รายงานประจำปี 2563

ANNUAL REPORT 2020

TMI

บริษัท ธีระมงคล อุตสาหกรรม จำกัด (มหาชน)

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED

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Key Financial Information 2020

Financial Statement as of December 31	2020	2019	2018
Common Share Information			
Par per Share (Baht)	0.25	0.25	0.25
Value per Share (Baht)	0.28	0.27	0.28
Earning per Share (Baht)	0.021	(0.013)	(0.025)
Overall Result of Operations (Thousand Baht)			
Sales Revenue	447,861	391,996	392,214
Total Revenue	449,490	394,248	396,070
Net Profit	14,390	(9.942)	(18.025)
Balance Sheet Information (Thousand Baht)			
Current Asset	228,714	217,257	242,899
Total Asset	461,886	423,984	414,520
Current Liabilities	220,946	201,229	218,986
Total Liabilities	254,882	244,151	223,701
Issued and Paid-up Share Capital	167,860	167,860	167,860
Shareholder's Equity	195,323	179,995	189,869
Financial Ratio			
Return on Equity (ROE) (%)	7.67%	(4.53%)	(9.06%)
Return on Fixed Asset (ROFA) (%)	17.97%	6.64%	(4.33%)
Return on Asset (ROA) (%)	3.25%	(1.98%)	(4.77%)
Gross Profit (%)	34.37%	33.35%	29.39%
Current Ratio (Times)	1.04 times	1.08 times	1.11 times
Quick Ratio (Times)	0.62 times	0.61 times	0.60 times
Debt to Equity(D/E) (Times)	1.23 times	1.36 times	1.22 times

Message from Chairman of the Board Directors

Year 2020 has been another year that the business administration work has been changed due to effects from the spread of COVID-19 virus, which has affected all businesses in regional and global levels.

Teera-Mongkol Industry Public Company Limited has also been affected by the aforementioned pandemic event, especially the lighting business that has received great impacts in Quarter 1 of the year. The company has made some adjustments in order to deal with the situation. Consequently, the performance of the business in the category of lighting and the overall business performances of the company have been gradually increasing.

As for the business of biogas power plant, the company has expanded its business to cover energy business since 2018. In the beginning of this year, the company has received effects from drought and shortage of materials for generating biogas, which might have led to the drop of the performance in the first quarter, but in the following quarters, such problems become dissolved and situation becomes normal.

As for the overall picture, the past 2020, even though in the beginning of the year, the company might have received some effects from COVID-19 disease, the executives and team have done a good job and drive the company toward positive directions consistently. The tendency is the consistently growing profits, which will help the company grow in sustainable manner in the future.

in this occasion, I would like to extend my gratitude to all business allies, partners, executives and alll staff members of the company for having joined hands together to drive the company through all problems and obstacles throughout year 2020, which has been the year of adjustment and modification in several respects. Finally, I greatly hope to witness unity of all team members and stakeholders of the company in driving the company towards the desired goals for this year. May the sacred beings in the world bless everyone with happiness and prosperity.

(Dr.Thanu Kulachol)
Chairperson of the Board
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

1. Sustainably creating added values and maintain benefits of shareholders and organization;
2. Focusing on becoming a specialist in all company's business;
3. Developing technology of manufacturing procedure, quality control, and cost reduction;
4. Meeting the needs of all-level consumers in terms of product and service;
5. Developing alternative energy technology and energy-saving products to reduce consumption of natural resources;
6. Supporting the culture of corporate governance, risk management, and good internal control;
7. Strengthening staff's competency and capability to ensure organizational and social responsibility;
8. 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 ธีระมงคล 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	:	Branch Office 1 is located at 260/2 Charoen Nakhon Road, Samrae, Thonburi, Bangkok 10600. This office is used as generaladministration department and warehouse. Branch Office 2 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 AST Master CO.,LTD

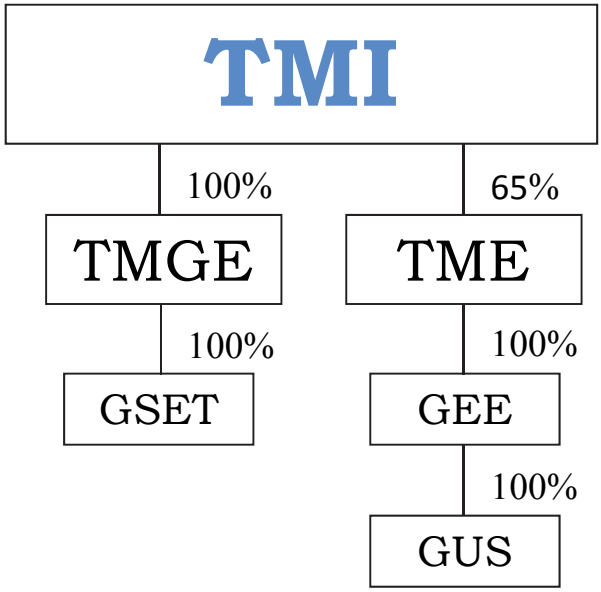
Name of Auditor	:	Ms. Nongram Laoha-areedilok or Mr. Pradit Rodroytook or Ms. Chamaporn Rodloytook or Ms. Chamaporn Rodroytook
Location	:	790/12 Thonglor Tower, Soi Thonglor 18, Sukhumvit 55 Road Klong Ton Nua, Wattana, Bangkok 10110
Telephone	:	0-2714-8842-3, 0-2185-0342
Fax	:	0-2185-0225

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	410,000	100	409,998	100.00
2. Teera-Mongkol Energy Company Limited	TME	Running a business to generate and distribute electricity from energy of all types	35,000,000	350,000	100	227,499	65.00

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 (%)
1. Green Saving Energy Company Limited	GSET	Running a business to generate and distribute electricity from biogas	41,000,000	410,000	100	409,998	100.00
2. 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
3. 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. 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

1.1) Lamps and Control Gears

1.2) Luminaires

1.3) 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	2018 (BOI)		2018 (NON-BOI)		2019 (BOI)		2019 (NON-BOI)		2019 (total)		2020 (NON-BOI)		2020 (total)	
Sales Revenue	**Million Baht**	**%**	**Million Baht**	**%**	**Million Baht**	**%**	**Million Baht**	**%**	**Million Baht**	**%**	**Million Baht**	**%**	**Million Baht**	**%**
1. Electric Lighting Business	63.87	80.35	313.11	98.90	11.73	20.83	335.76	99.36	5.48	13.34	406.78	99.60	412.26	91.72
Lamps and Control Gears	41.32	51.98	165.73	52.35	0.00	0.00	178.39	52.79	0.00	0.00	182.92	44.79	182.92	40.70
Luminaires	19.27	24.24	133.73	42.24	12.38	21.99	141.76	41.95	5.91	14.40	215.61	52.79	221.52	49.29
Home Automation	5.54	6.96	22.76	7.19	0.00	0.00	28.28	8.37	0.00	0.00	28.02	6.86	28.02	6.23
Discount paid	-2.26	-2.84	-9.11	-2.88	-0.65	-1.16	-12.67	-3.75	-0.43	-1.05	-19.77	-4.84	-20.20	-4.49
2. Business of electricity from renewable energy	15.23	19.16	-	-	44.50	79.03	-	-	35.59	86.66	0.00	0.00	35.59	7.92
Sales revenue – net	**79.10**	**99.51**	**313.11**	**98.90**	**56.23**	**99.86**	**335.76**	**99.36**	**41.07**	**100.00**	**406.78**	**99.60**	**447.85**	**99.64**
Other incomes*	**0.39**	**0.49**	**3.47**	**1.10**	**0.08**	**0.14**	**2.17**	**0.64**	**0.00**	**0.01**	**1.62**	**0.40**	**1.62**	**0.36**
Total Revenue	**79.49**	**100.00**	**316.58**	**100.00**	**56.31**	**100.00**	**337.93**	**100.00**	**41.07**	**100.00**	**408.40**	**100.00**	**449.47**	**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	2018 (BOI)		2018 (NON-BOI)		2019 (BOI)		2019 (NON-BOI)		2020 (BOI)		2020 (NON-BOI)		2020 (total)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from inside the country	77.40	97.85	304.38	97.21	56.23	100.00	331.09	98.61	41.07	100.00	392.59	96.51	433.66	96.83
Revenue from outside the country	1.70	2.15	8.73	2.79	0.00	0.00	4.67	1.39	0.00	0.00	14.19	3.49	14.19	3.17
Total Revenue	**79.10**	**100.00**	**313.11**	**100.00**	**56.23**	**100.00**	**335.76**	**100.00**	**41.07**	**100.00**	**406.78**	**100.00**	**447.85**	**100.00**

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

Type of customer group	2018 (BOI)		2018 (NON-BOI)		2019 (BOI)		2019 (NON-BOI)		2020 (BOI)		2020 (NON-BOI)		2020 (total)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Public Sector	15.47	19.56	7.32	2.34	44.50	79.14	5.63	1.68	35.59	86.65	5.11	1.26	40.70	9.09
Private Sector	63.63	80.44	305.79	97.66	11.72	20.86	330.14	98.32	5.48	13.35	401.67	98.74	407.15	90.91
- General electric appliance shops	53.33	67.41	253.79	81.05	1.95	3.48	279.39	83.21	0.48	1.17	313.21	77.00	313.69	70.04
- Big retail shops	10.30	13.03	52.00	16.61	9.77	17.38	50.75	15.11	5.00	12.18	88.46	21.75	93.46	20.87
Total sales revenue	**79.10**	**100.00**	**313.11**	**100.00**	**56.23**	**100.00**	**335.76**	**100.00**	**41.07**	**100.00**	**406.78**	**100.00**	**447.85**	**100.00**

Products and Services

Products and Services of the Company consist of business of production and distribution of lighting products, and another service is electricity production from renewable energy business, which details are as following;

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) Light Bulb and Accessories

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 if a yellow light road lamp that is often used on roads around the country because the yellow light make 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 2021. Thus, data may be unstable and may 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 are 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, and Ballasts for Metal Halide Lamps

Product Preview Image

Ballast for High Pressure Sodium Lamps : Ballast for street light bulb

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 Electric Lighting Product Group

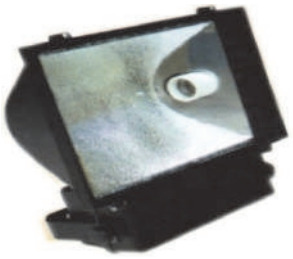
At present, the company has distributed electric lamps to add value to the existing product groups and to increase the service to the customers as well. The company will purchase most of the lamps from manufacturers or distributors, both domestic and international ones.

(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 Household Utensil Products

Household utensils 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 lamps and fishing lamps, 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 sterilizing lamps and ozone generators.

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-Mongkol Energy Company Limited (a subsidiary that the company holds 65.00% 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 - Under construction

- Production Capacity: 0.99 MW
- Project Location: Ban Phaeo District, Samut Sakhon Province
- Raw Material: Molasses from the liquor factory or ethanol plant in the area
- Distributing to: Provincial Electricity Authority
- Distributing Launch: Expected to distribute within first quarter of 2021

2) Power plant in Dan Chang District, Suphanburi Province - Not under construction

- Production Capacity: 2.997 MW
- Project Location: Dan Chang District, Suphanburi Province
- Raw Material: Molasses from local ethanol plants or energy crops
- Distributing to: Provincial Electricity Authority
- Distributing Launch: Expected to distribute within 2022

Industry Trends and Competition

In 2020 business of designing, production and distribution of lighting equipment, and business of electricity generation from renewable energy, if we consider their industrial, marketing, and competing conditions, there would be changes as following;

Business of Designing, Production and Distribution of Lighting Equipment

1) Marketing of Key Products and Services

1.1) Products and Services

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 2020, the company has added products such as energy-saving products which are LED bulbs for more than 65 new products and LED lamps for more than 131 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:

1.3.1) 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 of 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 2020, the company still evaluates the total value of the lighting business to be 22,000 - 24,000 million baht, slightly decreasing from the market in 2019. The value of the imported lighting products in 2020 may slightly decrease from that of 2019. Most of the values are those of the installation of new lamps and light 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.

* 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 22nd February 2021. 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 2020, Thailand has had the total amount of 9.45 million lamps exported internationally, or 179.5 million baht, increasing from the year 2019, with 5.64 million lamps, equivalent to the value of lamps of 96.5 million baht exported to the United States of America. Without the lamps exported to the United States of America taken into account, the amount of exported lamps is 3.80 million lamps or 83 million baht, decreasing from 2019 that has had the import quantity of 6.51 million baht or 109.4 million baht, and 2018 that has had the import quantity of 6.66 million baht or 143.8 million baht. 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.

