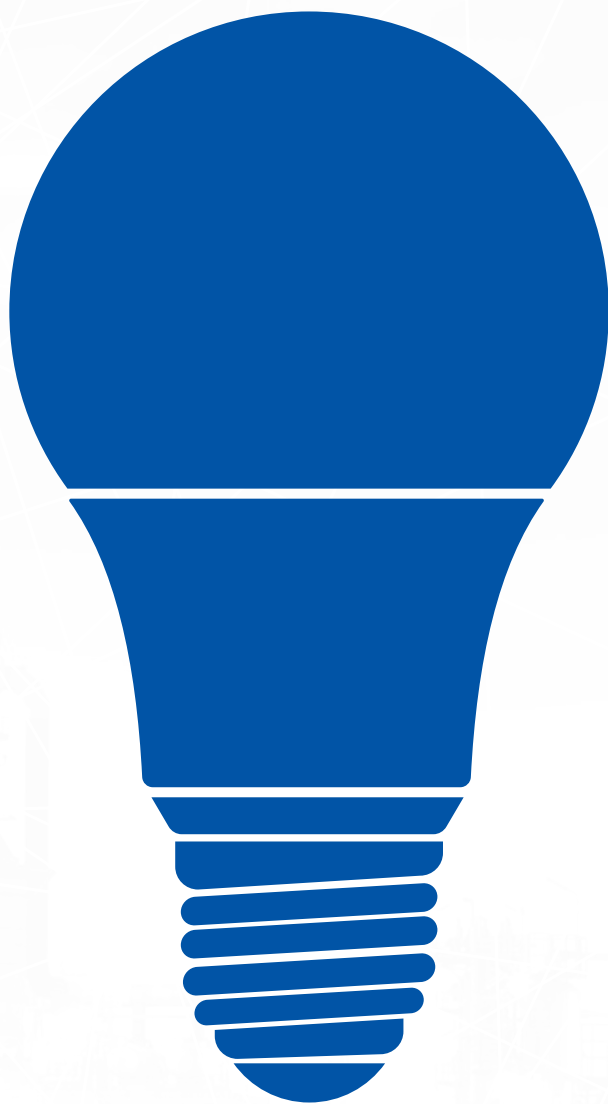


รายงานประจำปี 2562

ANNUAL REPORT 2019



TMI

บริษัท ทีระมงคล อุตสาหกรรม จำกัด (มหาชน)

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED

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Key Financial Information 2019

Financial Statement as of December 31	2019	2018	2017
Common Share Information			
Par per Share (Baht)	0.25	0.25	0.25
Value per Share (Baht)	0.27	0.28	0.32
Earning per Share (Baht)	(0.013)	(0.025)	(0.038)
Overall Result of Operations (Thousand Baht)			
Sales Revenue	391,996	392,214	401,622
Total Revenue	394,248	396,070	403,883
Net Profit	(10,135)	(17,074)	(25,244)
Balance Sheet Information (Thousand Baht)			
Current Asset	217,257	242,899	238,811
Total Asset	423,984	414,520	333,185
Current Liabilities	201,229	218,986	114,699
Total Liabilities	244,151	223,701	125,292
Issued and Paid-up Share Capital	167,860	167,860	167,860
Shareholder's Equity	179,833	190,820	207,893
Financial Ratio			
Return on Equity (ROE) (%)	(5.48%)	(8.56%)	(11.34%)
Return on Fixed Asset (ROFA) (%)	5.01%	(4.48%)	(17.57%)
Return on Asset (ROA) (%)	(2.40%)	(4.57%)	(7.27%)
Gross Profit (%)	33.35%	30.61%	29.91%
Current Ratio (Times)	1.08 times	1.11 times	2.08 times
Quick Ratio (Times)	0.64 times	0.60 times	1.09 times
Debt to Equity(D/E) (Times)	1.36 times	1.17 times	0.60 times

Message from Chairman of the Board Directors



In year 2019, Teera-Mongkol Industry Public Company Limited has expanded its business into the energy business by producing and distributing electricity from bio-power plants into the system and has prepared for additional business expansion for two bio-power plants by 2020. The company will begin to study the generation of electricity from different raw materials in order to manage the work to its full efficiency and to generate continuous incomes for the company.

As for the electricity and lighting business, which is currently still the main business of the company, the company has changed the business structure to be more competitive in the current situation, by dividing the services into the OEM for clients and the distribution of merchandises to vendors throughout the country and in foreign countries, under the brands of the company. After the management structure has been restructured, the business performance of the company tend to be gradually improved respectively, which will enable the company to grow steadily in the future.

In this occasion, I would like to extend my gratitude to all alliances, business partners, executives, and employees for working together to drive the company to overcome various problems and obstacles throughout year 2019, which is a year of many improvements and changes. Last but not least, I am looking forward to seeing the cooperation from the team of the company in pushing the company to achieve the goals set for this year and wish all the sacred things in the world to bless all of you with happiness and prosperity.

A handwritten signature in blue ink, consisting of stylized, flowing characters.

(Mr. Theerachai Prasitratanaorn)

Chairman of the Board of Directors

Teera-Mongkol Industry Public Company Limited

Vision and Mission

Vision

Committing to become the leading designer, manufacturer, and distributor of lighting products, including the leading power producer of electricity from renewable energy in ASEAN

Mission

- Sustainably creating added values and maintain benefits of shareholders and organization;
- Focusing on becoming a specialist in all company's business;
- Developing technology of manufacturing procedure, quality control, and cost reduction;
- Meeting the needs of all-level consumers in terms of product and service;
- Developing alternative energy technology and energy-saving products to reduce consumption of natural resources;
- Supporting the culture of corporate governance, risk management, and good internal control;
- Strengthening staff's competency and capability to ensure organizational and social responsibility;
- Strictly observing laws and maintaining tradition of Thai society.

Long-term Goal

To be the leading designer, manufacturer, and distributor of lighting products in ASEAN, including the leading in renewable energy power producer in ASEAN.

General Information

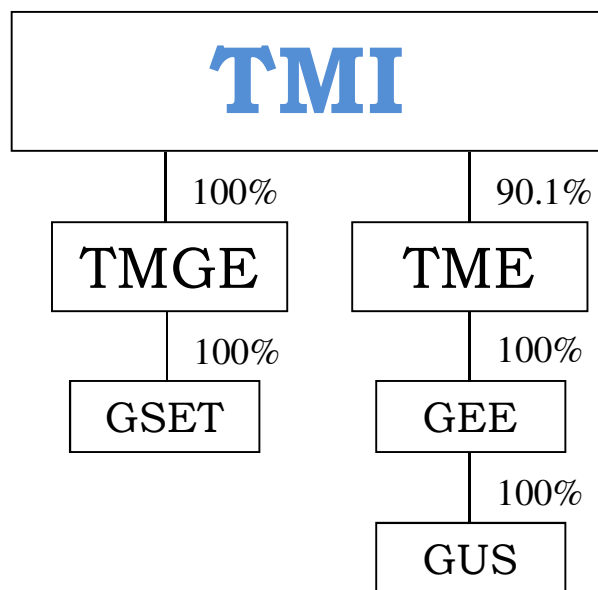
Company in Thai Name	:	บริษัท ทีระมงคล อุตสาหกรรม จำกัด (มหาชน)
Company in English name	:	Teera – Mongkol Industry Public Company Limited (TMI)
Company Registration Number	:	0107552000189
Type of Business	:	Designer, manufacturer, and distributor of electric lighting equipment and lamps
Head Office	:	46/67 – 69 Soi Mangmeesap, Moo 3, Leab Klong Siwapasawad Road, Kokkrabue, Muang, Samut Sakhon 74000
Branch Office	:	<u>Branch Office 1</u> is located at 260/2 Charoen Nakhon Road, Samrae, Thonburi, Bangkok 10600. This office is used as generaladministration department and warehouse. <u>Branch Office 2</u> is located at 9/20 Soi Mangmeesap, Moo 5 Leab Klong Siwapasawad Road, Kokkrabue, Muang, SamutSakhon 74000. This office is used as a manufacturing plant.
Telephone	:	0-2877-9510, 034-854629
Fax	:	0-2877-9522-23, 034-854630
Home Page	:	www.thaiballast.com
Paid-up Capital	:	Baht 167,860,222.50 (One Hundred Sixty Seven Million Eight Hundred Sixty Thousand Two Hundred Twenty Two Baht Fifty Satang)
Par Value	:	Baht 0.25 (Twenty-Five Satang)
Registrar		
Name of Registrar	:	Thailand Securities Depository Co., Ltd.
Location	:	93 Ratchadapisek Road, Din Daeng Din Daeng, Bangkok 10400
Telephone	:	0-2009-9000
Auditor		
Name of Auditor	:	AST Master CO.,LTD Ms. Nongram Laoha-areedilok or Mr. Pradit Rodroytook or Ms. Chamaporn Rodloytook or Ms. Chamaporn Rodroytook
Location	:	790/12 Thonglor Tower, Soi Thonglor 18, Sukhumvit 55 Road Klong Ton Nua, Wattana, Bangkok 10110
Telephone	:	0-2714-8842-3, 0-2185-0342
Fax	:	0-2185-0225

Subsidiary Company Information

Subsidiaries with the Company's Direct Shareholding	Abbreviation	Business Type	Authorized Capital (Baht)	Paid-up Share (Shares)	Par Value per Share (Baht)	Held Share (Shares)	Shareholding Proportion (%)
1. Teera-Mongkol Green Energy Company Limited	TMGE	Running a business to generate and distribute electricity from alternative energy	41,000,000	250,000	100	249,998	100.00
2. Teera-Mongkol Energy Company Limited	TME	Running a business to generate and distribute electricity from energy of all types	1,000,000	10,000	100	9,010	90.10

Subsidiaries with the Company's Indirect Shareholding	Abbreviation	Business Type	Authorized Capital (Baht)	Paid-up Share (Shares)	Par Value per Share (Baht)	Held Share (Shares)	Shareholding Proportion (%)
2. Green Saving Energy Thailand Company Limited	GSET	Running a business to generate and distribute electricity from biogas	41,000,000	410,000	100	409,998	100.00
3. Green Earth Energy Company Limited	GEE	Running a business to generate and distribute electricity from biogas	50,000,000	500,000	100	499,998	100.00
4. Global Utility Supply Company Limited	GUS	Running a business to generate and distribute biogas	1,000,000	2,500	25	9,998	100.00

Company and Subsidiary Company Structure



Nature of Business

Teera - Mongkol Industry Public Company Limited was registered on November 9, 2000 with the first registered capital of Baht 1,000,000 (One million) to transact business about designing, manufacturing, and distributing electric lighting equipment and related equipment including luminaires and lamps.

The company was first established with initiative by a group of Thai business people, led by Mr. Pravit Prasitrattanaporn who is the Chairman at present, since 1977. It started manufacturing ballast for fluorescent and ballast for direct current which is used in a battery of a bus, a ship, and a wheelchair, in the name of Teerapon Electricity. Later, it was closed down and Teera - Mongkol Electricity Partnership Limited was established instead. Also, the product categories were expanded, for example, ballast for street lamps to replace the imported ones since ballast for fluorescent was very competitive at that time. Furthermore, the company started manufacturing other related products such as transformers for halogen lamps and starters for street lamps. In 2000, Teera-Mongkol Electricity Partnership Limited moved the production to the plant in Samut Sakhon, and a new company was established under the name of Teera-Mongkol Industry Company Limited (at present, Teera-Mongkol Electricity Partnership Limited is in the process of liquidation for closure in accordance with the Partnership Committee no.2/2009 on November 6 ,2009). Modern products were added and advanced technology was used such as auto daylight sensor switches, electronic transformers, and etc. In 2006, a new plant was built to support the continuous increase in manufacture of new products.

At present, the headquarters is located at 46/67– 69 Soi Mangmeesap, Moo 3, Leab Klong Siwapasawad Road, Kokkrabue, Muang, Samut Sakhon 74000. The company has the following two branch offices:

Branch Office 1 is located at 260/2 Charoen Nakhon Road, Samrae, Thonburi, Bangkok 10600.

This office is used as general administration department and warehouse.

Branch Office 2 is located at 9/20 Soi Mangmeesap, Moo 5 Leab Klong Siwapasawad Road, Kokkrabue, Muang, Samut Sakhon 74000. This office is used as a manufacturing plant.

Type of Business

The business operations of Teera-Mongkol Industry Public Company Limited can be classified as follows:

1) The businesses to design, produce and distribute lighting equipment and related control equipment including bulbs and lamps for customers inside and outside the country. However, most customers are domestic ones. Customers are divided into group of electrical appliance stores, group of general wholesale market, and project customers.

Products are categorized into 3 main product groups, which are

- 1) Lamps and Control Gears
- 2) Luminaires
- 3) Home Automation

As for products in the 3 aforementioned groups, the company will focus on being a manufacturer and distributor of light bulbs and lamps. The ballast products that the company will cover include fluorescent lamps, energy saving lamps, LED bulbs and street lamps. Both ballast and electric light bulbs are distributed under the "GATA" and "CROSS" brand, which are the company's main brands.

2) Businesses to generate electricity from renewable energy focus on electricity production from all types of alternative energy, with the main focus on projects related to biomass and biomass power plants, both domestically and internationally.

Revenue Structure

The company has the structure of revenue, sorted by product categories, as follows.

Product Category	2017 (BOI)		2017 (NON-BOI)		2018 (BOI)		2018 (NON-BOI)		2019 (BOI)		2019 (NON-BOI)		2019 (total)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1.Electric Lighting Business	157.16	99.34	244.46	99.44	63.87	80.35	313.11	98.90	11.73	20.83	335.76	99.36	347.49	88.14
Lamps and Control Gears	105.28	66.55	97.88	39.81	41.32	51.98	165.73	52.35	0.00	0.00	178.39	52.79	178.39	45.25
Luminaires	28.54	18.04	139.89	56.90	19.27	24.24	133.73	42.24	12.38	21.99	141.76	41.95	154.14	39.10
Home Automation	24.27	15.34	7.64	3.11	5.54	6.96	22.76	7.19	0.00	0.00	28.28	8.37	28.28	7.17
Discount paid	-0.93	-0.59	-0.95	-0.39	-2.26	-2.84	-9.11	-2.88	-0.65	-1.16	-12.67	-3.75	-13.32	-3.38
2. Business of electricity from renewable energy	-	-	-	-	15.23	19.16	-	-	44.50	79.03	-	-	44.50	11.29
Sales revenue – net	157.16	99.34	244.46	99.44	79.10	99.51	313.11	98.90	56.23	99.86	335.76	99.36	391.99	99.43
Other incomes*	1.05	0.66	1.38	0.56	0.39	0.49	3.47	1.10	0.08	0.14	2.17	0.64	2.25	0.57
Total Revenue	158.21	100.00	245.84	100.00	79.49	100.00	316.58	100.00	56.31	100.00	337.93	100.00	394.24	100.00

Note: *Other incomes are revenues from the sale of material scraps, returned incomes from export - cash /card, income, income from interest receivable - deposits.

The company has the structure of revenue sorted by types of sale as follows.

Type of Sale	2017 (BOI)		2017 (NON-BOI)		2018 (BOI)		2018 (NON-BOI)		2019 (BOI)		2019 (NON-BOI)		2019 (total)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from inside the country	148.78	94.67	239.61	98.02	77.40	97.85	304.38	97.21	56.23	100.00	331.09	98.61	387.32	98.81
Revenue from outside the country	8.38	5.33	4.85	1.98	1.70	2.15	8.73	2.79	0.00	0.00	4.67	1.39	4.67	1.19
Total Revenue	157.16	100.00	244.46	100.00	79.10	100.00	313.11	100.00	56.23	100.00	335.76	100.00	391.99	100.00

The company has the structure of revenue sorted by pre-distribution actions as follows.

Type of customer group	2017 (BOI)		2017 (NON-BOI)		2018 (BOI)		2018 (NON-BOI)		2019 (BOI)		2019 (NON-BOI)		2019 (total)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Public Sector	0.93	0.59	2.74	1.12	15.47	19.56	7.32	2.34	44.50	79.14	5.63	1.68	50.13	12.79
Private Sector	156.23	99.41	241.72	98.88	63.63	80.44	305.79	97.66	11.72	20.86	330.14	98.32	341.87	87.21
- General electric appliance shops	137.50	87.49	199.70	81.69	53.33	67.41	253.79	81.05	1.95	3.48	279.39	83.21	281.34	71.77
- Big retail shops	18.73	11.92	42.02	17.19	10.30	13.03	52.00	16.61	9.77	17.38	50.75	15.11	60.53	15.44
Total sales revenue	157.16	100.00	244.46	100.00	79.10	100.00	313.11	100.00	56.23	100.00	335.76	100.00	391.99	100.00

Product and Services

1) Business of Production and Distribution of Lighting Products

Lighting products of the company can be categorized into 3 main product groups which are

1.1 Lamps and Control Gears

The company is a manufacturer and distributor of Control Gear products, which are components in lighting circuits, which consist of several main products. The main categories of products that the company manufactures and distributes are as follows.

(A) High Intensity Discharge (HID) Electric Lamp Products

The company is the only manufacturer of high intensity discharge lamp (HID) in Thailand. The products that have been manufactured are high pressure sodium lamp and metal halide bulbs. However, throughout the past period, the company imported the said products from abroad to sell. The company has invested in machineries which include equipment used in production by receiving the transfer of production technology from foreign countries Including continuous learning, and research and development through knowledgeable personnel of the company. The lamp products that the company produces are divided into 3 types as follows:

High Pressured Mercury Vapor Lamp

A moonlight bulb is a high pressure bulb that was originally used on roads, alleyways, factories, and sports stadiums. The lamp was developed to illuminate with more brightness than incandescent bulbs and has a much longer use-life. At present, the company has distributed moonlight bulbs to customers. The moonlight bulb is one of the high pressure lamps that the company produces.

Product Preview Image



Moonlight Bulb: High Pressured Mercury Vapor Lamp

High Pressure Sodium Lamp

A high pressure sodium lamp is a yellow light road lamp that is often used on roads around the country because the yellow light makes moving things clearly visible; for example, when people run through the road or cars passing by, this light makes such moving things obvious. In addition, the lamp gives a lot of brightness per watt up to 157 lumens per watt compared with a moonlight bulb with a brightness of only 50-60 lumens per watt (lumen is the unit for measuring the amount of light emitted from a light with a high lumen value meaning the amount of light that comes out a lot). As for sodium lamp, the company is a manufacturer and distributor for both equipment and light bulbs. High pressure sodium lamp products manufactured by the company are certified products from Germany. The company's products will have better quality and image than products from China that are generally sold in the market. Also, the company will use the 1 year product quality warranty as an important selling point.

Product Preview Image



High Pressure Sodium Lamp

Metal Halide Bulb

Metal Halide bulbs are widely used in large buildings, stadiums and in the highways of Thailand. Metal halide lamps are high pressure lamps that give the best color accuracy compared with moonlight and high pressure sodium lamps. Nowadays, metal halide lamps are popular and are widely used. The company has been selling metal halide lamps for many years and has a lot of knowledge and expertise in this type of lamps.

Product Preview Image



Metal Halide Bulb

Currently, the company has the production capacity of high intensity discharge lamps as detailed below.

Type	Production Capacity (Pieces/Month)
Metal Halide Bulb	30,000

(B) Indoor Electric Bulb Products

Fluorescent Lamp Products (Fluorescent Bulbs)

Fluorescent lamp is another product that the company has imported for distribution and is a light bulb that provides a lot of light and has good color values, both Daylight (Warm White) and Yellow (Warm White). The company has selected quality fluorescent lamps from factories with excellent quality to import and distribution. Data from the trend survey of most current consumers show that consumers like to buy bulbs for fluorescent lamps with fixtures, or as popularly called 'neon rail assembly', complete with tubes, instead of purchasing only the ballast or neon rail separately. (Neon rail is assembled with tubes.) There are lamps (fluorescent lights), fluorescent lamps, starters, ballasts for fluorescent lamps, imported for distribution of fluorescent lamps is thus considered as an additional sales channel for increasing revenue. The addition of complete assembly of neon rail with tube also helps the company sell more ballasts and lamps.

Product Preview Image



Fluorescent Lamp

LED Light Bulb

LED or Light Emitting Diode is a semiconductor device (Semi-Conductor), classified as a semiconductor type pn-Diode, which can emit light with the appropriate power, which is regarded as a light source or a type of light source. LED products have been developed and applied. In the product, using as a traffic light flashing light until the invention of the high brightness blue LED * in 1993 by Shuji Nakamura, Isamu Akasaki and Hiroshi Amano, which led to the development of High Lumen type lamps distributed in current market.

LED bulbs are made from the use of light-emitting diodes to be used in general lamps. Nowadays, LED bulbs are used for replacing various types of bulbs such as incandescent bulbs, compact fluorescent lamps or energy saving chopsticks bulbs. Fluorescent lamps or fluorescent lamps or even the replacement of some types of street lamps. LED bulbs are being developed continuously. LED bulbs are currently on sale. The brightness is usually around 100 Lumen / Watt, which is brighter than the lamp that is on the market in general. LED lamps are therefore classified as having high efficiency lamps compared to conventional lamps, that is, LED lamps are

more energy efficient than conventional lamps in the market. In addition to saving electricity, LED lamps have a longer life than most lamps. The lifespan of the LED is 15,000-50,000 hours compared with incandescent lamps. LED lamps have a lifespan of up to 8 times more (incandescent bulbs have a lifespan of just 2,000-4,000 hours) and have a longer life than a compact fluorescent lamp or Chopsticks tubes save more than 3-4 times more energy (generally chopsticks tubes have a lifetime of 6,000-8,000 hours).

Aside from the advantages of energy saving and long service life, LED lamps also have the following advantages:

- Eco-friendly LED tubes because the LED lamp does not contain mercury (the majority in the market);
- LED lamps emit lower levels of UV and Infrared radiation than conventional lamps;
- LED tubes are available in a variety of colors; some LED bulbs can also change colors as needed;
- While operating, LED does not release heat like an incandescent lamp; and
- Provides instant brightness (Rapid Start), compared with traditional light bulbs.

Product Preview Image



LED Bulbs

*Data of high brightness blue LED are retrieved from <https://en.wikipedia.org/wiki/Light-emitting_diode> on 27th February 2020. Thus, data may be unstable and can be changed.

At present, the company has imported for distribution LED lighting products of various models, which are high quality lamps, and according to international standards, with a lifespan of 10,000 to 15,000 hours or more, compared to conventional products in the market that currently have a lifetime of less than 8,000 hours. LED lighting products that the company distribute higher standards than products distributed in the market in general. In addition, the company also imports LED lamp products with high quality with a brightness level higher than 130 lumen / Watt and has a lifespan of more than 50,000 hours to distribute in Thailand as well.

(C) Ballasts for High Intensity Discharge (HID) Lamps or Street Lamps

Ballast group for High Intensity Discharge (HID) lamps or street lamps is a product that is used in the street lamp circuit. Stadium light bulb lighting for signs for buildings or industrial plants which requires high intensity brightness. Customers of the products in this group include the Department of Highways and Expressway Authority of Thailand which are governmental agencies. The company will be the direct distributor of the products to the bidding submitting company. In which, for direct bidding for government projects The company still has a small proportion of government tenders for bidding. There are also industrial customers, warehouses, fishing boats, specific locations such as stadiums, shopping malls. Etc. The products in this group consist of

Ballasts for High Pressure Sodium Lamps

Is a ballast used with a high pressure sodium lamp, which is a lamp that uses sodium as its main compound Which will give a yellow light. Yellow light is the color that helps to see the movement of objects clearly Making it a popular light bulb used on roads around the country. The ballast that will be chosen to use with the street light bulb must pass the inspection from the Department of Highways. The company ballast has been selected for use. At present, ballasts from 2-3 producers in Thailand attained this certification. The products in this group of the company can be used in the civil service of the Department of Highways and Metropolitan Electricity Authority. The company has a special electricity saving model for the Metropolitan Electricity Authority especially.

Ballasts for Metal Halide Lamps

It is a ballast for lamps that are generally used in industrial plants, offices and shopping malls. This new type of light bulbs provides more color accuracy than other types of lamps (which give light that is very close to sunlight) and provides more light compared with moonlight bulbs. This type of lamp is gaining popularity in use; consequently, this type of ballast is more popular as well.

Product Preview Image



Ballasts for Metal Halide Lamps: Metal Halide Ballast

Since the company is one of the few manufacturers of street light ballasts in the country with a variety of models and types of ballasts in Thailand. Therefore, there are many projects requiring the company to produce ballasts or transformers specifically for projects such as reducing the power level ballasts for the Department of Highways, and ballasts for special lamps used at various junctions that require special lighting. In addition, the

company has a lot of experience in solving lighting problems, causing customers to request the company to solve problems in the system and order the products of the company to use in the project. The company has a guarantee of product quality to differentiate itself from its competitors. The products of the company will have a quality guarantee period from 1 year to 5 years.

(D) Electronic Gear Products (Control Gear)

The company is the only manufacturer in the country that has a complete range of Control Gear products, from small to large versions, which are considered a major strength of the company. The benefit and functions of the ballast as a component of that lamp are as follows.

Ignitor Products

Ignitor is the starter for a street lights and the company has been the one of the few manufacturers in Thailand for over 20 years (the company's product is the first that has passed the industry standard certification). Many models of ignitors have come to be trusted in the world market. Until it is a product that can replace imported ones and can be exported to sell in many ASEAN countries.

Product Preview Image



Ignitor

1.2 Group of Luminaire Products

At present, the company has distributed electric lamps to add value to the existing product groups and to increase the service to the customers as well. The company will purchase most of the lamps from manufacturers or distributors, both domestic and international ones.

(A) Industrial electric lighting and street lighting products

Industrial lighting and street lighting products are electric lamps used in industry because of the high power output and very high levels of brightness. Therefore, these products are suitable for industrial applications and are not popularly used at homes. Industrial electric lamps and street lamps can be divided into sub-categories as follows

Flood light (floodlight) is a general type of electric lamp used for illuminating large signs and for looking at a wide angle.

Product Preview Image



High bay lamps or factory lamps is a lamp used in buildings with high roofs, such as warehouses, industrial plants, sports buildings, etc.

Product Preview Image



(B) Neon rail products

Neon rail is a product manufactured by the company and is used with fluorescent lamps (fluorescent bulbs) mainly. The Neon Strip that the company produces can be combined with LED bulbs to replace fluorescent lamps as well.

Product Preview Image



1.3. Home Automation Device Products

Home Automation Device products are products that the company invented to meet the lifestyles of modern consumers. They are devices that facilitate users and are suitable for modern households and condominiums.

(A) Sunlight Switch Products

This product is a device that is used instead of the on-off switch, using sunlight to determine and control the function of on and off switching automatically.

Product Preview Image



Sunlight Switch

(B) Heat and Motion Switch Products

This product is a device used for control the switching on and off with human movements. For instance, when someone enters a room, the electricity will automatically light up and when he leaves the room, electricity will turn off by itself when there is no movement.

Product Preview Image



Heat and Motion Switch

At present, the aforementioned products are not popularly used. Nevertheless, the company has predicted that in the future, the demand for these products will increase. As the product is likely to be used in all locations by dint of the trends of home automation or smart home which will need more automatic switches.

As for the products of the aforementioned types, the company produces them under its own brands as follows.

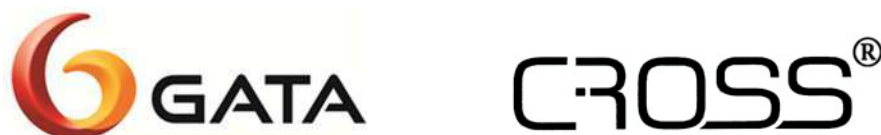
"GATA": used as a trademark for lamps, ballast lamps, electric starters, igniters, capacitors (or condenser) and sunlight switch:

"GATA" is the brand for products that the company has manufactured. The brand is recognized in the market as a brand of quality product that can compete in the world market. The product quality is guaranteed for up to 5 years. There are many products under that brand which have passed the only standard quality certification in Thailand.

"CROSS" is used as a trademark for all types of products for export. Also, for domestic market, the brand is used for lamp products, the company will use this trademark for products that the company produces for customers who are interested in products with lower prices and with a competitive level of quality (Fighting Model).

Each brand is unique and different in its marketing strategy with different target customers.

Logos of "GATA" and "CROSS" Brands



The company's products have been certified with various standards, including industrial standards and safety standards from inside and outside the country. Furthermore, some products of the company are few products in the market that have attained the industry standard certification in the country resulting in a marketing advantage for presenting the product to the market. In addition, the company greatly emphasizes on product research and development. With the Product R&D unit, over the past years, the company has been able to develop more than 100 ballasts, and all models can be certified with all industry standards.

At present, the company has attained the ISO 9001 quality system certification. In addition, the company's products have been certified with other standards, divided into 3 types, as follows.

- Industrial standard means technical specifications set by the Thai Industrial Standards Institute (TISI) to provide guidelines for manufacturers to produce quality products, at the level that is most suitable for use, with the contents relevant to the production of that product, such as technical criteria, key features efficiency of implementation, and quality of material used for production and testing methods.
- Safety S is a standard that controls the safety of products that are at risk of potential hazards to users. Most of the products are related to consumers' daily life, including the prevention for the access to parts with electric power and current, the heating, the current leakage and the electrical endurance at operating temperatures, the moisture resistance and the protection against overload of transformers etc.
- Safety standards (Safety EMCS: Safety Electromagnetic Compatibility Standard) or safety standards for electromagnetic compatibility. EMC standards are standards for electromagnetic compatibility,

which Thai Industrial Standards Institute (TISI) has established to provide certification to products that have protective properties and are resistant to electromagnetic interference. Products related to this standard include lighting equipment, household electrical appliances, IT products, such as computers, faxes and mobile phones, and medical tools and scientific equipment. This standard is different from the Safety S standard, which is a general safety standard.

The follows are the company has been certified by the Thai Industrial Standards Institute With the following example

TIS. 1955-2551	Illumination and similar equipment: Radio interference limits: This type of standard is a Safety EMC standard of equipment that can operate under any environment with that has electromagnetic waves without causing disturbances beyond acceptable levels.
TIS. 344-2549 (2006)	Fluorescent lamp holders and starter holders
TIS. 2234-2557	Lamps with built-in ballasts for general lighting
TIS. 956-2557	Safety Fluorescent Tubes
TIS. 183-2547 (2004)	Glow starters for fluorescent lamps

In addition to the aforementioned standards, the company has also developed and researched on many products such as street lamp products., ballasts that reduce power levels, including many products that the company has designed, researched, developed, and are in the process of waiting for production and sale to the market such as high intensity street lights ballasts for fishing lamps, LED lamps and various energy-saving lamps.

2) Electricity production from renewable energy business

Biogas power plant - is a plant that produces electricity from agricultural products by fermenting agricultural products to create gas and improve such biogas before putting the gas into the engine for electricity generation, with details of the project as follows

2.1 Green Saving Energy Thailand Company Limited

Teera-Mongkol Green Energy Company Limited (which is a subsidiary that the company holds 100% of the authorized capital) has purchased shares in the biogas power plant of Green Saving Energy Thailand Ltd. with Details as follows

- Production capacity: 1.4 MW
- Project Location: Tha Sae District, Chumphon Province
- Raw material: Waste water from palm oil plants in the area
- Distribute electricity to: Provincial Electricity Authority
- Started selling electricity in: April 2015

2.2 Green Earth Energy Company Limited

Teera-Mingkol Energy Company Limited (a subsidiary that the company holds 90.9% of the authorized capital) has acquired shares of Green Earth Energy Company Limited which holds a power plant license. As the following details

1) Power plant in Ban Phaeo District - Status: stopped due to the process of electricity generation improvement.

- Production capacity: 0.99 MW
- Project Location: Ban Phaeo District, Samut Sakhon Province
- Raw material: Wastewater from the liquor factory or ethanol plant in the area
- 2) Power plant in Ban Pong District, Ratchaburi Province - Not under construction
- Production capacity: 2.97 MW
- Project Location: Ban Phaeo District, Chumphon Province
- Raw material: wastewater from local ethanol plants or energy crops

Industry Trends and Competition

Business of Designing, Production and Distribution of Lighting Equipment

1) Marketing of Key Products and Services

1.1 Products and services (Product & Service)

In terms of products, the company has developed and has a tendency to add more products related to lighting systems, especially energy saving related products such as energy saving lamps and other energy saving products, which are the trends and direction for future market expansion. With regard to products that are not related to lighting systems, the company itself has developed and added more products to support the market expansion in many ways for products with future opportunities or potential.

Electric lamp products are the main products of the company. The company is still developing more products, currently there are more than a hundred ballast products that the company produces to meet the needs of consumers and also produce new products to meet the needs of new groups of customers, especially specialized products in order to expand the customer base to specific groups, such as sports stadiums or fishing boats. The new products that have been expanded but still in the category of lighting system include Electric lamps and bulbs. In 2019, the company has added products such as energy-saving products which are LED bulbs for more than 104 new products and LED lamps for over 142 new products.

For the products, in addition to the lamp, ballast and ballast products, the company also sells products that help with lighting systems. For this increased product line, the company has distributed and expanded channels, mainly focusing on Modern Trade and Retail groups. The production of control devices related to lighting systems is a product that meets the needs of consumers who emphasize on convenience. These convenience products help meet end users' needs well. This consumer group mainly purchases products through Modern Trade market.

In terms of product R&D, the company has researched and developed products that are directly related to lighting systems and technology-related products, to improve household convenience, among many other products Items that are not mainly related to lighting systems.

The company has developed and designed products, including the application of better technology in order to develop the quality of the products in the production line system and to avoid the market that has to compete mainly in price. The company has emphasized on testing or research by requesting international standards to certify the products produced by the company and to enhance the confidence of customers in using the products of the company.

1.2 Determination of the Sales Price (Price)

Currently, the company has set the selling price of the product by dividing the product into 2 main types as follows.

Category 1 is a group of good quality products. With the price higher than the second product category, this group will focus on products with quality and standards that are approved by foreign countries or higher standards in the market, which are factors that determine the price.

Category 2 is a product group that has the same quality as others in the market which can compete in the middle and lower level markets that have price-based marketing mechanisms. The company has a department to monitor the market movement and the market direction of competitors all the time, which leads to development and change to keep up with the situation better. Price determination is based on sales policy, with sales promotions that are appropriate for the time and market situation at that time. In addition, at present, the company is adding another product group that directly reaches consumers and increases distribution channels for products of this group. Compared with others in the market, these products may be expensive, but they have better quality and more diversity.