As for information on the import of fluorescent lamps and compact fluorescent lamps (energy saving chopsticks lamps) in the year 2020, the volume has decreased from the year 2019, with the import volume of fluorescent lamps in 2020 being 15.69 million lamps, decreasing from 18.52 million lamps in 2019 with the value decreasing from Year 2019 from 533.2 million baht to 464.3 million baht in 2020. Meanwhile, LED bulbs number has increased from 218.09 million pieces in 2019 to 230.18 million pieces in 2020 and the value has decreased slightly from 3,500.1 million baht in 2019 to 3,199.3 million baht in 2020. In addition, street lamps and floodlights number has increased from 15.88 million pieces in 2019 to 20.26 million pieces in 2020, but the value has decreased from 4,648.5 million baht in 2019 to 3,891.9 million baht in 2020, which has decreased of 16.32 percent.

However, details of the entire country showed that from the import of all types of electric lamps combined, more than 68.10% (*) 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 22nd, 2021. 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 bulb, and various accessories), allowing direct access to consumers who like to buy finished products

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:

- Lamps and accessories,
- Electric lamp group, and
- 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

Currently, 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, as 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 the purchase of renewable energy in the plan for development of power supply capacity of Thailand B.E. 2561-2580 (A.D. 2018-2037) (AEDP 2018, Revision 1) * according to the following information.

Type of Power Plant	Electricity Generation Capacity (MW)
Refuse Power Plant	444
Biomass Power Plant	2,900
Wind Power Plant	1,485
Solar Power Plant	8,740
Floating Solar Cell	2,725
Biogas Power Plant	**400**
Community Power Plant (Biomass)	600
Community Power Plant (Biogas (Energy from Plants))	600
Community Power Plant (Biogas (Waste Water))	**183**
Small Hydropower Power Plant by Electricity Generating Authority of Thailand	69
Solar Hybrid Power Plant, Community Power Plant	550
Total	**18,696**

* Data of the plan to improve electricity generation of the country are from <https://www.prachachat.net/economy/news-367281> as at 13th February 2021.

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 6,168 megawatts in the future.

Risk Factors

Before deciding to invest in the company's securities, investors should consider the risk factors carefully, including the information in this document, as we as others. The risks specified in this document are from current information and future forecasts as can be specified. Some important risk factors may have an impact on the value of the company's shares; and in the future, there may be other risk factors that may affect the business, revenue, and performances of the company. In addition, the anticipating statements appearing in the annual registration statement such as the ones with phrases like 'believe', 'expect that', 'suppose that', 'have a plan', 'intend, or 'estimate'; or predictions about business performance, business expansion plans, changes in applicable laws for the business of the company, and government policies, are predictions of future events. However, the actual results may differ materially from the anticipations or predictions.

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 2020, the company sold products with credit terms to customers accounting for 96.08% of the total sales revenue or equivalent to 396.09 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 2020, the company has distribution proportion through the said distribution channels for 70.04 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 2020, 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 increased from the year 2019. In 2020, the import of goods for distribution was 176.58 million baht, increasing from the year 2019, which was 126.01 million baht, by 40.13 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 2020. 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 2020, LED products accounted for 46.74% of the overall revenue and has increased to 49.25% of revenue from the sale of LED products 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 22,000 – 24,000 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 lamps. 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.

Operational Risks

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 2020, the average price of the LED light bulb and LED lamp products are still likely to decrease from 2019, 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 2020, the value of imported goods has decreased from 126.01 million baht in 2019 to 176.58 million baht in 2020. In 2020, 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 problem 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*			
	2020	2019	2018
1. Green Saving Energy Thailand Company Limited	74.66%	93.35%	81.75%

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

Compliance Risks

1) Risk from the Main Shareholder's Holding 67.74 Percent of Shares

The shareholder structure of the company is that the Prasitrattanaporn family group holds shares in the company by ended on 31 December 2020 is equivalent to 67.74 percent of all the shares sold. As a result, the major shareholders of the Prasitrattanaporn family have the power to control resolutions of the shareholders' meeting, especially in the case where it needs no less than a half of the total number of votes of the shareholders attending the meeting and having the right to vote. This concentration could cause the company unable to make any decisions without the consent of the major shareholders although other groups of shareholders consider the agenda as a beneficial opportunity to the company.

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, 2020, the company has assets and liabilities with the values of accounts payable of 667,904.65 USD and short-term loan of 1,379,710.25 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 2020, the company has imported goods from foreign countries is about 5 million US Dollars whilst the company has not had any export value in foreign currency.

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 institutions, mostly in the form of short-term revolving credit facilities. The company has short-term loans from financial institutions equivalent to 205 million baht for running the business. Therefore, there may be a risk from the change of interest rates. However, the company is currently supported by financial institutions in terms of the interest rate of prime customers loans (MLR and MOR) only. Also a subsidiary of the company has received long-term loan for 50 million baht. In the loan contract of the subsidiary, there are key financial ratios set, as follows.

The Debt to Equity Ratio (D/E Ratio) where the loans from directors and from related companies are included in equity's shareholder as at the end of the round does not exceed 1.0 fold throughout the loan term. And the DSCR is not lower than 1.40 folds, staring from 2019.

Information Technology Risks

1) Risk on Data Safety

Information and data are significant business assets that need maintenance and protection. Therefore, the company has set appropriate measures and applied suitable technologies to protect key information, for the safety of information. The implemented measures are as follows.

1.1) Measures for Cyber Threat Prevention

The company has installed Firewall system to prevent cyber threats because Firewall will identify IP Addresses from inside or outside that send information, and store data as log files for retrospective check for 90

days, as set by Computer. In addition, the company has installed Anti-Virus program on Firewall system and all computer sets in order to prevent threats from Virus, Malware, Spam, Trojan and others.

1.2) Access Control Protection Measure

Concerning the access to significant data, the company has set the Access Control Protection system that designs access into different hierarchies in order to protect confidential data of the company. In addition, as for operation program, the company uses Enterprise Resource Planning (ERP) which organizes the access of data by the hierarchies of users, as designated in Access Control Level. Consequently, users in general cannot access important information of the company.

1.3) Data Loss Prevention Measures

Damage and loss can be caused from errors in equipment, either hardware or software, from accidents, from degradation from use or threats from human beings, nature and other factors. Therefore, the company has made the plan to back up data on the daily basis and to file data inside and outside the company to decrease the risk of data loss.

All the aforementioned measures, the company has never encountered any problem concerning data safety. The company is still implementing the measures to secure data as important measures to maintain IT system of the company.

2) Risk from Technology Disruption

Information technology changes rapidly. The company has to always invest in technologies in order to update equipment and to ensure the compatibility with modern equipment. The reason for the company to frequently buy new equipment, technologies and software is that technologies, especially software, always have new versions. The updated software cannot read data in old formats. As a result, the company has to regularly invest money in technologies. The company has allocated budget for in investment in technologies the proportion of which is shown in the following table.

Unit: Million Baht

	2018	% of Revenue	2019	% of Revenue	2020	% of Revenue
IT Budget	1.77	0.45	2.08	0.53	1.56	0.35

From the data of IT expense per revenue of the company, it is found out that the company still invests in IT less than the baseline price of production business, the investment value in IT of which ranks between 1.4 and 3.2 percent of revenue*. The company still recognizes the significance of technology disruption and implements measures to sustain the proportion of the investment in IT in the appropriate proportion.

*information from <https://www.computereconomics.com> website, on 10th August 2020.

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 agendum 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 2020, the company announced on the website from 28th September 2020 to 30th December 2020 (92 days), After the end of the said period, it appeared that there were no shareholders proposing any agendum 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.

As for the annual shareholder meeting (Ordinary Shareholder Meeting) of 2020, since there was the a outbreak and spread of Coronas 2019 (COVID-19) virus which is a deadly contagious disease in accordance with Contagious Disease Act B.E. 2558 (A.D. 2015), together with the Announcement of State of Emergency Dated 25th March 2020, the company had held the Ordinary Shareholder Meeting at the headquarters of the company, the address of which is 260/2 Charoen Nakhon Road, Samrae Sub-district, Thonburi District, Bangkok. The company has set the measures for the arrangement of the meeting to be concurrence with COVID-19 Pandemic Situation as follows.

- As for shareholders in the risky groups such as people having been to or coming from countries with high risks as the Ministry of Public Health as at 13th March 2020, namely China, Hong Kong, South Korea, Macau, Italy, Iran, France, Spain, the USA, Switzerland, Norway, Japan, Denmark, the Netherlands, Sweden, England, Germany, Taiwan and Singapore, together with other countries that may be additionally regarded as countries with risk any Ministry of Public Health; or people with close encounters with people having been to or from the aforementioned countries with risk for less than 14 days before the meeting day or people with a fever or any other symptom that leads to the suspicion of COVID-19 virus, the company would like to ask for collaboration in complying with the advice by Department of Communicable Disease Control, Ministry of Public Health, by strictly not attending the meeting. However, shareholders in the risky groups can authorize the independent directors to represent them.
- As for shareholders attending the meeting by themselves, the company will set up a check point at the front of the meeting place, with measures to reduce density of shareholders in the area at the front of the meeting place as follows:
  - To ask all the shareholders that attend the annual shareholder meeting to answer the questionnaire to screen themselves and to evaluate the degrees of their risk for COVID-19 disease;
  - In all lines at the check points, document check points or registration stations, there must be at least 1 meter social distancing;
  - The meeting place is divided into many rooms, with data linkages through Zoom Application to mitigate the risk for the spread of the disease;
  - All the seats in all the meeting places are placed 1 meter away from one another;
  - The company has sterilized and cleaned the meeting places before the meeting begins with alcohol gel and UVC sterilizing lamps for all meeting rooms;
  - The company requires all attendants to collaborate by preparing masks to the meeting and to wear masks throughout the meeting period;

- The company cancels all the snack, tea and coffee services, and does not allow any eating inside the meeting places; and
- The company asks the attendants to write questions on provided paper in order to mitigate the use of microphones for asking questions.

For the upcoming annual general meeting for the year 2021, the company has decided to hold the meeting at Park Village Rama 2: 1/1 Rama II Soi 56, Samaedam, Bangkhunthian, Bangkok. In addition, the company has hired Quidlab Company Limited, which is a company that has experience in providing I 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 2021. Moreover, there are legal counsels from Legal Solution Company Limited is hired for observe the counting like the vote count of the meeting in the year 2020.

2) Equitable Treat to All 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.p 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 internal 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 internal 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) Roles 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 Board of Directors

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.

Structure of Board of Directors

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 23rd, 2020. 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 al 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 2020, 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 with 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 Julaiwan Duangkota who has completed the Company Secretary Program, Class of 110/2020 from the Thai Institute of Directors Association, hold the position of company secretary since 13th November 2020.

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 ended on 31st December 2020)

Director Name	Frequency of Meeting Attendance
1. Dr. Thanu Kulachol	4/4
2. Mr. Theerachai Prasitrattanaporn	7/7

Director Name	Frequency of Meeting Attendance
3. Mr. Theerayut Prasitrattanaporn	7/7
4. Mr. Teeraphong Prasitrattanaporn	7/7
5. Dr. Theerasak Prasitrattanaporn	7/7
6. Pol.Lt.Col. Amarin Niamsakul	3/3
7. Mrs. Chollada Isarankura Na Ayudhya	7/7
8. Mr. Aphichart Chankiatkong	7/7

Note: Dr. Thanu Kulachol is appointed audit and independent committee during the Ordinary Shareholder Meeting 1/2563 on 24th April 2020; and has attended the meeting for the first time on 14th May 20.

Board Self-Assessment

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.

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.

1) 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:

1.1) 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;

1.2) 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

1.3) 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.

1.4) 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.

2) Human Rights and Fair Treat towards Labor

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.

2.1) 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.

2.2) 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.

2.3) 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.

2.4) 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.

2.5) 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.

2.6) 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 collected accident statistics and the rate of illness from work in the year 2020 with details as follows.

Statistic of Accident: 0 Accident Occurring
Rate of Injury from Work: There has been 0 employee injured from operation.

3) 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.

4) 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.

5) Responsibility to Consumers

In the year 2020, 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 2020, 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 84.15 percent.

6) 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.

7) 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, 2020, 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.

8) 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 2020, the company has organized various activities to develop communities and society as follows.

8.1) 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, Year 4," 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 2020 in order to develop the school infrastructure which will help create an environment suitable for living and learning for students.

8.2) Support to '70 Years SWU Running' Event

Mr.Theerachai Prasitrattanaporn, the Managing Director, has been granted honorary certificate for providing support to '70 Years SWU Running' event, by Srinakharinwirot University foundation for Society and Srinakharinwirot University, at Srinakharinwirot University, on 23rd February 2020. This project is for supporting events that enhance people's health, conserve environment and enhancing unity and harmony of people in Asok neighborhood for developing Asok neighborhood.

มูลนิธิมหาวิทยาลัยศรีนครินทรวิโรฒ เพื่อสังคม และมหาวิทยาลัยศรีนครินทรวิโรฒ

ขอมอบเกียรติบัตรฉบับนี้เพื่อเป็นเกียรติแก่

บริษัท ธีระมงคล อุตสาหกรรม จำกัด (มหาชน)

ในการสนับสนุนโครงการวิ่ง ๗๐ ปี มสว เพื่อสังคม – อโศกร่วมใจ
วันอาทิตย์ที่ ๒๓ กุมภาพันธ์ ๒๕๖๓ ณ มหาวิทยาลัยศรีนครินทรวิโรฒ ประสานมิตร

(พลเรือเอกอภิวัฒน์ ศรีวรรธนะ)
ประธานมูลนิธิ มหาวิทยาลัยศรีนครินทรวิโรฒ เพื่อสังคม

(รองศาสตราจารย์ ดร.สมชาย สันติวัฒนกุล)
อธิการบดีมหาวิทยาลัยศรีนครินทรวิโรฒ

8.3) Supports to Social Activities by Faculty of Social Sciences, Srinakharinwirot University

Mr. Theerachai Prasitrattanaporn, the Managing Director, has been granted honorary certificate by Faculty of Social Sciences, Srinakharinwirot University, on 23rd February 2020., because the company has support social activities by Faculty of Social Sciences, Srinakharinwirot University.

คณะสังคมศาสตร์ มหาวิทยาลัยศรีนครินทรวิโรฒ

ขอมอบเกียรติบัตรฉบับนี้เพื่อเป็นเกียรติแก่

คุณธีระชัย ประสิทธิ์รัตนพร

ผู้มีอุปการคุณต่อคณะสังคมศาสตร์ มหาวิทยาลัยศรีนครินทรวิโรฒ

Nevertheless in 2020, at Pathomboribot Room, Floor 1 of Prasanmitra Building, Mr.Theerachai Prasitrattanaporn, the Managing Director, has been granted an honorary certificate by Associate Professor Dr. Somchai Santiwatanakul, the a President of Srinakharinwirot University, in the occasion that the company has provided lighting lamp for the center of Mom Ratchawong Jureephrom Kamalas Field of Srinakharinwirot University.

8.4) Support through Provision of UVC Lamps for Killing COVID-19 Virus

Dr.Theerasak Prasitrattanaporn, a Deputy Managing Director, together with classmates of Class 13 of Executive Relationship Development Course by Royal Thai Army, attended the event to hand out COVID-19 sterilizing UVC lamps, imported and distributed by TMI, to Somdech Phra Pinklao Hospital and Phramongkutklao Hospital.

8.5) Lightbulb Hand-out to Chotiphan Witthaya Samakkhi School

The company has handed out lightbulbs to Mr. Somsak Suksala, the Director of Ban Non Saen Suk School, Acting for Director of Chotiphan Witthaya Samakkhi School, on 5th June 2020, at Chotiphan Witthaya Samakkhi School, Si Ratana District, Sisaket Province, in order to develop the school and restore light lamps in school buildings.

History and Major Development of Company in Brief

2000 - November 9, 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 80,000,000 baht, divided into 320,000,000 ordinary shares, divided into called capital worth 60,000,000 baht, for 240,000,000 shares, and uncalled 80,000,000 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 1,000,000 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 generate and distribute electricity. The authorized capital was 1,000,000 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.

2020 - 13th August 2020, the quorum of a board meeting has resolved that Teera-Mongkol Energy Limited invest in the construction and modification of a 0.99 mw biogas power plant in Ban Phaeo District, Samut Sakhon Province.

Shareholding and Management Structure

Company's Securities

The Company's registered and paid-up capital as of December 31, 2020 details as follows:

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

Shareholders

The names of 10 major shareholders as at 31st December 2020 are as follows.

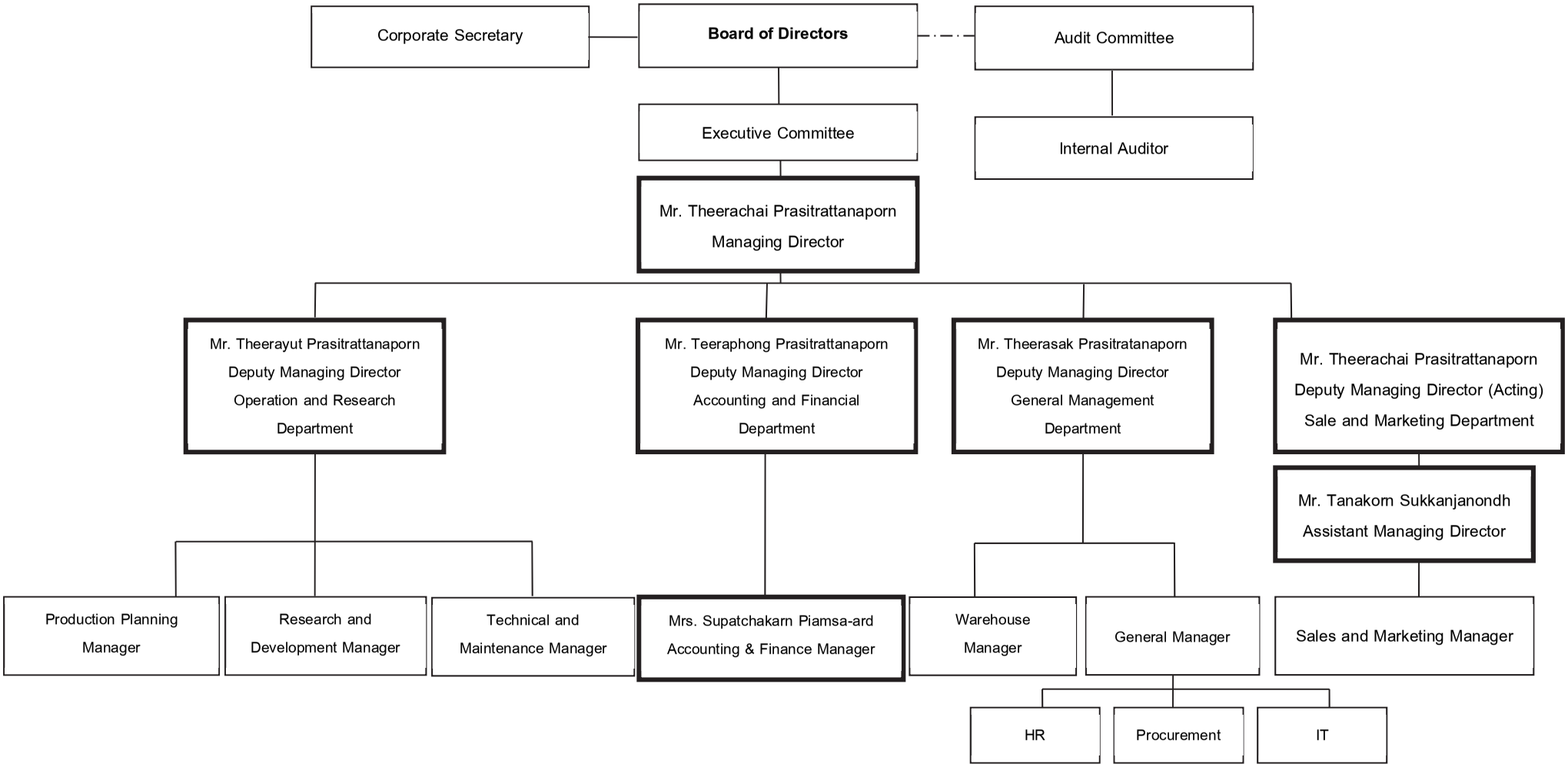
Name	Number of Share (Shares)	Percentage of Paid-up Shares
1. Prasitrattabaporn Group		
1) Mr. Theerayut Prasitrattanaporn	94,135,350	14.02
2) Dr. Theerasak Prasitrattanaporn	94,135,350	14.02
3) Mr. Teeraphong Prasitrattanaporn	93,631,014	13.95
4) Mrs. Wilai Prasitrattanaporn by Country Group Public Company Limited	77,464,826	11.54
5) Mr. Theerachai Prasitrattanaporn	68,135,350	10.15
6) Mrs. Wilai Prasitrattanaporn	26,847,133	4.00
7) Ms. Suchada Kanchanawathasilp	504,336	0.08
Total	**454,853,359**	**67.74**
2. OCBC SECURITIES PRIVATE LIMITED	26,000,000	3.87
3. Ms. Ornicha Suwatthanaphim	8,848,,136	1.32
4. Mr. Phichai Kitisuwannakul	7,738,683	1.15
5. Ms. Soisri Phatharaprasit	5,900,600	0.88
6. Mrs. Phani Phichitsurakit	5,780,000	0.86
7. Mr. Thiwa Jiraphatthanakul	4,500,000	0.67
8. Mr. Thawon Ungpraphakon	4,301,810	0.64
9. Mr. Winyu Uea-amnuaiporn	3,944,000	0.59
10. Mrs. Ratana Wongsinsirikul	3,763,680	0.56
Total	**70,776,909**	**10.54**
Other Shareholders for 1,825 in Total	**145,810,622**	**21.72**
Grand Total	**671,440,890**	**100.00**

Report of the Change in Shareholding of Directors and Executive, Spouses and Non-legal Adult Children in 2020

Director and Executive	Number of Common Shares of the Company as at 1st January 2020	Number of Common Shares of the Company as at 31st December 2020	Change in Number of Common Shares of the Company in 2020
1. Mr. Theerachai Prasitrattanaporn	75,635,350	68,135,350	(7,500,000)
2. Mr. Theerayut Prasitrattanaporn	75,635,350	94,135,350	18,500,000
3. Dr. Theerasak Prasitrattanaporn	75,635,350	94,135,350	18,500,000
4. Mr. Teeraphong Prasitrattanaporn	75,131,014	93,631,014	18,500,000
and Spouse	504,336	504,336	-
5. Mr. Thanakorn Sukkanjanondh	-	-	-
6. Pol.Lt.Col. Amarin Niamsakul	-	-	-
7. Dr. Thanu Kulachol	-	-	-
8. Mrs. Chollada Isarankura Na Ayudhya	-	-	-
9. Mr. Aphichart Chankiatkong	-	-	-

Note: Only Mr.Teeraphong Prasitrattanaporn's spouse or Ms. Suchada Kanchanawathasilp, who holds shares of the company. For other directors and executives, their spouses and non-legal adult children do not hold shares of the company.

Organization Chart as of December 31, 2020



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 structure of the board of directors and the executives consists of 7 committees as follows

1) Board of Directors,
2) Nomination Committee,
3) Remuneration Committee,
4) Risk Management Committee,
5) Audit Committee,
6) Executive Committee, and
7) The Executives of the Company.

1) Members of Board of Directors as ended on 31st December 2020

Name-Family Name	Position
1. Dr. Thanu Kulachol	Chairperson of Board of Directors/ Independent Committee /Chairperson of Audit Committee
2. Mr. Theerachai Prasitrattanaporn	Chief Executive Officer
3. Mr. Theerayut Prasitrattanaporn	Director
4. Mr. Teeraphong Prasitrattanaporn	Director
5. Dr. Theerasak Prasitrattanaporn	Director
6. Mrs. Chollada Isarankura Na Ayudhya	Independent Committee /Audit Committee
7. Mr. Aphichart Chankiatkong	Independent Committee /Audit Committee

Note: Members of Audit Committed with knowledge and expertise in financial report review and verification are Dr. Thanu Kulachol and Mr. Aphichart Chankiatkong.

Authorized Director

From Mr. Teerachai Prasitrattanaporn, Mr. Teerayut Prasitrattanaporn, Mr. Teerapong Prasitrattanaporn and Dr. Teerasak Prasitrattanaporn, two of these four directors jointly sign and affix the company's seal.

Scope of Duties of the Board of Directors

The board has to perform duties in accordance with the laws, objectives and regulations of the company, as well as resolutions of the shareholders' meeting with honesty with the focus on the interests of the company.

1) Being responsible to shareholders on a regular basis, performing business by protecting shareholders' benefits, disclosing accurate, complete and standardized information to investors;

2) Determining the company's policy and direction;

3) Considering and approving the approval authority chart;

4) Supervising and controlling the management to work in accordance with the specified policies with efficiency in order to maximize the economic value of the business.

5) Considering and approving the investments for business expansion, as well as the participation in joint ventures with other entrepreneurs.

6) Responsible for preparing financial reports for the auditor to audit and/or review, and submit to the audit committee.

7) Appointing of the Executive Committee and determining scope of duties and responsibility of the executive committee.

A director or any other person that has or may have conflicts of interest or other stakes with the company does not have the right to vote on that matter.

In addition, in the following cases, approval must be obtained from a board meeting and shareholder meeting with a vote of no less than 3 in 4 of the total votes of the shareholders who attend the meeting and have the right to vote.