1.3 Distribution Channels (Place)

Currently, the company has expanded its market share by reaching all customer groups, including direct users because the company has the ideas of Demand-pulled marketing whereby the customers want to get products directly, and Demand-pushed marketing whereby the emphasis is put on the traditional distribution of products that the company manufactures. In the past, the company's products were industrial ones which will require an expert seller to explain the characteristics of the devices, such as ballasts or high pressure starters, to the end customers again. Nowadays, the behavior of consumers has changed in terms of buying more finished products. The company has also responded to the needs of consumers in that way as well. By selling products through modern trade or retail sales channels which are the growing trend, the company has an idea to distribute products to all groups. At the same time, the company has not neglected the distribution of products in the same way through sales channels through retailers or general wholesalers who are dealers or who have been dealing with the company for a long time. The company has attempted to arrange the proportion to be appropriate, with the focus on 4 main consumer groups as follows:

13.1 General store groups: Currently, the number of wholesale stores has increased, from 50-60 in the past to 70-80, as well as around 500-600 electrical appliance stores in each province, and around 200-300 electrical appliance group in Bangkok and nearby area. Currently, the company is trying to reach target consumer groups that are project consumers which will benefit the company's branding in the future. If the company is able to make customers accept the products. In the future, the product will be ordered and there will be confidence in the brand which will lead to Brand Loyalty for the products of the company and will affect the order through Modern Trade stores or shops that are distributing the original features such as retail stores or wholesalers.

1.3.2 Consumers in the type of project bidders, project contractors, consumers using the said products in their own houses or in a project, building and industrial factory or building owner: in the past, the company had a small proportion of sales to project customers. The company has therefore tried to increase the proportion of sales of products to the project customer group, both public and private ones. In this regard, if this group of

consumers is more likely to respond to the company's products the company is more likely to distribute products better, and to create more brand awareness and to expand more new products

1.3.3 Lamp Manufacturers: currently, there are about 20-25 companies. The company has tried to increase the list of products and equipment related to lamps, especially the type of lamps that the company has specially focused on in order for the lamp manufacturers to be able to buy the company's lamps and install them with more lamps.

1.3.4 International customer groups Currently there are about 2-3 people. The reason why there are not many customers is because the company has a foreign trade policy of 1 distributor for 1 country. With the aforementioned ratio, the company has exported products to many countries such as Saudi Arabia, Cambodia and Myanmar. The company evaluates foreign exchange risk factors as important. Even if the company has had the forward purchase contract, the company still controls the export in an appropriate proportion.

1.4 Control and Consideration of Credit for Customers

Currently, the company considers giving credit terms to customers that have continuous trading and dealing. A new customer must buy the product in cash only. After that, evidence will be checked for financial status to consider various relevant information, whether financial information or basic one obtained from general information. In contacting that customer, the company will consider setting a limit for the beginning to be 25,000-30,000 baht, and will afterward consider expanding the credit if the trading is continuous. However, when considering giving credit terms to a new customer, a limit is set in the computer program for easy control.

The company will consider giving credit terms to customers from the day of the complete delivery of the products for the period of 60 days to a maximum of 120 days, with most customers being considered credit terms during the 60 days to 90 days. Recently, the company has encountered very few problems of bad debts, with the form of payment being on checks rather than cash. As for those foreign customers, most of them will pay with L / C at Sight payment terms. In addition, it will be L/C term or cash payment for term credit or advance payment in cash.

As for the credit terms from trade payables of the company, the company receives a credit term of no more than 120 days. However, at present, the company has changed the policy of ordering raw materials to be more direct from overseas suppliers, especially for steel, from which the company does not receive credit terms. Hence, it will be the order with L/C at Sight.

2) Industrial Trend and Competition

2.1 Overview of Industry sector

The lighting industry is an industry with growth rates in line with economic conditions and the growth of real estate in the country. In 2019, the company still evaluates the total value of the lighting business to be 23,000 - 25,000 million baht, closely comparable to the market in 2018, which Philips Electronics (Thailand) Company Limited has estimated the total value to be 26,000 million* baht. The company has assessed from the total value of import and export of lighting products for the past 3 years (estimated from the statistics of import and export of

lighting products in Thailand) **, most of which are new lamps and bulbs installation for public utility both inside and outside the building and from the installation of lamps and bulbs to replace the old products that have been damaged or expired. In addition, the installation in some organizations or departments may be to replace the original product for the sake of energy saving by installing new products, including LED bulbs and LED lamps that provide better light efficiency and enable the organization to save electricity, which is in accordance with the energy saving policy that the government has consistently promoted.

* Data from Forbes Thailand Newspaper Business Website on May 18th, 2018, which is only an analysis from Philips Electronics. With details as follows <<http://www.forbesthailand.com/news-detail.php?did=2450>>.

** Import and export information of lighting products in Thailand is a number obtained from the website <<http://www.moc.go.th/> of the Ministry of Commerce> on 20th February 2020. The information may be uncertain and subject to change as announced by the Ministry of Commerce.

Lighting industry can be classified by type and important items as follows.

2.2 Electric Bulb Industry and Fittings and Competition

The electric bulb industry is one of the products that the company produces and imports for domestic sales which tend to continually slow down because products from China are distributed and compete in the domestic market of Thailand and export markets to foreign countries. However, the company can still maintain income levels because the company has been trusted for the quality of electric lamps manufactured, imported and distributed to the market for a long time.

According to data from the import and export of electric lamp products in Thailand, classified by products (*) in 2019, exports of fluorescent lamp products have decreased steadily and significantly. By 2019, Thailand has had the total amount of 6.51 million fluorescent tubes exported internationally, or 109.4 million baht, decreasing from the year 2018 and 2017, with 6.66 million fluorescent tubes exported or equivalent to the value of fluorescent lamps of 143.8 million baht and 10.94 million tubes or equivalent to 221.3 million baht, respectively, with the decrease in the export value of fluorescent lamps by more than 50.56 percent from 2017 to 2019. The aforementioned numbers were results of competing with competitors from China that can produce cheaper products and are also the results of changing technology to LED bulbs. China is the world leader in LED lamp market disabling domestic producers from competing in prices with Chinese manufacturers. Consequently, some entrepreneurs had to close down and was unable to compete in the global light bulb market.

For information on the import of fluorescent lamps and compact fluorescent tubes (energy saving chopsticks lamps) in the year 2019 has decreased from the year 2018, with the import volume of fluorescent lamps in 2019 for 18.52 million tubes, decreasing from 29.34 million tubes in 2018 with the value decreased from Year 2018 at 908.5 million baht to 533.2 million baht in 2019. Meanwhile, LED bulbs number has increased from 121.80 million pieces in 2018 to 218.09 million pieces in 2019 and the value has decreased slightly from 3,611.3 million baht to 3,500.1 million baht in 2019 and 2018, respectively. In addition, street lamps and floodlights number has increased from 13.32 million pieces in 2018 to 15.86 million pieces in 2019, and the value has increased from 4,292.9 million baht to 4,648.5 million baht in 2019, which is an increase of 8.28 percent.

However, details of the entire country showed that from the import of all types of electric lamps combined, more than 69.36% (*) of the overall value of import of electric lamp of all types products was from China because China is currently the number one manufacturer and exporter of electric lamps in the world. The main reason for the import of electric lamps from China is the trade agreements between ASEAN countries and China. This causes the import duty rate from China become 0%. Consequently, more than 500 electric lamp products importers have registered for importing product from China to compete in the market.

Currently, the major importers of Thailand are as follows.

- Philips Electronics (Thailand) Co., Ltd., produces and distributes all types of lighting equipment under the brand "Philips", which is the number one brand in the world that is very popular and well known in the lighting industry with sales of over 50% of the lighting electricity market.
- Lighting and Equipment Public Company Limited operates a fully integrated lighting business. It is the only company in the lighting business that has registered in the Stock Exchange of Thailand (SET), manufacturing and distributing electric lamps under the brands "L&E" and "Lumax".

From the above information The company considers that the company's being a manufacturer and distributor of lamps itself can help create a variety of products manufactured and sold a number of programs to meet the needs of consumers more than ever. In addition, the company has invented and developed high intensity discharge lamps (HID such as metal halide lamps) and high-pressure sodium) LED lamps and LED lamps.

* Import and export information of lighting products in Thailand is a number obtained from the website <<http://www.moc.go.th/>> of the Ministry of Commerce ,on February 23rd, 2020. The information may be uncertain and may be subject to change as announced by the Ministry of Commerce.

2.3 Lighting Industry and Competition

Electric lamp industry Is a part of the lighting equipment or circuit. The electric lamp industry market is highly competitive. There are many manufacturers and importers of products in the country. The company began researching and developing electric lamp products. To expand the ballast business and responding to consumers who need lamps to be used with LED bulbs, the company has distributed electric lamps, in addition to directly increasing the sales of electric lamp products. The company therefore has the advantage of incorporating electric lamps into pre-assembled circuits before distribution (bring the electric lamp together with the electric lamp And various fittings), allowing direct access to consumers who like to buy finished products

The major electric lamp manufacturers in the country is:

Lighting and Equipment Public Company Limited is a large manufacturer in Thailand. It is the only manufacturer and distributor that is listed on the Stock Exchange of Thailand (SET) with the production capacity and distribution of over 4,000,000 units of electric lamps per year.

3) Target Customer Group

The company recognizes and is aware of the great importance of the continuous expansion of its customer base by planning on procuring target customers. The target customers of the company will be divided into the following major categories:

Customer groups classified by product type are:

- 3.1 Lamps and accessories,
- 3.2 Electric lamp group, and
- 3.3 Convenient products.

However, the company tries to reach as many target customers as possible because electrical and lighting products are essential equipment for daily life of every household. Able to reach customers in each group, the company will be able to expand more distribution channels, especially the products that can easily reach the customers such as light bulbs, and some types of electric lamps. This will facilitate the implementation of marketing strategies. In addition, the company has planned to expand its customer base through the increase of distribution channels, as well as increasing the diversity of products by focusing on products for convenience in household and office.

Business of Electricity Generation from Renewable Energy

1) Marketing of important products and services

At present, the company has a project to generate electricity from renewable energy that operating, for 1 project with a total power capacity of 1.4 megawatts, with the following details:

Biogas power plant, Green Saving Energy Thailand Co., Ltd.

Power purchase agreement: Size 1.4 MW

Contract parties: Provincial Electricity Authority

Power Purchase Rate: Green Gas Power Plant Thailand Biogas Project, a 20-year feed-in Tariff power purchase agreement with a purchase price of 3.76 baht per unit And receive the electricity purchase price increase (Adder) for small power producers from renewable energy at the rate of 0.50 baht per unit for a period of 8 years from the date of project initiation, and ends on April 19th, 2035.

This project received an investment promotion certificate from the Board of Investment of Thailand with the exemption of corporate income tax on net income derived from the business operation for a period of 8 years from the date of first earning income. And after the said 8-year period, corporate income tax will be reduced at the rate of 50 percent of the normal rate for a period of 5 years.

2) Industry Trends and Competition conditions

In the overview, renewable energy business, there is a trend to grow steadily, with key factors that support the main growth include government support and the reduction of the cost of electricity production from renewable energy, especially solar energy. Thus the renewable energy industry as a whole has a tendency to expand clearly, which is in accordance with the development trends and growth of clean energy around the world in an effort to reduce the use of electrical energy produced from fossil fuels such as

oil, coal and natural gas, which is a limited use of natural resources and also to reduce the pollution that may occur from the burning of fossil energy.

Concerning government support in Thailand, the policy set by the Ministry of Energy has announced the Alternative Energy and Alternative Energy Development Plan (AEDP), which is a 20-year plan as a renewable energy development structure in Thailand With details of purchasing renewable energy in the latest plan (AEDP 2018) * according to the following information.

Type of Power Plant	Electricity Generation Capacity (MW)
Biomass Power Plant	5,786
Biogas Power Plant	928
Solar Power Plant	15,574
Wind Power Plant	2,989
Industrial Waste Power Plant	75
Community Waste Power Plant	900
Small Hydropower Plant	188
Big Hydropower Plant	2,918
Total	29,358

* Data of the plan to improve electricity generation of the country are from <<https://www.prachachat.net/economy/news-367281>> as at 29th February 2020.

From the above information, it is found that the renewable energy business has a tendency to grow further in the future, especially for the biogas power plant which has a project to purchase electricity SPP / VSPP biomass, wind, biogas, total 5,407 megawatts in the future.

Risk Factors

Before investing in the securities of the Company, investors should use judgment in prudently considering the risk factors mentioned in this document and other additional risk factors. Risk factors that are mentioned in this document are based on current information and the anticipation of events in the future, as can be identified. Some risk factors that are significant may affect the value of the Company's shares; and, in the future, there may be other risk factors that affect business, revenue and performances of the Company. In addition, words that have the implication of uncertainty such as 'believe that', 'anticipate that', 'expect that', 'plan to', 'intend to' or 'estimate' in the annual report denote the anticipation or expectation related to performances, business expansion plan, change of laws related to business of the Company, government policies and many other matters are the guess of the incident in the future. The actual results that happen may significantly differ from the anticipation or estimate.

Strategic Risks

1) Risk from the Reliance on Big Suppliers of Raw Materials and Instant Products

Lighting Business

Currently, the raw materials used in production and many of the finished/instant products of the company are from 2-3 manufacturers and distributors, or more. The markets of the manufacturers or distributors of important raw materials and finished products used in the production of the company are competing ones. The company therefore has direct contact with the manufacturers of certain raw materials and finished products from foreign countries in order to compare prices between domestic and foreign markets at all times, which will enable the company to be aware of price movements and to consider purchasing raw materials at a price that will give the best cost advantage. In addition, ordering all types of raw materials and various types of finished products, the company will procure or buy from various manufacturers or distributors, both domestically and international ones. This is to ensure that the company will not have any risks if the manufacturers and distributors cannot deliver the raw materials and products to the company within the specified period. However, the company has not signed the contract for the purchase of raw materials and products with which manufacturers and distributors in particular in order to ensure flexibility in operations.

Business of Electricity Production from Renewable Energy

The company has entered into raw material purchase agreements for power plants with major raw material distributors, which are agricultural production plants in the area around the power plant. Since raw materials used in electricity generation from renewable energy, in particular, the energy from biomass and biogas, will rely on factories that produce agricultural products in the area around the plant within a radius of no more than 50 kilometers, the location of a renewable energy power plant should be no more than 50 kilometers away from the source of raw materials in order to minimize the transportation cost. The company has chosen a plant location with

more than 1 source of raw materials in order to prevent the shortage of raw materials in the area in the event that the agricultural factory has a raw material purchase contract becomes unable to deliver raw materials to the company, the company will be able to procure raw materials from other sources as the substitution. In entering into raw material purchasing and sales contracts with such suppliers, the company will negotiate with suppliers for long-term raw material purchase agreements (more than 2 years) with agricultural plants to reduce the risk of raw material procurement in the area.

In addition, agricultural products have a clear production season. There is a period when agricultural product factories do not operate or reduce their production capacity during the off-season. The company has to reduce some production and carry out major maintenance during that period to keep the machineries to be in ready-to-use condition for the next production season. In a long run, the company is considering to use technology for electricity production from energy plants in order to reduce the risk of relying on raw materials from agricultural production plants in the area and reduce the risk of raw material shortage during the off-season of the agricultural production plants that the company has raw material purchase agreements with.

2) The Risk from Credit Sale to Customers

Lighting Business

The company gives credit terms to customers, especially the majority of domestic customers and some foreign customers. During 2019, the company sold products with credit terms to customers accounting for 94.03% of the total sales revenue or equivalent to 326.74 million baht. The company has a main distribution channel through general store customers which are divided into 2 groups, which are general wholesale shops and general electrical equipment stores, most of which are for sale with 60-90 days credit term without security. In year 2019, the company has distribution proportion through the said distribution channels for 71.77 percent of the entire revenue. However, even though the proportion of customers given credit terms by the company is high, recently, the company has set measures to prevent bad debts by setting policies for consideration of granting credit terms to customers whereby a new customer that has just started to do business with the company will have to pay cash only. After doing business with that customer for a while, the company will review the financial statements and other important customer information from the Business Online website (BOL) that the company is a member. The company will consider the information regarding the list of shareholders and the proportion of shares and list of board directors, and will analyze relevant economic conditions. In addition, each of the aforementioned electrical appliance stores must display of electrical devices with an investment of no less than 500,000 baht (will be evaluated by the company's sales leader). In the first phase, credit terms of 25,000 baht will be considered. After that, there will be a period adjustment or credit term according to the duration of the transaction and payment history. The management is also responsible for credit term in order to prevent the problem of bad debts that may occur.

Business of Electricity Generation from Renewable Energy

Concerning the power generation business, the company has made a power purchase agreement with the electricity distribution department whereby the company agrees to sell electricity to the Provincial Electricity Authority which is considered a highly stable state enterprise of Thailand. Consequently, even though the credit is no more than 60 days, throughout the previous period, the Provincial Electricity Authority has no history of default in payment at all.

Therefore, there is no risk of accepting payments from alternative energy businesses at all.

3) Risk from Changes in Lighting Technology

The lighting industry has undergone radical changes from the invention and development of LED (Light Emitting Diode) technology by a Japanese professor in the production of LED that produces white light, has a long service life and has a very high lumen per watt value (Brightness). Today, the technology of LED lamps have been continuously invented and developed, so some manufacturers are able to produce LED lamps and lamps at an affordable price and with compliance with international standards. The company is well aware of the changing technology trends and continuously conducting researches on LED products.

In 2018, many LED lamp manufacturers had to lower the price quickly although the situation of the decline in LED lamp prices are not as severe as they did in the past. However, the result of the rapid decline in market prices still caused the company to import many LED lamp products to distribute under the original brand of the company that has been registered. The value of imported products decreased from the year 2018. In 2019, the import of goods for distribution was 126.01 million baht, increasing from the year 2018, which was 153.00 million baht, by 17.64 percent. LED lamp products are still the main products that the company has imported and still have a high proportion of imports. Apart from the import of products for distribution instead of products already manufactured and distributed by the company, the company has also started the production and assembly of LED components since 2014. In addition, the company researches and develops LED products continuously. Thus, the company believes that even though the lighting industry will have a major technological change, the company can still adjust and cope with the changing situation of lighting technology in a timely manner. As for the revenue proportion of the company's LED products In 2018, LED products accounted for 38.40% of the overall revenue and has increased to 49.25% in 2019.

4) Risk from High Competitiveness of Lighting Industry

Ballast industry is an integral part of the lighting business. Currently, Thailand has a total value of lighting electricity of approximately 24,000 - 26,000 million baht. Lighting business is currently a business that new entrepreneurs can easily enter. As new entrepreneurs are able to import products directly from China despite the small volume. Products from China can be imported with a 0 percent tax rate as a result from the trade agreements between ASEAN countries and China.

With awareness of the intense competition in the lighting industry nowadays, the company therefore continuously develops and improves new products, as well as preparing a plan to support the said competitive situation by beginning to produce and distribute other products such as the production and distribution of lamps

and bulbs, which includes the distribution of LED products in order to handle high competition situations and to increase distribution channels beyond electric ballasts or electric lamp. This is because they can be sold as a lamp accessories and instant lamp set for consumers to be able to install and use instantly. In addition, the company has expanded the product lines to cover remote control switches, heat switches, sunlight switches, and electronic products, based on the strengths of product research and development (R&D). The company has a research and development laboratories that can test products by themselves. To ensure that the products of the company are truly in accordance with industry standards. The said policy will be an important factor that enables the company to survive amidst the fierce competition in the lighting industry today.

5) Risk from Competition with Cheap Goods from Significant Competitor Countries

As for the risk from competing with cheap products from important competitors, the company is greatly aware of the importance of this issue. However, the company has produced products at with similar quality level or the Fighting Model ones, which is a group of products produced to have the same quality level as specified in TIS. At this time, the company has many products manufactured at this level in which product quality is as specified in both domestic and international standards. The company also has a strategy to distribute products in this group through distribution channels that focuses on directly reaching end-users in order to reduce distribution costs. Resulting in the ability to set sales prices with better competitive advantage. In addition, the company's products are designed and with quality of production standards at a higher level than that specified in the TIS. The Fighting Model product is a product group designed by the company to compete in a highly competitive market, with quality at a level that fits TIS, for the benefit of expanding the customer base to cover all groups.

However, as for products that the company is not able to compete in term of prices with rival countries, the company will implement production adjustment policies. These products are imported for distribution to maintain product prices that can compete in the market, and to maintain the customer base of the company to prevent the competitors of the company from having price advantage. In this adjustment, the company will mainly consider the competitiveness of the company in each product.

Operations Risk

1) Risk from Fluctuation of Raw Material and Finished Product Prices According to Changes in Global Market Prices

In the production of lamps and accessories, raw materials and finished goods prices change rapidly. Especially in light bulb products and LED lamps the prices of which have dropped sharply. Storing products for a long time will result in the risk of obsolete products. The company therefore needs to apply the company system in order to have an appropriate amount of inventory by introducing the Enterprise Resource Planning (ERP) system, which is an organization's information system that implement ERP management concepts and methods as operational systems in the organization. ERP systems can integrate all core business processes including procurement, production, warehouse management, sales, accounting and HR management together. It is a related

system that can be linked quickly with Real Time system; thus, it increases efficiency in controlling the amount of stock to an appropriate level and allows calculations and planning to control the use of raw materials or finished product stock by calculating the order and the lead time data, production order, safety stock and the minimum order quantity (MOQ) to be processed efficiently. The ERP system can predict the amount of raw materials and finished products to meet the needs of sales which will help reduce the risk of storing large quantities of stock and enable the company to cope with the rapid changes in product prices.

For an overview of the year 2019, the average price of the LED light bulb and LED lamp products are still likely to decrease drastically, but the company has revised production estimates and expectations with a tendency to import more LED products for distribution. Therefore, the company has to closely monitor the price situation of LED bulbs and LED lamps, and adding measures to manage warehouse and outdated products so that the inventories are products with prices that are always appropriate for distribution.

2) Risk from Advance Payment of Goods

In year 2018, the value of imported goods has decreased from 153.00 million baht to 126.01 million baht in 2019. In 2019, there are many products that the company has made advance payment for the products according to the distribution agreement so that the distributors would deliver products to the company. The company would pay the product price according to the terms that the company has agreed with the distributor in advance only. Such advance payment requires the company to prepare a revolving fund for the purchase of the said products in the stock. The advance payment for goods may cause liquidity problems to the company. Thus, the company has increased measures to monitor and control the amount of stock to always be in an appropriate level.

3) Risk from Controlling the Efficiency in the Production Process of the Power Plant

Operation of biomass power plants and biogas power plants is a 24-hour power operation of generators, with appropriate maintenance period for machineries. Thus, efficiency of the power plants depends on operational capability and management that allow the power plants to continuously generate electricity for 24 hours without any problems and without having to stop the machinery due to any other accident. Therefore, it is necessary to monitor the various factors that may occur both directly and indirectly, including regular maintenance of the machineries, inspection on machine conditions, and performance tests of machineries, which will enable the machines to operate continuously, without any other incident. The efficiency measurement of the production process can be based on the income compared with the highest income that the power plant can generate in the condition that the power plant has been properly maintained, with the following details.

Efficiency of Power Plant Compared with the Highest Efficiency*			
	2019	2018	2017
1. Green Saving Energy Thailand Company Limited	93.35%	81.75%	66.53%

*The highest efficiency – is the highest efficiency in case where the power plant has had a downtime for maintenance in accordance with typical the standards for power plant and machinery.

Risks in Administration and Management

1) Risk from the Big Shareholder's Holding 71.92 Percent of Shares

The shareholder structure of the company is that the Prasitrattanaporn family group holds shares in the company equivalent to 71.92 percent of all the shares sold. As a result, the major shareholders of the Prasitrattanaporn family have the power to control almost all resolutions of the shareholders' meeting, especially in the case where it needs no less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote. With this concentration, the company will not be able to make any decisions without the consent of the major shareholders although other groups of shareholders saw the opportunity to benefit the company.

2) The Risk of All Executives Being the Members of the Board of Directors

The company may face risks in its business operations and administration because members of the Prasitrattanaporn family are all executives, and the same are also the majority of members of the board. However, in order to balance the management at a certain level, the company takes the following action.

1) Appointing 3 independent audit committees to inspect the company's operations, which will cause a balance of management to a certain extent.

2) Board of directors and the managing director of the company will not have the authority and responsibility to have the power and / or to delegate authority to approve any items that he / she or a delegate or persons that may have conflicts (as defined in the Announcement of the Capital Market Supervisory Board), stakes or benefits of any other kind, which contradict with the company, and the approval for the said transaction must be submitted to the quorum of a board meeting and / or a shareholders meeting (as the case may be) to consider and approve the said transaction according to company regulations or related laws.

3) To set up a unit to inspect the company's internal control system, which can operate independently and report the findings directly to the audit committee. The agency that performs the said duties will review the company to ensure an appropriate internal control system in various fields relating to internal management of the company in an appropriate and effective manner.

Financial Risks

1) Risk from Fluctuation of Currency Exchange Rate

Since the company imports various materials and finished products from foreign countries in US dollars but most of the company's incomes are in Thai baht, the company is exposed to the risk of fluctuations in exchange rates. If there is a situation in which Thai baht deflates, the company will have higher import costs. However, as of December 31st, 2019, the company has assets and liabilities with the values of accounts payable of 458,186.84 USD and short-term loan of 658,217.76 USD. The company has both the receipt and payment in foreign currency. This can prevent (hedging) risk from fluctuations in exchange rates that may occur to some degree as well. However, in the past 12 months of the year 2019, the company has imported goods from foreign countries equivalent to 4,250,229.15 US Dollars whilst the value of exports is 84,907.34 US dollars.

However, the company has prepared tools for managing risks in order to reduce the effects of such fluctuations in exchange rates. The company has prepared a forward contract equivalent to 4,000,000 USD in order to reduce the effects of fluctuations in exchange rates that may occur to some extent. The company is also closely following news on the movement of exchange rates all the time in order to assess the situation and find way to prevent risks that may occur through making a Forward Contract in order to reduce problems and damage from exchange rates that may occur.

2) Risk from Reliance on Loans from Financial Institutions

At present, the company uses credit facilities from financial institution in a form of short-term revolving credit facility of Baht 205 million, for running the business. Therefore, there may be risk from changes in interest rates. However, the company is currently supported by financial institutions in the form of the interest rate of prime customers loans (MLR and MOR), and subsidiaries have a long-term loan amount of 50 million baht. The aforementioned loan agreement has set important financial ratios as follows:

- Debt-to-equity ratio (D / E ratio): In case of director loan / loan from related companies are considered the shareholders' equity at the end of the accounting period for no more than 1.0 times throughout the loan period; and
- DSCR ratio not less than 1.40 times, beginning in 2019.

Risks from External Factors

1) Risk from Natural Disasters

At present, natural disaster is a factor that may have a tremendous impact on business. The management of Teera-Mongkol Industry Public Company Limited is well aware of the importance of natural disasters and assessing each type of natural disaster. The management has prepared the equipment If an emergency occurs, and has also had insurance to cover more properties of the company.

As for 2019, there is no natural disaster that has direct and indirect effects on the company at all.

2) Risk from Political Factors

Thai political problems over the years have directly and indirectly affected the economy. Political factors affect the confidence both inside and outside the country. Especially during critical political situations, the company has not been directly affected by political demonstrations throughout the past period due to the locations of the offices and the factory. However, the company still faces with petty problems due to the lack of confidence for traveling by business partners, especially those from foreign countries. This often causes partners to cancel important trips with the company. The company management is aware of the said problem and regularly sending documents confirming the company's status to suppliers, even in times of political crisis. As for the indirect effects, the company is still affected by the country's economy which is a result of political instability.

As for the policy, the management has a politically neutral policy and to support activities that preserve the morality and good customs of the country that have been practiced for a long time. At the same time, it does not support corruption and misconduct which will cause damage to the economy at all levels.

TMI and Sustainability Development

The company is committed to do business under the good governance principles and for sustainable growth. By realizing this ultimate commitment, our company emphasizes on good governance in every step at all levels of administration, together with business operation that is responsible for keeping our surrounding environment safe, supervising the development of the community and society, having transparency, fairness, responsibility, and consideration for individual stakeholders, as well as development of personnel so that they will have virtues and awareness of ethics.

Corporate Governance

The company adheres to the principles and best practices regarding corporate governance in accordance with the guidelines by the Stock Exchange of Thailand, which is divided into 5 categories as follows.

1) Rights of Shareholders

The company is aware of the importance of the rights of every shareholder equally. In addition, the company will set policies for corporate governance, taking into account the rights of shareholders, which is not limited to the rights specified by law only but in line with the following guidelines.

- The company will ensure that the date, time, venue, and agenda of each meeting are provided, as well as all information related to matters that must be considered in advance with sufficient time before a shareholders' meeting. The SOP is that the meeting appointment letter and information of all meeting agenda have to be delivered to shareholders at least 14 days in advance of the meeting, in accordance with the regulations of the company, or 7 days depending on the matter to be considered and/or in accordance with the law. It is specified that each agenda has to be concluded with the opinion of the Board of Directors and there is a meeting minute for shareholders to check.
- The company will inform shareholders of the rules applicable to the meeting, including the voting process, the dissemination of such information on the company website in advance before delivering the documents in order to give shareholders the opportunity to study sufficient information in advance of the meeting before receiving the information in the form of documents from the company.
- The company will facilitate shareholders to fully exercise their rights to attend the meeting and vote, and will refrain from any action that may limit the shareholders' opportunity to attend the meeting.
- In a shareholders' meeting, the company will allocate the time appropriately and encourage the shareholders to have an opportunity to express their opinions and ask questions related to the company.

- The company will regularly inform shareholders of the progress of the operations, which will be notified to shareholders directly via the company website or via the Stock Exchange of Thailand.
- The company has established an investor relations channel so that shareholders can communicate directly with the company by sending emails to <IR@thaiballast.com> or making phone calls to 02-877-9510 ext. 350.

In addition, the company provides an opportunity for all shareholders to participate in proposing agendas for quorum of the annual meeting and to nominate a list of candidates for the selection as a director, including submitting questions in advance on the website <<http://www.thaiballast.com>> of the company every year. In 2019, the company announced on the website from 16th September 2019 to 23rd December 2019 (99 days), After the end of the said period, it appeared that there were no shareholders proposing any agenda for the 2020 annual general meeting of shareholders, including sending questions in advance and nominating any person to be selected as a director of the company.

For the upcoming annual meeting for the year 2020, the company hired Quidlab Company Limited, which is a company that has experience in providing service of vote counting of meeting participants, to collect and calculate points in each agenda of the annual meeting of shareholders. The representative of Quidlab Company Limited will inspect the vote counting of the meeting in 2020. In addition, legal counsel from the Tiliki and Gibbins International Company Limited is hired for observe the counting like the vote count of the meeting in the year 2019

2) Equitable Treatment of Shareholders

All shareholders, both shareholders who are executives and shareholders who are not executives, will be treated equally and fairly. The company will create confidence for shareholders that the board and management will ensure that the funds are used appropriately by specifying guidelines for shareholders to be treated for basic rights to be protected equally.

The company has set up a shareholders' meeting process in a manner that encourages equal treatment for all shareholders, which will allow minority shareholders to nominate persons to be appointed as directors in advance in a timely manner. This will also allows shareholders who are unable to attend the meeting by themselves to exercise voting rights by authorizing representatives to attend the meeting and vote on their behalf. The company will nominate at least 1 independent director as a choice for the shareholder to authorize.

The company has measures to prevent the use of inside information by directors and executives for their own interests or others by defining written guidelines, and recommend the said guidelines to everyone in the organization to follow. As for policies and methods of monitoring the internal information usage for personal benefit, the company assigns the board of directors to supervise and decide the offenses. In the event that directors and / or executives use the inside information for personal gain and assigning the Chief Executive Officer to consider the offense according to the punishment measures following the resolutions of the Board of Directors' meeting If the employees of the company commit the said offense.

Directors and executives will disclose information about the stakes of theirs and related parties in order to enable the board to consider the business transactions that may have conflicts of interest and able to make

decisions for the benefit of the company as a whole. However, the directors and executives who have interests in the transactions with the company will not participate in the decision making of the said transactions.

This is to prevent conflicts of interest. The Board has established policies and procedures to prevent executives and related persons from using the internal information of the company for their own benefits as follows.

- Report of conflicts of interest - Must be approved by the board of directors. The Audit Committee must agree with the related transactions. The approval of the connected transactions takes into account the best interests of the company, the fairness, the justification of the transaction, the compliance with the conditions and the market price. Parties that have stakes or may have conflict of interest in the transaction will not be able to participate in the approval of such transactions for the fairness and the best interest of the company. If a transaction falls within the regulations, announcements, orders, requirements or rules of the Stock Exchange of Thailand, the company will comply with the regulations of the Stock Exchange of Thailand.
- Supervision on the use of inside information - Directors, management, and staff members, including spouses and children who have not yet become under legal age, as well as the related persons under Section 258 of the Securities and Exchange Act B.E. 2535 (A.D. 1992), of such people are prohibited from using inside information which has not been disclosed for the purpose of buying, selling, transferring or accepting the transfer of the company's securities for a period of 15 days prior to the presentation of the annual financial statements to the SEC or before the information is made public.

3) Role of Stakeholders

Stakeholders will be supervised by the company in accordance with the rights given by applicable laws, and will not do anything that violates the rights of other stakeholders according to the law or agreements with the company. The Board of Directors has considered the process to promote cooperation between the company and other stakeholders in creating wealth, financial stability and the sustainability of the business as follows.

- The company will treat employees equally, and provide appropriate remuneration.
- The purchase of products and services from partners is in accordance with trade conditions, with compliance to contract with counter-parties.
- There must be compliance with the loan conditions stipulated in the respective agreements.
- The company should be attentive and responsible to customers, with the responsibilities in terms of product quality and good standard services.
- The company should follow the rules and regulations for good competition, and avoid corrupted methods to destroy competitors.
- The company should be responsible for the environment of communities and societies.

In addition, the Board of Directors has established a mechanism for participation of all stakeholder groups in enhancing the company's performance in order to create sustainable stability for the business and to disclose

important information relevant to those stakeholders in the sufficiently manner in order to be able to perform the duty concerning the said participation effectively.