- Sale or transfer of a business of the company, or any substantial part thereof;
- Purchase or receipt of the transfer of business of any other company or private company to be under the ownership of the company;
- Making, edition or termination of any contract relating to the lease of the whole or substantial parts of a business of the company, the assignment for other people to manage the company's business or the merger of businesses with any other entity, with the objective of sharing profit and loss;
- Amendment of memorandum of association or regulations; and
- The increase and reduction of authorized capital, debenture issuance, and the merger or dissolution of the company.

In addition, the Board of Directors has appointed 3 sub-committees, namely the Nomination Committee, Remuneration Committee and Risk Management Committee, with the name-lists and responsibilities of members, as follows.

2) Nomination Committee as ended on 31st December 2020

Name-Family Name	Position
1. Dr. Thanu Kulachol	Chairperson of Nomination Committee
2. Mrs. Chollada Isarankura Na Ayudhya	Member of Nomination Committee
3. Mr. Aphichart Chankiatkong	Member of Nomination Committee
4. Mr. Theerachai Prasitrattanaporn	Member of Nomination Committee
5. Mr. Theerayut Prasitrattanaporn	Member of Nomination Committee

Scope of Power and Responsibilities of the Nomination Committee

Nomination Committee has to consider the criteria and process of nomination and recruitment of suitable people to hold the positions of directors and senior executives, including the selection of people in accordance with the specified recruitment process, with the following duties and responsibilities:

1) To consider the criteria, policies and procedures for the nominating qualified people for the positions of directors and sub-committees of the company, to the Board of Directors;
2) To nominate, select and propose a person to be a director or sub-committee of the company in the event that the position becomes vacant due to the expiration of the term and in other cases, which will be submitted to the Board of Directors and presented to the quorum of a shareholder meeting for approval and appointment as a director;
3) To consider the suitability of the structure and the composition of the board of directors including to review the qualifications and to evaluate the director whose term has expired; and
4) To perform other duties related to the nomination as assigned by the Board of Directors.

3) Remuneration Committee as ended on 31st December 2020

Name-Family Name	Position
1. Dr. Thanu Kulachol	Chairperson of Renumeration Committee
2. Mrs. Chollada Isarankura Na Ayudhya	Member of Renumeration Committee
3. Mr. Aphichart Chankiatkong	Member of Renumeration Committee
4. Mr. Theerachai Prasitrattanaporn	Member of Renumeration Committee
5. Mr. Teeraphong Prasitrattanaporn	Member of Renumeration Committee

Scope of Power and Responsibilities of the remuneration Committee

Remuneration Committee considers the criteria regarding the remuneration and benefits of directors and senior management and provides opinions to the Board of Directors, along with the following duties and responsibilities:

1) To consider policies and guidelines related to remuneration and other benefits of high-level executives by determining compensation that is appropriate to the responsibility and in line with the company's performance and market conditions, which have to be submitted to the Board of Directors for approval;
2) To consider and set policies and criteria regarding remuneration and other benefits of the members of Board of Directors and all sub-committees by setting the remuneration that is appropriate to their responsibilities and in line with the company's performance and market conditions, which have to be proposed to the quorum of a shareholder meeting for approval;
3) To be responsible for the Board of Directors, to clarify and answer questions about the remuneration of the Board of Directors in a shareholder meeting; and
4) To perform other duties related to the remuneration, as assigned by the Board of Directors.

4) Members of Risk Management Committee as at 31st December 2020

Name-Family Name	Position
1. Dr. Thanu Kulachol	Chairperson of Risk Management Committee
2. Mrs. Chollada Isarankura Na Ayudhya	Member of Risk Management Committee
3. Mr. Aphichart Chankiatkong	Member of Risk Management Committee
4. Mr. Theerachai Prasitrattanaporn	Member of Risk Management Committee
5. Mr. Teeraphong Prasitrattanaporn	Member of Risk Management Committee
6. Dr. Theerasak Prasitrattanaporn	Member of Risk Management Committee
7. Mr. Tanakorn Sukkanjanondh	Member of Risk Management Committee
8. Mrs. Supatchakarn Piamsa-are	Member of Risk Management Committee

Scope of Power and Responsibilities of the Risk Management Committee

Risk Management Committee considers the criteria and policies for risk management to cover the entire organization in order to maximize benefits and to be in line with the company's strategic plan, with the following duties and responsibilities:

1) To consider management policy and plan, and to supervise the company's risk management;
2) To consider and review guidelines and tools for effective risk management, suitable for the natures of risks in all aspects of the transactions that the company has;
3) To follow up and closely monitor signs and various unusual items that may occur as alarms, and to report the risk management results to the Board of Directors; and
4) To give suggestions on matters that need be improved to the Board of Directors in order to be in accordance with the policy and strategy of the company.

5) Member of Audit Committee as ended on 31st December 2020

Name-Family Name	Position
1. Dr. Thanu Kulachol	Chairperson of Audit Committee
2. Mrs. Chollada Isarankura Na Ayudhya	Member of Audit Committee
3. Mr. Aphichart Chankiatkong	Member of Audit Committee

Notes: Members of Audit Committee who have knowledge and experiences in reviewing financial reports are Dr.Thanu Kulachol and Mr.Aphichart Chankiatkong.

Scope of Power and Responsibilities of the Audit Committee

1) To review to ensure that the company has accurate and sufficient financial reports;
2) To review to ensure that the company has an appropriate and effective internal control and internal audit systems, and to consider the independence of the internal audit unit, as well as to give approval to the appointment, transfer, and termination of the head of an internal unit or any other unit responsible for internal auditing;
3) To review to ensure that the company complies with the securities and exchange laws, requirements by SET and laws related to the company's business;
4) To consider, select, nominate and terminate employment of an independent entity to serve as the company's auditor, and to propose the remuneration of the said entity, and to have meeting with the auditor without the management's participation, for at lease once a year;
5) To consider the entries that may be inter-related or any transactions that may have conflicts of interest to be in accordance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and for the maximum benefit to the company;
6) To prepare the report of the Audit Committee in the company's annual report, which must be signed by the Chairman of the Audit Committee and must contain at least the following information:
   a. Comments on the accuracy, completeness, and credibility of the company's financial reports;
   b. Comments on the sufficiency of the company's internal control system;

c. Comments on compliance with the Securities and Exchange (SET) requirements or laws related to the company's business;
d. Comments on the suitability of the auditor;
e. Comments on transactions that may have conflicts of interest;
f. The number of the Audit Committee meetings and attendance of each member of the Audit Committee;
g. Overall opinion or observation that the Audit Committee receives from performing its duties under the Charter;
h. Other transactions that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors;

7) To perform other duties as assigned by the Board of Directors with the approval of the Audit Committee;
8) The Chairman of the Audit Committee and the audit committee shall hold position for a term of 3 years and no more than 9 consecutive years; and
9) The Audit Committee will hold a meeting without the management every quarter.

The 3 audit committees of the company are independent directors who are qualified as in Clause 16 of the Announcement of the Capital Market Supervisory Board Numbered Tho Cho 28/2551, as follows:

1) Holding no more than 1 percent of the total voting shares of the company, the parent company, subsidiaries, joint ventures, major shareholder or the entity with power to control over the company, including the shareholding of related persons of that independent director;
2) Not being or having been a director that participates in management, employee, or advisor who receives a regular salary or a person with controlling power of the company, the parent company, subsidiaries, joint ventures, or same-level subsidiary, major shareholder or those with control of the company, except a case where the committee have not possess the aforementioned characteristics for at least 2 years, provided that the prohibited characteristics do not include the case where an independent director used to be a civil servant or consultant of government agencies which are major shareholders or the controlling entities of the company;
3) Not being a person who has a blood relationship or relationship by legal registration as father, mother, spouse, sibling, and child, including a spouse of a child, of any executive, major shareholder, regulator or the person who will be nominated as an executive or the controlling person of the company or any subsidiary;
4) Not having or having had any business relationship with the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company in a manner that may obstruct his/her independent judgment, and not being or having been a significant shareholder or the controlling entity of the person having a business relationship with the company, parent company, subsidiaries, joint ventures, major shareholders or the controlling entity of the company unless having none of the aforementioned characteristics for at least 2 years;
5) Not being or having been an auditor of the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company, and not being a significant shareholder or regulator or a partner of the audit firm the auditors of which are working for the company, the

parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company, unless having none of the aforementioned characteristics for at least 2 years;

6) Not being or having been a professional service provider, including legal or financial advisory service provider that receives service fees excessing 2 million baht per year the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company, and not being a significant shareholder, regulator or a partner of that professional service provider unless having none of the aforementioned characteristics for at least 2 years;
7) Not being a director appointed to be a representative of the company's director, major shareholder or shareholders who are related to the major shareholder of the company;
8) Not operating any business of the same nature that is a significant competitor with the business of the company or subsidiary, or not being a significant partner in a partnership or being a director that participates in the management, employee, staff member or consultant who receive a regular salary or holding shares exceeding 1 percent of the total voting shares of any other company that operates in the same business and is a significant competitor of the business of the company or subsidiaries; and
9) Not having any characteristics which make him/her incapable of expressing independent opinions regarding the company's business.

6) Members of Executive Committee as ended on 31st December 2020

Name-Family Name	Position
1. Mr. Theerachai Prasitrattanaporn	Chief Executive Officer
2. Mr. Theerayut Prasitrattanaporn	Executive
3. Mr. Teeraphong Prasitrattanaporn	Executive
4. Dr. Theerasak Prasitrattanaporn	Executive

Note: No meeting allowance has been set for members of Executive Committee.

Scope of Power and Responsibilities of Executive Committee

1) To have the power to order the planning and operation of the company in accordance with the policies determined by the Board of Directors of the company;
2) To establish policies and strategies for business operations of the company, within the objective scope;
3) To propose investment plans and/or company funding for the Board of Directors and/or the quorum of a shareholder meeting to approve, as the case may be;
4) To approve the appointment of various consultants that are necessary for the company's operations
5) To have the power to buy, sell, procure, accept, rent, lease, hold, own, possess, improve, use, or manage in any other way, any asset, as well as investments, as the plan that has been approved by the Board of Directors;
6) To have the power to approve the purchase of property the payment of any price that is a result from the company's operations under contracts and/or agreements with trade partners, the details of which are in the approval authority chart determined by the Board of Directors;
7) Within the amount of money authorized by the Board of Directors, the Executive Committee has the power to approve the purchase, procurement, rental, hire-purchase of any property as well as having the power to invest and pay any expenses that is necessary for the company's operations, the details of which are in the approval authority chart determined by the Board of Directors;
8) Within the amount of money authorized by the Board of Directors, the Executive Committee has the power to approve money borrowing, and overdraft from banks that are juristic persons or any other financial institution for the benefit of the company's business, the details of which are in the approval authority chart determined by the Board of Directors; and
9) To have the power to determine the welfare of the employees in accordance with the economic situation and status.

The assignment of authorities and responsibilities of the Executive Committee will not include power and/or delegation of authority to approve any items that the executive or the assignee or a person that may have conflict (as defined in the Announcement of the Capital Market Supervisory Board), stakes or conflicts of interest or other benefits in a way that contradicts with the company, the approval of such a transaction must be proposed to quorum of a board meeting and/or a shareholder meeting (as a case may be) to consider and approve the transaction, as stipulated by the company's regulations or applicable laws.

7) Members of Management Team as ended on 31st December 2020

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

Scope of Power and Responsibility of Managing Director

1) To manage and supervise the company's normal business operations;
2) To perform as assigned by Board of Directors and/or the Executive Committee;
3) To determine and supervise the overall operation in order to comply with the policy set by the Board of Directors and/or the Executive Committee;
4) To have the power to approve the purchase, rental or investment in accordance with the approved plans; or to have the power to approve or cancel purchases, employment, rental, lease, hire-purchase, sale of assets, investment, and payment of prices and expenses that are necessary for the company's operations, the details of which are in the approval authority chart determined by the Board of Directors;
5) To have the power to approve the purchase of property or payment of prices or expenses as a result of the company's operations under contracts and/or agreements with trade partners, the details of which are in the approval authority chart determined by the Board of Directors;
6) To consider the matters of business strategy and fund raising by the company to present to the Board of Directors, and/or the Executive Committee in the order of importance;
7) To have the power to hire, appoint, expel, and dismiss employees at all levels;
8) To have the power to open and close various types of accounts with banks and financial institutions for ease of normal operations of the company, whereby the benefit of the company is considered as the most important factor;
9) To approve the appointment of various consultants necessary for the company's operations through the Board of Directors of the company;
10) To propose management guidelines to the Board of Directors and the Executive Committee for consideration;
11) To assign authorities and responsibilities to senior executives;
12) To summarize operations to be submitted to the Board of Directors and the Executive Committee;
13) To supervise and manage the sales and marketing management section both domestically and internationally; and
14) To define organizational structure and management, covering the matters of selection, training, raise, reward or other compensation, including changes in wages for employees at all levels.