4) Information Disclosure and Transparency

The board will oversee the company to disclose important information relevant to the company, both financial information and non-financial information, which is accurate, complete, timely and transparent through the company's website. Various information such as financial reports, information about the past year's board performance, corporate governance policy on the care of the environment and society, and the implementation of various policies.

The company will ensure that the financial reports are accurate in accordance with generally accepted accounting standards, and have been audited by an auditor certified by the Securities and Exchange Commission.

In addition, measures have been set in order to whistleblow to the board regarding issues of illegal acts, accuracy of financial reports, defects in internal control system or unethical behavior with the following guidelines.

- Aside from distributing the information in accordance with the specified criteria and through the channels of the Stock Exchange of Thailand Via the annual registration statement and the annual report, the board of directors will also disclose the said information through the company website by regularly updating the information on the website.
- The Board will summarize the approved corporate governance policy, and the results of the implementation of the said policy through the annual report and the company website.
- The board will oversee the disclosure of roles and responsibilities of the committee, number of meetings and number of times each director attended the meeting in the past year.
- The Board will disclose the policy on remuneration for directors and high level executives which reflect the duties and responsibilities of each director.

5) Responsibilities of Director

The Board of Directors recognizes the importance of good governance policies by prescribing policies for transparent and accountable business operations, and increasing investors' confidence. The company will disclose information to the public and shareholders regularly. In addition, the company is aware of the importance of internal control and audit systems. As for risk management, the company will try to control and manage risks closely, and also take into consideration business ethics by maintaining fairness to business partners, shareholders and all groups of stakeholders.

The Board of Directors has leadership, vision and independence in making decisions for the best interest of the company and shareholders as a whole. There is a system that clearly separates the responsibility between the board and management, and ensures that the company has a system that builds confidence that its activities are carried out in a lawful and ethical manner to comply with good corporate governance standards in the following matters:

- To specify the company's vision, mission, strategy, goals, business plan and budget;

- To regularly supervise and monitor the performance of the management to be in accordance with the plan in order to achieve the predetermined goals;
- To ensure that the internal control system is sufficient and regularly monitored by AST Master Company Limited, the company's auditor, which has to evaluate and review the internal control system of the company in the annual audit, and has to confirm that there is no major weakness or defect in the said system;
- To ensure that there are appropriate risk management measures and the regular follow-up regularly so that the company can attain the most benefit; and
- To oversee and encourage the directors to attend the training program from the Thai Institute of Directors.

Board structure

1. The board has determined the number of directors and the composition of the board by requesting approval from a shareholders' meeting. The Board of Directors consists of 3 independent directors, out of a total of 7 members, which is accounted for no less than 1 in 3 of the board. In this regard, the Board of Directors has appointed 3 members of the Audit Committee and 1 additional Audit Committee to replace a director whose term has ended on April 26th, 2019. Each Audit Committee can hold the position for 3 years in order to help supervise the company's business And the Audit Committee will hold the Audit Committee meeting at least once a quarter and will hold a special meeting in case of an urgent agenda.
2. The Board of Directors set out that each director can hold a position for a 3-year term.
3. The Board has carefully considered the appropriateness of the qualifications of independent directors, and is aware of the importance of the Board Diversity. The current Board of Directors is diversified in various areas such as genders and specialization.
4. The company has a secretary * who provides legal and regulatory advice that the board of directors must know and perform in overseeing the board's activities, and coordinates for the implementation of the resolution of the board of directors, including other operations as specified by the Capital Market Supervisory Board.
5. In case where the chairman and managing director is the same person, the company will separate the power of the directors and each committee in order to ensure the clear balance and check mechanism for transparency and good management system. The Chairman of the Board is aware of the importance and understands the principles of good governance, and cooperates in the check and balance in the organization, and all committees and sub-committee. Furthermore, the company has specified criteria and procedures for considering the approval authority and operational power of the directors, the Managing Director, the Executive Board, the Audit Committee, Sub-committees, the Chairman of the Board and the Chairman of the Executive Committee, which limits the scope of the authority clearly and literally. Therefore, it can be

confident that even in case where chairman of the board and managing director is the same person, there will not be any problem with unlimited power at all. This will result in the company being able to separate the powers of directors including the board from administrative authority as normal.

6. In year 2019, the board of directors of the company has 8 members 4 of which are members of the Audit Committee and other 4 are members of the Executive Committee. Also, the position of 1 audit committee is over; hence, there is a new member to replace that director. All the audit committees will hold all the positions of the directors, with the Chairman of the Executive Committee setting the policy of management and business goals; and recommending management guidelines for the Board of Directors to consider and approve.
7. The Board of Directors stipulates that the appointed directors can hold their position as a director of a registered company for no more than 5 companies (in this agenda).

The company has Miss Sasipim Chayakul who has completed the Company Secretary Program Class 87/2018 from the Thai Institute of Directors Association, hold the position of company secretary since 26th January 2018.

Roles, Duties and Responsibilities of the Board

1. The board of directors is responsible for considering and approving important matters relating to the company's operations, such as vision, business plan, mission, strategy, financial goals, risks, plans and budgets. They will review and discuss all the aforementioned matters in the First Board Meeting of the year in January. The board of directors will oversee and ensure that the management operates in accordance with the policy and plan with efficiency and effectiveness.
2. The Board of Directors has established a written corporate governance policies and approves such policies, and will regularly review policies and compliance at least once a year.
3. The Board has established a written code of business conduct so that all directors, executives and employees understand the ethical standards that the company implements to business operations, and adhere to such ethical standards strictly.
4. The board will carefully consider conflicts of interest by establishing a policy regarding conflicts of interest based on principles that focuses on the highest interest of the company. It is considered a duty of personnel of all levels to avoid having financial involvement and / or relationships with other third parties, which will result in the company's loss of benefits or conflicts. People involved with or connected to the transaction to be considered must inform the company of their relationship or connection in the said transaction and must not participate in the decision-making process, and will have no authority to approve the transaction.
5. The board has established an operational control system, financial report system and the system for controlling compliance with rules and regulations by arranging individuals or departments that are independent in performing their duties and to be responsible for inspecting the said control system by reviewing the system at least once a year.

6. The Board of Directors requires that all members appointed must have a proportion of attendance for not less than 75 percent of all year meeting and voting. In every meeting, the quorum must consist of no less than two-thirds of the total number of directors.
7. The board requires that all appointed directors have a duty to report securities holdings and purchases-sales of securities of the company of the directors, their spouses and children who have not yet become a legal adult to the quorum every time.

Board Meeting

The company determines that a board meeting must be held at least once every 3 months. There can also be additional extraordinary meetings as necessary. As for each meeting, there should be clear agenda in advance, as well as the agenda to follow up for recent operation. The appointment letter and agenda, as well as relevant documents, should be sent 7 days before the meeting so that the directors will have sufficient time to study on the information before attending the meeting. In every meeting, directors can freely express and share their opinions. The meeting minute is recorded in writing and approved by the board for the directors and related parties to inspect. Each board meeting will take approximately 2-3 hours.

Statistics of Meeting Attendance by Directors of the Company (as at 31st December 2019)

Director Name		Frequency of Meeting Attendance
1. Mr. Theerachai	Prasitrattanaporn	6/6
2. Mr. Theerayut	Prasitrattanaporn	6/6
3. Mr. Teeraphong	Prasitrattanaporn	6/6
4. Dr. Theerasak	Prasitrattanaporn	6/6
5. Pol.Maj.Gen. Amarin Niamsakul		6/6
6. Mr. Songphol	Chanphongsaeng	3/3
7. Mrs. Cholada	Isarangkura Na Ayutthaya	6/6
8. Mr. Aphichart	Chankiatkong	3/3

Note: Pol.Maj.Gen. Amarin Niamsakul and Mr. Songphol Chanphongsaeng are appointed audit and independent committee during the Extraordinary Shareholder Meeting 1/2552 on 7th April 2009; and have attended the meeting for the first time on 21st April 2009.

Self-evaluation of the Board of Directors

The Board of Directors will arrange evaluation for the entire board and the directors with 2 evaluation forms, which is the whole board evaluation form and the individual director evaluation form (self-assessment) to help the board review the performance, problems and obstacles in the past year. The

results from the evaluation will be used for analyzing performances of directors and the suggestions will be applied to the improvement and development of further operations. Self-assessment for the entire board of directors and for individual directors is carried out once a year and the results of the assessment must be certified by the chairman of the board who certifies the board assessment, and by each director himself/herself certifies his/her self-assessment. The evaluation topics are as follows:

- Structure and qualifications of the board,
- Roles, duties and responsibilities of the board,
- Board meetings,
- Relationship with management, and
- Self-development of directors and the executives.

Self-evaluation of the Managing Director

The Board of Directors arranges the evaluation of the managing director of the company. The Board of Directors must be informed of the company's performance in order to be able to evaluate the managing director. The results from the evaluation of the managing director are used as a basis for determining the remuneration of the managing director both in the short-term and long-term. Evaluation of the Managing Director will be carried out once a year, with the board approving the evaluation results along with the annual performance. The secretary is responsible for filing the performance evaluation of the managing director.

Remuneration for Directors and the Executives

The company has set a clear and transparent policy on remuneration for directors. Such remuneration is at the same level as others in the industry and high enough to attract and retain qualified directors that the company needs. The remuneration for directors is in accordance with the resolution approved by the quorum of a shareholder meeting. As for details of the remuneration of directors and the executives, such information has been disclosed in the section of the remuneration of directors and executives that has been discussed before.

Development of Directors and the Executives

The company has specified guidelines for the development of directors and the executives as follows.

1. The Board of Directors will promote and facilitate training and education for those involved in the company's corporate governance system, including directors, audit committees, and executives, in order to continually improve operations, training and education courses set by the company or deliver externally as the courses that are deemed appropriate.
2. Every time there is a change of a director, the management will provide documents and information that will benefit the work of the new directors, and provide business description and guidelines for the new directors (New Director Orientation).

3. The Board of Directors will require the managing director to regularly report the development and succession plans. The managing director and senior executives will prepare a continuous plan for successors in the event that they are unable to perform their duties.
4. The board will arrange a project for the development of the executives; and the managing director has to annually report on what has been carried out during the year, which is considered concurrently while the work succession plan is being considered.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is important and the company has been consistently adhering to social mission. Thus, the company has set policies for sustainable development, together with the guidelines for promoting and developing the society along with the company for the steady growth together. The details of social responsibility policy are as follows.

Conducting Business with Fairness

Fair treat to business partners is a factor that leads to sustainable business operations. Board of directors therefore has announced policies to treat suppliers equally and fairly without exploitation, to conduct business in accordance with good governance approach, to pursue no benefit other than international practices, and to be fair to all business partners, without discrimination. The Board has assigned the management to take actions as follows:

1) To provide channels for disseminating policy, news and privileges that the partners should receive without discrimination in order to announce the policy of procurement and purchase to all partners equally, to open a channel for complaints for all customers, and to do surveys for customers with the random method to give customers the freedom to provide information directly to the company, with questionnaire data analyzed and researched according to academic principles without prejudice; in addition, in case where any trade partner wishes to make a complaint about a product or unfair treat, such as a bribery, that partner can send a complaint directly to the company;

2) To strictly comply with fair contract and conditions as agreed with the partners based on integrity according to the principles of ethics of society; and

3) To set up policies for transparency by prohibiting employees from procuring or purchasing assets or other benefits that will affect business operations that are not caused from honest operations or causing non-transparency in business operations in order to prevent dishonesty and non-transparency in business operations with all partners; in addition, the company provides a channel for employees to report non-transparency in the performance of employees at all levels to executives and to the Board of Directors directly, whereby all employees and stakeholders can report suspected fraud, malpractice, corrupted performance or actions that contradict to ethics, morals or laws, to the directors, the audit committees and the secretary through to the following channels:

Complaint Receiver	Email
Directors	Directors@thaiballast.com
Audit Committee	AuditCommittee@thaiballast.com
Corporate Secretary	CorporateSecretary@thaiballast.com
Data and Information Management	Info@thaiballast.com

In addition, the complainant can send documents about fraud directly to the company's directors or the audit committee of the company through the Secretary Department 260/2 Charoennakorn Road, Samrae Sub-district, Thonburi District, Bangkok 10600. receiving the complaint, the secretary will present it to the Board of Directors, the Audit Committee and the related parties.

4) To set a whistle-blowing policy to encourage the investigation of non-transparent actions and to ensure that reporters/complainants of non-transparency, corruption, non-compliance or omission of duties of employees will be treated fairly to protect them from retaliation by those with bad intentions; and to train staff to have knowledge and understanding of anti-corruption, which is one of the company's efforts to encourage employees to be aware of the control and prevention of corruption.

Human Rights and Fair Treat towards Labors

Human rights are fundamental rights in humanity including both legal rights and rights not specified by the law. Teera-Mongkol Industry Public Company Limited is a company that continuously promotes, supports and develop human rights for personnel within the organization. The company has a policy to treat workers equally, support welfare development and maintain employee benefits, protect the rights of underprivileged, open opportunities for equality of employees at all levels, and organize activities to build relationships, unity and motivation to work for the organization, without eliminating the opportunity to creatively express their opinions as part of sustainable development, with details as follows.

1) Remuneration and Welfare

The company has provided additional welfare to permanent employees of the company. In addition to social security fund which is already a basic welfare for all employees, the company also provides a provident fund for employees to have future guarantees for employees working with the company for a long period of time. The company will contribute to the fund at the same rate as the employees paid in order to promote the government's savings policy. The company has provided training on details of provident fund for new employees, with speakers from the financial institution that is responsible for the fund.

In addition, the company also provides additional medical privileges consisting of medical welfare benefits for employees in emergency situations that require hospitalization in hospitals that are not covered with social

security or social insurance fund, and basic medication benefits by providing vaccinations to prevent basic diseases and general medicine benefits. This is to enable employees to have better welfare.

The provision of benefits of safety during the operations of employees is another welfare that the company has always recognizes and emphasizes on. The company procures protective equipment such as earplugs, which are provided to employees working with industrial machineries that are prone to loud noises, or back support equipment for moving workers, for good health and hygiene of employees.

2) Human Resource Development

Concerning personnel development, the executives of Teera-Mongkol Industry Public Company Limited are aware of the importance of human resource development within the organization, especially in the development of personnel in the modern era in which the market competition requires skills and expertise to deal with problems or obstacles that may occur. The management has therefore supported the development of personnel at the operational level, section managers, and executive level which covers preparation, Probation Period Training, On the Job Training, Scheduled Training for reviewing knowledge annually and Specific Training on additional knowledge and abilities for employees of different positions. With specific needs. Not only will such training increase the employees' knowledge but it also widens the employee's perspective on problems in a different way in order to be able to solve problems in a timely manner. Concerning the training, the company provides in-house training and sends personnel to attend external training at institutions, in order to fully utilize the knowledge and skills that employees receive from the training to develop and increase efficiency within the organization.

3) Support for the Underprivileged in the Society

Teera-Mongkol Industry Public Company Limited has a policy to promote human rights, by which disabled persons are legally employed as the company's employees. The criteria are to select the disabled who do not affect employment to perform their duties in order to ensure that disabled employees have rights equivalent to those of general employees. In addition, the company has a policy to promote and support organizations that help the underprivileged directly by arranging an event for the underprivileged to have the opportunity to practice their skills and expertise by having a skilled team of the company as a trainer, and indirectly through donations to the foundations that encourage and support underprivileged people to have the opportunity to develop their skills and special expertise. The promotion of working skills of the disabled is one of the human rights promotion measures in accordance with the international human rights principles that the company has consistently adhered to.

4) Creating Work Motivation

Teera-Mongkol Industry Public Company Limited, led by the Managing Director and Senior Executives, encourages the creation of work incentives by improving and developing the Performance Indicator for each department to measure the work of each department by continually improving and developing such indicators in order to be consistent with the ever-changing situation regularly. The company has rewarded a department with excellent performance, based on the specified indicators, which creates incentives for performing duties as

assigned. In addition, the company gives employees the opportunity to participate in development by arranging management and auditing according to Participatory Governance Principle, whereby the subordinates can express their rational views on administration, staff can offer helpful opinions and participate in various in-depth operational auditing processes.

5) Promotion of Organizational Knowledge Management

Knowledge management is an integral part of sustainable organizational development. The executives of Teera-Mongkol Industry Public Company Limited have foreseen the benefits of the development of knowledge within the organization by promoting creative processes for knowledge development in the organization which can be done in many ways as follows.

1. Information Center - This is the establishment of a knowledge center for information within the organization. News that have been announced will be collected and filed in the system through the Information Center in order that it is widely known and employees can have the opportunity to express rational opinions to an announcement that affects them.

2. Creativity Center - This is the public opinion hub within the organization. It is a channel for employees at all levels to express opinions that are beneficial to the organization. The opinions that have been implemented will be rewarded for their contribution to the development of the company. Not only has the establishment of a public opinion center encouraged employees to share their creative opinions but it also verifies the transparency of work according to principle of Participatory Governance, which helps the administration process to be unified according to democratic principles.

3. Organizational Learning Process - The company has applied the learning in the form of organization by starting from Individual Learning, Team Learning and Organizational Learning so that learning occurs from the skills of employees at the operational level, up to the department heads, managers and senior executives. The learning process has the following details.

3.1 Individual Learning - Learning in this level promotes systematic operational development through practice and learning which are Digital Multimedia Learning, which consists of learning through videos, tapes and other digital media that have recorded work procedures for each department and continuously train staff at all levels so that employees can learn and understand regularly.

3.2 Team Learning - Employees are trained to work in groups through group training which gives employees the opportunity to practice according to the group, to share personal opinions and to listen to the opinions of people in the group, including etiquette and skills of meetings, seminars, and participation in activities among employees. The activities that the company organizes every year to support learning are the annual Team Building activity, in which employees of the company will have an opportunity to get to know one another and to have activities that train employees of all levels on teamwork skills.

3.3 Organizational Learning - Learning in this level promotes management skills in the form of an organization as a whole by giving employees the opportunity to learn about management of other aspects that are not under their responsibilities so that employees will have knowledgeable and understanding of the functions of

the entire organization. In such learning, employees will have the opportunity to inspect the duties of those in other work lines so that they will attain knowledge and understanding of other jobs that exist within the company, with managers and executives being supervisors. Not only will the promotion of the aforementioned management skills enable the learning of scopes of operations of employees, but it also builds unity within the organization, which will ensure harmony in the operation.

6) Promotion of Environmental, Occupational Hygiene and Safety of Employees

According to the policies of quality, security, safety, occupational hygiene and environment, the company has specified that executives at all levels in the company are responsible for and should serve as role models for the development and sustainment of quality, occupational hygiene, safety and environment management systems, by providing sufficient resources and encouraging employees to be aware of safety, occupational hygiene and environment by arranging various training courses for the company's employees as follows:

1. Staff Orientation for new employees of the company in which everyone will be trained on the topic of Safety-Health-Environment (SHE) for half a day;
2. Awareness training on energy and environment conservation for heads of production units and technicians;
3. Knowledge training on energy conservation laws for employees in the manager level and the employees involved; and
4. Environmental worker training on industrial waste including water and air.

The company has provided such training continuously and has compiled and evaluated the employees' attendance and has found out that 100% of the involving employees have participated in the training. The administrative department and the HR department are responsible for employee training registration.

The company has compiled accident statistics and the rate of illness from work in the year 2019 with details as follows.

Statistic of Accident: 1 accident occurring.
Rate of Injury from Work: There has been 1 employee slightly injured from operation.

Non-infringement to Intellectual Properties, Copyrights and Patents

The company stipulates that all executives and employees have duties and responsibilities to protect and look after the company's intellectual properties, and to respect the copyrights of intellectual property owners, including to use information technology systems and to communicate by using telecommunication media in the ways that are beneficial to the company and in accordance with laws of intellectual property, copyright and patents in all respects.

Anti-Corruption

Corruption is a serious problem, not just at corporate level, but at local and national levels as well. The Executive Committee and the Board of Directors have set the policy against corruption at all levels and clearly established policies on anti-corruption regarding "the acceptance of things or other benefits that influence the decision making, which is unfair to the performance of duties" and "bribery" for employees and related parties to acknowledge and comply. The details of such policies are as follows.

The company implements anti-corruption policies and procurement operations with all business partners of the company; and has a policy not to commit or neglect corruption in any organization by requiring employees not to receive items or give anything for any other benefit from a person in charge of or does business related to the organization, whether it's a seller, sub-contractor or contractor, by setting clear guidelines to prevent the issue of transparency and unfair trading among sellers, sub-contractors and contractors to prevent corruption and unfair business practices. In addition, the company also has a variety of channels to allow employees to submit a whistleblowing report of a case of corruption directly, such as, to put the complaint in the complaint box provided within the company, whereby the complaint will be directly sent to the executives, the email to the Corporate Secretary, which will bring the complaint to Executive Committee, Board of Directors and the Audit Committee, or the company's central website. The company has established appropriate measures to protect fraud reporting persons in order to prevent the reporter or complainant from any effect from such report.

Responsibility to Consumers

In the year 2019, the company did not receive any significant complaints from consumers about effects from using the company's products. Throughout the past period, the company has placed great importance on consumer complaints. Especially for products that the company manufactures and distributes. All products have passed the standard of industrial products from the Thai Industrial Standards Institute (TISI), especially safety standards, which is a confirmation that the company regards the safety of consumers as a matter with top priority. In the product design and development process, the company has always put safety as the first priority. The safety for the use is one of the bases that company has always focused on in setting policies in order to protect the interest of consumers and to ensure that the products are not harmful when used. In addition, in 2019, the company has also conducted a consumer satisfaction survey to improve the quality of products and services that the company has produced and distributed regularly. The findings from the satisfaction survey shows that customer satisfaction is in good level, or 85.31 percent.

Environmental Operations

As a manufacturer and distributor of products related to energy use, the company has a policy to have effective R&D work in order to develop products that reduce the use of world resources? Recently, the company has developed products that have received the standard seal no. 5 (Energy Saving Label 5) from the Ministry of Energy. The company has produced such products with an effort to conserve energy in accordance with government policies and social trends, while also facilitating buyers to save money on electricity bills due to the

decrease of electricity consumption. Energy-saving products with No. 5 Label have high quality, are safe for utilization and help preserve the world's resources from wasteful energy production. The products that the company sells are from modern production processes that do not discharge or cause pollution to the environment in any way. This can ensure that The company's products aim at promoting energy conservation made possible by clean production processes and quality standards, in order to preserve the good environment of the world.

In addition, Teera-Mongkol Industry Public Company Limited has been certified as a green industry, level 3, in the green system from the Ministry of Industry, which reflects systematic environmental management with monitoring and review for continuous development.

Innovation and Dissemination of Innovation

Over the past 40 years, Teera-Mongkol Industry Public Company Limited has a clear policy to strive and develop innovative products to meet the needs of the society and consumers. The company is a manufacturer of industrial products to replace imports from Europe, and is the first Thai company, and the only one, that pioneered new innovations for energy saving in lighting products in Thailand. The company is the first and only manufacturer have been completely developed and invented by Thai engineers.

Up to the present, the company still does not stop innovating and developing new products for Thai society. As of December 31st, 2019, the company has registered a total of 5 product patents and has become the first and only street lamp manufacturer in Thailand, and also have developed many innovations for the convenience of users, such as sunlight switch, remote switch, human motion sensor switch, and touch switch, all of which have been invented under the policy that the company has committed to developing Thai society to always be comfortable, modern and safe. In addition to the innovations that the company has invented , the company's research and development department also has research on innovative products for energy efficiency. The company is a manufacturer and distributor of energy-saving products that have received the energy-saving level 5 labels from the Ministry of Energy for more than 10 years.

Apart from being energy-saving products, all kinds of innovative products of the company have been designed to fit modern lifestyle. All products must be certified for industrial standards, and has also received quality certification from international standards such as the TVSD standard from Germany. This is to give consumers confidence in quality and safety from the use of the company's products.

Community and Social Development

Conducting business under environmental and social responsibility is what Teera-Mongkol Industry Public Company Limited has consistently adhered to. The objective is to create a sustainably good quality of life for communities and society through various activities, as well as to do business transparently and to take into account the benefits of those involved, including customers, business partners, and in the society, by adhering to the social responsibility policy that the company set as guidelines to develop and promote management for the organization to grow sustainably. In 2019, the company has organized various activities to develop communities and society as follows.

Projects to enhance opportunities and quality of life for students in the region

The company has participated in the "project to enhance the opportunities and quality of life for students in the region" which is prepared by the Air Chief Marshal Prajin Juntong. This project is to enhance the opportunities and quality of life of students in the region. The project has been kicked-off since 2016 with the objective to develop the appropriate school infrastructure, ensure good nutrition, enhance health conditions, and improve academic competence by developing electronic systems for education to focus on creating a good environment and atmosphere for students' life. The company is also aware of the importance of the aforementioned issues. In order to fulfill the purpose of the project, the company has provided light bulbs to underprivileged schools in 2019 in order to develop the school infrastructure which will help create an environment suitable for living and learning for students.

In 2019, Mr. Theerachai Prasitrattanaporn, the Managing Director received a plaque and certificate for supporting the project to enhance the quality of life of students in disadvantaged schools in 2018 in order to focus on creating a good environment and atmosphere for students' life, as well as increasing the opportunity to access the educational system with modern technology at Ratchaburi Direkrit Building, Ministry of Justice, on 7th May 2019.



Activity to help and rehabilitate flood victims Ubon Ratchathani

In 2019, Thailand had been affected by Podul Storm, which caused a great flood in the northeastern region, resulting in suffering and difficulties to a large number of people. With the awareness of the suffering of the flood victims, the company collaborated with the Administrative Committee of the Senators Meeting the People Project, led by Air Chief Marshal Prajin Juntong, the Chairman of the Higher Education, Science, Research and Innovation Commission, the Senate, which organized activities to help and rehabilitate flood victims. On Saturday, October 19th, 2019, the company participated in the activity by delivering items to help and rehabilitate flood victims at Don Tali School, Don Phanchad School, Tan Sum District, and Ban Kut Kua School, Don Mot Daeng District, Ubon Ratchathani Province.



Donation of light bulbs to Wat Sadet School (Sutthiwittayanuson)

The company donated light bulbs to Wat Sadet School. (Sutthi Withthayanusorn) with Mr. Wiratchaphon Sommak, the school director, receiving the deliveries, because the school lacked of electrical equipment. It was necessary to use electrical equipment for school development and maintenance of damaged lamps at Wat Sadet School (Sutthiwittayanuson), Samut Songkhram Province, on March 23rd, 2019.



History and Major Development of Company in Brief

- 2000 - November 9th, Teera-Mongkol Industry Co., Ltd. was founded with an initial registered capital of 1,000,000 baht, divided into 10,000 ordinary shares with a par value of 100 baht each, which has been fully paid up. The office and factory are located at 46/67 - 69 Soi Mangmee Sub, Village 3, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon province, 74000, the space of which is 3 ngan 38 square wa.
- 2006 - On April 25th, the company began the operation of a new factory, the space of which is 5 rai, located at 9/20 Soi Mangmee Sub, Liap Khlong Si Wa Phasawat Road, Mueang District, Samut Sakhon Province.
- On December 19th, the company increased the authorized capital from the original 1,000,000 baht, divided into 10,000 ordinary shares with a par value of 100 baht to 60 million baht, divided into 600,000 ordinary shares with a par value of 100 baht, fully paid as revolving fund for the company's business operations.
- 2009 - September 5th, the quorum of the Extraordinary Shareholder Meeting of Shareholders 2/2552 passed a special resolution to transform the company from a limited company to a public limited company And change the par value of the ordinary shares of the company, from the par value of 100 baht per share to the par value of 0.25 baht per share, including a special resolution to increase the authorized capital from 60 million baht to 80 million baht, divided into 320 million ordinary shares, divided into called capital worth 60 million baht, for 240 million shares, and uncalled 80 million shares. As for the uncalled 80 million shares, the shareholder meeting resolved to allocate them for sale to the general public.
- September 11th, the company registered to transform from a limited company to a public company and changed the name to Teera-Mongkol Industry Public Company Limited
- 2010 - May 14th, the company opened the first trading of the Market for Alternative Investment and paid the price of additional shares for all the 80 million shares with a par value of 0.25 baht per share equivalent to 20 million baht. The company has called capital of 80 million baht, divided into a total of 320 million shares with a par value of 0.25 baht per share.
- 2011 - June, the company moved the office to 260/2 Charoen Nakorn Road, Samrae Sub-district, Thon Buri District, Bangkok 10600. This office is used as the office of general management department and a new warehouse.

- 2012
 - May 18th, the company increased authorized capital from 80 million baht to 95,999,997 baht by allocating stock dividend at the rate of 5 existing shares per 1 stock dividend.
 - October 5th, the Company issued 191,999,994 new warrants to purchase newly issued ordinary shares at the rate of 0.25 baht per share through the allocation of warrants at the rate of 2 existing shares per 1 warrant; and registered the increase of capital to support the exercise of warrants. The uncalled capital increased from 95,999,997 baht to 143,999,995.50 baht.
- 2013
 - November 29th, the company increased the paid-up capital from 95,999,997 baht to 98,930,347 baht from the exercise of the right to purchase 11,721,400 ordinary shares according to the warrants to purchase the company's ordinary shares (TMI-W1).
- 2014
 - June 10th and December 3rd, the company increased the paid-up capital to 99,597,047 and 111,608,072 baht, respectively, from the exercise of rights to purchase ordinary shares in the second and the third times, for 50,710,900 shares in total, in accordance with the warrants to purchase ordinary shares of the company (TMI-W1).
- 2015
 - June 5th and October 13th, the company increased the paid-up capital to 131,358,341 and 167,860,222.50 baht, respectively, from the 4th and 5th exercises (last time) of the right for the total amount of 128,842,605 shares in according to the warrants to purchase the company's ordinary shares (TMI-W1).
- 2016
 - 5th October, the company received the INNOVATIVE ORGANIZATION award from the National Innovation Agency (Public Organization) and the Stock Exchange of Thailand.
- 2017
 - April 25th, the company has registered to establish a subsidiary or Teera-Mongkol Green Energy Company Limited (TMGE), with the company holding 100% of the shares of this subsidiary, in order to generate and distribute electricity. The authorized capital was 1.00 million baht.
- 2018
 - January 24th, 2018, the company registered to set up a subsidiary company or Teera-Mongkol Energy Company Limited (TME), with the company holding 99.98% of the shares of this subsidiary, in order to to generate and distribute electricity. The authorized capital was 1.00 million baht.
 - On June 15th, the meeting of the Board of Directors resolved that Teera-Mongkol Green Energy Company Limited, a 100% subsidiary, could purchase 750,000 ordinary shares of Green Saving Energy Thailand Company Limited, worth 79,997,500 baht in total, for running the business to generate and distribute electricity generation for the Provincial Electricity Authority since April 2015, with a 1.4 MW power purchase Feed-in Tariff (FIT) contract at 3.76 baht per unit and Feed-in Tariff (Premium) Contract at 0.50 baht per unit, with the terms of 20-year, starting from April 20th, 2015 and ending on April 19th, 2035. The project has received promotional privileges from the Board of Investment of Thailand (BOI).)

(Currently, Green Saving Energy Thailand Co., Ltd. has a registered capital of 41,000,000 baht and Teera-Mongkol Green Energy Company Limited holds 100.00% of the shares.)

- 2019 - 15th March 2019, the quorum of the Board Meeting passed a resolution to allow Theera-Mongkol Energy Company Limited, a 90.90% subsidiary, to purchase 99.9996% shares of Green Earth Energy Company Limited, which generate and distribute electricity to Provincial Electricity Authority and invested 99.98 percent in Global Utility Supply Company Limited, which operates biogas production business, with a power purchase agreement of 0.99 megawatts and 2.97 megawatts, with an Adder contract for 0.50 baht and 0.30 baht per unit, respectively.