Since the aforementioned authorities and responsibilities are assigned to the managing director, the managing director must comply with the terms and the various agenda approved by the Board of Directors and will not include power and/or sub-authorization to approve any matter that the managing director, assignee or any other person that may have conflicts (as defined in the Announcement of the Capital Market Supervisory Board), stakes or interest or other benefits in a way that contradicts the company. The approval of such a transaction must be proposed to the quorum of a board meeting and/or a shareholder meeting (as a case may be) to consider and approve the transaction on the bases of the company’s regulations or applicable laws.

As for any action other than the aforementioned ones, the managing director cannot take it unless being assigned to do it from time to time by the quorum of a board meeting.

Note: The approval authority chart has the following details:

Unit: Baht

Position	Movable Properties	Immovable Properties	Procurement of Products and Raw Materials from Foreign Country	Procurement of Products and Raw Materials from Local Suppliers	Money Borrowing from Financial Institutes
	Buy/Sell per time	Buy/Sell per time	Per Time	Per Time	
Director of the Board	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	-

Nomination of Directors and Executives

Selecting directors or executives, the company has established Nomination Committee to nominate audit committees, renumeration committees and risk management committees. People appointed to be committees and executives of the company have to be qualified as in Section 68 of the Public Company Act B.E. 2535 (A.D. 1992) and the Announcement of the Capital Market Supervisory Board Numbered to Cho. 28/2551 on the request for permission and the permission for the offering of newly issued shares dated December 15th, 2008, consisting of the following compositions and criteria.

1) Composition and Nomination of the Board of Directors

1.1) The company shall have a board of directors for running the operations of the company, consisting of at least five (5) directors, no less than half of which must reside in the Kingdom, and the company's directors must meet all requirements by law. Directors may or may not be the shareholders of the company.

1.2) The quorum of a shareholder meeting shall appoint the directors according to the rules and method as follows:

1.2.1) A shareholder has a vote equivalent to one (1) share per one (1) vote;

1.2.2) Each shareholder may use all the votes he/she has under 2.1 to elect one or many persons to be directors, in case where many persons are to be selected as directors, the votes may not be allocated uneven votes for any single nominee; and

1.2.3) The persons receiving the most votes in descending order shall be elected as directors, the total number of which should be as required or to be elected at that time; in case of tie votes

for more nominees than the available position, the chairman of the meeting is to give the decisive vote.

1.3) In every annual meeting, one-third (1/3) of the directors at that time should leave their positions. If the number of directors cannot be divided into three, the number of directors to be dismissed should be closest to one-third (1/3) and the directors whose terms are over may be re-elected to take up the position. The directors that must leave the positions in the first and second years after the registration of the company may be selected to leave by being drawn. As for following years, the director holding the position for the longest period of time has to leave the position.

1.4) Any director who resigned from the position shall submit a resignation letter to the company. The resignation will be effective from the date of resignation to the company.

1.5) The quorum of a shareholder meeting may pass a resolution to dismiss any committee member before the expiration of his/her term, with the votes from no less than three-fourths (3/4) of the number of shareholders present and having the right to vote, and the total number of shares must not be less than half of the shares held by the shareholders attending the meeting and having voting right.

1.6) In case where the position of the director is vacant for any reason other than the expiration of the term, the board of directors shall select a person who is qualified and has no prohibited characteristics under the law on public limited companies or the law on securities and stock exchange to be the replacement in the next board meeting, unless the remaining time of the term of that director is less than two (2) months. The person appointed as the replacement will for the remaining time of the term of that director. The resolution of the board as in the first paragraph shall be based on the votes of no less than three-fourths (3/4) of the number of the remaining directors.

1.7) The board of directors shall select one director to be the chairman of the board. In case where the committee deems appropriate, one or more directors can be selected as vice chairmen. A vice-chairman has duties according to the regulations of the company as assigned by the chairman.

2) Composition and Nomination of the Audit Committee

An audit committee of the company must be a director appointed by the Board of Directors, and must be qualified, as required by the Securities and Exchange law and SET, including announcement, regulations and/or rules of the Stock Exchange of Thailand, and the total number must be no less than 3 and at least 1 audit committee must have accounting and financial knowledge.

3) Composition and Nomination of the Executive Committee

The executive committees must be a directors and/or executives of the company, who have been appointed by the Board of Directors, in the number that the Board of Directors deems appropriate and the Board of Directors will appoint an executive committee to be the chairman of the Executive Committee.

4) Composition and Nomination of the Managing Director

The company has criteria and process for the selection of the Managing Director as follows.

4.1) Having the qualifications of a director in accordance with the criteria specified by the company;

4.2) Being knowledgeable, capable and experienced in the field of lighting industry management;

4.3) Managing Director position is for the person who can hold a position in the registered company or Teera-Mongkol Industry Public Company Limited only and holding other positions in no more than 4 non-registered companies as follows:

- Private companies or other companies that does not run the business of lighting equipment like the company and not competing with the business of the company or having no conflict of interest with the company, but not holding the position of Chief Executive Officer or Managing Director of such companies; and
- Public charitable organizations or places for the public interest or for education; and

4.4) The Nominating Committee will be the recruiter in accordance with the criteria and procedures for the selection of the person to be the Managing Director.

Board of Directors

Dr.Thanu Kulachol **80 years**	**Education**	**Professional Experiences** **(last 5 years)**
 Percentage of Shareholding **-none-**	**Doctoral Degree** ● Ph.D. (Higher Education), Southern Illinois University, U.S.A. **Master's Degree** ● M.B.A. (Finance) Magna Cum Laude, Fairleigh Dickinson University, U.S.A. **Certificate** ● Higher Diploma in Business Administration, Bangkok University and Fairleigh Dickinson University, U.S.A. ● UNESCO/CIOS Management Teacher Training Course, Malaysia ● Advanced Management Program (AMP), Harvard University, U.S.A. ● Diploma, National Defence College, The Joint State - Private Sector Course Class (2), Thailand National Defence College ● Director Accreditation Program (DAP) ● Class 68/2008 ● Thai Institute of Directors Association **Training in 2020** -	● **2020 – Present** President, Chairman of the Audit Committee, Independent Director, Chairman of the Nominating Committee, Chairman of the Remuneration Committee, and Chairman of the Risk Management Committee Teera-Mongkol Industry Public Company Limited ● **2019 – Present** Council Member, Huachiew Chalermprakiet University ● **2016 – Present** Chairman of the Board Siam Power Co., Ltd. ● **2016 - Present** Chairman of the Board TPC Asset Co., Ltd ● **2013 - Present** Chairman of the Board TPC Power Holding Public Company Limited ● **2009 – Present** Council Member, Bangkok University ● **2008 – Present** Chairman of the Board Thai Polycons Public Company Limited ● **2007 – Present** President Emeritus, Bangkok University

Mr. Theerachai Prasitrattanaporn 47 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding 10.15%	**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 2020** -	● **2020 –present** Director, Chairman of Executive Committee, Managing Director, Nomination Committee, Remuneration Committee, and Risk Management Committee Teera-Mongkol Industry PCL ● **2009 – 2020** 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 46 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding 14.02%	**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 2020** -	● **2020 –present** Director, Executive Director, Deputy Managing Director, and Member of the Nomination Committee Teera-Mongkol Industry PCL ● **2009 –2020** 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 44 years	Education	Professional Experiences (last 5 years)

Percentage of Shareholding

13.95%

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 2020

-

- **2020 - present**
  Director, Executive Director, Deputy Managing Director, and Member of the Remuneration Committee
  Teera-Mongkol Industry PCL
- **2009 – 2020**
  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 41 years	Education	Professional Experiences (last 5 years)

Percentage of Shareholding

14.02%

Doctoral Degree

- Doctor of Philosophy (Information Technology)
  Assumption University

Bachelor's Degree

- Master of Science (Software Engineering)
  San Jose State University, USA

Bachelor's Degree

- Bachelor of Engineering (Computer)
  Assumption University

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 2020 -

- **2020 – present**
  Director, Executive Director Deputy, Managing Director and Risk Management Committee
  Teera-Mongkol Industry PCL
- **2009 – 2020**
  Committee, Executive Committee, and Deputy Managing Director
  Teera-Mongkol Industry PCL
- **2000 –2008**
  Committee and IT and Administration Manager
  Teera-Mongkol Industry Co., Ltd.

Mrs.Chollada Isarankura Na Ayudhya 62 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding -None-	**Master's Degree** ● MBA (Management) Kasetsart University **Bachelor's Degree** ● Bachelor of Arts (Economics) Chiangmai University **Certificate** ● Director Accreditation Program (DAP) Class of 146/2018 Thai Institute of Directors **Training in 2020** -	● **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 48 years	Education	Professional Experiences (last 5 years)
 Percentage of Shareholding -None-	**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 2020** -	● **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 ● **2018–2019** Accounting and finance director JCK Hospitality Public Co.,Ltd. ● **2018– present** Financial and Administration Consultants Bangkok Christian College ● **2017– 2018** Finance and accounting manager Crepes and Co. Development Co., Ltd. ● **1997 – 2019** Senior Accounting Sumitomo Electric (Thailand) Ltd

Security Holding of Board of Directors and Executive Committee

as ended on December 31, 2019

Name	Current Position	Number of Shares	Percentage (%)*
Dr.Thanu Kulachol	President, Chairman of the Audit Committee, Independent Director, Chairman of the Nominating Committee, Chairman of the Remuneration Committee, and Chairman of the Risk Management Committee	0.00	0.00
Mr.Theerachai Prasitrattanaporn	Director, Chairman of Executive Committee, Managing Director, Nomination Committee, Remuneration Committee, and Risk Management Committee	68,135,350	10.15
Mr.Theerayut Prasitrattanaporn	Director, Executive Director, Deputy Managing Director, and Member of the Nomination Committee	94,135,350	14.02
Mr.Teeraphong Prasitrattanaporn and spouse	Director, Executive Director, Deputy Managing Director, and Member of the Remuneration Committee	93,631,014	13.95
Dr.Theerasak Prasitratanaporn	Director, Executive Director Deputy, Managing Director and Risk Management Committee	94,135,350	14.02
Mrs.Chollada Israngkura 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 ended on December 31, 2020. Total share is 671,440,890.

Remuneration

1) Monetary Remuneration

1.1) Remuneration for Directors

Remuneration

The company has set the remuneration for directors for no more than 2,500,000 baht per year.

Meeting Allowances

The company set remuneration for board of directors and subcommittees according to the regulations on remuneration and meeting allowances for directors of the company as following;

Directors	Meeting Allowances / time (baht)
Board of Directors	
- Chairman of the board	10,000
- Each director	5,000
Audit Committee	
- Chairman of the audit committee	20,000
- Each audit committee	15,000
Nomination Committee	
- Chairman of the nomination committee	6,000
- Each nomination committee	5,000
Remuneration Committee	
- Chairman of remuneration committee	6,000
- Each remuneration committee	5,000
Risk management committee	
- Chairman of the risk management committee	6,000
- Each risk management committee	5,000

The details of the remuneration for the directors of the board in 2020 are as follows.

Order	Namelist		2020
1.	Dr.Thanu Kulachol		277,500
2.	Mr.Theerachai	Prasitrattanaporn	91,000
3.	Mr.Theerayut	Prasitrattanaporn	35,000
4.	Mr.Teeraphong	Prasitrattanaporn	45,000
5.	Dr.Theerasak	Prasitratanaporn	40,000
6.	Pol.Maj.Gen. Amarin	Niamsakul	115,500

Order	Namelist		2020
7.	Mrs.Cholada	Isarangkura Na Ayutthaya	360,000
8.	Mr.Aphichart	Chankiatkong	360,000
9.	Mr.Thanakon	Sukkanchananon	20,000
10.	Mrs Suphatchakan	Piamsa-at	20,000

1.2) 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	2020	
	Number (People)	Amount (Baht)
Total	5	8,192,417

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

1.3) 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, Mr. Pradit Rodloithuk, Certified Public Accountant whose Registration Number is 218, and Miss Chamaphon Rodloithuk, 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 2020, with total remuneration of 1,250,000 baht (one million, two hundred fifty thousand baht only). In 2020, the company had paid only the audit fee for the amount of 770,000 baht (seven hundred seventy 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	770,000.00
Teera-Mongkol Green Energy Company Limited	50,000.00
Teera-Mongkol Energy Company Limited	50,000.00
Green Earth Energy Company Limited	200,000.00
Global Utility Supply Company Limited	130,000.00
Green Saving Energy Thailand Company Limited	50,000.00
Total	**1,250,000.00**

Non-Audit Fee

The company has paid the fee for the verification for compliance with conditions of BOI in 2020 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 Directorsmeeting of Teera-Mongkol Industry Public Co., Ltd. no. 2/2021, held on February 22, 2021, there were three (3) audit committees attending the meeting and evaluate sufficiency of the Company's internal control system 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 orientationfor 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] The company should determine the internal control according to the anti-corruption measures to be suitable to the risks of the company.