Shareholding and Management Structure

Company's Securities

The Company's registered and paid-up capital as of December 31, 2019 details as follows:

Registered Capital:	168,070,047.75	Baht
Paid-up Capital:	167,860,222.50	Baht
Number of Ordinary Share:	671,440,890	Shares
Par Value:	0.25	Baht

Shareholders

The first top ten company's shareholders appeared in the Book of Shareholders' registration, as of December 31, 2019 are as follows:

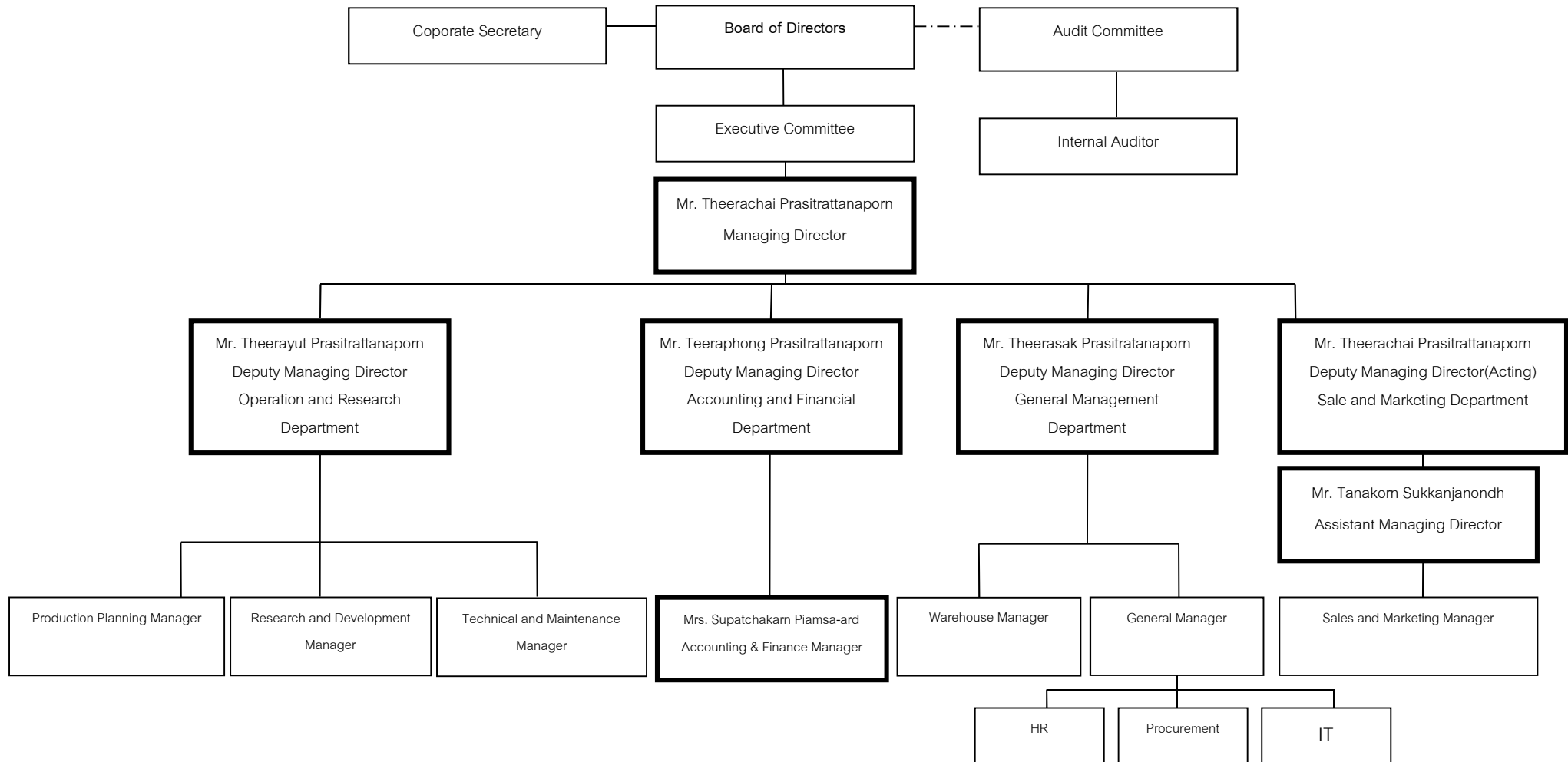
Name List	Number of Shares (Shares)	Percentage of Paid-up Shares
1. Prasitratanaporn Group		
1. Mr. Pravitt Prasitratanaporn	100,847,133	15.02
2. Mrs. Vilai Prasitratanaporn by Country Group Securities Public	79,484,826	11.84
3. Mr. Theerachai Prasitrattanakorn	75,635,350	11.26
4. Mr. Theerayut Prasitrattanakorn	75,635,350	11.26
5. Dr. Theerasak Prasitratanaporn	75,635,350	11.26
6. Mr. Teeraphong Prasitrattanakorn	75,131,014	11.19
7. Ms. Suchada Karnchanawatasilp	504,336	0.08
Total	482,873,359	71.92
2. Mr. Winyu Aueaumnuayporn	9,147,900	1.36
3. Ms. Ornnicha Suwattanakorn	8,848,136	1.32
4. Mr. Pichai Kitisuwankul	7,158,683	1.07
5. Mr. Damrong Lertsirichok	6,593,740	0.98
6. Ms. Soisri Pataraprasit	6,530,500	0.97
7. Mrs. Panee Pichitsurajit	5,650,000	0.84
8. Mr. Tiwa Jirapattanakul	4,500,000	0.67
9. Mr. Thawon Ungprapakorn	4,301,810	0.64
10. Mr. Apichai Hirantrakul	3,452,300	0.51
Total	56,183,069	8.37
Number of other shareholders: 1,870		
Total	132,384,462	19.71
Grand Total	671,440,890	100.00

Changes of shareholding of directors and management:

Name List of Directors and Management	Number of Shares as of January 1, 2018	Number of Shares as of December 31, 2018	Number of changed shares in the year 2018
1. Mr. Theerachai Prasitrattanaporn	75,635,350	75,635,350	-
2. Mr. Theerayut Prasitrattanaporn	75,635,350	75,635,350	-
3. Dr. Theerasak Prasitrattanaporn	75,635,350	75,635,350	-
4. Mr. Teeraphong	75,131,014	75,131,014	-
5. Prasitrattanaporn	504,336	504,336	-
6. Mr. Tanakorn Sukkanjanondh	-	-	-
7. Pol. Lt. Gen. Amarin Niemkul	-	-	-
8. Mr. Dheeruj Meedejprasert	-	-	-
9. Mr. Songpone Chanpongsang	-	-	-
10. Mrs. Chollada Isrankura Na Ayudhya	-	-	-

Note: Only Mr. Theerapong Prasitrattanaporn's spouse or Miss Suchada Kanchanawathasilp, who hold shares of the company. For other directors and executives, their spouses and children who are not at legal age do not hold shares of the company.

Organization Chart as of December 31, 2019



- Remark:**
- The definition of “Management” as stated in the Announcement of Securities and Exchange Commission No. GorJor 17/2008 shall be highlighted in bold frames.
 - The Company’s Internal Auditor is employed from outsource and appointed by EL Business Advisory Co., Ltd. to perform the duty.

Board of Directors and Committees

The company's organization chart consists of 7 groups of committee as follows:

- 1) Board of Director
- 2) Nomination Committee
- 3) Remuneration Committee
- 4) Risk Management Committee
- 5) Audit Committee
- 6) Executive Committee
- 7) Management Team

1) Board of Directors as of December 31, 2019

Name		Title
1. Mr. Theerachai	Prasitrattanaporn	Chairman of Committee
2. Mr. Theerayut	Prasitrattanaporn	Committee
3. Mr. Teeraphong	Prasitrattanaporn	Committee
4. Dr. Theerasak	Prasitrattanaporn	Committee
5. Pol. Lt. Gen. Amarin	Niemsukul	Independent Director/Chairman of Audit Committee
6. Mr. Songpone	Chanpongsang	Independent Director/Audit Committee
7. Mrs. Chollada Isrankura Na Ayudhya		Independent Director/Audit Committee
8. Mr. Apichart	Charnkiatkong	Independent Director/Audit Committee

Note: The Audit Committees who has knowledge and experience in reviewing financial statements are Mr. Songphol Chanphongsaeng and Mr Aphichart Chankiatkong.

Authorized Directors

Mr. Theerachai Prasitrattanaporn, Mr. Teeraphong Prasitrattanaporn, Mr. Theerayut Prasitrattanaporn, and Dr. Theerasak Prasitrattanaporn, any two persons of four directors stated hereby jointly sign with the company's seal affixed.

Scope of Authorities and Duties of Board of Directors

The director shall perform the duties in accordance with the law, objectives, and company's regulations, as well as the resolution of Shareholders' Meeting with honesty and reasonable protection of the company's interests.

- 1) The director shall regularly be responsible to the shareholders and operate the company by maintaining the best benefit of the shareholders based on standard, completed, and accurate information disclosure reported to the investors.

- 2) The director shall determine the corporate policy and business direction for the company.
- 3) The director shall consider and approve for chart of approval authority.
- 4) The director shall supervise, control, and administer the management team to effectively perform the duties according to the company's policy in order to increase the maximum economic value to the company.
- 5) The director shall consider and approve for the investment in business expansion, including joint ventures with other companies.
- 6) The director shall be responsible for financial report preparation for the Accounting Auditor to audit and/or review and submit the financial report to the audit committee.
- 7) The director shall appoint the executive committee and define the scope of roles and responsibilities of executive committee.

However, either director or other person who may have any conflict of stake or conflict of interest with the company shall have no right to vote for the related agenda.

In addition, the official consent shall be given by the meeting of committee and shareholders with the votes not less than three-fourth of the total number of shareholders who attend the meeting and are able to exercise their rights for these following agendas:

- Sales and transfer of company's businesses as a whole or some of major part;
- Purchase or transfer from other companies or private company to be owned by the company;
- Entering, amendment, or termination of contract relating to hire of company's business as a whole or some major parts, assigning other parties to manage the company's business or merge the business with other companies by aiming to divide profit and loss;
- Additional change of company's Memorandum of Association or Regulations;
- Increase, decrease, debenture issuance, and company's mergence or closing down

In addition, the Board of Directors has appointed 3 sub-committees including Nomination Committee, Remuneration Committee, and Risk Management Committee. Their names, duties, and responsibilities are as follows:

2) Nomination Committee as of December 31, 2019

Name	Title
1. Pol. Lt. Gen. Amarin Niemskul	Chairman of Nomination Committee
2. Mr. Songpone Chanpongsang	Nomination Committee
3. Mrs. Chollada Isrankura Na Ayudhya	Nomination Committee
4. Mr. Apichart Charnkiatkong	Nomination Committee
5. Mr. Theerachai Prasitrattanaporn	Nomination Committee

Scope of Authorities and Duties of Nomination Committee

The nomination committee shall consider criteria and process for recruiting qualified persons to serve as directors and high level executives by using determined recruiting process. Their duties and responsibilities are as follows:

- 1) The committee shall determine recruitment criteria, policy, and process for company's qualified directors and sub-committees to propose to the Board of Directors.
- 2) The committee shall recruit and select individuals to serve as company's directors and sub-committees in case of vacancy due to rotation and in other cases in order to propose to the board of directors and shareholders' meeting to consider and approve the appointment to be such committee.
- 3) The committee shall consider the appropriateness of the structure and composition of the board of directors as well as review and evaluate the committee whose term is ended.
- 4) The committee shall perform other operations related to recruitment as assigned by the board of directors.

3) Remuneration Committee as of December 31, 2019

Name		Title
1. Pol. Lt. Gen. Amarin Niemskul		Chairman of Remuneration Committee
2. Mr. Songpone Chanpongsang		Remuneration Committee
3. Mrs. Chollada Isrankura Na Ayudhya		Remuneration Committee
4. Mr. Apichart Charnkiatkong		Remuneration Committee
5. Mr. Theerachai Prasitrattanaporn		Remuneration Committee

Scope of Authorities and Duties of Remuneration Committee

The remuneration committee shall consider criteria on remuneration and benefits of directors and high level executives to propose to the Board of Directors. Their duties and responsibilities are as follows:

- 1) The committee shall determine policies and criteria relating to remuneration and other benefits of high level executives with appropriate remuneration to their responsibilities and consistence with company's result of operations as well as market conditions in order to propose to the Board of Directors for approval.
- 2) The committee shall determine policies and criteria relating to remuneration and other benefits of the Board of Directors and sub-committees with appropriate remuneration to their responsibilities and consistence with company's result of operations as well as market conditions in order to propose to the shareholder's meeting for approval.
- 3) The committee shall be responsible to the Board of Directors to clarify and answer questions regarding to the remuneration of directors in the shareholder's meeting.
- 4) The committee shall perform other operations related to remuneration as assigned by the board of directors.

4) Risk Management Committees of December 31, 2019

Name	Title
1. Pol. Lt. Gen. Amarin Niemskul	Chairman of Risk Management Committee
2. Mr. Songpone Chanpongsang	Risk Management Committee
3. Mrs. Chollada Isrankura Na Ayudhya	Risk Management Committee
4. Mr. Apichart Charnkiatkong	Risk Management Committee
5. Mr. Theerachai Prasitrattanakorn	Risk Management Committee
6. Mr. Teeraphong Prasitrattanakorn	Risk Management Committee
7. Mr. Tanakorn Sukkanjanondh	Risk Management Committee
8. Mrs. Supatchakarn Piamsa-ard	Risk Management Committee

Scope of Authorities and Duties of Risk Management Committee

The risk management committee shall consider the regulations and policy on risk management covering the organization for maximum benefits and complying with the strategic plan of the company. Their duties and responsibilities are as follows:

- 1) The committee shall consider and determine the policy, management plan, and to monitor risk management of the company.
- 2) The committee shall consider and review the directions and tools of risk management for efficiency and reasonable to the types of risks for each aspect of the transaction operating by the company.
- 3) The committee shall follow up and give importance to pre-warning signal as well as report errors that may happen including report of operation results of risk management to the Board of Directors of the company.
- 4) The committee shall provide the suggestions to be improved to the Board of Director of the company in order to comply with the policy and the strategy of the company.

5) Audit Committees of December 31, 2019

Name	Title
1. Pol. Lt. Gen. Amarin Niemskul	Chairman of Audit Committee
2. Mr. Songpone Chanpongsang	Audit Committee
3. Mrs. Chollada Isrankura Na Ayudhya	Audit Committee
4. Mr. Apichart Charnkiatkong	Audit Committee

Note: 1. The Audit Committees who has knowledge and experience in reviewing financial statements are Mr. Songphol Chanphonsgaeng and Mr. Aphichart Chankiatkong.

2. All members of the Audit Committee are independent directors. (Non-executive directors) according to the definition of independent directors according as in Article 16 of the Announcement of the Capital Market Supervisory Board Numbered Tho Cho. 28/2551.

Scope of Authorities and Duties of Audit Committee

- 1) To check the correctness and sufficiency of the company's financial report.
- 2) To verify the internal control and internal audit of the company for its efficiency and independency, including approving any appointment, transfer, employment termination of the heads of internal audit unit or other units being responsible for the internal audit.
- 3) To verify the company's compliance on the law regarding to the securities and stock exchange, the requirements of the Stock Exchange and other law regarding to the company's business.
- 4) To consider, select, and nominate any independent person to act as the company's auditor and to offer the remuneration for the said person, including attending the meeting with the auditor at least once a year without any involvement of the management division.
- 5) To consider any relevant matters or any matters which are in the conflict of interests for keeping it conforming to the laws and requirements of the Stock Exchange of Thailand and to ensure that the said matters are reasonably and lead to the best benefits of the company.
- 6) To prepare the audit committee's report which shall be shown in the company's annual report. The said report shall be signed by the chairman of audit committee and at least it shall consist of following information:
 - a) The opinion on the accuracy, completeness and reliability of the company's financial report;
 - b) The opinion on the sufficiency of the company's internal control system;
 - c) The opinion on the compliance on the law regarding to the securities and stock exchange, requirements of the Stock Exchange of Thailand or other laws regarding to the company's business;
 - d) The opinion on the suitability of the auditor;
 - e) The opinion on any matters being in conflict of interests;
 - f) The frequency of the audit committee meeting and the meeting attendance of each member of the audit committee;
 - g) The opinion and overall observation of the audit committee during the operation under the charter;
 - h) Other matters that, in its opinion, should be acknowledged by the shareholders and general investors under the scope of roles and responsibilities assigned by the company's committee.
- 7) To do other acts assigned by the company's committee under the agreement of the audit committee.
- 8) The chairman of committee and audit committee shall have terms of office for a period of 3 years and no more than 9 consecutive years.

The whole three audit committees of the company are selected from independent committee having the full qualification and independency under the Announcement of the Securities and Exchange Commission No. Thor Jor 28/2008 as follows:

- 1) Any person holding the share not exceeding to 1 percent of all shares with the voting rights, of the company, its subsidiaries, associated companies, major shareholders or any juristic persons who may

have any conflicts. In addition, the shares of any related persons of such independent Committees shall be counted.

- 2) Any persons who are not or were not the directors involving the management, employees, staff, consultants receiving any regular remuneration or juristic persons, the company, its subsidiaries, associated companies or other similar subsidiaries, major shareholders who may have any conflicts, unless they have been retired not less than two years before this appointment. However, this is excluded the case that the independent committee who was a government officer or consultant of public sectors official, is a company's shareholder or the authorized person to control of the company.
- 3) Any person who do not have blood relationship or the relationship under the legal registration, such as parents, spouses, siblings and children, including the spouses of the executives' children, major shareholders, juristic persons or persons nominated to take the role of the executives or juristic persons of the company and its subsidiaries.
- 4) Any persons who do not or did not have any business relation with the company, its subsidiaries, associated companies, major shareholders or any juristic persons who may have any conflicts resulting in the obstacles to their independent discretion and who are not or were not the significant shareholders or juristic persons of persons having the business relation with the company, its subsidiaries, associated companies, major shareholders or any juristic persons who may have any conflicts, unless such persons have been retired as specified above, not less than two years before this appointment.
- 5) Any persons who are not or were not the auditors of the company, its subsidiaries, associated companies, major shareholders or any juristic persons who may have any conflicts, and who are not or were not the significant shareholders, juristic persons or partnering with any audit firms where the auditors of the company, its subsidiaries, associated companies, major shareholders or any juristic persons who may have any conflicts, is a member, unless such persons have been retired as specified above, not less than two years before this appointment.
- 6) Any persons who are not or were not the professionals in any fields, including legal counsels or financial consultants who have/had been paid for the service more than Baht two million per annum by the company, its subsidiaries, associated companies, major shareholders or any juristic persons who may have any conflicts and are not the significant shareholders, juristic persons, or partnering with any professional services in such fields, unless such persons have been retired as specified above, not less than two years before this appointment.
- 7) Any persons who are not the committee members appointed to act for the company's committee members, major shareholders or any shareholders relating to the company's major shareholders.
- 8) Any persons who are not the operator of similar nature of business and as the major competitor to the company's business or its subsidiaries or are not the significant shareholders in partnership, or are the associated executive committees, employees, staff, consultants receiving any regular remuneration, or shareholders holding the share not exceeding to 1 percent of all shares with the

voting rightsof other companies where are operating the similar nature of business and competitive to the company or its subsidiaries.

- 9) Any persons who are in other natures resulting in not being able to freely give the opinions on the company's performance.

6) Executive Committee as of December 31, 2019

Name		Title
1. Mr. Theerachai	Prasitrattanaporn	Chairman of Executive Committee
2. Mr. Theerayut	Prasitrattanaporn	Executive Committee
3. Mr. Teeraphong	Prasitrattanaporn	Executive Committee
4. Dr. Theerasak	Prasitratanaporn	Executive Committee

Note: The meeting allowance is not determined for Executive Committees.

Scope of Authorities and Duties of Executive Committee

- 1) To have authority for command, planning, and operating the company in accordance with the policies determined by the company's Board of Directors.
- 2) To determine the policy and determine the company's operating strategy under the scope of company's objectives.
- 3) To propose the investment plan and/or the company's financing plan for the company's committee and/or Meeting of Shareholders for further approval (based on case).
- 4) To approve and appoint consultants in various fields that are essential for the company's operation.
- 5) To have authority for purchase, sales, procurement, acceptance, rental, hire-purchase, ownership, possession, improvement, usage, or other management transactions of any properties, including investment as planned and approved by the company's committees.
- 6) To have authority for approval regarding purchase of properties or any payment according to the company's operation, agreement, and/or contracts made with business partners as detailed and required in Chart of Approval Authority.
- 7) Under the credit limit authorized by the company's committee, the executive committee shall have the power to approve for sales, employment, rental, and hire-purchase transactions of any properties, as well as the power to make the investment and any payment necessary to the company's operation as detailed and required in Chart of Approval Authority.
- 8) Under the credit limit authorized by the company's committee, the executive committee shall have authority to approve for loan and overdraw from bank, juristic person, or other financial institutions for company's operating benefit as detailed and required in Chart of Approval Authority.

- 9) To have authority for consideration and determination of employees' welfare in accordance with the economic conditions and situations.

However, the assignment of duties and responsibilities of the executive committee stated above shall be excluded from power and/or repeated delegation of authority for approval of any conflict of interest (as defined by the Announcement of Security and Exchange Commission), being the stakeholder as conflict of interest as transaction made by oneself or repeat attorney-in-fact. The approval of the said transaction shall be submitted to the Committees and/or Shareholders Meeting (based on case) for further approval and consideration as required by company's regulations or related law.

7) Management Team as of December 31, 2019

Name		Title
1. Mr. Theerachai	Prasitrattanaporn	Managing Director
2. Mr. Theerayut	Prasitrattanaporn	Deputy Managing Director
3. Mr. Teeraphong	Prasitrattanaporn	Deputy Managing Director
4. Dr. Theerasak	Prasitratanaporn	Deputy Managing Director
5. Mr. Tanakorn	Sukkanjanondh	Assistant Managing Director

Scope of Authorities and Duties of Managing Director

- 1) To manage and control of company's operation based on regular basis.
- 2) To operate the company as assigned by the company's board of directors and/or executive committees.
- 3) To determine and control of overall company's operation in practice in accordance with the policy set out by the company's committees and/or executive committees.
- 4) To have authority for approval of purchase, sales, or investment as stated in the company's approval plan or to have authority for approval of cancellation of any purchase, employment, rental, hire-purchase, investment, and payment or expenses necessary to the company's operation as detailed and required in Chart of Approval Authority.
- 5) To have authority for approval of the company's properties purchase or payment or any expenses regarding the agreement and/or business partners' agreement as detailed and required in Chart of Approval Authority.
- 6) To consider the business strategy and company financing in order to submit to the company's board of directors and/or executive committees respectively based on priority basis.
- 7) To have authority of employment, nomination, deposition, unemployment, and dismissal for every level of employees.
- 8) To have authority for opening and closing any of bank account and accounts with other financial institutions in order to be more convenient as for the company's ordinary business operation based on the company's benefits.

- 9) To request for nomination approval of consultant in various essential fields for the company's board of directors and/or executive committees.
- 10) To propose the management guideline to the company's board of directors and/or executive committees for consideration.
- 11) To determine the duties and responsibilities of high level executives.
- 12) To summarize the business performance and submit to the company's board of directors and/or executive committees.
- 13) To supervise and administer sales and marketing sections both domestic and international.
- 14) To determine the organization structure and management including selection, training, increase of wages, award, or other remunerations, as well as wages amendment for all level of employees.

However, the duties and responsibilities assigned by the Managing Director mentioned above shall be based on the regulations and agenda approved by the company's board of directors. These duties and responsibilities shall be excluded from power and/or repeated delegation of authority for approval of any conflict of interest (as defined by the Announcement of the Security and Exchange Commission), being the stakeholder as conflict of interest as transaction made by oneself or repeat attorney-in-fact. The approval of the said transaction shall be submitted to the meeting of committees and/or shareholders (based on case) for further approval and consideration as required by company's regulations or related law.

Others than those stated earlier, Managing Director shall not be able to perform unless being assigned by the company's committees occasionally.

Remark: Chart of Approval Authority details as below.

Unit : Baht

Title	Movable Properties	Assets	Imported Products and Raw Materials Procurement	Domestic Products and Raw Materials Procurement	Loans from Financial Institution
	Purchase/Sales (per transaction)	Purchase/Sales (per transaction)	per transaction	per transaction	
Executive Committee	5,000,000	10,000,000	10,000,000	Over 5,000,000	10,000,000
Managing Director and Deputy Managing Director	1,000,000	1,000,000	5,000,000	5,000,000	-

Selection Criteria for Committee and Management

According to the selection criteria on company's committee or management, the company has no specific nominating committees for this matter. However, the persons who have been nominated to be the company's

directors and managements are fully qualified as required by the Public Company Act B.E. 2535 and the Announcement of Security and Exchange Commission No. Thor Jor 28/2008, "Application and Approval of Sale for Newly Issued Shares", dated December 15, 2008. The selection criteria and its details are required as follows:

Selection Criteria for Board of Directors

- 1) The company is required to have at least five (5) committees in order to operate its business, in which no less than half number of total committees shall have the residence located in the kingdom. In addition, the company's committee shall be fully qualified as required by law with or without company's shareholding.
- 2) The company's committee shall be nominated by the Meeting of Shareholders according to the following principles and approaches:
 - 2.1 Each shareholder is entitled to the vote as the same number of his/her share or one (1) share equals to one (1) vote.
 - 2.2 Each shareholder shall cast their votes specified in clause 2.1, for electing the same person or several persons to be the committee. In case of voting for several persons to be the committees, the number of vote shall be divided equally as individual.
 - 2.3 The member of the committee shall be elected by relying on the higher number of votes of which they received and running respectively until it reaches the number of committee members that is required or should be elected at that time. In case the elected persons have the equal number of votes, the chairman of the meeting shall be entitled to a vote for judgment
- 3) For all of the annual ordinary meeting, one-third (1/3) of all committee members or the closest number to one-third (1/3), if the number cannot be equally into three parts, shall be expired by term. Additionally, the committee members who have been already expired by term can be reelected. The retirement of the committee members in the first and second years after the company's incorporation, shall be determined by the means of drawing lots. For the following years, the committee members who hold the position for the longest period shall be expired by term.
- 4) Any of committees who request to resign from the position, shall submit the letter of resignation to the company. The said resignation shall be effective since the letter of resignation has been delivered to the company.
- 5) The meeting of shareholders may pass the resolution to dismiss any committee members prior to their due date of retirement. In such case, it is required the votes not less than three-fourth (3/4) of the shareholders and their combined shares shall not less than the half of total shares held by the shareholders presenting in the meeting and having the rights to cast their votes.
- 6) In case of committee's vacancy due to other reasons rather than full of office term, the committees shall select the qualified person without prohibition as required by law relating to public company limited or security and exchange to be the committee for the next meeting. If the office term of the committee who has been replaced, is left for less than two (2) months, the duration of office term for

the committee who replaced the previous committee shall be equal to the period left behind. Additionally, the resolution of committees as stated in paragraph one shall consist of no less than three-fourth (3/4) of existing number of committees.

- 7) The committees shall select one person to be the President of the company. In case of appropriation, the committees shall select one or several person(s) to be the vice president(s) of the company. The duties of Vice President shall be assigned corporately by the company's President.




Selection Criteria for Audit Committee


The audit committee of the company shall be nominated by the company's committees. In addition, the audit committee shall be qualified as required by law of securities and the Stock Exchange, including announcement, regulations, and/or principles as determined by the Stock Exchange. The total number of audit committees shall not less than 3 persons, in which at least one (1) of audit committees shall have knowledge in accounting and finance.


Selection Criteria for Executive Committee

The executive committee shall be the company's committee and/or management who has been nominated by the Board of Directors with the appropriate number. Additionally, one (1) person of executive committees shall be nominated by the Board of Directors to be the Chairman of Executive Committee.


Board of Directors


Mr. Theerachai Prasitrattanaporn 46 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding 11.26%	Bachelor's Degree ♦ Bachelor of Business Administration (Marketing) Assumption University Certificate ♦ Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2019 -	♦ 2009 –present President, Chairman of Executive Committee, Managing Director, Nomination Committee, Remuneration Committee, and Risk Management Committee Teera-Mongkol Industry PCL ♦ 2000 –2008 Committee and Sales Manager Teera-Mongkol Industry Co., Ltd.
Mr. Theerayut Prasitrattanaporn 45 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding 11.26%	Master's Degree ♦ Master of Science (Computer & Engineering Management) Assumption University Bachelor's Degree ♦ Bachelor of Engineering (Electronics) Assumption University Certificate ♦ Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2019 -	♦ 2009 –present Committee, Executive Committee, and Deputy Managing Director Teera-Mongkol Industry PCL ♦ 2000 –2008 Committee and Production Manager Teera-Mongkol Industry Co., Ltd.
Mr. Teeraphong Prasitrattanaporn 43 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding 11.19%	Bachelor's Degree ♦ Bachelor of Business Administration (International Business Management) Assumption University Certificate ♦ Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2019 -	♦ 2009 –present Committee, Executive Committee, Deputy Managing Director, and Risk Management Committee Teera-Mongkol Industry PCL ♦ 2000 –2008 Committee and Assistant Manager Teera-Mongkol Industry Co., Ltd.


Dr. Theerasak Prasitratanaporn 40 years	Education	Professional Experiences (last 5 years)
	Doctoral Degree ♦ Doctor of Philosophy (Information Technology) Assumption University	♦ 2009 –present Committee, Executive Committee, and Deputy Managing Director Teera-Mongkol Industry PCL
	Bachelor's Degree ♦ Master of Science (Software Engineering) San Jose State University, USA Bachelor's Degree ♦ Bachelor of Engineering (Computer) Assumption University	♦ 2000 –2008 Committee and IT and Administration Manager Teera-Mongkol Industry Co., Ltd.
Percentage of Shareholding 11.26%	Certificate ♦ Director Certification Program (DCP) Class of 155/2012 Thai Institute of Directors ♦ Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2019 ♦ Police Administration in Digital Age (PADA) class 2/2562 ♦ Thammasart Leadership Program (TLP) class 15/2019 ♦ Thammasart World Leadership Program (TWLP) class 3/2019	

Pol. Lt. Gen. Amarin Niemsakul 72 years	Education	Professional Experiences (last 5 years)
	Master's Degree ♦ Master of Public Administration National Institute of Development Administration ♦ Master of Art University of Kansas, USA Bachelor's Degree ♦ Bachelor of Public Administration (Police) Royal Police Cadet Academy	♦ 2013 –2016 Committee and Audit Committee Thanulok PCL ♦ 2009–present Chairman of Audit Committee, Independent Director, Chairman of Nomination Committee, Chairman of Remuneration Committee, and Chairman of Risk Management Committee Teera - Mongkol Industry PCL
	Certificate ♦ Audit Committee Program (ACP) Class of 27/2009 Thai Institute of Directors ♦ Director Accreditation Program (DAP) Class of 60/2006 Thai Institute of Directors Training in 2019 -	♦ 2007 –2013 Audit Committee and Independent Director Saha Pathanapibul PCL ♦ 2006 –2017 Audit Committee and Independent Director Saha Pathanapibul Inter Holding PCL

Percentage of Shareholding -None-

Mr. Songpone Chanpongsang 54 years	Education	Professional Experiences (last 5 years)
 <p>Percentage of Shareholding -None-</p>	<p>Master's Degree</p> <ul style="list-style-type: none"> ◆ Master of Business Administration Assumption University <p>Bachelor's Degree</p> <ul style="list-style-type: none"> ◆ Bachelor of Business Administration in Accounting Assumption University <p>Certificate</p> <ul style="list-style-type: none"> ◆ Director Accreditation Program (DAP) Class of 78/2009 Thai Institute of Directors <p>Training in 2019</p> <p>-</p>	<ul style="list-style-type: none"> ◆ 2009 –2019 Audit Committee, Independent Director, Nomination Committee, Remuneration Committee, and Risk Management Committee Teera - Mongkol Industry PCL ◆ 2007 –present Accounting and Financial Advisor Vinijpol Auto Group Co., Ltd. ◆ 2003 – 2006 Accounting Director Preecha Group PCL ◆ Was Director of Asset Management Affiliated Company of GE Capital (Thailand) Co., Ltd. ◆ Was Director of Business Development Eaksin Securities PCL

Mrs. Chollada Isarankura Na Ayudhya 61 years	Education	Professional Experiences (last 5 years)
 <p>Percentage of Shareholding -None-</p>	<p>Master's Degree</p> <ul style="list-style-type: none"> ◆ MBA (Management) Kasetsart University <p>Bachelor's Degree</p> <ul style="list-style-type: none"> ◆ Bachelor of Arts (Economics) Chiangmai University <p>Certificate</p> <ul style="list-style-type: none"> ◆ Director Accreditation Program (DAP) Class of 146/2018 <p>Training in 2019</p> <p>-</p>	<ul style="list-style-type: none"> ◆ 2018 –present Audit Committee, Independent Director, Nomination Committee, Remuneration Committee, and Risk Management Committee Teera - Mongkol Industry PCL ◆ 2000 – 2018 Human Resources Manager Agilent Technologies (Thailand) Company Limited

Mr. .Aprichart Charnkiatkong 47 years	Education	Professional Experiences (last 5 years)
	Master's Degree ♦ Master of Business Administration Burapha University ♦ Master of Managerial Accounting Burapha University Bachelor's Degree ♦ Bachelor of Economics Thammasat University Certificate - Training in 2019 -	♦ 2019–present Audit Committee, Independent Director, Nomination Committee, Remuneration Committee, and Risk Management Committee Teera - Mongkol Industry PCL ♦ 2019–present Assistant Chief Financial Officer TPBI Public Company Limited
Percentage of Shareholding -None-		♦ 2018–2019 Accounting and finance director JCK Hospitality Public Company Limited ♦ 2018– present Financial and Administration Consultants Bangkok Christian College ♦ 2017– 2018 Finance and accounting manager Crepes and Co. Development Co., Ltd. ♦ 1999– 2017 Senior Accounting Sumitomo Electric (Thailand) Ltd

Security Holding of Board of Directors and Executive Committee as of December 31, 2019

Name	Current Position	Number of Shares	Percentage (%)*
Mr. Theerachai Prasitrattanaporn	President, Chairman of Executive Committee, Managing Director, Nomination Committee, Remuneration Committee, and Risk Management Committee	75,635,350	11.26
Mr. Theerayut Prasitrattanaporn	Committee, Executive Committee, and Deputy Managing Director	75,635,350	11.26
Mr. Teeraphong Prasitrattanaporn and his wife	Committee, Executive Committee, Deputy Managing Director, and Risk Management Committee	75,635,350	11.26
Dr. Theerasak Prasitratanaporn	Committee, Executive Committee, and Deputy Managing Director	75,635,350	11.26
Pol. Lt. Gen. Amarin Niemskul	Chairman of Audit Committee, Independent Director, Chairman of Nomination Committee, Chairman of Remuneration Committee, and Chairman of Risk Management Committee	0.00	0.00
Mr. Songpone Chanpongsang	Audit Committee, Independent Director, Nomination Committee, Remuneration Committee, and Risk Management Committee	0.00	0.00
Mrs. Chollada Isrankura Na Ayudhya	Audit Committee, Independent Director, Nomination Committee, Remuneration Committee, and Risk Management Committee	0.00	0.00
Mr. Apichart Charnkiatkong	Audit Committee, Independent Director, Nomination Committee, Remuneration Committee, and Risk Management Committee	0.00	0.00
Mr. Tanakkorn Sukkanjanondh	Assistant Managing Director	0.00	0.00
Mrs. Supatchakarn Piamsa-ard	Accounting and Finance Manager	0.00	0.00

* Percentage (%): Calculating from percentage of the number of ordinary shares as of December 31, 2019. Total share is 671,440,890.

Remuneration

1) Monetary Remuneration

(A) Remuneration for Directors

Remuneration

The company has set the remuneration for directors for no more than 1,500,000 baht per year.

Meeting Allowances

The company set remuneration for directors and audit committee according to the regulations on remuneration and meeting allowances for directors of the company. The meeting allowance for the chairman of the board is 6,000 baht per time, for each Director is 5,000 baht per time, for the chairman of the audit committee is 20,000 baht per time, for each audit committee is 15,000 baht per time, for the Chairman of the Nomination Committee is 6,000 baht per time, for each nomination committee is 5,000 baht per time, for the chairman of remuneration committee is 6,000 baht, for each remuneration committee is 5,000 baht per time, for the chairman of the risk management committee is 6,000 baht per time, and for each risk management committee is 5,000 baht.

The details of the remuneration for the directors of the board are as follows.