Questions	Yes	No
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;	✓	

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 an 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.	✓	

Questions	Yes	No
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.	✓	
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.	✓	

Questions	Yes	No
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.	✓	
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.	✓	

Questions	Yes	No
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.	✓	
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.	✓	

Question	Yes	No
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 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 & CommunicationSystem

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.	✓	

Questions	Yes	No
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 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
(ดร.ธนู กุลชล)

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

ลงชื่อ.....กรรมการตรวจสอบ
(นายอภิชาติ ชาญเกียรติก้อง)

Details on the Head of Internal Audit and Compliance Supervisor

The company has focused on company's internal control considerably. In oder to conduct internal control independently and caustiouly 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 2020 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:	- 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:	- Working more than 26 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

Report of Board of Directors' Responsibilities toward Financial Statement

The company's management has prepared the financial statements ended as ended on December 31, 2020 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 ended on December 31, 2020 represented the accurate financial status and reliable operational performance in accordance with the Generally Accepted Accounting Principles in Thailand and related laws and regulations.

(Dr.Thanu Kulachol)

Chairman of the Board of Directors

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.

Connected Transaction

- None -

Report of Audit Committees and Corporate Governance for the Year 2020

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

Dr.Thanu Kulachol
Chairman of Audit Committee

Mr. Apichart Charnkiatkong
Audit Committee

Mrs. Chollada Israkura 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 2020, the Audit Committees held 4 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	1/1
2. Dr.Thanu Kulachol	3/3
3. Mrs.Chollada Israkura Na Ayudhya	4/4
4. Mr. Apichart Charnkiatkong	4/4

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 2020 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

Regarding 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 2021 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.

(Dr.Thanu Kulachol)

Chairman of Audit Committee

Teera - Mongkol Industry Public Company Limited

Management Discussion and Analysis (MD&A)

1. Business Performance

1.1 Overview of the Past Performance

From the overview of the company, it was found that over the past 3 years, from 2018 - 2020, the company has had operating income equivalent to 392.21 million baht, 392.00 million baht, and 448.86 million baht, respectively. In the period of 2018 - 2020, the company has total revenue of 396.07 million baht, 394.25 million baht and 449.49 million baht, respectively. Sales revenue increased because of sales revenues from exported merchandises and services, and the fact that the company has launched more products to the market, which are warmly welcome, leading to the rise of the overall revenue from the former year.

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 3.88 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 11.35% of the total operating income. Furthermore, in 2020, the company has generated income from the sale of electricity (power) for 35.59 million baht or 7.95 percent of revenue from operation.

As for the company's net profit in the period of 2018 - 2019, the company had a net loss of 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. At the same time, in 2020, the Company has the net profit of the parent company of 14.39 million baht, with the main reason being the rise of the sale of electrical appliances.

1.2 Performance

Income

In 2018, 2019 and 2020, the company had sales revenue of 392.21 million baht, 392.00 million baht and 448.86 million baht, respectively, while other incomes were 3.86 million baht, 2.25 million baht and 1.63 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 years 2018 to 2020 are 396.07 million baht, 394.25 million baht and 449.49 million baht, respectively.

In 2018, 2019 and 2020, the company has the highest proportion of sales of electrical bulbs and accessories, i.e. 52.28%, 45.45% and 40.47%of total revenue, respectively, followed by the products in electric lamp group with sales proportions of 38.63%, 39.10% and 49.29% of total revenue, respectively, and for the

proportion of sales of electrical lighting and convenient products, representing 7.14%, 7.17% and 6.23 of total revenue, respectively.

In addition, in 2018, 2019 and 2020, the consolidated financial statements of the company has recognized revenue from the electricity generation and distribution business in the amount of 15.23 million baht, 44.50 million baht and 35.59 million baht, or accounting for 3.88%, 11.35% and 7.95% of operating income, respectively.

The ratios of income structure sorted by businesses and product categories in the period of 2018-2020 can be shown as follows:

Product Category	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Lighting Product Manufacture and Distribution Business						
1.1 Light Bulbs and Accessories	207.05	52.28	178.39	45.25	182.92	40.70
1.2 Light Lamps	153.00	38.63	154.15	39.10	221.52	49.29
1.3 Lighting Equipment and Convenient Products	28.30	7.14	28.28	7.17	28.02	6.23
Less Discount	(11.37)	(2.87)	-13.32	-3.38	-20.20	-4.49
2. Electricity Generating and Distribution Business						
2.1 Income from Electricity Sale	15.23	3.85	44.50	11.29	35.59	7.92
Sales Revenue - Net	**392.21**	**99.03**	**392.00**	**99.43**	**447.86**	**99.64**
Other Incomes	3.86	0.97	2.25	0.57	1.63	0.36
Total Income	**396.07**	**100.00**	**394.25**	**100.00**	**449.49**	**100.00**

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.

In 2020, the company has had operating income of 447.86 million baht, or an increase of 14.25 percent, compared with the total sales revenue of 2019. The company has enjoyed the increase of sales revenue mainly from the electrical equipment product line because of sales revenues from exported merchandises and services, and the fact that the company has launched more products to the market, which are warmly welcome. Meanwhile, revenue from electricity sales of subsidiaries has decreased slightly.

As for the proportion of revenue classified by geography in 2018, 2019, and 2020, the company has sales revenue in the ratio of domestic sale to foreign sale, which in 2018, is approximately 98 percent to 2 percent and

in year 2019 the ratio is approximately 98 percent to 2 percent. Meanwhile, the ratio in year 2020 is 97 percent to 3 percent, with the majority of the domestic sales being the sales to retailers and stores that are dealers. 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 lights, especially the products from China that have cheaper price. This has decreased the sale of company's products that are exported to foreign countries.

The company has other incomes in 2018, 2019, and 2020, equivalent to 3.86 million baht, 2.25 million baht and 1.63 million baht, respectively, or 0.97 percent, 0.57 percent and 0.36 percent of operating income, respectively. Other incomes consist of revenue from the sale of scrap raw materials, revenue from exports and interest income.

Sales Cost and Expense

The company has a proportion of cost of goods sold in electrical equipment to operating income in 2018, 2019 and 2020, of 68.00 percent, 58.91 percent and 59.44 percent, respectively, which means the costs of sales are 266.71 million baht, 230.91 million baht and 266.20 million baht, respectively.

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 proportion of cost of electricity sale to revenue from electricity sales of 68.20 percent.

In 2020, the sales cost of goods in electrical equipment group is 266.20 million baht or 64.57 percent of the total income from the sale of goods in electrical equipment group. The company also has the sales cost of electricity (power) of 27.72 million baht or equivalent to the proportion of cost of electricity sale to revenue from electricity sales of 77.87 percent.

In 2018, 2019 and 2020, the company has the proportions for distribution and administrative expenses to revenue from operations of 34.04 percent, 34.03 percent, and 30.08 percent, respectively, or worth 134.81 million baht, 134.16 million baht and 136.33 million baht respectively.

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 which has decreased from 2018 for 1.30 million baht, representing a decrease of 1.72 percent due to the reduction of overtime pay.

For the year 2020, the company has the cost of distribution equal to 64.96 million baht, increasing from the year 2019 for 5.16 million baht or equivalent to an increase of 8.62 percent because there have been more promotional activities; and the administrative expenses in 2020 is 70.26 million baht which has decreased from

2018 for 4.10 million baht, representing a decrease of 5.52 percent due to the decrease of financial consultant fee and allowance for doubtful accounts.

Regarding the financial costs of the company in 2018, 2019 and 2020, the proportion was 1.46 percent, 2.47 percent and 1.95 percent of total revenue from operations respectively, or the cost of finance was 5.72 million baht. 9.69 million baht and 8.76 million baht, respectively.

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. Additionally, the financial cost of 2020 is 8.76 million baht, decreasing from 2019 for 0.93 million baht or for 9.54 percent because of the decrease of interest from promissory notes.

Gross Profit Rate and Net Profit Rate

The company's gross profits in 2018, 2019, and 2020 are 29.39 percent, 33.35 percent, and 34.37 percent of total revenue from operations, respectively, or the gross profit is 115.28 million baht, 130.73 million baht, and 153.94 million baht, respectively. In 2020, the company had a higher gross profit margin than 2019 because the ratio of sales cost of goods to sales revenue from the production and distribution of electrical equipment business in 2020 decreased from 2019. In addition, the company can manage costs more effectively.

Concerning the net profit of the company, it was found that the company's net loss in 2018 and 2019 is (18.02) million baht and 8.58 million baht, representing a net loss rate of 4.55 percent and 2.18 percent of total revenue, respectively. In 2020, the company has net profit for the parent company of 14.39 million baht or 3.20 percent. 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 incident where the cost and expense management of the company has been more efficient. In 2020, the company has enjoyed net profit for the parent company because of the increase of revenue from the sale of electrical equipment and the efficiency of the cost and expense management of the company.

As for the return on equity, it has been found out that in 2018, 2019 and 2020, the company has the return on equity equal to -9.06 percent, -4.64 percent and 7.67 percent, respectively. The shareholders' equities in 2018 and 2019 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, in 2020, the return on equity has become positive because the company has enjoyed profitability from the operations and increased revenue from the sale of merchandises in the group of electrical equipment.

2. Financial Status of the Company

2.1 Assets

Current Assets

As of December 31st, 2018, 2019 and 2020, the company has total current assets worth 244.07 million baht, 217.26 million baht and 228.71 million baht, respectively, divided into 2 important entries, which are net trade receivables and inventories, details of which are as follows.

1) **Trade Receivables**

As of December 31st, 2018, 2019 and 2020, the values are 120.08 million baht, 108.13 million baht and 116.92 million baht, or the proportion to total asset value is 28.47 percent, 25.50 percent and 25.31 percent, respectively. As for the ability to collect debt, it is discovered that the company has an average collection period of 110 days, 114 days and 100 days in 2018, 2019 and 2020, respectively.

As of 31st December 2020, the company has a total amount of trade receivables and accrued receivables of 116.92 million baht, consisting of 112.78 million baht net trade receivables and 4.15 million baht accrued receivables from power plant business. The information on trade receivables classified by age of accounts is as follows.

Table of Trade Receivable as at December 31st, 2020, Sorted by Period of Time of Outstanding Debt

	Unit: Million Baht	Proportion
Value of Trade Receivables		
Not Due	108.24	84.30%
Overdue		
- Less than 3 months	3.90	3.04%
- 3 months to 6 months	2.96	2.31%
- 6 months to 12 months	2.18	1.70%
- Longer than 12 months	11.12	8.66%
Total Trade Receivables	128.40	100.00%
Less Allowance for Doubtful Debt	(11.48)	
Total Trade Receivables	**116.92**	

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% – 0.38%
1 – 3 months	0.75% – 12.00%
3 – 6 months	20.00%
6 – 12 months	20.00%
12 months or upward	53.00% – 100.00%

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) Inventory

As ended on December 31st, 2018, 2019 and 2020, the values are 111.13 million baht, 89.33 million baht and 87.66 million baht, or the proportion to total asset value was 26.35 percent, 21.07 percent and 18.98 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 ended on 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 ended on 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.

As ended on 31st December 20120, the company has inventories consisting of finished goods accounting for 78.83%, raw materials accounting for 11.35%, work in process accounting for 7.45% and goods in transit accounting for 2.28 percent of the net inventories, respectively. As of December 31st, 2020,

the company has reduced inventories from December 31st, 2019, for 1.67 million baht, mainly due to the reduction of goods in transit.

Considering the average product selling period in 2018, 2019 and 2020, the company has found out that the average product selling period is 136 days, 145 days, and 117 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.

Non-current Assets

As ended on December 31st, 2018, 2019 and 2020, the company has total non-current assets of 177.71 million baht, 206.73 million baht and 233.17 million baht, respectively. The important entry of non-current assets is land, building and equipment, with the value as of 31st December 2018, 2019, and 2020 being 135.65 million baht, 136.46 million baht and 156.77 million baht or equivalent to the total asset value of 32.16 percent, 32.19 percent and 33.94 percent., respectively.

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 (GSET) 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.

As for 2020, the company has the value of assets acquired during the year for 25.47 million baht, with the important investments being in the machineries and equipment for 4.02 million baht and for construction of building and installment of equipment for 21.12 million baht. The aforementioned investments are additional investments in Ban Phaeo Power Plant in Samut Sathon Province, with the power generation capacity of 0.99 mw.

Investment 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 ended on December 31st, 2018, 2019 and 2020, the company has total assets of 421.79 million baht, 423.98 million baht and 461.89 million baht, respectively. Total assets as of December 31st, 2020 is 37.91 million baht increasing from account receivables, land, building and equipment, and rights to use.

Liquidity

The Company has the liquidity ratios as of December 31, 2018, 2019 and 2020 equivalent to 1.11 times, 1.08 times and 1.04 times, respectively. Liquidity rate is calculated from current assets to current liabilities.