Order	Namelist		2019
1	Mr. Theerachai	Prasitrattanaporn	76,000
2	Mr. Theerayut	Prasitrattanaporn	30,000
3	Mr. Teeraphong	Prasitrattanaporn	50,000
4	Dr. Theerasak	Prasitrattanaporn	30,000
5	Pol.Maj.Gen. Amarin	Niamsakul	428,000
6	Mr. Songphol	Chanphongsaeng	117,500
7	Mrs. Cholada	Isarangkura Na Ayutthaya	375,000
8	Mr. Aphichart	Chankiatkong	257,500
9	Mr. Thanakon	Sukkanchananon	20,000
10	Mrs. Suphatchakan	Piamsa-at	20,000

(B) Remuneration for the Executives

The company has set policy on remuneration for the executives by considering the appropriateness, including duties, experiences, responsibilities assigned, as well as performances and expected benefits, comparable to the one paid by other companies listed on the Stock Exchange of Thailand, which are in the similar

industry and size, and must be suitable enough to take care and maintain the executives, and motivate the executives to work with the company to achieve goals and efficiency through a transparent process.

Remuneration for the Executives	2019	
	Number (People)	Amount (Baht)
Total	5	8,191,208

Note: Remuneration for the executives includes salary, bonus and provident fund.

(C) Audit Fee

Audit Fee

The Company has paid audit fee to AST Master Company Limited, with Miss Nongram Laoha-areedilok, Certified Public Accountant whose Registration Number is 4334, or Mr. Pradit Rodloytook, Certified Public Accountant whose Registration Number is 218, or Miss Chamaporn Rodloytook, Certified Public Accountant whose Registration Number is 9211 being the account auditors of the company to audit and verify the company's financial statements for the year 2019, with total remuneration of 1,030,000.00 baht (one million and thirty thousand baht only). In 2018, the company had paid only the audit fee for the amount of 600,000 baht (six hundred thousand baht only) , for Teera-Mongkol Industry Public Company Limited only.

Group of Teera-Mongkol Industry Public Company Limited	Audit and Verification Fee
Teera-Mongkol Industry Public Company Limited	600,000.00
Teera-Mongkol Green Energy Company Limited	50,000.00
Teera-Mongkol Energy Company Limited	50,000.00
Green Earth Energy Company Limited	100,000.00
Global Utility Supply Company Limited	50,000.00
Green Saving Energy Thailand Company Limited	180,000.00
Total	1,030,000.00

Non-Audit Fee

The company has paid the fee for the verification for compliance with conditions of BOI in 2019 for 50,000 baht (fifty thousand baht only), which is equivalent to the amount paid in 2019.

Group of Teera-Mongkol Industry Public Company Limited	BOI Compliance Verification Fee
Teera-Mongkol Industry Public Company Limited	30,000.00
Teera-Mongkol Green Energy Company Limited	-
Teera-Mongkol Energy Company Limited	-
Green Earth Energy Company Limited	-
Global Utility Supply Company Limited	-
Green Saving Energy Thailand Company Limited	20,000.00
Total	50,000.00

2) Non-monetary Remuneration

- None -

Internal Control

In the Board of Directors meeting of Teera-Mongkol Industry Public Co., Ltd. no. 2/2020, held on February 19, 2020, there were three (3) audit committees attending the meeting and evaluate the internal control system of the Company in various aspects by enquiring the information from the management. The categories were separated out as follows:

Internal Organization Control

1. The organization indicated the consistency in the value of honesty and morality.

Questions	Yes	No
1.1 The Board of Directors and executive determined the directions and had the performance on the honesty principles and to maintain the code of conduct for their operation covering: 1.1.1 Routine performance and decision in various matters; 1.1.2 Performance to business partners, customers, and outsiders;	 	
1.2 There are written regulations for the executives and the employees to perform their duties with honesty and to maintain code of conduct covering: 1.2.1 There are reasonable regulations on code of conduct for the executives and the employees; 1.2.2 There are regulations to prohibit the executives and the employees to behave causing conflict to the business interest including the prohibition on corruption causing damage to the organization ¹ ; 1.2.3 There are reasonable sanctions in case of violation to the above regulations; 1.2.4 There are communications on the above regulations and sanctions for the executives and the employees to acknowledge such as including in the new employee orientation for all employees to sign their name for acknowledging to the regulations and the sanctions with propagation the code of conduct for all employees and the outsiders to acknowledge;	 	
1.3 There are follow up process with evaluation to the performance of the Code of Conduct: 1.3.1 The follow up and evaluation by the internal auditing unit or the compliance unit; 1.3.2 Self-evaluation by the executives and the employees; 1.3.3 Evaluation by the independent expert from outside;	 	

1.4 There are on time management in case of failure to follow the regulations on honesty and to maintain the code of conduct:		
1.4.1 There are processes enable to detect the violation at the reasonable time;	✓	
1.4.2 There are processes enable to punish or to manage the violation reasonably and within the reasonable time;	✓	
1.4.3 There are corrections to the action contrary to the honesty and to maintain the code of conduct reasonably and within the reasonable time;	✓	

¹The company should determine the internal control according to the anti-corruption measures to be suitable to the risks of the company.

2. The Board of Directors is independent from the management and to do oversight and development on internal control.

Questions	Yes	No
2.1 There is determination on the roles and duties of the Board of Directors to be separated from the Management with reserving the authority specifically of the Board of Directors clearly.	✓	
2.2 The Board of Directors has a good governance to determine the clear targets of business operation and can be measured for the guideline of performance for the executives and the employees.	✓	
2.3 The Board of Directors has a good governance to determine the roles and the duties of the board and the executives correctly according to the law, charter covering the important role of the audit committee, the auditor, the internal auditors and the responsible persons to the financial report.	✓	
2.4 The Board of Directors are learned persons on the business of the company and possess expertise which are benefits to the company or capability to ask for suggestions from such experts on such matters.	✓	
2.5 The Board of Directors are comprised of learned independent directors with knowledge, reliable ability with independence to perform their duties actually such as no relationship to the business of the company, no relationship to others which may be influence to the using of discretion and the performance independently at the reasonable and sufficient amount.	✓	
2.6 The Board of Directors has a good governance to develop and to perform on internal control matters within the organization, covering on creating environment, controlling, evaluating to the risks, control activities on information and communication with the follow up.	✓	

3. The management has provided the report structure, determination to the reasonable leading and responsibility in order for the organization is accomplished to its objectives under the Board of Directors' oversight.

Questions	Yes	No
3.1 The Chief Executive Officers have determined the organization structure to support the objective accomplishment of the company by considering on its suitability both on the business and on the law, including providing the internal control efficiently such as duty separation in important parts that causing auditing and balancing among themselves, there is internal auditing belonging to the audit committee with reporting line clearly etc.	✓	
3.2 The Chief Executive Officers have determined the reporting line within the company by considering on its suitability on the authority, responsibility and information communication.	✓	
3.3 There are determination, assignment and limitation to the authority and the responsibility between the Board of Directors, The Chief Executive Officers, Executives and the employees.	✓	

4. The organization expresses the intention to motivate, to develop and to maintain the personnel possess knowledge and ability.

Questions	Yes	No
4.1 The company has a policy and the procedure to provide, to develop, and to maintain the personnel with knowledge and ability reasonably, and also there is a process to review its policy and the procedure regularly.	✓	
4.2 The company has a process to evaluate the performance results, giving motivation or giving rewards to the personnel with good performance and to manage to those personnel with non-accomplishment including there is the communication process to the executives and the employees.	✓	
4.3 The company has a process to solve the problem or to be ready for lacking of knowledgeable personnel with ability reasonably on time.	✓	
4.4 The company has a recruitment, development, and maintenance processes for all the executives and the employees such as mentoring and training.	✓	
4.5 The company has a plan and the recruitment process for important successors. (Succession Plan)	✓	

5. The organization has determined the personnel to have their duties and responsibilities to do the internal control for the accomplishment of the objectives of the organization.

Questions	Yes	No
5.1 The Board of Directors and the executives have the compulsory process and communication for all personnel with their responsibilities to do internal control and to provide improvement and correction the performance process in case of necessary.	✓	

Questions	Yes	No
5.2 The Board of Directors and the executives have determined the indicators for the performance, motivation creation and giving rewards reasonably by considering on the performance of Code of Conduct and the short and long term objectives of the company.	✓	
5.3 The Board of Directors and the executives have evaluated the motivation and giving rewards continuously by emphasizing the capability to link to the success of duties from the internal control performance.	✓	
5.4 The Board of Directors and the executives have considered not to create the overpressure for the performance for each personnel.	✓	

Risk Assessment

6. The organization has determined the clear objectives sufficiently in order to accomplish to specify and to assess the risks related to the objective accomplishment of the organization.

Questions	Yes	No
6.1 The company is able to follow the generally accepted accounting standard which is suitable the business at that time, by indicating that the particulars in the financial statement is concrete, complete showing the right and the obligations of the company correctly with reasonable values, and to expose the information completely and correctly.	✓	
6.2 The company has determined the important matters of financial particulars by considering to the important factors such as the users of such financial particulars, the size of particulars and the business trend.	✓	
6.3 The financial report of the company has reflected to the activity of operation of the company actually.	✓	
6.4 The Board of Directors, Risk Management Committee have approved and communicated the policy of risk management to all the executives and employees for acknowledging and to perform until being part of the organization culture.	✓	

7. The organization has specified and analyzed all kinds of risks which may affect to the objective accomplishment intensively throughout the organization.

Question	Yes	No
7.1 The company has specified all kinds of risks that may be affected to the business operation whether in the level of organization, business units, working divisions and various duties.	✓	

Question	Yes	No
7.2 The company has analyzed all kinds of risks that may be occurred from internal and exterior factors including the risk of strategy, operation, reporting, following the rules and regulation and on information technology.	✓	
7.3 The executives for all levels take part in risk management.	✓	
7.4 The company has assessed the importance of risks by considering both the opportunity to happen and the effects may be happened.	✓	
7.5 The company has its measures and objective plan to manage such risks that may accept on such risks (risk acceptance), risk reduction, risk avoidance or risk sharing.	✓	

8. The organization had considered to the opportunity of corruption to be occurred in the risk assessment to accomplish to the objectives of the organization.

Questions	Yes	No
8.1 The company has assessed the opportunity to be occurred of corruption covering to various corruptions such as making false financial report, causing property loss, corruption, the management override of internal controls, changing data in important reports, obtaining and consuming properties incorrectly etc.	✓	
8.2 The company has reviewed to the targets of performance carefully by considering the possibility of the targets set forth including considering to the reasonability of giving motivation or remuneration to the employees that there is no promotion to the employees to do unreasonable actions such as no setting overrated sale targets of the company that causing the motivation to put the false total sales etc.	✓	
8.3 The Audit Committee has considered and reviewed the executives regarding the opportunity of corruption with the measures to be operated by the company in order to protect or to solve the corruption.	✓	
8.4 The company has communicated for all employees to acknowledge and to follow the policy and the guideline determined already.	✓	

9. The organization is able to specify and to assess the changing that may be affected to the internal control systems.

Questions	Yes	No
9.1 The company has assessed the changing of factors outside the organization which may be affected to the business operation, internal control and financial report as well as the determination to the responsive measures to such change sufficiently.	✓	

9.2 The company has assessed the changing of pattern of business operation that may be affected to the business operation, internal control and financial report as well as the determination to the responsive measures to such change sufficiently.	✓	
9.3 The company has assessed the changing of the leader of organization that may be affected to the business operation, internal control and financial report as well as the determination to the responsive measures to such change sufficiently.	✓	

Control Activities

10. The organization has its control measures to reduce risks of not to accomplish the organization's objectives in the accepted level.

Questions	Yes	No
10.1 The control measures of the company are reasonable to the risks and the specific description of the organization such as environment, work complexity, scope of operation including other specific descriptions.	✓	
10.2 The company has determined the written internal control measures and covering to the various processes reasonably such as having the policy and the procedures on financial transactions, purchasing and general management as well as determination to the scope, authority and rank of approval from each level of executives clearly, strictly in order to protect corruption such as determination the size of money and the power of approval for each level of executives, the steps of approval for investment project, purchasing steps and vendor selection method, recording data with details of purchasing decision, steps of disbursement of material & equipment or disbursement of various tools etc., while the following processes have been provided for each case: 10.2.1 Collection data of large shareholders, directors, executives and related persons to such above persons including the related parties for the benefits of follow up and to review related transactions or the items which may be in conflict on interests including there is data improvement to be updated regularly. 10.2.2 In case approval already on any transaction or making the contract to the related persons in type of long term commitment, such as making purchasing contract, lending loan, guarantee, the company has followed confidently that the performance had been made according to the agreed conditions for all the time with commitment effects such as follow up the repayment on time, or there is review on contract reasonability etc.	✓ ✓	
10.3 The company has determined the internal control with variety reasonably such as manual and automated controls or protective and follow up controls.	✓	

Questions	Yes	No
10.4 The company has determined the internal control for all level such as company group, business units, working line, working division, department or processes.	✓	
10.5 The company has separated the duty with responsibility for the following 3 aspects definitely in order for mutual auditing; namely: (1) Approval duty (2) Duty to record accounting items and information; and (3) Duty of take care and to collect properties	✓	

11. The organization has selected and developed the general control activities with technology system in order to support the objective's accomplishment.

Question	Yes	No
11.1 The company should determine the relationship between using information technology in the performance process and the general control of information system.	✓	
11.2 The company should determine the control on infrastructure of technology system with reasonability.	✓	
11.3 The company should determine the control on safety of technology system with reasonability.	✓	
11.4 The company should determine the control of obtaining, developing and maintaining the technology system with reasonability.	✓	

12. The organization has provided the control activities via the policy which is determined the expected things with the steps of procedures so that the determined policy can be taken to the performance steps.

Question	Yes	No
12.1 The company has a strict policy to follow up for the transaction of large shareholders, directors, executives, or the related persons to the above persons must be passed the steps of approval determined such as the regulations of the company, the criteria of the Stock Exchange of Thailand, of the office etc., in order to protect the seeking of opportunity or to take the interest of the company to use for their own interests.	✓	
12.2 The company has a policy for the consideration to approve to the transaction done by the non-interest person in such transactions.	✓	
12.3 The company has a policy for the consideration to approve to the transaction to realize to the maximum benefits of the company significantly and the consideration is as same as the items made with the outsider or at arms' length basis.	✓	
12.4 The company has a process to follow up the operation of the subsidiary companies or the jointed company including the determination to the guideline for the appointed person by the company to be a director or the executives in such subsidiary companies	✓	

Question	Yes	No
or the jointed company to hold and perform. (If the company has no investment in the subsidiary companies or the jointed company, no answer this article).		
12.5 The company had determined the duty and responsibility to take the policy and the process to perform by the executives and the employees.	✓	
12.6 The policy and the process of operation for the company have been used at the reasonable time by the competent personnel including the coverage of correction error process for such performance.	✓	
12.7 The company has reviewed the policy and the operation process for regular reasonability.	✓	

Information & Communication System

13. The organization has determined the related information with quality in order to support to the internal control with capable to proceed as determined.

Questions	Yes	No
13.1 The company has determined the required data to use for the operation both from the internal and external the organization with the quality and related to the work.	✓	
13.2 The company has considered both the costs and the benefits to be received including the quantity and correctness of the data.	✓	
13.3 The company has operated for the Board of Directors to have important, sufficient information for their decisions, samples of important information such as the details of the subjects proposed for consideration, reasons, effects to the company and to various options.	✓	
13.4 The company has operated for the Board of Directors to receive the meeting letter or meeting documents specified necessary, sufficient information for the consideration before the meeting at least within the minimum period determined by the law.	✓	
13.5 The company has operated for the meeting report of the Board of Directors contained reasonable details so that the auditing could be made retrospectively regarding to its reasonability in duty performance for each director such as recording the directors' inquiries, opinion or notes of those directors on the subjects considered, the opinions from the directors who disagreed to the subject proposed with their reasons etc.	✓	
13.6 The company has the following operations: 13.6.1 There is keeping important documents completely as categories. 13.6.2 In case of notification from the auditors or the internal auditors for the errors of internal control, the company has revised such errors completely already.	✓ ✓	

14. The organization has communicated the information within the organization which included the objectives and the responsibility to the internal control which is necessary to support for the internal control with capability to proceed as determined.

Questions	Yes	No
14.1 The company has an internal information communication process with efficiency with the reasonable communication channel to support the internal control.	✓	
14.2 The company has an information report to the Board of Directors regularly, while the Board of Director are able to access to the necessary information which is necessary to the operation or to review the various particulars as desired such as determination the persons acting as the communication center in order to contact for such information except from receiving the executives, and the executives as requested by the Board of Directors, organizing the meeting activity between the Board of Directors and the executives except from the Board of Directors' meeting etc.	✓	
14.3 The company has provided the special communication channel or the secret channel for various persons within the company with capability to notify the information or the clue regarding to the fraudulent or the corruption within the company or whistle-blower hotline.	✓	

15. The organization has communicated with exterior units regarding to the aspects which may be affected to the internal control.

Questions	Yes	No
15.1 The company has a communication process with the interested persons outside the organization with efficiency with the reasonable communication channel in order to support to the internal control such as providing the staff or relation investment unit, complaint receiving center etc.	✓	
15.2 The company has provided the special communication channel or the secret channel for the interested person outside the organization with capability to notify the information or the clue regarding to the fraudulent or the corruption within the company or whistle-blower hotline.	✓	

Monitoring Activities

16. The organization has followed up and assessed the results of internal control to ensure that such internal control has proceeded completely, reasonably.

Questions	Yes	No
16.1 The company has provided monitoring process to the performance according to the business ethics with determination to prohibit the executive department and the employees to behave themselves which may cause conflicts of interest such as to	✓	

Questions	Yes	No
determine to each part of work for monitoring and to report to the supervisors or to assign to the internal auditing unit to monitor and to report to the Audit Committee etc.		
16.2 The company has provided the audit of performance according to the internal control system set forth by self-assessment and/or independent assessment by internal auditor.	✓	
16.3 The frequencies of monitoring and assessment are reasonable to the changing of the company.	✓	
16.4 The monitoring and the assessment to the internal control made by the learned and competent persons.	✓	
16.5 The company has determined the guideline of reporting the result of internal auditing directly to the Audit Committee.	✓	
16.6 The company has promoted the internal auditors to perform their duties according to the International Standard for the Professional Practice of Internal Auditing, or IIA.	✓	

17. The organization has assessed and communicated on the defectives from internal control on time to the responsible persons including the high-rank executives and the Board of Director as reasonably.

Questions	Yes	No
17.1 The company has assessed and communicated the defectives of internal control with the monitoring to correct immediately, if such operation occurred differently from the targets set forth significantly.	✓	
17.2 The company has a policy to report as follows: 17.2.1 The management department must report to the Board of Directors immediately in case of the event or the suspicion of serious corruption event, having violation the law or having other abnormal actions which may be affected to the fame and financial status of the company significantly. 17.2.2 To report the defectives which are important matters with the guideline to solve such problems (Whether it has been operated already.) to the Board of Director/the Audit Committee in order to consider within the reasonable time. 17.2.3 To report the advancement of defective improvement which is important matter to the Board of Director/the Audit Committee.	✓ ✓ ✓	

ลงชื่อ.....ประธานกรรมการตรวจสอบ
(พลตำรวจโท อัมรินทร์ เนียมสกูล)

ลงชื่อ.....กรรมการตรวจสอบ
(นางชลลดา อิศรางกูร ณ อยุธยา)

ลงชื่อ.....กรรมการตรวจสอบ
(นายอภิชาติ ขาญเกียรติทอง)

Details on the Head of Internal Audit and Compliance Supervisor

The company has focused on company's internal control considerably. In order to conduct internal control independently and cautiously without having conflicts of interest, the company has hired a juristic person to audit the organization. Ms. Pornpimol Songwutthiwichai from EL Business Advisory Co., Ltd. has audited the organization and directly reported such internal audit to Audit Committees. In every meeting between the Audit Committees and the representative from EL Business Advisory Co., Ltd., there is no management team or a representative from management team joining the meeting in order to allow the representative from EL Business Advisory Co., Ltd., to independently report the result of internal audit to the Audit Committees.

In addition, the Audit Committees had acknowledged the internal audit report from EL Business Advisory Co., Ltd. for the year 2019 and had given the opinion that the internal audit of Teera-Mongkol Industry Public Company Limited has been adequate and appropriate without causing any conflicts of interest as well as having adequate good governance.

Details of Internal Auditor

Name:	Mr. Suvit Chanamporn
Current Position:	Managing Director of EL Business Advisory Co., Ltd.
Education:	<ul style="list-style-type: none"> - Master Degree, Faculty of Commerce and Accountancy Chulalongkorn University - Bachelor Degree, Business Administration, majoring accounting Assumption University - Bachelor Degree, Faculty of Law Ramkhampaeng University - Certificate of Auditing Chulalongkorn University - Certify Public Accountant (CPA) license no. 3800
Experience:	<ul style="list-style-type: none"> - Working more than 25 years as Internal auditor and consultant of business law to various business such as construction, trading, manufacturing and banking - Worked with external audit firm Big 4

Policy on Dividend Payment

The company has determined the policy of annual dividend payment not less than 40 percent of net profit after all types of tax deduction as required by the company's regulations and law, unless the dividend payment is necessary and significantly influenced to the normal operation of the company.

Report of Board of Directors' Responsibilities toward Financial Statment

The company's management has prepared the financial statements ended as of December 31, 2019 in accordance with the Generally Accepted Accounting Principles in Thailand. In addition, the management has chosen the appropriate policy and complied with such policy in regular practice at their careful and reasonable discretion. The disclosure of significant information detailed in the note to financial statements is also adequate and reasonable.

Practically, the Board of Directors has realized on their responsibilities to assure and supervise the efficiency of financial report. To support this matter, the Board of Directors has nominated the Audit Committees, consisting of experts in order to be responsible for the quality of accurate and complete financial statement. In addition, the appropriate policies have been applied and adhered in regular practice. The Company's system of internal audit control has been reviewed in order to be adequate and appropriate. Furthermore, the Board of Directors has participated in risk assessment of the company in order to prevent or reduce the risk that may cause of fraud or malpractice in essence and sufficiency to maintain the company's assets.

Thus, based on the practices and supervision stated above, the Board of Directors has agreed that the financial statement of Teera - Mongkol Industry Co., Ltd. as of December 31, 2019 represented the accurate financial status and reliable operational performance in accordance with the Generally Accepted Accounting Principles in Thailand and related laws and regulations.

(Mr. Theerachai Prasitrattanaporn)

Chairman of the Board of Directors and Managing Director

Connected Transaction

1) Connected transactions between the company and the person that may have conflict of interest in the year 2019 are as follows.

Person who might have conflict	Relationship	Nature and Value of the Transaction	Necessity and Rationality								
1. Mr. Teeraphong Prasitrattanakorn	Mr. Teeraphong Prasitrattanakorn is a director and shareholder of the company and the brother of Mr. Theerachai Prasitrattanakorn, Mr. Theerayut Prasitrattanakorn, Mr. Teeraphong Prasitrattanakorn and Mr. Theerasak Prasitrattanakorn, all of which are directors and shareholders of the company.	<p><u>Mr. Teeraphong Prasitrattanakorn granted short-term loan to the company</u></p> <p>Mr. Teeraphong Prasitrattanakorn provided short-term loans to be revolving fund and to increase liquidity in the company's business with details as follows:</p> <p>Unit: Million Baht</p> <p style="text-align: right;">31st December 2019</p> <table><tr><td>Balance at the beginning of period</td><td>0.00;</td></tr><tr><td><u>Plus</u> increase during the period.</td><td>7.00</td></tr><tr><td><u>Less</u> decrease during the period</td><td>(7.00)</td></tr><tr><td>Balance, end of period</td><td>0.00</td></tr></table> <p>Mr. Teeraphong Prasitrattanakorn charged interest-related expenses from the company in year 2019 equal to 5.309 percent per year or equivalent to interest expenses of 0.15 million baht. As of December 31st, 2019, the company has accrued interest of 0 million baht.</p>	Balance at the beginning of period	0.00;	<u>Plus</u> increase during the period.	7.00	<u>Less</u> decrease during the period	(7.00)	Balance, end of period	0.00	As for the aforementioned short-term loan from the related person, it is for the benefit of the company's business. The Audit Committee has considered the aforementioned transaction and considers that this transaction is reasonable and for the benefit of the company's business operations.
Balance at the beginning of period	0.00;										
<u>Plus</u> increase during the period.	7.00										
<u>Less</u> decrease during the period	(7.00)										
Balance, end of period	0.00										

2) Opinion of Audit Committee

In the Audit Committee Meeting 1/2020, on February 19th, 2020, the Audit Committee has provided opinions on the connected transaction between the Company and the persons that may have conflict of interest or stakes, or may have conflicts of interest in the future in accordance with the Announcement by the Securities and Exchange Commission. The quorum of the meeting considered and gave unanimous resolution that there was no connected transactions.

3) Measures or Procedure for the Approval of connected Transaction

In the Board Meeting 2/2009, held on 13th November 2009, the Board of Directors has approved the principles of trade agreements with general conditions for transactions between the company and directors, executives or persons with relevance by approving the principle that allows the management to approve the aforementioned transaction if that transaction has trade agreements in the same way that a sane person would do with a general contracting partner in the same situation with bargaining power without any influence from the status of a director, executive or related person. The company will prepare a summary of such transactions that occurred in the past to report to the quorum of the board meeting every quarter or as requested by the Board of Directors.

In case where there is a connected transaction that is not a normal business transaction, the company will arrange the provision of opinion by the Audit Committee regarding the necessity and appropriateness of that transaction. If the Audit Committee is not skilled in considering any related transaction, the company will consider having an independent appraiser, specialized independent expert or auditor give an opinion on that connected transaction to the Audit Committee so that the Audit Committee can implement that opinion to decisions making, and can give opinions to the Board of Directors or shareholders, as a case may be, to approve the said transaction before having the transaction. The company will disclose the connected transactions in the notes to the financial statements which have been audited by the auditors of the company, and will disclose the said transactions in the annual registration statement (56-1) and the annual report (56-2) in accordance with the rules and regulations of the Securities and Exchange Commission. The consideration of the approval for the said connected transactions must comply with the Securities and Exchange laws and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand. Those who may have or have a conflict of interest in the transaction will not have the right to vote for the transaction.

4) Policy or Tendency for Connected Transaction in the Future

According to the resolution of the Board Meeting 1/2009, on September 23rd, 2009, the company has set a policy to enter into a connected transactions that in the future, if the company has to have a connected transaction with a person who may have a conflict of interest with the company, the company will set the conditions to be in accordance with normal business operations and the market price which can be compared with the conditions or prices in the same type of business that the company does with a third party. The company will have the Audit Committee give an opinion regarding the price, remuneration rate and the necessity and appropriateness of the connected transaction. In case where the Audit Committee is not skilled in considering any connected transactions, the company will consider having independent appraisers, specialized independent experts or auditors of the company give opinions on the said connected transactions for the Audit Committee to implement to making decisions and giving opinions to the Board of Directors or shareholders as a case may be. The company has disclosed the connected transactions in the notes to the financial statements which have been audited by the auditor of the company. The company will disclose the said transactions in the annual registration statement (56-1) and the annual report (56-2) in accordance with the rules and regulations of the Securities and Exchange Commission. The consideration of the approval for the said connected transactions must comply with the Securities and Exchange laws and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand.

Dealing with connected transactions that may occur in the future, directors must comply with the rules and regulations, must not approve any transaction that they or other people may have conflicts of interest in other ways with the company; and must disclose the said transaction to the Board of Directors so that the Board of Directors can consider. The company must comply with the law on securities and stock exchange and regulations, announcements, orders or requirements of the Stock Exchange of Thailand; as well as to comply with the requirements regarding the disclosure of information, connected transaction and the acquisition or disposal of the company's assets and in accordance with the accounting standards set by the Accountant and Auditors Association. In addition, the company will not have any connected transaction with related companies, which is no normal business operation of the company.

5) Investor Protective Measures

In order to protect investors, in the future, if there is any connected transaction between the company and a person who may have conflict of interest or stake, or may have conflicts of interest in the future, the company will bring that transaction to the quorum of a board meeting that is attended by Audit Committee (except a case of a connected transaction that has general trade terms and conditions, which the Board of Directors has approved in principle for the management to be able to proceed at the Board Meeting 2/2552 on

November 13th, 2009). This is to ensure that the connected transactions are fair and have appropriate pricing policies. The Board of Directors must perform duties in accordance with the Securities and Exchange Act and the regulations, notifications, regulations of the Stock Exchange of Thailand, including to comply with the requirements regarding the disclosure of connected transaction information and the acquisition and disposal of important assets of registered companies in the strict manner.

Report of Audit Committees and Corporate Governance for the Year 2019



Pol. Lt. Gen. Amarin Niemskul
Chairman of Audit Committee



Mr. Songpone Chanpongsang
Audit Committee



Mr. Apichart Charnkiatkong
Audit Committee



Mrs. Chollada Isrankura Na Ayudhya
Audit Committee

The Audit Committees of Teera-Mongkol Industry Public Company Limited consist of 4 independent directors who are qualified and are not the company's management, staff, or consultants. The Audit Committees has performed the duties as assigned by the Board of Directors and acted in compliance with good practices of the Audit Committees issued by the Stock Exchange of Thailand.

In 2019, the Audit Committees held 5 meetings with the management, internal auditors and auditors in related agendas. The numbers of meeting attendances of the committee members are summarized as follows:

Members of Audit Committee		Number of Attendances/Number of Total Meetings
1. Pol. Lt. Gen Amarin	Niemskul	5/5
2. Mr. Songpone	Chanpongsang	2/2
3. Mrs.Chollada	Isrankura Na Ayudhya	5/5
4. Mr. Apichart	Charnkiatkong	3/3

The followings are the main contents of the Audit Committees' performances according to its scopes and authorities

1) Opinion on correctness, completeness, and reliability of the company's financial reports

The Audit Committees reviewed the quarterly financial statements and the 2019 financial statements, including related financial reports. The purpose was to ensure that the company's financial reports were correctly prepared with adequate information disclosure and in accordance with generally accepted accounting standards. The Audit Committees also reviewed the disclosure of related party transactions between the company and persons with a conflict of interest and proposed to the Board of Directors. The review included the correctness of the main

contents, the completeness of the financial statements, and the adequate information disclosure. Accordingly, the management and representatives did not attend meetings between the Audit Committees and the auditors on reviewing the quarterly financial statements and the 2019 financial statements, including relevant financial reports. The auditors then had an opportunity to explain the Audit Committees if there was any issue that should not present directly to the management; or if they had found any issue and informed the management but it has not been resolved.

2) Opinion on sufficiency of the company's internal control systems

With regard to the supervision on the internal control audit, the Audit Committees considered and monitored the auditing report proposed EL Business Advisory Co., Ltd. which was appointed as the company's internal control auditor. Its report covered the compliance with recommendations and resolutions, including audit sampling on internal control systems. The management or representatives did not attend meetings between the Audit Committees and representatives of EL Business Advisory Co., Ltd. The internal control auditor therefore made a clarification directly to the Audit Committees. This was to ensure that all internal control systems were in accordance with good practices and good standards and have been implemented consistently. In addition, the Audit Committees reviewed policies and guidelines of the risk management; and monitored the risk management progress presented by the management. The Audit Committees considered the management guidelines in accordance with environment change and risk factors. The company, then, was able to deal with potential situations immediately and efficiently. Accordingly, the Audit Committees believe that the company has adequate and proper internal control systems.

3) Opinion on connected transactions between the company and persons with a conflict of interest

The Audit Committees reviewed the financial statements and gave opinions on connected transactions between the company and persons with a conflict of interest or a potential conflict of interest according to notifications of the Securities and Exchange Commission of Thailand. The Audit Committees unanimously passed the resolution that all related transactions were reasonable with fair price setting and conditions. No benefit was transferred between the company and those persons.

4) Opinion on practices according the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or laws related to the company's businesses

The Audit Committees reviewed the compliance with laws, regulations of the Stock Exchange of Thailand, and other laws related to the company's business. The Audit Committees believe that the company has complied with related rules and regulations. No significant fault is found.

5) Additional opinion on preparation of annual work plans and consideration of issues from the company's management

The Audit Committees jointly considered and gave opinions on preparation of annual work plans presented by the management. The Audit Committees also acknowledged and provided recommendations on issues occurred or potentially occurred in the management's perspective. The Audit Committees believe that the company has cautiously prepared annual work plans. The management has carefully considered and made decisions on issues occurred or potentially occurred.

6) Opinion on appropriateness of auditors

The Audit Committees were satisfied with the assessment on independence of auditors by considering the selection process and appropriateness of auditors including audit fee. The Audit Committees proposed the Board of Directors to seek the shareholder's meeting approval to appoint the auditors from AST Master Co., Ltd., to be the 2020 auditor of the company, namely:

List of Auditors	CPA License No.	
Miss Nongram Laoha-areedilok	4334	or
Mr. Pradit Rodloytook	218	or
Miss Chamaporn Rodloytook	9211	or
Mrs. Porntip Lertthanongsak	7633	

Their responsibilities are auditing, certifying, and giving opinions on the company's financial statements.



(Pol. Lt. Gen. Amarin Niemskul)

Chairman of Audit Committee

Teera - Mongkol Industry Public Company Limited

Management Discussion and Analysis

1) Business Performance

Overview of Past Performance Results

From the overview of the company, it was found that over the past 3 years, from 2017 - 2019, the company has had operating income equivalent to 401.62 million baht, 392.21 million baht and 392.00 million baht, respectively. In the period of 2017 - 2019, the company has total revenue of 403.88 million baht, 396.07 million baht and 394.25 million baht, respectively. Sales revenue decreased due to economic conditions, especially slowing purchasing power in the household sector, higher competition situation and changes in technology causing the demand in the market to go down as well.

In 2018, the company expanded its investment in the power plant business through the holding of 100% of shares in Teera-Mongkol Green Energy Company Limited, a subsidiary of the company. Teera-Mongkol Green Energy Company Ltd. has acquired 100% of the shares of Green Saving Energy Thailand Company Limited. Green Saving Energy Thailand Company Limited does a business of production and distribution of electricity for 1.4 megawatts from Chumphon province for distribution to the Provincial Electricity Authority. As a result, since the 3rd quarter of 2018, the company's consolidated financial statements have started to earn money from electricity sales. In 2018, the company has revenue from electricity sales in the amount of 15.23 million baht or 3.85 percent of revenue, from the operation. In 2019, the company has generated the income from electricity sales in the amount of 44.50 million baht or 11.29% of the total operating income.

As for the company's net profit in the period of 2017 - 2019, the company had a net loss of 25.24 million baht, 18.02 million baht and 8.58 million baht, respectively, due to the decrease in sales volume, which has resulted in a decrease in sales revenue.

Performance

Revenue

In 2017, 2018 and 2019, the company had sales revenue of 401.62 million baht, 392.21 million baht and 392.00 million baht, respectively, while other incomes were 2.26 million baht, 3.86 million baht and 2.25 million baht, respectively. Other incomes consist of revenue from sales of scrap raw materials, export returns, Interest payable, etc., as a result, the total revenues of the year 2017 - 2019 are 403.88 million baht, 396.07 million baht and 394.25 million baht, respectively.

In 2017, 2018 and 2019, the company has the highest proportion of sales of electrical bulbs and accessories, i.e. 50.28%, 52.28% and 45.25% of total revenue, respectively, followed by the products in electric

lighting group with sales proportions of 41.70%, 38.63% and 39.10% of total revenue, respectively, and for the The proportion of income structure can be divided by business and product categories in 2017 - 2019 as follows.

In addition, in 2018 and 2019, the consolidated financial statements of the company started to generate revenue from the electricity generation and distribution business in the amount of 15.23 million baht and 44.50 million baht, or accounting for 3.85% and 11.29% of operating income.

Product Category	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Lighting Product Manufacture and Distribution Business						
1. Light Bulbs and Accessories	203.16	50.28	207.05	52.28	178.39	45.25
1.2 Light Lamps	168.43	41.70	153.00	38.63	154.15	39.10
1.3 Lighting Equipment and Convenient Products	31.91	7.90	28.30	7.14	28.28	7.17
<u>Less Discount</u>	(1.88)	(0.47)	(11.37)	(2.87)	(13.32)	(3.38)
2. Electricity Generating and Distribution Business						
2.1 Income from Electricity Sale	-	-	15.23	3.85	44.50	11.29
Sales Revenue - Net	401.62	99.40	392.21	99.03	392.00	99.43
Other Incomes	2.26	0.60	3.86	0.97	2.25	0.57
Total Income	403.88	100.00	396.07	100.00	394.25	100.00

In 2018, the company had operating income of 392.21 million baht, a decrease of 9.41 million baht from 2017 due to economic conditions, especially the purchasing power of the household sector which was slowing down, causing the demand to buy in the market to shrink, coupled with changes in technology and higher

competition situations. However, the company has attempted to set policies and operational plans by improving sales and production efficiency, adjusting the employee structure to improve the company's performance in the future.

In addition, in the 3rd quarter of 2018, the company started to generate revenue from electricity generation and distribution business in the amount of 15.23 million baht, from the operation of biogas power plant of the indirect subsidiary of the company, Green Save Running End. Energy Thailand Company Limited Which operates a 1.4 MW biogas power plant, located in Chumphon Province to sell to the Provincial Electricity Authority in the Feed-in Tariff system. The power purchase agreement has the term of 20-year period starting from 20th April 2015 and ending on 19th April 2035.

In 2019, the company had operating income equivalent to 392.00 million baht or a decrease of 0.06 percent, compared with the total sales revenue of 2018 which is 392.21 million baht. Sales revenue decreased due to Economic conditions, especially the slow purchasing power of households causing the demand to buy in the market to go down as well. At the same time, the revenue from the electricity sales of the subsidiaries has increased from the previous year, as expected.

As for the proportion of revenue classified by geography in 2017, 2018, and 2019, the company has sales revenue in the ratio of domestic sale to foreign sale, which in 2017 is approximately 97 percent to 3 percent. For year 2018 the ratio is approximately 98 percent to 2 percent and in the year 2019 the Plaintiff ratio is approximately 98 percent to 2 percent, with the majority of the domestic sales being the sales to retailers and stores. The second biggest customer group is the Modern Trade or retail stores and there are a few sales to the government projects. As for income from foreign sales, the company exports its products to distributors in ASEAN countries and in the Middle East region, such as Bangladesh, Vietnam, Cambodia, Myanmar, Laos, Syria, Saudi Arabia and Egypt. The company has decreased overseas sales due to changes in LED technology which are more energy-efficient, affecting the sale of street lamps which are sold by the company. In many countries, street lamps have been replaced by LED street light, especially the products from China that have cheaper price. This makes the sale of company's products, exported to foreign countries, decreased.

The company has other incomes in 2017, 2018, and 2019, equivalent to 2.26 million baht, 3.86 million baht, and 2.25 million baht, respectively, or 0.56 percent, 0.98 percent and 0.57 percent of operating income. Other incomes consist of revenue from the sale of scrap raw materials, revenue from exports and interest income.

Sales Cost and Expenses

The company has a proportions of cost of goods sold in electrical equipment to operating income in 2017, 2018 and 2019, of 70.09 percent, 68.00 percent and 58.91 percent, respectively, which means the costs of sales are 281.48 million baht 266.71 Million and 230.91 million baht, respectively.

In 2018, the proportion of cost of goods sold in the electrical equipment group to the sales revenue of the products has increased slightly compared with that in 2017, with the proportion of cost of goods sold to the sales of goods in 2018 being 70.75 percent, compared with the proportion in 2017 which is 70.09 percent. In addition, in 2018, the company has the cost of electricity sale in the amount of 10.23 million baht or equivalent to the proportion of cost of electricity sales to sales revenue. Blue It can be seen that the proportion of cost of sales of electricity per revenue from electricity sale of 67.17 percent. It is apparent that the proportion of the sales cost of the business to generate and distribute electricity is lower than the proportion of of the business to manufacture and distribute electric appliances.

In 2019, the proportion of cost of goods sold in electrical equipment group to sales revenue decreased, compared with that in 2018, with the proportion of cost of goods sold to sales of goods in 2019 being 66.45 percent. The company has the sales cost of 30.35 million baht or equivalent to the cost of electricity sales to revenue from electricity sales of 68.20 percent.

In 2017, 2018 and 2019, the company has the proportions for distribution and administrative expenses to revenue from operations of 36.26 percent, 34.37 percent, and 34.23 percent, respectively, or worth 145.63 million baht, 134.81 million baht and 134.16 million baht respectively

In 2018, the company has the cost of distribution of 59.15 million baht, a decrease from 3.86 million baht in year 2017 or equivalent to a decrease of 6.13 percent and the administrative expenses in 2018 is 75.66 million baht, a decrease From the year 2017 in which the amount is 6.96 million baht, showing a decrease of 8.42% due to the reduction of overtime pay, causing overtime pay to be reduced by 2.58 million baht and doubtful accounts decreased.

For the year 2019, the company has the cost of distribution equal to 59.80 million baht, slightly increasing from the year 2018 for 0.65 million baht or equivalent to an increase of 1.10 percent and the administrative expenses in 2019 is 74.36 million baht and in 2018 in the amount of 1.30 million baht, representing a decrease of 1.72 percent due to the reduction of overtime pay.

Regarding the financial costs of the company in 2017, 2018 and 2019, the proportion was 0.83 percent, 1.46 percent and 2.47 percent of total revenue from operations respectively, or the cost of finance was 3.34 million baht. 5.72 million baht and 9.69 million baht, respectively. In 2018, the financial cost of the company increased by 2.38 million baht when compared with 2017 or increase of by 71.25% due to the company has more interest payable from promissory notes and trust receipts increase. As for financial costs in the year 2019, it was 9.69 million baht or an increase of 69.32%, compared with the financial costs of 2018 which was 5.72 million baht, due to increased interest on promissory notes and interest from bank loans.

Gross Profit and Net Profit

The company's gross profits in 2017, 2018, and 2019 are 29.91 percent, 29.39 percent, and 33.35 percent of total revenue from operations, respectively, or the gross profit is 120.14 million baht, 115.28 million baht, and 130.73 million baht, respectively. In 2018, the company had a higher gross profit margin than 2017 due to the ratio of cost of goods sold to sales revenue from the production and distribution of electrical equipment business in 2017 decreased from 2016. In 2019, the company's gross profit increases from the year 2018, because the company can manage costs more effectively.

Concerning the net profit of the company, it was found that the company's net loss in 2017, 2018, and 2019 is (25.24) million baht, (18.02) million baht and (8.58) million baht, representing a net loss rate of 6.25 percent, 4.55 percent and 2.18 percent of total revenue, respectively. In 2018, the company has decreased net loss, compared with the year 2017, in the amount of 7.22 million baht, from the operation of the power plant that the company started to recognize revenue in the consolidated financial statements since the 3rd quarter of the year. Power plant business has a higher gross profit than the electrical equipment business. In addition, in year 2018, the company has reduced administrative expenses through the reduction of overtime pay, causing overtime pay to be reduced by 2.58 million baht and doubtful accounts decreased for 2.16 million baht. In 2019, the company had a decreased net loss, compared with the year 2018, for 9.44 million baht because the company has increased revenue from electricity sales which is a business segment that has higher profitability than the original main business segment, coupled with the cost and expense management of the company that has been more efficient.

As for the return on equity, it has been found that in 2017, 2018 and 2019, the company has the return on equity equal to -11.34 percent, -9.06 percent and -4.64 percent, respectively. The shareholders' equities are negative because the company has a loss from economic performance, especially the slow purchasing power of households and changes in technology and competitive conditions. However, it is noticeable that the profitability trend has continuously improved since 2018, with a lower negativity of return on equity due to the operating results of the subsidiaries' power plants, the performance of which has been as expected.

2) Financial Status of the Company

Assets

Current Assets

As of December 31st, 2017, 2018 and 2019, the company has total current assets of 238.81 million baht, 244.07 million baht and 217.26 million baht respectively, divided into 2 important entries, which are net trade receivables and inventories, details of which are as follows.

1. Accounts Receivables

As of December 31st, 2017, 2018 and 2019, the values are 102.78 million baht, 120.08 million baht and 108.13 million baht, or the proportion to total asset value is 30.85 percent, 28.47 percent and 25.50 percent, respectively. As for the ability to collect debt, it is discovered that the company has an average collection period of 114 days, 108 days and 112 days in 2017, 2018 and 2019, respectively.

As of 31st December 2019, the company has a total amount of account receivables and accrued receivables of 108.13 million baht, consisting of 99.98 million baht net account receivables and 8.15 million baht in accrued receivables from power plant business. The value of account receivables not yet due is accounted for 75.48 percent of the total account receivables, most of which are general stores that are electrical equipment stores in Bangkok and its vicinity. The information on account receivables classified by age of accounts is as follows.

Table of Account Receivable as at December 31st, 2019, Sorted by Period of Time of Outstanding Debt

	Unit: Million Baht	Proportion
Value of Account Receivables		
Not Due	89.07	75.48%
Overdue		
- Less than 3 months	10.95	9.28%
- 3 months to 6 months	5.70	4.83%
- 6 months to 12 months	3.75	3.18%
- Longer than 12 เดือน	8.53	7.23%
Total Account Receivables	118.00	100.00%
<u>Less</u> Allowance for Doubtful Debt	(9.87)	
Account Receivable - Net	108.13	

The company has set the policy for the allowance for doubtful accounts by using the age analysis criteria of the debtors together with the assessment of the current financial status of the debtors as criteria for determining the allowance for doubtful accounts. The ages of the debts and the statuses of the debtors are set as the criteria for setting up the allowance for doubtful accounts of the receivables which have passed due time for debt payment. The company has set policies as follows.

Receivables to the Due Date	Rate for Allowance for Doubtful Account
0 – 1 month	0 percent
1 – 3 months	0 percent
3 – 6 months	0 percent
6 – 12 months	50 percent
12 months or upward	100 percent

In addition, the company has a policy to write-off bad debts by considering a debtor with verdict from the court, which has been executed in accordance with the verdict, including to run the process in accordance with the receiving order until the case is over, and there is no asset discovered or there is no more asset to be seized. In such a case the company will consider the said debt as a bad one.

2 Inventories

As of December 31st, 2017, 2018 and 2019, the values are 114.29 million baht, 111.13 million baht and 89.33 million baht, or the proportion to total asset value was 34.30 percent, 26.35 percent and 21.07 percent, respectively. The inventory of the company is the raw materials that are used for production, work in process, goods in transit and finished products that are in stock for the distribution, including products imported to be sold.

As of December 31st, 2017, the company had inventories consisting of finished goods accounting for 75.18 percent, raw materials representing 14.63 percent, work in process accounting for 9.51 percent and goods in transit accounting for 0.68 percent of the net inventory, respectively. As of December 31st, 2017, the company had inventories that decreased from December 31st, 2016, by 11.43 million baht, mainly

due to the decrease of finished products. However, in 2017 The company recorded a decrease in the cost of inventories to net realizable value of Baht 7.38 million and reversed the decrease in inventories value to 0.54 million baht by deducting from the value of inventories recognized as expenses during the year of 2017.

As of December 31st, 2018, the company had inventories in proportion consisting of finished goods accounting for 77.17%, raw materials accounting for 11.87%, work in process accounting for 6.81% and goods in transit accounting for 4.15 percent of the net inventories, respectively. As of December 31st, 2018, the company had inventories decreasing from December 31st, 2017, for the amount of 2.34 million baht due to the decrease of raw materials and work in process. In the year 2018, the company recorded the reduction of the cost of inventories to the net realizable value of 4.29 million baht and reversed the devaluation of inventories to the amount of 0.19 million by deducting from the value of inventories recognized as expenses during the year 2018.

As of 31st December 2019, the company has inventories consisting of finished goods accounting for 73.41%, raw materials accounting for 9.34%, work in process accounting for 6.37% and goods in transit accounting for 10.86 percent of the net inventories, respectively. As of December 31st, 2019, the company has reduced inventories from December 31st, 2018, for 21.80 million baht, mainly due to the reduction of finished goods and raw materials.

Considering the average product selling period in 2017, 2018 and 2019, the company has found that the average product selling period is 116 days, 111 days, and 104 days, respectively. Calculated using only the value of finished goods before deducting allowance for degradation in order to show the turnover rate and the average selling time of only the finished products, it has been discovered that the average durations of sales of finished goods in 2017, 2018 and 2019 are rather long because the turnover rate of the products sold has decreased from the decreasing sales of the company. Since the past, the company has has a policy to aim for increasing sales revenue and focusing on creating more sales in the electric bulb product group? Thus, the company had to store more ready-made light bulbs to be ready for distribution. However, in 2018 and 2019, the company tried to manage inventories in a better manner.

As for policies related to such inventories, currently, the company has set a policy for allowance for degraded products. The company has started to use the policy on the allowance for degraded products since the 4th quarter of 2009. Most of the products that were stocked were ballasts and transformers, especially steel coil ballast products that have a life of more than 10 years. However, over the past period, the company has had a policy to continually monitor and track the movement of inventories. If a product has slow movement, the company will solve problems by arranging sales promotions, as a channel for

product ventilation. As of 31st December 2018, the company has set up an allowance for degraded goods for the amount of 22.83 million baht, an increase for 4.10 million baht from 31st December 2017.

Non-current Assets

As of December 31st, 2017, 2018 and 2019, the company has total non-current assets of 94.37 million baht, 177.71 million baht and 206.73 million baht, respectively. The important entry of non-current assets is land, building and equipment, with the value as of 31st December 2017, 2018, and 2019 being 86.78 million baht, 135.65 million baht and 136.46 million baht or equivalent to the total asset value of 26.05 percent, 32.16 percent and 32.19 percent., respectively.

As for land, building and equipment for the past 3 years as mentioned, the investment value in 2017 consisted of the purchase of land for 5.07 million baht, and buildings and constructions for 10.93 million baht, with total value being 16.00 million baht, which is the purchase of the factory that the company used to rent, but the lease agreement for which had expired. The property is located at 46 / 67-69 Village 3, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province, which is the company's factory. There was also the investment in furniture and office equipment worth 0.31 million baht, machinery and factory equipment for 0.15 million baht and machinery and equipment being installed for 0.03 million baht.

In 2018, the company had the value of assets acquired during the year equivalent to 42.93 million baht. The main investment was the purchase of machinery and factory equipment in the amount of 2.68 million baht and the transfer of assets from business acquisition, that is, in August 2018, Teera-Mongkol Green Energy Company Limited, a subsidiary of the Company, has acquired the ordinary shares of Green Saving Energy Thailand Company Limited (GS ET) in the amount of 749,998 shares, equivalent to 100% of the total issued and sold common shares of GSET. GSET runs the business of producing and delivering electricity for distribution to the Provincial Electricity Authority. The Property and equipment acquired in the amount of Baht 39.54 million. In addition, the Company recorded goodwill from the business acquisition transaction to be 37.27 million baht.

In 2019, the company has the value of assets acquired during the year for 16.13 million baht, with the important investment being land purchase for 10.00 million baht and the transfer of assets from business acquisition. In March 2019, Teera-Mongkol Energy Company Limited, a subsidiary of the Company, purchased 499,998 ordinary shares of Green Earth Company Limited, representing 100% of the total shares. All the issued and sold ordinary shares of Green Earth Energy Company Limited, which Green Earth Energy Company Limited operates, produces and sells electricity at a value of Property and equipment acquired in the amount of 3.80 million baht and Teera-Mongkol Energy Company Limited purchased 9,998 ordinary shares of Global Utilities Supply Company Limited, representing 100% of which, Global Utilities Company Limited Supply Co., Ltd. does business of production and distribution of gas.

Investments in Subsidiaries

On 25th April 2017, the company invested in ordinary shares of Teera-Mongkol Green Energy Company Limited in order to operate the electric power business for 9,998 shares at the par value of 100 baht per share, equivalent to 99.98 percent of the total shares. The company has already paid for the entire amount of the paid-up capital of 999,800 baht. This made Teera-Mongkol Green Energy Company Limited become a subsidiary of the company. October 24th, 2017, the company made additional investment in ordinary shares of Teera-Mongkol Green Energy Company Limited in the amount of 400,000 shares, with the par value of 100 baht, equivalent to 100 percent of the shares. The company has paid money to increase authorized capital at the rate of 60% of the paid-up capital or 24 million baht. As a result, Teera-Mongkol Green Energy Company Limited has a registered capital of 41.00 million baht and has the paid-up capital of 25.00 million baht

On 1st February 2018, the company invested in ordinary shares of Teera-Mongkol Energy Company Limited, a newly established company to operate the power plant business with authorized capital of 1.00 million baht. The company holds 9,998 shares in that company, with the par value of 100 Baht, representing 99.98 percent of the total shares. The company has already paid for paid-up capital in the total amount of 999,800 baht.

In addition, in August 2018, the Company's subsidiary, Teera-Mongkol Green Energy Company Limited, purchased 749,998 ordinary shares of Green Saving Energy Thailand (GSET), representing 100% of the total issued and sold ordinary shares of GSET at the price of 79.997 million baht. GSET runs the business of producing and distributing electricity for the Provincial Electricity Authority.

Total Assets

As of December 31st, 2017, 2018 and 2019, the company has total assets of 333.19 million baht, 421.79 million baht and 423.98 million baht, respectively. Total assets as of December 31st, 2018 is 88.60 million baht, increasing from account receivables, land, building and equipment, and goodwill from investing in the biogas power plant business to mainly sell to the Provincial Electricity Authority, and rights to produce and sell electricity mainly. As of December 31st, 2019, the assets value increased by 2.19 million baht, mainly from the right to produce and sell electricity while trade receivables and inventories decreased.

Liquidity

The Company has the liquidity ratios as of December 31, 2017, 2018 and 2019 equal to 2.08 assets to current liabilities.

As of 31st December 2018, the company has lower liquidity rates The main reason is due to the company has increased the debt in the type of promissory note in the amount of 100.00 million baht to be used as working capital of the company and invest in the power plant business, including liabilities under trust receipts with financial

institutions to issue raw materials and machinery that the company ordered increased by 7.83 million baht while total current assets increased by 5.26 million baht mainly from trade receivables and accrued income.

When considering the current ratio as of December 31st, 2019, the company has lower liquidity. The main reason is that the total current assets decreased by 26.81 million baht while current liabilities decreased by 18.93 million baht.

In addition, considering the quick ratio of liquidity, it is found that the company has the quick ratio as of December 31st, 2017, year 2018 and year 2019, equivalent to 1.06 times, 0.60 times and 0.61 times, respectively.

Liability

Current Liabilities

As of December 31st, 2017, 2018 and year 2019, the company has total current liabilities of 114.70 million baht, 220.16 million baht and 201.23 million baht, respectively, or the proportion of total liabilities and shareholders equals 34.42 percent 52.20 percent, and 47.46 percent, respectively. The important items of total current liabilities are short-term loans from financial institutions in the type of bank overdrafts, liabilities under trust receipts and promissory notes including having accounts payable and other payables with details of each item as follows.

1. Concerning bank overdrafts and short-term loans from financial institutions, as of December 31st, 2017, 2018 and 2019, the company has outstanding balances of 47.98 million baht, 157.40 million baht and 125.14 million baht, or proportion to the value of total liabilities of 14.40%, 37.32% and 29.52%, respectively. The main reason is that the company has overdraft and short-term loans from financial institutions, which¹ in 2017. The company had outstanding notes payable increased by 20.00 million baht due to the use of promissory notes with interest rates lower than overdraft. There was no bank overdrafts and liabilities under trust receipts with financial institutions decreased by 6.15 million baht. In 2018, the company has an increase in liabilities of promissory notes of 100.00 million baht for use as working capital and investment in power plant business. Including liabilities under trust receipts increased by 7.83 million baht and bank overdrafts increased by 1.60 million baht. For the year 2019, the company has decreased bank overdrafts and short-term loans from financial institutions by 32.26 million baht.
2. Account payables as of 31st December 2017, 2018 and 2019 36.05 million baht, 33.75 million baht and 28.21 million baht, or proportion to total liabilities and shareholders of 10.82%, 8.00% and 6.65%, respectively. The company received 30-60 days of average credit term from creditors.

3. Other payables as of December 31st, 2017, 2018 and 2019 of the company are 24.00 million baht, 21.00 million baht and 27.98 million baht, or the ratio of total liabilities and shareholders equals 7.20% and 4.98% and 6.60 percent, respectively, with important entries being accrued expenses such as accrued sales expenses, commissions, accrued bonuses, which are in line with the company's income and expenses.

Non-current Liabilities

As of December 31st, 2017, 2018 and 2019, the company has total non-current liabilities of 10.59 million baht, 11.76 million baht and 42.92 million baht, or the proportion of total liabilities and shareholders of 3.18 percent, 2.79 percent and 10.12 percent, respectively. The important item of total non-current liabilities is long-term loans from financial institutions. The company has an outstanding long-term loan from a financial institutions. As of December 31st, 2017, the company had an outstanding long-term loan from a financial institution of 8.48 million baht (excluding long-term loans from financial institutions due for payment within one year of 6.65 million baht) or equivalent to the total debt and shareholder value of 2.54%. As of December 31st, 2018, the company has an outstanding balance of long-term loans from financial institutions decreased to 1.65 million baht (excluding long-term loans from financial institutions due within one year equivalent to 6.83 million baht) or accounted for the ratio of total liabilities and shareholders of 0.39 percent. As of December 31st, 2019, the company has outstanding loans from financial institutions increased to 30.32 million baht (excluding long-term loans from financial institutions Significant portion due within one year equivalent to 14.44 million baht), representing a value of liabilities and shareholders' equity of 7.15 percent.

Total Liabilities

As of December 31st, 2017, 2018 and 2019, the company has total liabilities of 125.29 million baht, 231.92 million baht and 244.15 million baht, or the proportion of total liabilities and shareholders equals 37.60 percent, 54.98 percent and percent. 57.59, respectively. Total liabilities in 2018 increased by 106.63 million baht due to the increase of bank overdraft and short-term loans from financial institutions. Total liabilities in the year 2019 increased by 12.23 million baht from long-term loans from financial institutions.

Shareholders' Equity

As of December 31st, 2017, 2018 and 2019, the company has shareholders' equity equivalent to 207.89 million baht, 189.87 million baht and 179.83 million baht, or the proportion of total liabilities and shareholders of 62.40 percent, 45.02 percent and 42.41 percent, respectively. There are 3 important entries of shareholders' equity, which are authorized and paid-up capital, share premium, and accumulated profit (loss), with the following details:

1. Authorized and paid-up capital as of December 31st, 2017, 2018 and 2019 is 167.86 million baht, consisting of 671,440,890 ordinary shares with a par value of 0.25 baht per share;
2. The share premium as of December 31st, 2017, 2018 and 2019 is equal to 45.29 million baht, from the initial public offering of 80.00 million shares since 2010;
3. The retained earning appropriated for the legal reserve as of 31st December 2017, 2018 and 2019 is equal to 10.51 million baht; and
4. Unappropriated retained earnings as of December 31st, 2017, 2018 and 2019, (deficit) are the accumulated loss of 15.76 million baht, the accumulated loss of 33.79 million baht and the accumulated loss of 43.73 million baht, respectively because in 2017, 2018 and 2019, the company has operating loss.

Cash flow for the 12 months period ended 31st December 2019

Net cash provided (used) in operating activities

The company has cash from operating activities equivalent to 53.28 million baht. The company has operating profit before changes in operating assets and liabilities in the amount of 24.72 million baht. The reason is that the company has cash from operating activities in 2019 due to the decreased loss from year 2018 together with the decrease of accounts receivable and inventories.

Net cash provided (spent) on investing activities

There is net cash **spent** on investing activities equivalent to 44.40 million baht. The important investment is cash paid for business merger, with net of cash received of 28.00 million baht, which was caused from the event where a subsidiary (Teera-Mongkol Energy Company Limited) acquired ordinary shares of Green Earth Energy Company Limited in the amount of 499,998 shares, representing 100% of all the shares. This company produces and distributes electricity to the Provincial Electricity Authority. There was also another acquisition of ordinary shares of Global Utilities Supply Company Limited, which produces and distributes of biogas. Some cash was also spent on the purchase of land, building and equipment, the amount of which is 15.13 million baht, 10.00 million baht of which was for land, 5.01 million baht of which was for machinery and factory equipment, and 0.12 million baht of which was for furniture and office equipment.

Net cash provided (spent) on financing activities

The company has net cash spent on financing activities equivalent to 5.60 million baht. The important entries are Bank overdrafts and short-term loans from financial institutions which decreased by 32.01 million baht

and payment of long-term loans from financial institutions was 12.33 million baht and interest payment was 9.66 million baht.

Considering Cash Cycle ratio, it is found that for the year 2019, the company has an average collection period of 112 days, an average selling period of 104 days and an average repayment period of 43 days, resulting in the cash cycle of 173 days.

Capital Expenditure

As for the investment expenditures in 2017, 2018 and 2019, the company has invested in buildings and constructions, machinery and factory equipment and furniture and office appliances. In 2017, the company invested in land for 5.07 million baht, and buildings and constructions for 10.93 million baht, or 16.00 million baht in total, which was the purchase of factory located at. 46 / 67-69 Village. 3 Liap Khlong Si Wa Sawas Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province, to be used as the company's main factory. In 2018, the company had expenditures for the purchase of buildings and equipment in the amount of 3.39 million baht and the expenditures for business merger, net of cash received of 78.61 million baht, which is an investment in the production and distribution of electricity for the Provincial Electricity Authority of the subsidiary company in which the company indirectly holds 100 percent of the shares. In 2019, the company has expenses to Investment in fixed assets of 15.13 million baht, divided into expense on land purchase for 10 million baht, expense on machinery and factory equipment for 5.01 million baht, and expense on office equipment of 0.12 million baht. The company also has expenditure on business merger from cash received in the amount of 28.00 million baht, which is an investment in the electricity production and distribution for the Provincial Electricity Authority, of the subsidiary company in which the company indirectly holds 100% of the investment capital which can be summarized for 2017 - 2019 as follows .

Table of Details of Investment

(Unit: Million Baht)

	2017	2018	2019
Expenditure for Investment in a Permanent Assets	16.50	3.39	15.13
Expenditure for Merger of Business with Cash (Business of Electricity Production and Distribution)	-	78.61	28.00

Key Financial Information

1) Account Auditor and Significant Accounting Policy

Report of the licensed auditors who have audited the financial statements of Teera-Mongkol Industry Public Company Limited between 2017 - 2019 can be summarized as follows.

Financial Statements of Fiscal Round	Auditor	Opinion in Report from Auditor
Fiscal Round of 12 Months, Ending on 31 st December 2017	Ms. Nong-ram Laoha-aridiloks, a licensed account auditor whose license number is 4334 from AST Master Company Limited (listed as an approved account auditor by the Office of Securities and Exchange Commission)	Financial Statement of Teera-Mongkol Industry Public Company Limited and the subsidiaries shows the financial status as at Ending on 31 st December 2017, performance and cash flow for the same fiscal year, with the essences that are accurate and corrector in accordance with related financial reporting standard.
Fiscal Round of 12 Months, Ending on 31 st December 2018	Ms. Nong-ram Laoha-aridilok, a licensed account auditor whose license number is 4334 from AST Master Company Limited (listed as an approved account auditor by the Office of Securities and Exchange Commission)	Financial Statement of Teera-Mongkol Industry Public Company Limited and the subsidiaries shows the financial status as at Ending on 31 st December 2018, performance and cash flow for the same fiscal year, with the essences that are accurate and corrector in accordance with related financial reporting standard.
Fiscal Round of 12 Months, Ending on 31 st December 2019	Ms. Nong-ram Laoha-aridilok, a licensed account auditor whose license number is 4334 from AST Master Company Limited (listed as an approved account auditor by the Office of Securities and Exchange Commission)	Financial Statement of Teera-Mongkol Industry Public Company Limited and the subsidiaries shows the financial status as at Ending on 31 st December 2019, performance and cash flow for the same fiscal year, with the essences that are accurate and corrector in accordance with related financial reporting standard.

2) Table of Summary of Financial Status and Performance

Financial Statements: Teera-Mongkol Industry Public Company Limited and Subsidiaries

Summary of Entries	Consolidated Financial Statements ^{/1, /2}					
	31 st December 2017		31 st December 2018		31 st December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and Cash Equivalent	14.40	4.32	4.77	1.13	8.05	1.90
Account Receivables	102.78	30.85	120.08	28.47	108.13	25.50
Other Receivables	4.59	1.38	6.84	1.62	7.13	1.68
Inventory	114.29	34.30	111.13	26.35	89.33	21.07
Right to Returned Goods	-	0.00	0.82	0.20	3.80	0.90
Other Current Assets	2.75	0.82	0.44	0.10	0.82	0.19
Total Current Assets	238.81	71.68	244.07	57.87	217.26	51.24
Fixed Deposit with Obligation as Security	0.73	0.22	0.94	0.22	4.31	1.02
Land, Buildings and Equipment	86.78	26.05	135.65	32.16	136.46	32.19
Deposit for Property Purchase	-	0.00	4.50	1.07	2.80	0.66
Right to Lease Land	2.76	0.83	2.18	0.52	1.60	0.38
Intangible Assets	0.07	0.02	0.03	0.01	0.12	0.03
Right to Generate and Sell Electricity	-	0.00	18.39	4.36	41.91	9.89
Goodwill	-	0.00	8.15	1.93	8.15	1.92
Deferred Income Tax Asset	3.21	0.96	6.43	1.53	8.41	1.98
Other Non-current Assets	0.83	0.25	1.45	0.34	2.96	0.70

Summary of Entries	Consolidated Financial Statements ^{/1, /2}					
	31 st December 2017		31 st December 2018		31 st December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Non-current Assets	94.37	28.32	177.71	42.13	206.73	48.76
Total Assets	333.19	100.00	421.79	100.00	423.98	100.00
Overdrawn Money and Short-term Loans from Financial Institutes	47.98	14.40	157.40	37.32	125.14	29.52
Account Payables	36.05	10.82	33.75	8.00	28.21	6.65
Other Payables	24.00	7.20	21.00	4.98	27.98	6.60
Long-term Loans with One Year Payment Due Time	6.65	2.00	6.83	1.62	14.44	3.41
Outstanding Income Tax	0.02	0.01	0.00	0.00	0.02	0.01
Estimated Return Payables	-	0.00	1.18	0.28	5.42	1.28
Total Current Liabilities	114.70	34.42	220.16	52.20	201.23	47.46
Long-term Loans	8.48	2.54	1.65	0.39	30.32	7.15
Deferred Income Tax Payable	-	0.00	7.04	1.67	6.33	1.49
Obligations of Employees' Benefits	1.92	0.58	2.77	0.66	5.97	1.41
Estimated Cost of Building Abolishment	0.20	0.06	0.30	0.07	0.30	0.07
Total Non-current Liabilities	10.59	3.18	11.76	2.79	42.92	10.12
Total Liability	125.29	37.60	231.92	54.98	244.15	57.59
Authorized Capital	167.86	50.38	167.86	39.80	167.86	39.59
Issued and Paid-up Capital (Shares)	167.86	50.38	167.86	39.80	167.86	39.59
Premium in Share	45.29	13.59	45.29	10.74	45.29	10.68

Summary of Entries	Consolidated Financial Statements ^{/1, /2}					
	31 st December 2017		31 st December 2018		31 st December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Capital Gain from Change in Proportion of Shareholding in Subsidiaries	-	0.00	-	0.00	0.07	0.02
Accumulated Profit – Appropriated as Reserved Fund by Laws	10.51	3.15	10.51	2.49	10.51	2.48
Accumulated Profit – Unappropriated	(15.76)	(4.73)	(33.79)	(8.01)	(43.73)	(10.31)
Stakes without Authority	-	0.00	-	0.00	(0.16)	(0.04)
Total Shareholder's Equity	207.89	62.40	189.87	45.02	179.83	42.41
Total Liability and Shareholder's Equity	333.19	100.00	421.79	100.00	423.98	100.00

Notes: /1- On 21st April 2017, the Company invested in common shares of Teera-Mongkol Green Energy Company Limited for 9,998 shares or 99.98 percent of all shares of the company for 100 baht per share, in order to run an electricity sales business. The Company has paid for the shares already for the total process of 999,800 baht. Consequently, Teera-Mongkol Green Energy Company Limited has become a subsidiary of the Company. Also, on 24th October 2017, the Company has invested more money in common shares of Teera-Mongkol Green Energy Company Limited for 400,000 shares worth 100 baht per share, which was 100 percent of all the shares. The Company paid 60 percent of the authorized capital, which was 24 million baht. Consequently, Teera-Mongkol Green Energy Company Limited has the authorized capital of 41.00 million baht and paid-up capital of 25.00 million baht. As at 31st December 2017, the Company showed the financial statement as the Consolidated Financial Statement.