As ended on 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, 2020, the company has lower liquidity. The main reason is that the total current liabilities has increased. In addition, considering the quick ratio of liquidity, it is found out that the company has the quick ratio as of December 31st, 2018, year 2019 and year 2020, equivalent to 0.60 times, 0.62 times and 0.62 times, respectively.

2.2 Liabilities

Current Liabilities

As ended on December 31st, 2018, 2018 and 2020, the company has total current liabilities of 220.16 million baht, 201.23 million baht and 220.95 million baht, respectively, or the proportion of total liabilities and shareholders equals 52.20 percent 47.46 percent, and 47.84 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, 2018, 2019 and 2029, the company has outstanding balances of 157.40 million baht, 125.14 million baht and 136.21 million baht, or proportion to the value of total liabilities of 37.32%, 29.52% and 29.49%, respectively. For the year 2019, the company has decreased bank overdrafts and short-term loans from financial institutions by 32.26 million baht. Meanwhile, in 2020, the company has bank overdrafts and short-term loans from financial institutions that have increased by 11.07 million baht for being used as revolving fund for business operations.
2) Account payables as of 31st December 2018, 2019 and 2020 are 33.75 million baht, 28.21 million baht and 37.18 million baht, or proportion to total liabilities and shareholders of 8.00%, 6.65% and 8.05%, respectively. The company received 30-60 days of average credit term from creditors.
3) Other payables as of December 31st, 2018, 2019 and 2020 of the company are 21.00 million baht, 27.98 million baht and 26.69 million baht, or the ratio of total liabilities and shareholders equals 4.98% and 6.60% and 5.78 percent, respectively, with important entries being accrued expenses such as accrued promotion expenses, commissions, accrued bonuses, which are in line with the company's income and expenses.

Non-current Liabilities

As ended on December 31st, 2018, 2019 and 2020, the company has total non-current liabilities of 11.76 million baht, 42.92 million baht and 33.94 million baht, or the proportion of total liabilities and shareholders' equity of 2.79 percent, 10.12 percent and 7.35 percent, respectively. As of December 31st, 2018, the outstanding balance of long-term loans from financial institutions of the company has 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 long-term loans from financial institutions that has 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. of December 31st, 2020, the company has outstanding long-term loans from financial institutions that has increased to 17.53 million baht (excluding long-term loans from financial institutions Significant portion due within one year equivalent to 12.80 million baht), representing a value of liabilities and shareholders' equity of 3.79 percent. The long-term loan in 2019 has increased Becca use of the loan for investment in the 1.40 mw power plant in Chumphon Province.

Total Liabilities

As ended on December 31st, 2018, 2019 and 2020, the company has total liabilities of 231.92 million baht, 244.15 million baht and 254.88 million baht, or the proportion of total liabilities and shareholders of 54.98 percent, 57.59 percent and percent. 55.18, 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. Total liabilities in the year 2020 increased by 12.23 million baht from overdraws and short-term loans from financial institutions.

2.3 Shareholder's Equity

As ended on December 31st, 2018, 2019 and 2020, the company has shareholders' equity equivalent to 189.87 million baht, 180.00 million baht and 195.32 million baht, or the proportion of total liabilities and shareholders of 45.02 percent, 42.25 percent and 42.29 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, 2018, 2019 and 2020 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, 2018, 2019 and 2020 is equal to 45.29 million baht, from the initial public offering of 80.00 million shares since 2010;
3) The retained earnings appropriated for the legal reserve as of 31st December 2018, 2019 and 2020 are equal to 10.51 million baht, 10.51 million baht and 11.21 million baht, respectively; and

4) As for un appropriated retained earnings as of December 31st, 2018, 2019 and 2020, the accumulate profit (loss) is (33.79) million baht, (43.73) million baht and (29.10) million baht, respectively. The change in accumulated profit (loss) is caused from performance in each year.

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

Net Cash Obtained from (Spent on) Operating Activities

The company has obtained cash from operating activities equivalent to 40.66 million baht. The company has operating profit before changes in operating assets and liabilities in the amount of 44.32 million baht. The reason for the company to obtain decreased cash from operating activities in 2020 is the increase of accrued accounts receivable.

Net Cash Obtained from (Spent on) Investing Activities

There is net cash spent on investing activities equivalent to 26.89 million baht. The important investment is the purchase of land, buildings and equipment in case the amount of which is 25.47 million baht, which is the investment in building and equipment for the project of 0.99 mw power plant in Samut Sakhon Province.

Net cash Obtained from (Spent on) Financing Activities

The company has spent net cash on financing activities equivalent to 11.52 million baht. The important entries are Bank overdrafts and short-term loans from financial institutions which has increased for 12.89 million baht and payment of long-term loans from financial institutions which was 14.85 million baht and interest payment of 8.53 million baht.

Considering Cash Cycle ratio, it is found out that for the year 2020, the company has an average collection period of 99 days, an average sale period of 116 days and an average repayment period of 40 days, resulting in the cash cycle of 175 days.

Capital Expenditure

As for the investment expenditures in 2018, 2019 and 2020, the company has made more investments in buildings 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. In 2020, the investment in permanent properties is 25.47 million baht, which is the investment in building and equipment for the project of

0.99 mw power plant in Samut Sakhon Province. The capital expenditure for the period of 2018 - 2020 can be summarized as follows;

Table of Capital Expenditure

(Unit: Million Baht)

	2018	2019	2020
Expenditure for Investment in Permanent Properties	3.39	15.13	25.47
Expenditure for Merger of Business with Cash (Business of Electricity (Power) 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 2018 - 2020 can be summarized as follows.

Financial Statements of Fiscal Round	Auditor	Opinion in Report from Auditor
Fiscal Round of 12 Months, Ending on 31st 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 31st 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 31st 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 31st 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.
Fiscal Round of 12 Months, Ending on 31st December 2020	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 31st December 2020, 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

(Unit: Million Baht)

Summary of Entries	Consolidated Financial Statements /1					
	31st December 2018 (Adjusted)		31st December 2019		31st December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and Cash Equivalent	4.77	1.13%	8.05	1.90%	10.30	2.23%
Account Receivables	126.92	30.09%	115.26	27.18%	127.54	27.61%
Inventory	111.13	26.35%	89.33	21.07%	87.66	18.98%
Right to Returned Goods	0.82	0.20%	3.80	0.90%	2.73	0.59%
Other Financial Current Assets	-	0.00%	-	0.00%	-	0.00%
Other Current Assets	0.44	0.10%	0.82	0.19%	0.49	0.11%
Total Current Assets	**244.07**	**57.87%**	**217.26**	**51.24%**	**228.71**	**49.52%**
Fixed Deposit with Obligation as Security	0.94	0.22%	4.31	1.02%	4.53	0.98%
Land, Buildings and Equipment	135.65	32.16%	136.46	32.19%	156.77	33.94%
Deposit for Property Purchase	4.50	1.07%	2.80	0.66%	3.40	0.74%
Right to Use	-	0.00%	-	0.00%	6.98	1.51%
Right to Lease Land	2.18	0.52%	1.60	0.38%	-	0.00%
Intangible Assets	0.03	0.01%	0.12	0.03%	0.07	0.01%
Right to Generate and Sell Electricity	18.39	4.36%	41.91	9.89%	40.78	8.83%
Goodwill	8.15	1.93%	8.15	1.92%	8.15	1.76%
Deferred Income Tax Asset	6.43	1.53%	8.41	1.98%	10.01	2.17%
Other Non-current Assets	1.45	0.34%	2.96	0.70%	2.48	0.54%
Total Non-current Assets	**177.71**	**42.13%**	**206.73**	**48.76%**	**233.17**	**50.48%**
Total Assets	**421.79**	**100.00%**	**423.98**	**100.00%**	**461.89**	**100.00%**
Overdrawn Money and Short-term Loans from Financial Institutes	157.40	37.32%	125.14	29.52%	136.21	29.49%
Account Payables	33.75	8.00%	28.21	6.65%	37.18	8.05%
Other Payables	21.00	4.98%	27.98	6.60%	26.69	5.78%

Summary of Entries	Consolidated Financial Statements /1					
	31st December 2018 (Adjusted)		31st December 2019		31st December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Long-term Loans with One Year Payment Due Time	-	0.00%	-	0.00%	2.02	0.44%
Liabilities in Lease Contracts with One Year Payment Due Time	6.83	1.62%	14.44	3.41%	12.80	2.77%
Outstanding Income Tax	0.00	0.00%	0.02	0.01%	0.01	0.00%
Other Current Liabilities	-	0.00%	-	0.00%	2.14	0.46%
Estimated Return Payables	1.18	0.28%	5.42	1.28%	3.90	0.84%
Total Current Liabilities	**220.16**	**52.20%**	**201.23**	**47.46%**	**220.95**	**47.84%**
Long-term Loans	1.65	0.39%	30.32	7.15%	17.53	3.79%
Liabilities in Lease Contracts	-	0.00%	-	0.00%	3.80	0.82%
Deferred Income Tax Payable	7.04	1.67%	6.33	1.49%	5.62	1.22%
Obligations of Employees' Benefits	2.77	0.66%	5.97	1.41%	6.69	1.45%
Estimated Cost of Building Abolishment	0.30	0.07%	0.30	0.07%	0.30	0.06%
Total Non-current Liabilities	**11.76**	**2.79%**	**42.92**	**10.12%**	**33.94**	**7.35%**
Total Liability	**231.92**	**54.98%**	**244.15**	**57.59%**	**254.88**	**55.18%**
Authorized Capital	167.86	39.80%	167.86	39.59%	167.86	36.34%
Issued and Paid-up Capital (Shares)	167.86	39.80%	167.86	39.59%	167.86	36.34%
Premium in Share	45.29	10.74%	45.29	10.68%	45.29	9.81%
Capital Gain from Change in Proportion of Shareholding in Subsidiaries	-	0.00%	0.07	0.02%	0.07	0.01%
Accumulated Profit – Appropriated as Reserved Fund by Laws	10.51	2.49%	10.51	2.48%	11.21	2.43%
Accumulated Profit – Unappropriated	(33.79)	(8.01%)	(43.73)	(10.31%)	(29.10)	(6.30%)
Stakes without Autority	-	0.00%	(0.16)	(0.04%)	11.68	2.53%

Summary of Entries	Consolidated Financial Statements /1					
	31st December 2018 (Adjusted)		31st December 2019		31st December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Shareholder's Equity	**189.87**	**45.02%**	**179.83**	**42.41%**	**207.01**	**44.82%**
Total Liability and Shareholder's Equity	**421.79**	**100.00%**	**423.98**	**100.00%**	**461.89**	**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.

- 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.

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

(Unit: Million Baht)

Statements of Comprehensive Income	Consolidated Financial Statements /1					
	31st December 2018 (Adjusted)		31st December 2019		31st December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Income	376.98	96.12%	347.49	88.65%	412.27	92.05%
Electricity Sales Income	15.23	3.88%	44.50	11.35%	35.59	7.95%
Total Income from Sale and Electricity Sale	**392.21**	**100.00%**	**392.00**	**100.00%**	**447.86**	**100.00%**
Sales Cost	266.71	68.00%	230.91	58.91%	266.20	59.44%
Electricity Sales Cost	10.23	2.61%	30.35	7.74%	27.72	6.19%
Gross Profit	**115.28**	**29.39%**	**130.73**	**33.35%**	**153.94**	**34.37%**
Other Income	3.86	0.98%	2.25	0.57%	1.63	0.36%
Profit before Expenses	**119.13**	**30.37%**	**132.99**	**33.93%**	**155.57**	**34.74%**
Distribution Expense	59.15	15.08%	59.80	15.26%	64.96	14.50%
Managerial Expense	75.66	19.29%	74.36	18.97%	70.26	15.69%
Total Expense on Sale and Management	**134.81**	**34.37%**	**134.16**	**34.23%**	**135.22**	**30.19%**
Profit (Loss) before Financial Cost and Income Tax	**(15.68)**	**(4.00%)**	**(1.18)**	**(0.30%)**	**20.35**	**4.54%**
Financial Cost	5.72	1.46%	9.69	2.47%	8.76	1.96%
Profit (Loss) before Income Tax	**(21.40)**	**(5.46%)**	**(10.86)**	**(2.77%)**	**11.59**	**2.59%**
Income Tax Expense (Income)	(3.38)	(0.86%)	(2.29)	(0.58%)	(2.50)	(0.56%)
Profit (Loss) for Year	**(18.02)**	**(4.60%)**	**(8.58)**	**(2.19%)**	**14.09**	**3.15%**
Share of Profit (Loss) between the Company and Stakes without Authority	(18.02) -		(8.38) (0.19)		14.39 (0.30)	

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

(Unit: Million Baht)