/2 - On 1st February 2018, the Company invested in common shares of Teera-Mongkol Energy Company Limited, which was newly founded for running the power plant business worth authorized capital of 1.00 million baht. The Company holds 9,998 shares for 99.98 percent of all the shares, for 100 baht per share. The Company has paid-up the authorized capital for 999,800 baht

- In August 2018, a subsidiary of the Company or Teera-Mongkol Green Energy Company Limited has bought 749,998 common shares or 100 percent of all shares of Green Saving Energy Thailand Company Limited (GSET) for 79.997 million baht. GSET was running a business to generate electricity to be sold to PEA. Consequently, the Company indirectly holds shares of Green Saving Energy Thailand Company Limited.

- Teera-Mongkol Green Solar Company Limited which was a subsidiary that the Company indirectly held the shares registered its dissolution to the Ministry of Commerce on 5th November 2018. Thus, in the consolidated financial statement, the Company presents the statement of comprehensive income that shows the change in total shareholder's equity and cash flow statement that includes the performance of such a subsidiary from 1st January 2018 to 5th November 2018.

Statement of Comprehensive Income: Teera-Mongkol Industry Public Company Limited and Subsidiaries

Summary of Profit and Loss Statement	Consolidated Financial Statements					
	31 st December 2017		31 st December 2018		31 st December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Income	401.62	100.00	376.98	96.12	347.49	88.65
Electricity Sales Income	-	0.00	15.23	3.88	44.50	11.35
Total Income from Sale and Electricity Sale	401.62	100.00	392.21	100.00	392.00	100.00
Sales Cost	281.48	70.09	266.71	68.00	230.91	58.91
Electricity Sales Cost	-	0.00	10.23	2.61	30.35	7.74
Gross Profit	120.14	29.91	115.28	29.39	130.73	33.35
Other Income	2.26	0.56	3.86	0.98	2.25	0.57
Profit before Expenses	122.40	30.48	119.13	30.37	132.99	33.93
Distribution Expense	63.01	15.69	59.15	15.08	59.80	15.26
Managerial Expense	82.62	20.57	75.66	19.29	74.36	18.97
Total Expense on Sale and Management	145.63	36.26	134.81	34.37	134.16	34.23
Profit (Loss) before Financial Cost and Income Tax	(23.23)	(5.78)	(15.68)	(4.00)	(1.18)	(0.30)
Financial Cost	3.34	0.83	5.72	1.46	9.69	2.47
Profit (Loss) before Income Tax	(26.57)	(6.62)	(21.40)	(5.46)	(10.86)	(2.77)
Income Tax Expense (Income)	(1.32)	(0.33)	(3.38)	(0.86)	(2.29)	(0.58)
Profit (Loss) for Year	(25.24)	(6.29)	(18.02)	(4.60)	(8.58)	(2.19)

Cash Flow Statement: Teera-Mongkol Industry Public Company Limited and Subsidiaries

(Unit: Million Baht)

Summary of Cash Flow	Consolidated Financial Statements		
	2017	2018	2019
Profit (Loss) before Income Tax Expense/Income	(26.57)	(21.40)	(10.86)
<u>Change of Net Profit Effects to Net Cash Earned from (Spent on) Executions</u>			
Unrealized Loss (Profit) from Currency Exchange Rate	(0.10)	(0.81)	(0.37)
Depreciation and Amortization	11.09	12.71	17.00
Bad Debt and Doubtful Account	2.41	0.25	4.08
Allowance for Refund		(4.01)	(4.12)
Estimated Return Payables	0.05	5.73	5.89
Loss from Product Degradation	6.84	4.10	1.91
Loss (Profit) from Property Dispensation	0.02	(0.02)	0.07
Employees' Benefits at Retirement	0.49	0.63	1.27
Amortization of Expense on Issuance of Bills of Exchange	-	5.72	9.85
Profit (Loss) from operation before Changes in Assets and Liabilities from Execution	(2.42)	2.89	24.72
<u>(Increase) Decrease of Operation Assets</u>			
Account Receivables	35.73	(11.17)	7.87
Other Receivables	(1.59)	(2.19)	1.00
Inventory	4.71	(1.80)	19.90
Right to Returned Goods	-	4.05	1.15
Other Current Assets	-	(0.10)	(0.38)

Summary of Cash Flow	Consolidated Financial Statements		
	2017	2018	2019
Other Non-current Assets	1.47	(0.53)	(0.82)
(Increase) Decrease of Operation Liabilities			
Account Payables	(9.80)	(2.28)	(5.51)
Other Payables	(2.87)	(5.85)	7.01
Estimated Refund Payables		(5.78)	(1.64)
Cash Earned (paid) from Operations	25.23	(22.75)	53.29
Payment of Income Tax	(0.05)	(0.19)	(0.01)
Net Cash Earned from (Spent on) Operation	25.18	(22.95)	53.28
Increase of Fixed Deposit with Obligation as Security	(0.11)	(0.21)	(3.38)
Cash Deposit for Property Purchase	(2.50)	(2.00)	1.70
Cash Paid for Business Acquisition from Obtained Cash	-	(80.00)	(28.00)
Cash as at the Day of Subsidiary Purchase	-	1.39	0.44
Cash Receivable from the Sale of Some of Money Invested in Subsidiaries	-	-	0.10
Cash Earned from Sale of Equipment	0.01	0.02	0.00
Cash Paid to Buy Land, Buildings and Equipment	(16.50)	(3.39)	(15.13)
Cash Paid to buy Computer Programs	-	(0.01)	(0.14)
Net Cash Spent on Investment	(19.10)	(84.19)	(44.40)
Increase (Decrease) of Overdrawn Money and Short-term Loans from Financial Institutes	8.86	109.90	(32.01)

Summary of Cash Flow	Consolidated Financial Statements		
	2017	2018	2019
Cash Payable for Long-term Loans from Financial Institutes	-	-	(1.55)
Receivable from Long-term Loans from Financial Institutes	10.00	-	50.00
Payable for Long-term Loans from Financial Institutes	(5.36)	(6.65)	(12.33)
Payment of Debts from Financial Lease	-	-	-
Payment of Interest	(3.27)	(5.75)	(9.66)
Cash Paid as Dividend	(4.02)	(0.00)	(0.05)
Net Cash Earned from (Spent on) Fund-raising Activities	6.20	97.50	(5.60)
Increase (Decrease) of Cash and Cash Equivalent - Net	12.28	(9.64)	3.28
Cash and Cash Equivalent at the Beginning Day of the Year	2.12	14.40	4.77
Cash and Cash Equivalent at the Ending Day of the Year	14.40	4.77	8.05

3) Table of Significant Financial Ratios

Significant Financial Ratio	2017	2018	2019
LIQUIDITY RATIO			
Liquidity Ratio (Times)	2.08	1.11	1.08
Quick Liquidity Ratio (Times)	1.06	0.60	0.61
Cash Flow Ratio (Times)	0.22	(0.17)	0.21
Receivable Turnover Ratio (Times)	3.15	3.33	3.21
Average Debt Collection Period (Days)	114	108	112
Inventory Turnover Ratio (Times)	3.11	3.23	3.46

Significant Financial Ratio	2017	2018	2019
Average Sales Period (Days)	116	111	104
Payable Turnover Ratio (Times)	6.87	7.94	8.43
Debt Payment Period (Days)	52.38	45.37	42.69
CASH CYCLE (Days)	178	174	173
PROFITABILITY RATIO			
Gross Profit Ratio (%)	29.91	29.39	33.35
Operation Profit Ratio (%)	(5.78)	(4.00)	(0.30)
Net Profit Ratio (%)	(6.25)	(4.55)	(2.18)
Return on Equity Rate (%)	(11.34)	(9.06)	(4.64)
EFFICIENCY RATIO			
Return on Asset Rate (%)	(7.27)	(4.77)	(2.03)
Return on Fixed Asset Rate (%)	(16.61)	(4.33)	(5.10)
Asset Turnover Rate (Times)	1.16	1.05	0.93
FINANCIAL POLICY RATIO			
Liability per Shareholder's Equity Ratio (Times)	0.60	1.22	1.36
Interest Payment Capability Ratio (Times)	8.14	(4.60)	5.25
Obligation Payment Capability Ratio (Cash Basis)	0.97	(0.32)	0.76
Dividend Payment Rate (%)	-	-	-

Report of Certified Public Accountant



ACCOUNTING SYSTEM & TAX
Certified Public Accountants

บริษัท เอเอสที มาสเตอร์ จำกัด

790/12 ทองหล่อทาวเวอร์ ซอยทองหล่อ 18
ถนนสุขุมวิท 55 แขวงคลองตันเหนือ เขตวัฒนา
กรุงเทพฯ 10110
โทร : 0-2714-8842-3, 0-2185-0342
แฟกซ์ : 0-2185-0225

Independent Auditor's Report

To the Board of Directors and Shareholders of **Teera-Mongkol Industry Public Company Limited**

Opinion

I have audited the accompanying consolidated financial statements of **Teera-Mongkol Industry Public Company Limited and its subsidiaries** (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **Teera-Mongkol Industry Public Company Limited** for the same period.

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **Teera-Mongkol Industry Public Company Limited and its subsidiaries** and of **Teera-Mongkol Industry Public Company Limited** as at 31 December 2019, their financial performance and 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 Group in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is 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.

Emphasis of Matter

I draw attention to note 6 to the financial statements, which describes, the Group restated financial statements during the year because of acquisition of business as describe in Note 7 to the financial statement, the adjustments on accounting transactions of such acquisition have been made. In the first quarter of 2019, the Group revised the conditions and reviewed assets acquired and liabilities assumed of Green Saving Energy Thailand Co., Ltd., which was the business acquisition in the third quarter of 2018. The revision was made in accordance with the conditions for adjusting the acquisition accounting as previously mentioned. My opinion is not qualified in respect of this matter.

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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.

Key audit matters and how audit procedures respond for each matter are described below.

Group of Assets Acquisition

As discussed in Note 7 to the financial statements. In March 2019, the Group acquired 100% of the share capital in 2 new subsidiaries for Baht 28.0 million. Management assessed the acquisitions are asset acquisition, which mainly relating to right to produce and sell electricity. Therefore, the key audit matter is the allocation of the cost of the group of assets to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Management appraised the values and significant assumptions to consider the fair value of assets and liabilities have been recognized in accordance with TFRSs including related disclosures.

Key audit procedures included enquired the management and the independent professional valuer to understand the basis used for considering the recognition of the acquisition of subsidiaries and understanding the assets acquisition process and related internal control procedures. Reviewing the design and implementation of the internal control procedures and performing substantive testing is as follows:

- Examining the assets acquisition agreements which the Group had with the sellers, the payment documents, share transferred documents and related supporting documents.
- Examining details of assets and liabilities at the acquisition date which consists of the examination of existence, rights and obligations, legal status of right completeness, accuracy and valuation of assets and liabilities.
- Examining the valuation and allocation of fair value of assets and liabilities at the acquisition date and examining the valuation method and key assumptions used by the Group's management and the independent professional valuers in determining the fair value of the identifiable assets and liabilities, including the purchase price allocation of assets and liabilities at acquisition date.
- Considering the presentation and related disclosures

Revenue recognition

The Group's revenue are mainly derived from the sales of electrical equipment in domestic and export markets which are accounted for 88% of total revenue. Revenue from the sales of electrical equipment are considered as significant transaction and have a direct effect on the profit and loss of the Group. In addition, the Company has different sales terms which affect to the revenue recognition have to be depend on condition set out in the agreement or sales documents as defined by management's judgments. Furthermore, the trend of economic slowdown and high competition which resulted to the trend of sales decreased in the past. There are therefore risks with respect to the amount and timing of revenue recognition.

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I examined the Company's revenue recognition by assessing and testing the effectiveness of internal controls over the revenue cycle, applying a sampling method to select sales transactions to examine the accuracy and appropriateness of the revenue recorded whether they were in compliance with the conditions set out in the agreements or sales documents and in compliance with the Company's policy. On a sampling basis, I examined supporting documents to sales incurred during the year and near the end of the accounting period. I examined the credit notes issued after the period-end and examined the significant adjustment made to the revenues. I also analyzed revenues disaggregated by products group to determine the accuracy and the appropriateness of revenues recognized throughout the accounting period.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information 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 of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the 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 Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group'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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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- 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 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.



NONGRAM LAOHAAREEDILOK
Certified Public Accountant
Registration No. 4334

AST Master Co., Ltd.
19 February 2020

Financial Statement

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTES	In Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(Restated)		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	9	8,045,753	4,768,670	5,576,416	3,333,868
Trade accounts receivable	10	108,134,942	120,080,081	99,986,248	111,874,528
Other receivables	11	7,129,719	6,839,074	8,837,085	7,574,359
Short-term loans to subsidiary	8.2	-	-	54,150,000	63,900,000
Inventories	12	89,325,392	111,125,460	89,299,683	111,125,460
Right to recover product	13	3,796,733	822,651	3,796,733	822,651
Other current assets		823,935	438,208	637,579	283,510
Total current assets		217,256,474	244,074,144	262,283,744	298,914,376
NON - CURRENT ASSETS					
Deposits at bank pledged as collateral	14	4,314,803	936,018	1,014,803	936,018
Investments in subsidiaries	15	-	-	25,900,800	25,999,600
Property, plant and equipment	16	136,463,380	135,648,485	72,135,285	78,671,500
Deposit for purchase of assets	17	2,800,000	4,500,000	-	-
Leasehold rights of land		1,595,000	2,175,000	1,595,000	2,175,000
Intangible assets	18	115,478	32,784	115,478	32,784
Right to produce and sell electricity	19	41,913,700	18,386,196	-	-
Goodwill	7	8,147,981	8,147,981	-	-
Deferred tax assets	26	8,413,915	6,433,182	8,413,915	6,433,182
Other non - current assets		2,962,831	1,453,020	2,168,831	1,353,020
Total non - current assets		206,727,088	177,712,666	111,344,112	115,601,104
TOTAL ASSETS		423,983,562	421,786,810	373,627,856	414,515,480

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



MR. TEERAPHONG PRASITRATANAPORN

Mr. Theerasak Prasitrataporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

	NOTES	In Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(Restated)		
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans					
from financial institutions	20	125,141,145	157,403,039	125,141,145	157,403,039
Trade accounts payable		28,214,202	33,749,451	25,720,094	31,397,241
Other payables	21	27,982,367	21,003,756	26,067,546	19,599,086
Current portion of long - term loans from financial institutions	22	14,443,897	6,828,737	1,648,245	6,828,737
Short - term loans from related person and subsidiaries	8.2	-	-	7,000,000	4,000,000
Accrued income tax		23,603	1,117	-	-
Provision for refund liabilities	13	5,423,904	1,175,216	5,423,904	1,175,216
Total current liabilities		201,229,118	220,161,316	191,000,934	220,403,319
NON - CURRENT LIABILITIES					
Long - term loans	22	30,322,826	1,648,369	-	1,648,369
Deferred tax liability	26	6,330,895	7,042,237	-	-
Employee benefit obligations	23	5,968,254	2,766,316	5,821,601	2,518,256
Provision for dismantling cost		300,000	300,000	200,000	200,000
Total non - current liabilities		42,921,975	11,756,922	6,021,601	4,366,625
TOTAL LIABILITIES		244,151,093	231,918,238	197,022,535	224,769,944
SHAREHOLDERS' EQUITY					
Share capital - Baht 0.25 par value					
Authorized share capital					
671,440,890 Common shares		167,860,223	167,860,223	167,860,223	167,860,223
Issued and paid - up share capital					
671,440,890 Common shares		167,860,223	167,860,223	167,860,223	167,860,223
Premium on share capital		45,286,907	45,286,907	45,286,907	45,286,907
Surplus from the changes in the ownership interests					
in a subsidiary	15	69,149	-	-	-
Deficit					
Appropriated for legal reserve		10,506,481	10,506,481	10,506,481	10,506,481
Unappropriated		(43,727,512)	(33,785,039)	(47,048,290)	(33,908,075)
Total parent's equity		179,995,248	189,868,572	176,605,321	189,745,536
Non-controlling interests		(162,779)	-	-	-
TOTAL SHAREHOLDERS' EQUITY		179,832,469	189,868,572	176,605,321	189,745,536
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		423,983,562	421,786,810	373,627,856	414,515,480

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

MR. TEERAPHONG PRASITRATANAPORN

Mr. Theerasak Prasitrataporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	In Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Sales revenue		347,491,535	376,982,248	347,491,535	376,982,248
Sales revenue from electricity		44,504,625	15,231,817	-	-
Cost of sales		(230,912,996)	(266,708,387)	(230,912,996)	(266,708,387)
Cost of electricity sales		(30,349,913)	(10,227,655)	-	-
Gross profit		130,733,251	115,278,023	116,578,539	110,273,861
Other income		2,251,898	3,856,036	6,106,095	5,147,053
Profit before expenses		132,985,149	119,134,059	122,684,634	115,420,914
Cost of distributions		(59,800,400)	(59,151,069)	(59,800,400)	(59,151,069)
Administrative expenses		(74,362,073)	(75,663,415)	(67,665,826)	(73,840,285)
Finance costs		(9,685,808)	(5,720,519)	(8,451,453)	(6,512,622)
Total expenses		(143,848,281)	(140,535,003)	(135,917,679)	(139,503,976)
Loss before tax income		(10,863,132)	(21,400,944)	(13,233,045)	(24,083,062)
Tax income	26	2,287,295	3,376,300	1,617,146	3,224,417
Loss for the year		(8,575,837)	(18,024,644)	(11,615,899)	(20,858,645)
Other comprehensive income for the year					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Remeasurements of post-employment benefit obligations					
Actuarial loss	23	(1,931,340)	-	(1,887,903)	-
Less : Income tax effect	26	372,274	-	363,587	-
Other comprehensive income for the year		(1,559,066)	-	(1,524,316)	-
Total comprehensive income for the year		(10,134,903)	(18,024,644)	(13,140,215)	(20,858,645)
Loss attributable to:					
Equity holders of the parent		(8,383,407)	(18,024,644)	(11,615,899)	(20,858,645)
Non-controlling interests		(192,430)	-	-	-
		(8,575,837)	(18,024,644)	(11,615,899)	(20,858,645)
Comprehensive income attributable to:					
Equity holders of the parent		(9,942,473)	(18,024,644)	(13,140,215)	(20,858,645)
Non-controlling interests		(192,430)	-	-	-
		(10,134,903)	(18,024,644)	(13,140,215)	(20,858,645)
Basic loss per share					
Loss attributable to equity holders of the parent		(0.013)	(0.027)	(0.017)	(0.031)

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

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TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	In Baht					
		Issued and paid-up share capital	Premium on share capital	Surplus from the changes in the ownership interests in a subsidiary	Deficit		Non-controlling interests
					Appropriated for legal reserve	Unappropriated	
		share capital	share capital	in a subsidiary	legal reserve	Unappropriated	Total
Balance as at 1 January 2018		167,860,223	45,286,907	-	10,506,481	(15,760,395)	207,893,216
Loss for the year (restated)		-	-	-	-	(18,024,644)	(18,024,644)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(18,024,644)	(18,024,644)
Balance as at 31 December 2018		167,860,223	45,286,907	-	10,506,481	(33,785,039)	189,868,572
Balance as at 1 January 2019 - as reported		167,860,223	45,286,907	-	10,506,481	(32,833,985)	190,819,626
Retrospective adjustment from determine the fair value of acquisition of business	6	-	-	-	-	(951,054)	(951,054)
Balance as at 1 January 2019 - restated		167,860,223	45,286,907	-	10,506,481	(33,785,039)	189,868,572
Sales of investment in subsidiary		-	-	69,149	-	-	98,800
Loss for the year		-	-	-	-	(8,383,407)	(8,575,837)
Other comprehensive income for the year		-	-	-	-	(1,559,066)	(1,559,066)
Total comprehensive income for the year		-	-	-	-	(9,942,473)	(10,134,903)
Balance as at 31 December 2019		167,860,223	45,286,907	69,149	10,506,481	(43,727,512)	179,832,469

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

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht				
	Issued and paid-up share capital	Premium on share capital	Deficit		Total
			Appropriated for legal reserve	Unappropriated	
Balance as at 1 January 2018	167,860,223	45,286,907	10,506,481	(13,049,430)	210,604,181
Loss for the year	-	-	-	(20,858,645)	(20,858,645)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(20,858,645)	(20,858,645)
Balance as at 31 December 2018	167,860,223	45,286,907	10,506,481	(33,908,075)	189,745,536
Balance as at 1 January 2019	167,860,223	45,286,907	10,506,481	(33,908,075)	189,745,536
Loss for the year	-	-	-	(11,615,899)	(11,615,899)
Other comprehensive income for the year	-	-	-	(1,524,316)	(1,524,316)
Total comprehensive income for the year	-	-	-	(13,140,215)	(13,140,215)
Balance as at 31 December 2019	167,860,223	45,286,907	10,506,481	(47,048,290)	176,605,321

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

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
NOTES		(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax income	(10,863,132)	(21,400,944)	(13,233,045)	(24,083,062)
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities :				
Unrealized gain on foreign exchange rate	(365,272)	(808,144)	(365,272)	(808,144)
Depreciation and amortization	17,002,961	12,705,665	7,283,593	9,352,550
Bad debts and doubtful accounts	4,076,269	248,305	4,076,269	248,305
Allowance for right to recover product	(4,121,394)	(4,011,961)	(4,121,394)	(4,011,961)
Allowance for goods return	5,887,705	5,731,372	5,887,705	5,731,372
Loss on obsolescence of inventories	1,905,046	4,099,827	1,905,046	4,099,827
Loss (gain) on disposal of fixed assets	67,997	(24,654)	(1,087)	(24,654)
Provisions for employee benefit obligations	1,270,598	630,938	1,415,442	601,866
Interest expense	9,854,286	5,720,519	8,451,453	6,512,622
Profit (loss) from operating activities before change in operating assets and liabilities	24,715,064	2,890,923	11,298,710	(2,381,279)
(Increase) Decrease in operating assets				
Trade accounts receivable	7,868,801	(11,168,110)	7,811,942	(8,119,248)
Other receivables	1,002,197	(2,188,827)	(1,262,726)	(3,179,993)
Inventories	19,895,022	(1,796,294)	19,920,731	(1,796,294)
Right to recover product	1,147,312	4,047,088	1,147,312	4,047,088
Other current assets	(383,172)	(95,276)	(354,069)	(35,987)
Other non - current assets	(815,811)	(526,152)	(815,811)	(526,152)
(Decrease) Increase in operating liabilities				
Trade accounts payable	(5,510,077)	(2,282,895)	(5,651,975)	(4,584,957)
Other payables	7,013,736	(5,853,266)	6,968,189	(3,985,078)
Povision for refund liability	(1,639,017)	(5,781,554)	(1,639,017)	(5,781,554)
Cash received (paid) from operating activities	53,294,055	(22,754,363)	37,423,286	(26,343,454)
Income tax paid	(10,024)	(192,260)	-	-
Net cash provided by (used in) operating activities	53,284,031	(22,946,623)	37,423,286	(26,343,454)

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



MR. TEERAPHONG PRASITRATANAPORN

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
NOTES		(Restated)			
CASH FLOWS FROM INVESTING ACTIVITIES					
		(3,378,785)	(205,938)	(78,785)	(205,938)
		1,700,000	(2,000,000)	-	-
	7	(27,999,839)	(79,997,300)	-	(999,800)
	7	438,506	1,389,554	-	-
		98,800	-	98,800	-
		-	-	9,750,000	(63,900,000)
		3,688	24,673.00	1,122	24,673
		(15,129,810)	(3,391,586)	(114,006)	(616,290)
		(136,101)	(7,000)	(136,101)	(7,000)
Net cash provided by (used in) investing activities		(44,403,541)	(84,187,597)	9,521,030	(65,704,355)
CASH FLOWS FROM FINANCING ACTIVITIES					
		(32,013,374)	109,901,834	(32,013,374)	109,901,834
		-	-	3,000,000	(14,900,000)
	22	(1,550,000)	-	-	-
	22	50,000,000	-	-	-
	22	(12,328,861)	(6,651,703)	(6,828,861)	(6,651,703)
		(9,661,704)	(5,750,802)	(8,810,065)	(6,475,952)
		(49,468)	(353)	(49,468)	(353)
Net cash provided by (used in) financing activities		(5,603,407)	97,498,976	(44,701,768)	81,873,826
Net (increase) decrease in cash and cash equivalents		3,277,083	(9,635,244)	2,242,548	(10,173,983)
Cash and cash equivalents, beginning of year		4,768,670	14,403,914	3,333,868	13,507,851
Cash and cash equivalents, end of year		8,045,753	4,768,670	5,576,416	3,333,868

SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION

Non-cash transactions

Reclassify in between plant and equipment and goodwill	999,000	-	-	-
Reclassify in between Intangible assets	24,654,828	18,763,000	-	-
Decrease in accrued dividends	(49,468)	(353)	(49,468)	(353)

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




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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND OPERATIONS

Teera-Mongkol Industry Public Company Limited was incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on 14 May 2010 and the Company's stocks were traded on the MAI. Head office is located at 46/67 - 69 Moo 3, Leab Klong Siwapasawad Road, Kokkrabeo, Meaung, Samutsakorn.

The Company and subsidiaries are called "the Group" which it is engaged in two principal businesses as follows:

- Manufacturing and distributing electrical equipment
- Generation and sell of electricity

As at 31 December 2019 and 2018, the Company has deficit balances in separate statements of financial position was Baht 47.05 million and Baht 33.91 million, respectively, (consolidated statements of financial position was Baht 43.73 million and Baht 33.79 million, respectively) which is the result of the economic slowdown and technology changing. There matters raise to high competition and the Company's sales volume decreased in the pasts. However, the Company has implemented policies and plan to address the effectiveness of sales and production, reorganising for employee structure, including in expanding to business of power generation for increasing sale and profit in the future. The management believes that the Company is able to pay short-term and long-term borrowing from financial institutions upon due date. Therefore, the financial statements have been prepared on a going concern basis.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARATION

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. All financial information presentation has been rounded to Baht unless other miss stated.

The consolidated financial statements included the accounts of subsidiaries that the Company being influence over the control is as follow:

Company name	Country of incorporation	The date of commencing control	Percentage of holding by company	
			2019	2018
<u>Subsidiaries directly owned by the Company</u>				
Teera-Mongkol Green Energy Co., Ltd. <i>Power generation</i>	Thailand	21 April 2017	100	100
Teera-Mongkol Energy Co., Ltd. <i>Power generation</i>	Thailand	1 February 2018	90.10	100

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Company name	Country of incorporation	The date of commencing control	Percentage of holding by company	
			2019	2018
<u>Subsidiaries indirectly owned by the Company</u>				
Teera-Mongkol Green Solar Co., Ltd. <i>Power generation</i>	Thailand	2 May 2017	-	100
Green Saving Energy Thailand Co., Ltd. <i>Power generation</i>	Thailand	30 August 2018	100	100
Green Earth Energy Co., Ltd. <i>Power generation</i>	Thailand	22 March 2019	100	-
Global Utility Supply Co., Ltd. <i>Biogas</i>	Thailand	22 March 2019	100	-

Teera-Mongkol Green Solar Co., Ltd., a subsidiary registered for liquidation with the Ministry of Commerce on 5 November 2018. Therefore, in the presentation of the consolidated financial statements, the Company prepared a consolidated statements of comprehensive income, changes in shareholders' equity and cash flows, including the operating results of such subsidiary from 1 January 2018 until 5 November 2018.

"The Company" represents "Teera-Mongkol Industry Public Company Limited" while "The Group" represents "Teera-Mongkol Industry Public Company Limited and its subsidiaries".

Significant transactions with subsidiaries in the consolidated financial statements have been eliminated.

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current period

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers


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Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Groups' financial statements. The adoption TFRS 15 Revenue from Contracts with Customers in current year, the Company has reclassified certain items in the statement of financial position as at 31 December 2018 to conform with the current period (Note 5).

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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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 relating 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group and its subsidiaries expect that the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses - The Group are to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Group apply simplified approach to consider impairment of trade and other receivables.
- Recognition of derivatives - The Group are to initially recognise derivative at their fair value on the contract date and subsequently measure them at their fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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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.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 5.09 million and the Company only by approximately Baht 4.17 million, and the Group's liabilities by approximately Baht 5.09 million and the Company only by approximately Baht 4.17 million.

4. ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of the financial statements are as follows,

4.1 Cash and cash equivalents

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

Deposits at financial institutions that are restricted in use are presented as "Fixed deposits pledged as collateral" as part of other non-current assets in the statements of financial position.

4.2 Trade accounts receivable and allowances for doubtful accounts

Trade accounts receivable are stated at the net realisable value less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4.3 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method of inventories. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges less all attributable discounts and rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The Company records as necessary for the allowance for diminution in value of products obsolete or worsen.

4.4 Investment in Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, respectively.

TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CON'T)
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In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment transactions and non-controlling interests.

Investments in subsidiaries are reported by using the cost method of accounting in the separate financial statements.

4.5 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except for land are stated at historical cost less accumulated depreciation.

Depreciation of plant and equipment are calculated on the straight-line method over their estimated useful life are as follows:

Building and structure	20 years
Machinery and plant equipment	5 - 8 years
Office furniture and fixture	3 - 5 years
Vehicle	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Building in progress and machine and equipment under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on borrowings.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.6 Building on leased land

Building on leased land is initially recorded at cost and is stated at historical cost less accumulated depreciation. Depreciation of building on leased land is calculated on the remaining of leased period.

4.7 Leasehold right

Leasehold right is stated at cost less accumulated amortization and amortizes leasehold right of a straight - line method over the leasehold period (12 years and 6 months).

4.8 Other intangible-Computer software

Right to use a computer program that looks at a specific purchase recorded as an asset when the cost of acquisition and action to a particular computer program used accompanied by a request. It is amortized using the straight-line method over the estimated useful life of 3 - 5 years.


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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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4.9 Goodwill

Goodwill that arises upon the acquisition of business combination is as intangible assets. The measurement of goodwill at initial recognition is described in Note 7. Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment loss. The Group assesses an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

4.10 Right to produce and sell electricity and amortisation

Right to produce and sell electricity acquired in a business combination were measured initially at their acquisition-date fair values. Subsequent to initial recognition, right to produce and sell electricity has been stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

Amortisation of rights to produce and sell electricity is calculated by reference to cost on a straight-line basis over the remaining terms of the rights, from the date on which the Company receives. Amortisation begins from the date on which the first sells electricity under the Power Purchase Agreement (20 years). The Group reviews assets for impairment whenever events or changes in circumstances indicate that an asset may be impaired, and reviews the amortisation period and the amortisation method used for right to produce and sell electricity at least every year. Amortisation is recognised as an expense in profit or loss.

4.11 Accounting for leases - where a company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant or equipment acquired under finance leases is depreciated the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line method over the period of the lease.

4.12 Impairment of assets

The Group reviewed the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount (the higher of an assets selling price or value in use). The review is made for individual assets or the cash generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognize the impairment losses in the statements of income. The reversal of impairment losses recognized in prior years is recorded as other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.



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Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

4.14 Revenues recognition

Revenue recognition sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting provision for refund liabilities, discounts and consideration payable to customers.

Revenue from sale of electricity

Revenue from sale of electricity and heat energy is recognised in profit or loss according to the term set out in the agreement to obtain the right of production and distribution of electricity. The revenue from sale of electricity is calculated basing on the accepted actual delivered electricity shown on the meter and the average price of each month according to the set out in the greement.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Accrued income" in the statement of financial position. The amounts recognised as contract assets are reclassified to other receivables when the Group's and its subsidiaries' right to consideration is unconditional.

Interest income is recognised on an accrual basis based on the effective interest rate.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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 utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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4.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

4.17 Foreign currency transaction

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Baht at the exchange rates ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

4.18 Forward exchange contracts

Forward exchange contracts are presented in the financial statements at fair value. Unrealised gain or loss from the forward exchange contracts is recorded in statement of comprehensive income.

4.19 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 and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises 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 categorised within the fair value hierarchy into three levels based on categorise 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 and its subsidiaries determine 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.

4.20 Critical accounting estimates and assumption

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

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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Allowance for doubtful receivables

Allowance for doubtful receivables is considered based on analysis of aging and assessment of the current financial position of customers. The Company determined the aging and status of customers for setting the allowance for doubtful accounts based on the outstanding balances.

Allowance for net realizable value

The Company considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Estimates the allowance and Estimates cost of allowance

Estimates the allowance for returned which were estimated by consideration from the rate of sales returned compared with the average delivery rate in the past and estimates cost of allowance for returned inventory which were computed from the average rate of cost of goods sold multiplied with the estimate allowance of reduced debt incurred from sales returned.

Accounting for refunds

A refund liability for the expected refunds to customers is recognised as adjustment to revenue in trade and Provision for refund liability At the same time, the Group has a right to recover the product from the customers where the customers exercises their rights of return and recognises right to recover product and a corresponding adjustment to cost of sales.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques by using the Projected Unit Credit Method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.



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4.21 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5. RECLASSIFICATIONS

As describes in Note to the financial statements as note 3.1, for the change in the accounting policy due to the adoption of TFRS 15, Revenue from Contracts with Customers, in current year. The Group has reclassified about accounting for refunds, which change from recognized as allowance for goods return net from account receivable to recognised as Provision for refund liability and a right to recover the product from the customers, which change from recognized as inventory to right to recover product. The promotion expenses, which the Company have to recognise such promotion expenses consider certain promotion expenses as variable consideration. The Company as deduction from sales and certain promotion recognized as cost. Previously such promotion expenses were recognised as selling expenses.

The effects of the reclassifications the above standard to the statement of financial position as at 31 December 2018 are presented as following:

	In Baht					
	Consolidated financial statement			Separate financial statement		
	As previously report	Reclassi-fication	TFRS 15	As previously report	Reclassi-fication	TFRS 15
Statement of financial position						
<u>Assets</u>						
Account receivable and other receivable	118,904,865	1,175,216	120,080,081	110,699,312	1,175,216	111,874,528
Inventory	111,948,111	(822,651)	111,125,460	111,948,111	(822,651)	111,125,460
Right to recover product	-	822,651	822,651	-	822,651	822,651
<u>Liabilities</u>						
Provision for refund liability	-	1,175,216	1,175,216	-	1,175,216	1,175,216

The effects of the reclassifications as above to the statement of comprehensive income for the year ended 31 December 2018 are presented as following:

	In Baht		
	Consolidated and Separate financial statements		
	As previously report	Reclassi-fication	TFRS 15
Statement of comprehensive income			
Cost of sales	263,101,679	3,606,708	266,708,387
Cost of distributions	62,757,777	(3,606,708)	59,151,069



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6. RESTATEMENTS

During the period, the Group restated financial statements because of acquisition of business as describe in Note 7 to the financial statement, the adjustments on accounting transactions of such acquisition have been made. In the first quarter of 2019, the Group revised the conditions and reviewed assets acquired and liabilities assumed of Green Saving Energy Thailand Co., Ltd., which was the business acquisition in the third quarter of 2018. The revision was made in accordance with the conditions for adjusting the acquisition accounting as previously mentioned.

The effects to the statement of financial position as at 31 December 2018, the Group has been restated as follows:

	In Baht		
	Consolidate financial statement		
	As previously report	Adjustments increase (decrease)	After restated
Statement of financial position			
Property, plant and equipment	118,821,826	16,826,659	135,648,485
Right to produce and sell electricity	-	18,386,196	18,386,196
Goodwill	37,269,653	(29,121,672)	8,147,981
Deferred tax liability	-	7,042,237	7,042,237
Deficit	32,833,985	951,054	33,785,039
Statement of comprehensive income			
Cost of electricity sales	9,038,838	1,188,817	10,227,655
Tax income	3,138,537	237,763	3,376,300

7. ACQUISITIONS GROUP OF ASSETS AND ACQUISITIONS OF BUSINESS

- During the year 2019, the Group had acquired the group of assets as follows:

Green Earth Energy Co., Ltd. and Global Utility Supply Co., Ltd.

In March 2019, a subsidiary (Teera-Mongkol Energy Co., Ltd.) agreed to purchase 499,998 shares of Green Earth Energy Co., Ltd. (GEE), or equivalent to 100% holding, GEE is a manufacturer of electricity for distribution to the Provincial Electricity Authority and 9,998 shares of Global Utility Supply Co., Ltd. (GUS) or equivalent to 100% holding with aggregate value of Baht 28.0 million.

Management of the Group assessed such acquisition are asset acquisition, because of the 2 Company had not yet started their operations and were not constructed the major assets for engage in electricity generation and biogas. Such Group of assets acquisition, the Group use an independent professional values to consider the fair value of assets and liabilities.



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Net book value of net assets of acquired subsidiaries as at 22 March 2019 (acquisition date) are as follows:

	In Baht		Net book value
	Green Earth Energy Co., Ltd.	Global Utility Supply Co., Ltd.	
Assets			
Cash and cash equivalents	255,726	182,780	438,506
Trade accounts receivable and other accounts receivable	1,292,838	-	1,292,838
Other current assets	2,555	-	2,555
Plant and equipment	999,000	-	999,000
Other non-current assets	694,000	-	694,000
Total assets	3,244,119	182,780	3,426,899
Liabilities			
Trade accounts payable and other accounts payable	81,888	-	81,888
Total assets-net	3,162,231	182,780	3,345,011
Cash paid for investment in subsidiaries			27,999,839
Right to produce and sell electricity			24,654,828

- During the year 2018, the Group had acquired the businesses as follows:

Green Saving Energy Thailand Co., Ltd.

In August 2018, a subsidiary (Teera-Mongkol Green Energy Co., Ltd.) agreed to purchase 749,998 shares of Green Saving Energy Thailand Co., Ltd. (GSET), or equivalent to 100% of total issued and paid-up share capital, with aggregate value of Baht 79.99 million. GSET is a manufacturer of electricity for distribution to the Provincial Electricity Authority.

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2019, the determination of the fair values of net assets and liabilities has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently, the adjustments on accounting transactions of such acquisition will be made. In the first quarter of 2019, the Group revised the conditions and reviewed assets acquired and liabilities assumed of Green Saving Energy Thailand Co., Ltd., which was the business acquisition in the third quarter of 2018. Identifiable assets and liabilities increase of Baht 29.1 million, resulting in the decrease in goodwill arising on acquisition of Baht 29.1 million. The revision was made in accordance with the conditions for adjusting the acquisition accounting as previously mentioned.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	In Baht
	Consolidated financial statements
Cash and cash equivalents	1,389,554
Other current and non-current assets	5,407,666
Property, plant and equipment	57,178,000
Right to Power Purchase Agreements	18,763,000
Deferred tax liability	(7,280,000)
Other liabilities	(3,608,901)
Net identifiable assets and liabilities	71,849,319
Goodwill	8,147,981
Total consideration transferred	79,997,300



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8. TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with related persons. A portion of assets, liabilities, revenue and expenses arose from transactions with said related parties.

8.1 Relationships and pricing policies

The relationship and pricing policies among the Company with related parties are as follows:

	Relationship
<u>Subsidiaries</u>	
Teera-Mongkol Green Energy Co., Ltd.	100% Shareholding and Directorship
Teera-Mongkol Energy Co., Ltd.	90.10% Shareholding and Directorship
Green Saving Energy Thailand Co., Ltd.	100% Shareholding by the subsidiary an directorship
Green Earth Energy Co., Ltd.	100% Shareholding by the subsidiary an directorship
Global Utility Supply Co., Ltd.	100% Shareholding by the subsidiary an directorship
<u>Related persons</u>	
Pravit Prasitrattanaporn	The Company's director and shareholder
Theerayut Prasitrattanaporn	The Company's director and shareholder
Theerachai Prasitrattanaporn	The Company's director and shareholder
Teeraphong Prasitrattanaporn	The Company's director and shareholder
	Pricing Policy
Loans to and loans from	Interest charge at rate of 1.0-5.30% per annum.

8.2 Balances of transactions with related parties

Balances of transactions with related parties as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other receivables (Note 11)				
Subsidiary	-	-	4,394,060	1,299,785
Short - term loans to subsidiary				
Balance at the beginning of the year	-	-	63,900,000	-
Add Increased during the year	-	-	40,250,000	73,900,000
Less Decreased during the year	-	-	(50,000,000)	(10,000,000)
Balance at the end of the year	-	-	54,150,000	63,900,000
Other payable (Note 21)				
Subsidiary	-	-	-	371,942
Related persons	10,000	-	-	-
Total	10,000	-	-	371,942
Short - term loans				
Subsidiary				
Balance at the beginning of the year			4,000,000	18,900,000
Add Increased during the year			9,000,000	6,000,000
Less Decreased during the year			(6,000,000)	(20,900,000)
Balance at the end of the year			7,000,000	4,000,000

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	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Related persons				
Balance at the beginning of the year	-	-	-	-
Add Increased during the year	7,000,000	-	7,000,000	-
Less Decreased during the year	(7,000,000)	-	(7,000,000)	-
Balance at the end of the year	-	-	-	-
Total Short - term loans from related persons	-	-	7,000,000	4,000,000

8.3 Revenues and expenses transactions between related persons

Revenues and expenses transactions with related persons for the years ended 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other income				
Subsidiary	-	-	240,000	120,000
Interest				
Subsidiary	-	-	3,627,992	1,299,785
Interest expenses				
Subsidiary	-	-	84,055	792,103
Related persons	146,616	-	146,616	-
Total	146,616	-	230,671	792,103
Directors and management's benefits				
Short - term employee benefits	9,363,780	9,690,970	9,363,780	9,690,970
Post - employment benefits	598,482	147,433	598,482	147,433
Total	9,962,262	9,838,403	9,962,262	9,838,403

9. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	136,206	135,713	86,013	85,968
Current deposits	2,515,962	1,035,983	105,408	89,458
Saving deposits	5,393,585	3,596,974	5,384,995	3,158,442
Total	8,045,753	4,768,670	5,576,416	3,333,868

The weighted average effective interest rates of deposits at financial institutions were 0.22% to 0.375% per annum (31 December 2018: 0.37% to 0.375% per annum).



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10. TRADE ACCOUNTS RECEIVABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable	99,986,248	111,874,528	99,986,248	111,874,528
Accrued income	8,148,694	8,205,553	-	-
Total	108,134,942	120,080,081	99,986,248	111,874,528

The aging of outstanding balances as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within credit terms	89,070,868	95,651,934	80,922,174	87,446,381
Overdue:				
Less than 3 months	10,956,469	18,079,233	10,956,469	18,079,233
3 - 6 months	5,701,615	2,830,383	5,701,615	2,830,383
6 - 12 months	3,750,328	4,096,770	3,750,328	4,096,770
Over 12 months	8,527,854	5,217,684	8,527,854	5,217,684
Total	118,007,134	125,876,004	109,858,440	117,670,451
Less Allowance for doubtful accounts	(9,872,192)	(5,795,923)	(9,872,192)	(5,795,923)
Trade accounts receivable - net	108,134,942	120,080,081	99,986,248	111,874,528

During the year 2019, the Company wrote-off bad debt of Baht 0.08 million. The management of the Company believes that allowance for doubtful debts in the financial statements is adequate in the current circumstances.

11. OTHER RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Advances payment for inventories	2,608,078	3,468,088	2,608,078	3,468,088
Prepaid expenses	3,141,437	3,100,517	1,582,656	2,550,017
Other receivables - related companies (Note 8.2)	-	-	4,394,060	1,299,785
Receivables - Revenue Department	1,074,223	-	-	-
Other receivables - other companies	305,981	270,469	252,291	256,469
Total	7,129,719	6,839,074	8,837,085	7,574,359



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12. INVENTORIES

	In Baht					
	Consolidated financial statements					
	At Cost		Allowance for obsolescence of inventories		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	82,546,612	100,839,994	(16,976,894)	(15,271,985)	65,569,718	85,568,009
Work in process	9,269,500	11,109,080	(3,575,118)	(3,483,396)	5,694,382	7,625,684
Raw materials	12,521,879	17,359,647	(4,182,639)	(4,074,224)	8,339,240	13,285,423
Supplies	25,709	-	-	-	25,709	-
Inventories in transit	9,696,343	4,646,344	-	-	9,696,343	4,646,344
Net	114,060,043	133,955,065	(24,734,651)	(22,829,605)	89,325,392	111,125,460

	In Baht					
	Separate financial statements					
	At Cost		Allowance for obsolescence of inventories		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	82,546,612	100,839,994	(16,976,894)	(15,271,985)	65,569,718	85,568,009
Work in process	9,269,500	11,109,080	(3,575,118)	(3,483,396)	5,694,382	7,625,684
Raw materials	12,521,879	17,359,647	(4,182,639)	(4,074,224)	8,339,240	13,285,423
Inventories in transit	9,696,343	4,646,344	-	-	9,696,343	4,646,344
Net	114,034,334	133,955,065	(24,734,651)	(22,829,605)	89,299,683	111,125,460

During the current year, the Group reduced cost of inventories by Baht 2.53 million to reflect the net realisable value. In addition, the Company reversed the write - down of cost of inventories by Baht 0.62 million and reduced the amount of inventories recognised as expenses during the year.

13. RIGHT TO RECOVER PRODUCT / POVISION FOR REFUND LIABILITIES

	In Baht	
	Consolidated and Separate financial statements	
	Right to recover product	Povision for refund liabilities
For the year ended 31 December 2019		
Balance at the beginning of year	822,651	1,175,216
Add Increased	4,121,394	5,887,705
Less Decreased	(1,147,312)	(1,639,017)
Balance at the end of year	3,796,733	5,423,904



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14. DEPOSITS AT BANK PLEDGED AS COLLATERAL

	Interest rates (%)		In Baht			
			Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
Saving deposits	0.375	0.375	182,245	110,813	182,245	110,813
12-months fixed deposits	0.9	0.9	832,558	825,205	832,558	825,205
24-months fixed deposits	1.6	-	3,300,000	-	-	-
Total			4,314,803	936,018	1,014,803	936,018

24-month fixed deposits were pledged as collateral against credit facilities from the financial institutions (Note 22).

15. INVESTMENTS IN SUBSIDIARIES

Separate financial statements as at 31 December 2019 and 2018.

	Country of incorporation	Paid - up Capital (In Baht)	Holdings (%)		At Cost (In Baht)	
			2019	2018	2019	2018
Teera-Mongkol Green Energy Co., Ltd. Power generation	Thai	25,000,000	100	100	24,999,800	24,999,800
Teera-Mongkol Energy Co., Ltd. Power generation	Thai	1,000,000	90.10	100	901,000	999,800
Total					25,900,800	25,999,600

The Company sold 990 ordinary shares of Teera-mongkol Energy Co., Ltd. at prices of Baht 100 per share to other person.

The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares amounting to Baht 69,149 under the shareholders' equity in the consolidated statements of financial position.



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16. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements

	In Baht					
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Total
As at 1 January 2018						
Cost	23,547,124	79,400,107	60,629,455	10,866,358	15,154,365	189,597,409
<u>Less</u> Accumulated depreciation	-	(30,708,326)	(52,168,822)	(9,857,331)	(10,083,560)	(102,818,039)
Net book value	<u>23,547,124</u>	<u>48,691,781</u>	<u>8,460,633</u>	<u>1,009,027</u>	<u>5,070,805</u>	<u>86,779,370</u>
Transaction during the year ended 31 December 2018						
Net book value, Beginning of year	23,547,124	48,691,781	8,460,633	1,009,027	5,070,805	86,779,370
Transfer of assets from business acquisition	-	23,820,816	33,030,894	147,900	178,390	57,178,000
<u>Add</u> Acquisitions	-	338,120	2,683,026	370,440	-	3,391,586
<u>Less</u> Disposal and write off assets	-	-	(5)	(14)	-	(19)
Depreciation	-	(5,464,304)	(5,282,784)	(641,138)	(312,226)	(11,700,452)
Net book value, end of year	<u>23,547,124</u>	<u>67,386,413</u>	<u>38,891,764</u>	<u>886,215</u>	<u>4,936,969</u>	<u>135,648,485</u>
As at 31 December 2018						
Cost	23,547,124	108,963,430	121,574,130	11,829,145	15,530,201	281,444,030
<u>Less</u> Accumulated depreciation	-	(41,577,017)	(82,682,366)	(10,942,930)	(10,593,232)	(145,795,545)
Net book value	<u>23,547,124</u>	<u>67,386,413</u>	<u>38,891,764</u>	<u>886,215</u>	<u>4,936,969</u>	<u>135,648,485</u>

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	In Baht					
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Total
Transaction during the year ended 31 December 2019						
Net book value, Beginning of year	23,547,124	67,386,413	38,891,764	886,215	4,936,969	135,648,485
Add Acquisition of assets	-	999,000	-	-	-	999,000
Add Acquisitions	10,000,000	-	5,005,952	123,858	-	15,129,810
Less Disposal and write off assets	-	-	(66,209)	(5,476)	-	(71,685)
Depreciation	-	(6,640,829)	(7,856,840)	(455,670)	(288,891)	(15,242,230)
Net book value, end of year	33,547,124	61,744,584	35,974,667	548,927	4,648,078	136,463,380
As at 31 December 2019						
Cost	33,547,124	109,962,429	126,226,351	11,733,913	15,530,202	297,000,019
Less Accumulated depreciation	-	(48,217,845)	(90,251,684)	(11,184,986)	10,882,124	(160,536,639)
Net book value	33,547,124	61,744,584	35,974,667	548,927	4,648,078	136,463,380

Cost of building of Baht 55.93 million is building on leased land.

As at 31 December 2019 land, building and structure amounting to Baht 94.74 million (31 December 2018: Baht 98.51 million) is mortgaged as collateral for bank overdrafts and short-term loans (Note 20) and long-term loans from financial institutions (Note 22).

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Separate financial statements

	In Baht					
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Total
As at 1 January 2018						
Cost	23,547,124	79,400,107	60,629,456	10,866,358	15,154,365	189,597,410
<u>Less</u> Accumulated depreciation	-	(30,708,326)	(52,168,822)	(9,857,331)	(10,083,560)	(102,818,039)
Net book value	23,547,124	48,691,781	8,460,634	1,009,027	5,070,805	86,779,371
Transaction during the year ended 31 December 2018						
Net book value, Beginning of year	23,547,124	48,691,781	8,460,634	1,009,027	5,070,805	86,779,371
<u>Add</u> Acquisitions	-	-	255,850	360,440	-	616,290
<u>Less</u> Disposal and write off assets	-	-	(5)	(14)	-	(19)
Depreciation	-	(4,976,201)	(2,851,060)	(609,752)	(287,129)	(8,724,142)
Net book value, end of year	23,547,124	43,715,580	5,865,419	759,701	4,783,676	78,671,500
As at 31 December 2018						
Cost	23,547,124	79,400,106	60,496,121	11,114,744	15,154,364	189,712,459
<u>Less</u> Accumulated depreciation	-	(35,684,526)	(54,630,702)	(10,355,043)	(10,370,688)	(111,040,959)
<u>Net book value</u>	23,547,124	43,715,580	5,865,419	759,701	4,783,676	78,671,500

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	In Baht					
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Total
Transaction during the year ended 31 December 2019						
Net book value, Beginning of year	23,547,124	43,715,580	5,865,419	759,701	4,783,676	78,671,500
<u>Add</u> Acquisitions	-	-	-	114,006	-	114,006
<u>Less</u> Disposal and write off assets	-	-	(10)	(25)	-	(35)
Depreciation	-	(4,976,201)	(1,075,553)	(384,626)	(213,806)	(6,650,186)
Net book value, end of year	23,547,124	38,739,379	4,789,856	489,056	4,569,870	72,135,285
As at 31 December 2019						
Cost	23,547,124	79,400,106	60,342,920	11,107,181	15,154,365	189,551,696
<u>Less</u> Accumulated depreciation	-	(40,660,727)	(55,553,064)	(10,618,125)	(10,584,495)	(117,416,411)
Net book value	23,547,124	38,739,379	4,789,856	489,056	4,569,870	72,135,285

Cost of building of Baht 21.6 million is building on leased land.

As at 31 December 2019 land, building and structure amounting to Baht 56.42 million (31 December 2018: Baht 59.49 million) is mortgaged as collateral for bank overdrafts and short-term loans (Note 20) and long-term loans from financial institutions (Note 22).



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17. DEPOSIT FOR PURCHASE OF ASSETS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposit for purchase of land	2,800,000	2,500,000	-	-
Deposit for purchase of asset	-	2,000,000	-	-
Total	2,800,000	4,500,000	-	-

On 1 October 2018, the subsidiary entered into Memorandum of Understanding ("MOU") in respect of purchase and sale in two local companies whose business is in power generation with seller. Such purchase and sale price of interest is Baht 28 million. Such MOU is required the subsidiary to pay deposit amounting to Baht 2.0 million. The transaction has to completed within March 2019.

18. INTANGIBLE ASSETS

	In Baht	
	Consolidated and Separate financial statements	
	2019	2018
As at 1 January		
Cost	2,463,670	2,456,670
Less Accumulated amortization	(2,430,886)	(2,382,478)
Net book value	32,784	74,192
Transactions during the years ended 31 December		
Opening net book value	32,784	74,192
Add Acquisitions	136,101	7,000
Less Amortization	(53,407)	(48,408)
Closing net book value	115,478	32,784
As at 31 December		
Cost	2,599,771	2,463,670
Less Accumulated amortization	(2,484,293)	(2,430,886)
Net book value	115,478	32,784

19. RIGHT TO PRODUCE AND SELL ELECTRICITY

	In Baht	
	Consolidated financial statements	Separate financial statements
For the years ended 31 December 2018 (Restated)		
Net book value, beginning of year	-	-
Add Acquisition of computer software	18,763,000	-
Less Amortization	(376,804)	-
Net book value, end of year	18,386,196	-
As at 31 December 2018		
Cost	18,763,000	-
Less Accumulated amortization	(376,804)	-
Net book value	18,386,196	-
For the years ended 31 December 2019		
Net book value, beginning of year	18,386,196	-
Add Acquisition of computer software	24,654,828	-
Less Amortization	(1,127,324)	-
Net book value, end of year	41,913,700	-
As at 31 December 2019		
Cost	43,417,828	-
Less Accumulated amortization	(1,504,128)	-
Net book value	41,913,700	-

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20. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Interest rate (%) per annum		In Baht			
			Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
Bank overdraft	6.88	7.13	18,176,545	1,601,636	18,176,545	1,601,636
Trust receipts	4.96	5.81	19,964,600	35,801,403	19,964,600	35,801,403
Promissory note	5.00 - 6.025	5.25	87,000,000	120,000,000	87,000,000	120,000,000
Total			125,141,145	157,403,039	125,141,145	157,403,039

As at 31 December 2019, the Company has overdraft facility and short - term loans from local financial institution amounting to Baht 205 million (31 December 2018: Baht 205 million). Loans bear interest at the rate of MOR and MLR per annum and are secured over land and structure (Note 16).

Under the terms of the agreements covering the Company's liabilities under trust receipts, certain imported raw materials, have been released to the Company in trust for the financial institutions. The Company is accountable to the financial institutions for the trusted items or their sales proceeds.

21. OTHER PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued expenses				
- Related companies (Note 8.2)	-	-	-	371,942
Accrued expenses - other companies	23,756,953	17,702,939	22,621,127	16,771,500
Advance received for inventories	114,221	22,297	114,221	22,297
Accrued rental	960,926	1,174,575	960,926	1,174,575
Payable - Revenue Department	1,857,099	499,203	1,732,512	336,884
Other accounts payable	1,283,166	1,604,742	638,760	921,888
- Related persons (Note 8.2)	10,000	-	-	-
Total	27,982,367	21,003,756	26,067,546	19,599,086

22. LONG - TERM LOANS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long - term loans from financial institution	46,148,245	8,477,106	1,648,245	8,477,106
Less : Deferred loan of fees	(1,381,522)	-	-	-
Less : Current portion	(14,443,897)	(6,828,737)	(1,648,245)	(6,828,737)
Net	30,322,826	1,648,369	-	1,648,369

As at 31 December 2019, the Group has long - term loans facility from local financial institution amounting to Baht 80 million. (31 December 2018: Baht 30 million), are secured over land, property and machines (Note 16) and guaranteed by subsidiary indirectly owned by the Company shares of subsidiary and certain directors.



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The movements of long-term loans from financial institution are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Balance, beginning of the year	8,477,106	15,128,809	8,477,106	15,128,809
Loan received	50,000,000	-	-	-
Payment of fees	(1,550,000)	-	-	-
Loans payments	(12,328,861)	(6,651,703)	(6,828,861)	(6,651,703)
Amortization of bank fees during the year	168,478	-	-	-
Balance, end of the year	44,766,723	8,477,106	1,648,245	8,477,106

Separate financial statements

Loan 1 Amounting to Baht 0.61 million. (31 December 2018: Baht 4.08 million) Loan is monthly repayable of Baht 0.30 million each. The first payment will be paid on the date of 13 months after first drawdown and must be completed within 96 months. Loans bear interest at the rate of MLR -1 per annum.

Loan 2 Amounting to Baht 1.04 million. (31 December 2018: Baht 4.40 million) Loan is monthly repayable of Baht 0.28 million each. The first payment will be paid on the date of 1 month after first drawdown and must be completed within 36 months. Loans bear interest at the rate of MLR -1 per annum.

Subsidiary

Loan 1 Amounting to Baht 43.12 million. (31 December 2018: No) Loan is monthly repayable of Baht 1.10 million each. The first payment will be paid on the date of 1 month after first drawdown and must be completed within 46 months. Loans bear interest at the rate of 6 Month THBFix +3 per annum and bank fees rate of 3.10 per annum.

The above loan agreements include covenants and restrictions imposed by the lenders pertaining to among other things, the maintenance of debt to equity ratios.

23. EMPLOYEE BENEFIT OBLIGATIONS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Defined benefit obligations at 1 January	2,766,316	1,916,390	2,518,256	1,916,390
Liability transferred from business acquisition	-	218,988	-	-
Included in profit or loss:				
Current service costs	268,304	536,183	415,777	507,111
Past service cost	877,016	-	877,016	-
Interest on obligation	125,278	94,755	122,649	94,755
Total	1,270,598	849,926	1,415,442	601,866
Included in other comprehensive income :				
Actuarial losses (profit) arising from				
Demographic assumptions changes	333,783	-	333,783	-
Financial assumptions changes	1,590,632	-	1,554,132	-
Experience adjustments	6,925	-	(12)	-
Total	1,931,340	-	1,887,903	-
Defined benefit obligations	5,968,254	2,766,316	5,821,601	2,518,256



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Line items in profit or loss under which long - term employee benefit expenses are recognised are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sales	379,039	198,553	379,039	198,553
Cost of electricity sales	14,498	27,567	-	-
Selling expenses	216,479	167,192	216,479	167,192
Administrative expenses	660,582	237,626	819,924	236,121
Total	1,270,598	630,938	1,415,442	601,866

The Group expect to not pay of long-term employee benefits during the next year.

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 28 years (Separate financial statements: 17 years).

Principal actuarial assumptions at the reporting date

For the year ended 31 December 2019 and 2018.

	Consolidated and Separate financial statements	
	2019	2018
Discount rate	1.90 - 2.09% per annum	3.91% per annum
Salary increase rate	5%	4%
Employee turnover rate	Scale related to Age ranging from 1.91 - 45.84%	Scale related to Age ranging from 0 - 22.92%
Mortality rate	According to Thailand TMO 2017 male and female tables	According to Thailand TMO 2008 male and female tables

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.



Defined benefit obligation at 31 December 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(835,950)	1,002,634	(806,199)	963,440
Future salary growth (1% movement)	960,394	(820,555)	922,849	(791,281)
Turnover rate (20% movement)	(1,161,307)	1,608,115	(1,129,134)	1,562,663

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Defined benefit obligation at 31 December 2018

	In Baht	
	Consolidated and Separate financial statements	
	Increase	Decrease
Discount rate (0.5% movement)	(151,502)	165,502
Future salary growth (1% movement)	425,941	(356,282)
Turnover rate (10% movement)	(272,103)	334,810

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 0.88 million as a result. The Group Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the statement of comprehensive income the second quarter of current year.

24. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

25. PROVIDENT FUND

The Company established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund was approved by the Ministry of Finance. Under the plan, employees must contribute 4 percent of their basic salary, with 4 percent of the employees' basic salary based on employees' service years to be matched by the Company. The Company appointed an authorised fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Acts B.E. 2530.

For the year ended 31 December 2019, the Company's contribution to the provident fund recorded in the financial statements is Baht 902,717 (2018 : Baht 1,005,117).

26. INCOME TAX

Income tax income for the years ended 31 December 2019 and 2018 are made up as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax				
Corporate income tax	32,504	85,881	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(2,319,799)	(3,462,181)	(1,617,146)	(3,224,417)
Income tax reported in the statements of comprehensive income	(2,287,295)	(3,376,300)	(1,617,146)	(3,224,417)
Income tax expense recognised in other comprehensive income				
Actuarial loss	372,274	-	363,587	-



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Reconciliation of effective tax rate

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Loss before tax	(10,863,132)	(21,400,944)	(13,233,045)	(24,083,062)
Thai corporation tax rate (%)	20%	20%	20%	20%
Income tax using the Thai corporation tax rate	(2,172,627)	(4,280,188)	(2,646,609)	(4,816,612)
Realised gains from intercompany transactions	-	85,447	-	-
Tax losses	4,446,358	4,738,700	1,117,794	3,995,310
Deductible as taxable expense from promotional privileges	(3,100,920)	(1,061,745)	-	-
Additional expense deductions allowed	(1,867,480)	(323,330)	(1,198,302)	(323,330)
Non-deductible expenses	2,727,173	926,997	2,727,117	1,144,632
Current income tax	32,504	85,881	-	-
Relating to temporary differences	(2,319,799)	(3,462,181)	(1,617,146)	(3,224,417)
Income tax income reported in the statements of comprehensive income	(2,287,295)	(3,376,300)	(1,617,146)	(3,224,417)

Deferred tax assets and liabilities are presented in the statements of financial position as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Deferred tax assets				
Allowance for doubtful accounts and provision for refund liabilities	2,971,726	1,353,377	2,971,726	1,353,377
Allowance for obsolescence of inventories	4,067,819	4,272,430	4,067,819	4,272,430
Provision for accrued rental	186,688	228,032	186,688	228,032
Employee benefit obligations	1,131,021	488,894	1,131,021	488,894
Provision for dismantling cost	38,856	38,828	38,856	38,828
Forward contract receivable	17,805	51,621	17,805	51,621
	<u>8,413,915</u>	<u>6,433,182</u>	<u>8,413,915</u>	<u>6,433,182</u>
Deferred tax liabilities				
Transferred from business acquisition	6,330,895	7,042,237	-	-



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27. EXPENSES BY NATURE

Significant expense by nature for the years ended 31 December 2019 and 2018. The details are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in finished goods and work in process	(12,108,880)	4,884,051	(12,108,880)	4,884,051
Purchase of finished goods	137,509,148	160,464,712	137,509,148	160,464,712
Raw materials and consumable used	53,367,161	74,453,258	42,494,391	70,732,412
Staff costs	93,032,455	102,475,173	88,113,742	100,900,108
Depreciation and amortization	17,002,961	12,705,665	7,283,593	9,352,550

28. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The operations of the Group involve the two industry segment are as follows:

1) Manufacturing and distributing electrical equipment

2) Generation and sell of electricity

In during the years ended 31 December 2019 and 2018, the Company total revenues from operations derived domestic, represented 99% and 97% of total revenues, respectively.

	In Baht					
	Generation and sell of electricity		Manufacturing and distributing electrical equipment		Total	
	2019	2018	2019	2018	2019	2018
Sales revenue	-	-	347,491,535	376,982,248	347,491,535	376,982,248
Sales revenue from electricity	44,504,625	15,231,817	-	-	44,504,625	15,231,817
Cost of sales	-	-	(230,912,996)	(266,708,387)	(230,912,996)	(266,708,387)
Cost of electricity sales	(30,349,913)	(10,227,655)	-	-	(30,349,913)	(10,227,655)
Gross profit	14,154,712	5,004,162	116,578,539	110,273,861	130,733,251	115,278,023
Other income					2,251,898	3,856,036
Profit before expenses					132,985,149	119,134,059
Cost of distributions					(59,800,400)	(59,151,069)
Administrative expenses					(74,362,073)	(75,663,415)
Finance costs					(9,685,808)	(5,720,519)
Total expenses					(143,848,281)	(140,535,003)
Loss before income tax					(10,863,132)	(21,400,944)
Income tax incomes					2,287,295	3,376,300
Loss for the year					(8,575,837)	(18,024,644)

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Mr. Teerapong Prasitratanaoporn

	Generation and sell of electricity		Manufacturing and distributing electrical equipment		Total	
	2019	2018	2019	2018	2019	2018
Segment assets	64,328,095	56,976,985	72,135,285	78,671,500	136,463,380	135,648,485
Segment liabilities	141,128,558	131,148,294	103,022,535	100,769,944	244,151,093	231,918,238

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Major customers

For the years ended 31 December 2019 and 2018, the Group has revenue from two, major customer represented at 30.00% and 19.36% percent of total revenues, respectively.

29. PROMOTIONAL PRIVILEGES

The Group received promotional privileges from the Board of Investment under promotional certificate for the manufacturing of electronic parts or equipments and power generation as follows;

- Exemption of corporate income tax on the profit for eight years from the date of earning operating income from promoted activity.
- In case of loss from operation during the exemption period, it can deduct from the profit beyond the exemption period for five years.
- Exemption of import duty on machinery and equipment as approved by the Board.
- Exemption of income tax on dividends paid from the profit of the promoted activity throughout the promoted period.

As a promoted industry, the company must comply with certain conditions and restrictions provided for the promotional certificate.

Income from promoted business commenced in 2011.

Sales classified as promoted and non-promoted business for the years ended 31 December 2019 and 2018 of the Company are summarised as follows:

	In Baht					
	Promoted business		Non-promoted business		Total	
	2019	2018	2019	2018	2019	2018
Domestic sales	56,232,477	86,032,029	331,092,967	295,752,947	387,325,444	381,784,976
Export sales	-	1,702,929	4,670,716	8,726,160	4,670,716	10,429,089
Total	56,232,477	87,734,958	335,763,683	304,479,107	391,996,160	392,214,065

30. Financial instruments

30.1 Liquidity Risk

Liquidity risk, or funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

30.2 Interest Rate Risk

The Company is exposed to interest risks because it held deposits to and loans from financial institutions. However, The Company believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

30.3 Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
U.S. Dollars	-	-	0.99	1.28	30.3313	32.6148

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Foreign exchange contracts outstanding are summarised below.

As at 31 December 2019					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
U.S. Dollars	0.99	-	30.3467	-	January - June 2020

30.4 Credit Risk

The Company is exposed to credit risks mainly relating to their trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

30.5 Fair values of financial instruments

As at 31 December 2019 and 2018, the Group had the following liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht)			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
As at 31 December 2019				
Derivatives				
Foreign currency forward contracts	-	91,649	-	91,649
As at 31 December 2018				
Derivatives				
Foreign currency forward contracts	-	265,894	-	265,894

31. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2019

- The Group has the minimum amount of future payments under these operating leases are as follows;

	Million Baht	
	Consolidated financial statements	Separate financial statements
Paid within		
1 year	1.7	1.5
1 to 5 years	3.4	2.8
More than 5 years	0.2	-
Total	5.3	4.3

In during the year ended 31 December 2019, the Group had lease expenses recognized in statement of comprehensive income totaling Baht 1.39 million. (Separate financial statements: 1.22 million).

- The subsidiary has entered into the 20 years Power Purchase Agreement with Provincial Electricity Authority (PEA) to sell the electricity generated from the renewable energy, commencing from commercial operation date and can be extended base on the conditions stipulated in the agreements.
- The Group has contingent liabilities from letters of guarantee issued by banks for the payment of electricity amounting to Baht 3.12 million.
- The Group has capital commitment to purchase land amounting to Baht 48.13 million.

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32. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2019, the Company's debt-to-equity ratio was 1.12:1 (2018: 1.18:1).

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on 19 February 2020.



MR. TEERAPHONG PRASITRATANADORN

Mr. Theerasak Prasitratanaorn

TMI

บริษัท ทีระมงคล อุตสาหกรรม จำกัด (มหาชน)

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