Summary of Cash Flow	Consolidated Financial Statements		
	2018	2019	2020
Profit (Loss) before Income Tax Expense/Income	(21.40)	(10.86)	11.59
Change of Net Profit Effects to Net Cash Earned from (Spent on) Executions			
Unrealized Loss (Profit) from Currency Exchange Rate	(0.81)	(0.37)	(4.53)
Depreciation and Amortization	12.71	17.00	19.56
Bad Debt and Doubtful Account	0.25	4.08	2.76
Allowance for Refund	(4.01)	(4.12)	0.52
Estimated Return Payables	5.73	5.89	(0.74)
Loss from Product Degradation	4.10	1.91	3.47
Loss (Profit) from Property Dispensation	(0.02)	0.07	0.05
Unrealized Loss from Derivatives	-	-	2.14
Employees' Benefits at Retirement	0.63	1.27	0.73
Interest Expense and Amortization of Allan Capital	5.72	9.85	8.76
Profit (Loss) from operation before Changes in Assets and Liabilities from Execution	**2.89**	**24.72**	**44.32**
(Increase) Decrease of Operation Assets			
Account Receivables	(11.17)	7.87	(13.76)
Other Receivables	(2.19)	1.00	-
Inventory	(1.80)	19.90	(1.81)
Right to Returned Goods	4.05	1.15	0.55
Other Current Assets	(0.10)	(0.38)	0.34
Other Non-current Assets	(0.53)	(0.82)	0.48
(Increase) Decrease of Operation Liabilities			
Account Payables	(2.28)	(5.51	11.51
Other Payables	(5.85)	7.01	-
Estimated Refund Payables	(5.78)	(1.64)	(0.79)
Cash Earned (Paid) from Operations	**(22.75)**	**53.29**	**40.84**
Payment of Income Tax	(0.19)	(0.01)	(0.17)
Net Cash Earned from (Spent on) Operation	**(22.95)**	**53.28**	**40.66**
Increase of Fixed Deposit with Obligation as Security	(0.21)	(3.38)	(0.21)
Cash Deposit for Property Purchase	(2.00)	1.70	(0.60)

Summary of Cash Flow	Consolidated Financial Statements		
	2018	2019	2020
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	0.02	0.00	0.21
Cash Paid to Buy Land, Buildings and Equipment	(3.39)	(15.13)	(25.47)
Cash Paid to buy Rights to Use	-	-	-
			0.81
Cash Paid to buy Computer Programs	(0.01)	(0.14)	-
Net Cash Spent on Investment	**(84.19)**	**(44.40)**	**(26.89)**
Increase (Decrease) of Overdrawn Money and Short-term Loans from Financial Institutes	109.90	(32.01)	12.89
Payment of Debts from Financial Lease	-	-	(1.45)
Cash Payable for Long-term Loans from Financial Institutes	-	(1.55)	-
Receivable from Long-term Loans from Financial Institutes	-	50.00	-
Payable for Long-term Loans from Financial Institutes	(6.65)	(12.33)	(14.85)
Payment of Interest	(5.75)	(9.66)	(8.53)
Cash Paid as Dividend	(0.00)	-	-
		0.05	
Cash Receivable from Shares of Stakes without Authority	-	-	0.42
Net Cash Earned from (Spent on) Fund-raising Activities	**97.50**	**(5.60)**	**(11.52)**
Increase (Decrease) of Cash and Cash Equivalent - Net	**(9.64)**	**3.28**	**2.25**
Cash and Cash Equivalent at the Beginning Day of the Year	14.40	4.77	8.05
Cash and Cash Equivalent at the Ending Day of the Year	4.77	8.05	10.30

3. Table of Significant Financial Ratios

Significant Financial Ratio	2018	2019	2020
LIQUIDITY RATIO			
Liquidity Ratio (Times)	1.11	1.08	1.04
Quick Liquidity Ratio (Times)	0.60	0.61	0.62
Cash Flow Ratio (Times)	- 0.17	0.21	0.15
Receivable Turnover Ratio (Times)	3.33	3.21	3.64
Average Debt Collection Period (Days)	108	112	99
Inventory Turnover Ratio (Times)	2.68	2.52	3.11
Average Sales Period (Days)	134	143	116
Payable Turnover Ratio (Times)	7.94	8.43	8.99
Debt Payment Period (Days)	45	43	40
CASH CYCLE (Days)	197	212	175
PROFITABILITY RATIO			
Gross Profit Ratio (%)	29.39%	33.35%	34.37%
Operation Profit Ratio (%)	-4.00%	-0.30%	4.54%
Net Profit Ratio (%)	-4.55%	-2.18%	3.13%
Return on Equity Rate (%)	-9.06%	-4.64%	7.28%
EFFICIENCY RATIO			
Return on Asset Rate (%)	-4.77%	-2.03%	3.18%
Return on Fixed Asset Rate (%)	-4.33%	-2.13%	3.20%
Asset Turnover Rate (Times)	1.05	-4.53%	7.67%
FINANCIAL POLICY RATIO			
Liability per Shareholder's Equity Ratio (Times)	1.22	1.36	1.23
Interest Payment Capability Ratio (Times)	- 4.60	5.25	4.36
Obligation Payment Capability Ratio (Cash Basis)	- 0.32	0.76	0.78
Dividend Payment Rate (%)	-	-	-

Report of Certified Public Accountant

MASTER CO.,LTD.
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 2020, 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 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 2020, 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. 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

Nongram

Key audit matter and how audit procedures respond are described below.

Revenue recognition

The Group's revenue are mainly derived from the sales of electrical equipment in domestic and export markets which are accounted for 92% 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 Group 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, therefore there are risks with respect to the amount and timing of revenue recognition.

I examined the Group'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 Group'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.

Allowance for obsolescence of inventories

As at 31 December 2020, the Group has inventories amounting to Baht 87.66 million as disclosed in the Note 10 to the financial statement. The inventories account is a significant balance. The Group's market is domestic which high price competition and there are some long-outstanding finished goods which may not be sold at the expected selling price. The Group's accounting policy is to set-up allowance for decline in value of inventories at the lower of their cost and net realisable value and review allowance for decline in value of inventories. Such reviews require high judgment of management level.

My audit procedures included inquiring the management who is responsible for this to obtain the Group's policy in relation to provisioning of inventory. I review the compliance with the Company's accounting policy and randomly test provision of inventory whether it is in accordance with the Group's accounting policy. In addition, my procedures included testing calculation of allowance for decline in value of inventory by comparing the cost of inventories against expected net realisable value from the selling price less selling expense.

Other Information

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

My opinion on the financial statements does not cover the other information and I 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, 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.

Nongnan

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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I 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.

Nongram

AST MASTER

บริษัท เอเอสที มาสเตอร์ จำกัด

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.

NONGRAM LAOHAAREEDILOK
Certified Public Accountant
Registration No. 4334

AST Master Co., Ltd.
22 February 2021

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Financial Statement

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
	NOTES	2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	10,299,041	8,045,753	4,476,251	5,576,416
Trade and other current accounts receivable	9	127,538,310	115,264,661	123,381,229	108,823,333
Short-term loans to related party	7.2	-	-	60,000,000	54,150,000
Inventories	10	87,659,729	89,325,392	87,582,598	89,299,683
Right to recover product	11	2,730,460	3,796,733	2,730,460	3,796,733
Other current assets		486,440	823,935	309,392	637,579
Total current assets		228,713,980	217,256,474	278,479,930	262,283,744
NON - CURRENT ASSETS					
Deposits at banks pledged as collateral	12	4,529,652	4,314,803	1,229,652	1,014,803
Investments in subsidiaries	13	-	-	47,749,700	25,900,800
Property, plant and equipment	14	156,768,469	136,463,380	65,839,053	72,135,285
Deposit for purchase of land		3,400,000	2,800,000	-	-
Right-of-use assets	15	6,978,441	-	6,978,441	-
Leasehold rights of land	4	-	1,595,000	-	1,595,000
Intangible assets	16	67,691	115,478	67,691	115,478
Right to produce and sell electricity	17	40,783,287	41,913,700	-	-
Goodwill	6,18	8,147,981	8,147,981	-	-
Deferred tax assets	26	10,012,047	8,413,915	10,012,047	8,413,915
Other non - current assets		2,484,922	2,962,831	1,690,922	2,168,831
Total non - current assets		233,172,490	206,727,088	133,567,506	111,344,112
TOTAL ASSETS		461,886,470	423,983,562	412,047,436	373,627,856

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

Mr. Teeraphong Prasitratanaporn

Mr. Theerasak Prasitratanaporn

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TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
	NOTES	2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans					
from financial institutions	19	136,212,052	125,141,145	136,212,052	125,141,145
Trade and other current accounts payable	20	63,869,591	56,196,569	60,682,007	51,787,640
Current portion of lease liabilities	22	2,022,256	-	2,022,256	-
Current portion of long - term loans	21	12,795,652	14,443,897	-	1,648,245
Short - term loans from related parties	7.2	-	-	5,000,000	7,000,000
Accrued income tax		5,836	23,603	-	-
Other current financial liabilities	30.6	2,139,733	-	2,139,733	-
Povision for refund liabilities	11	3,900,658	5,423,904	3,900,658	5,423,904
Total current liabilities		220,945,778	201,229,118	209,956,706	191,000,934
NON - CURRENT LIABILITIES					
Lease liabilities	22	3,798,208	-	3,798,208	-
Long - term loans	21	17,527,174	30,322,826	-	-
Deferred tax liability	26	5,617,605	6,330,895	-	-
Non-current provisions for employee benefits	23	6,693,442	5,968,254	6,509,853	5,821,601
Provision for dismantling cost		300,000	300,000	200,000	200,000
Total non - current liabilities		33,936,429	42,921,975	10,508,061	6,021,601
TOTAL LIABILITIES		254,882,207	244,151,093	220,464,767	197,022,535
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		69,149	69,149	-	-
Deficit					
Appropriated for legal reserve	24	11,208,591	10,506,481	11,208,591	10,506,481
Unappropriated		(29,104,514)	(43,727,512)	(32,773,052)	(47,048,290)
Total parent's equity		195,320,356	179,995,248	191,582,669	176,605,321
Non-controlling interests		11,683,907	(162,779)	-	-
TOTAL SHAREHOLDERS' EQUITY		207,004,263	179,832,469	191,582,669	176,605,321
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		461,886,470	423,983,562	412,047,436	373,627,856

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

Mr.Teeraphong Prasitratanaporn

Mr. Theerasak Prasitratanaporn

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TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

In Baht

	NOTE	Consolidated financial statements 2020	Consolidated financial statements 2019	Separate financial statements 2020	Separate financial statements 2019
Sales and service revenue		412,266,197	347,491,535	412,266,197	347,491,535
Sales revenue from electricity		35,594,728	44,504,625	-	-
Cost of sales and service		(266,202,120)	(230,912,996)	(266,202,120)	(230,912,996)
Cost of electricity sales		(27,717,460)	(30,349,913)	-	-
Gross profit		153,941,345	130,733,251	146,064,077	116,578,539
Other income		1,628,753	2,251,898	4,328,394	6,106,095
Profit before expenses		155,570,098	132,985,149	150,392,471	122,684,634
Cost of distributions		(64,957,201)	(59,800,400)	(64,957,201)	(59,800,400)
Administrative expenses		(70,260,874)	(74,362,073)	(67,023,361)	(67,665,826)
Total expenses		(135,218,075)	(134,162,473)	(131,980,562)	(127,466,226)
Profit (loss) from operating activities		20,352,023	(1,177,324)	18,411,909	(4,781,592)
Finance costs		(8,761,995)	(9,685,808)	(6,191,681)	(8,451,453)
Profit (loss) before tax income		11,590,028	(10,863,132)	12,220,228	(13,233,045)
Tax income	26	2,495,525	2,287,295	1,821,979	1,617,146
Profit (loss) for the year		14,085,553	(8,575,837)	14,042,207	(11,615,899)
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		-	(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		14,085,553	(10,134,903)	14,042,207	(13,140,215)
Profit (loss) attributable to:					
Equity holders of the parent		14,389,967	(8,383,407)	14,042,207	(11,615,899)
Non-controlling interests		(304,414)	(192,430)	-	-
		14,085,553	(8,575,837)	14,042,207	(11,615,899)
Comprehensive income attributable to:					
Equity holders of the parent		14,389,967	(9,942,473)	14,042,207	(13,140,215)
Non-controlling interests		(304,414)	(192,430)	-	-
		14,085,553	(10,134,903)	14,042,207	(13,140,215)
Basic profit (loss) per share					
Profit (loss) attributable to equity holders of the parent		0.021	(0.012)	0.021	(0.017)

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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 2020

In Baht

	NOTES	Issued and paid-up share capital	Premium on share capital	Surplus from the changes in the ownership interests in a subsidiary	Deficit: Appropriated for legal reserve	Deficit: Unappropriated	Non-controlling interests	Total
Balance as at 1 January 2019		167,860,223	45,286,907	-	10,506,481	(33,785,039)	-	189,868,572
Sales of investment in subsidiary		-	-	69,149	-	-	29,651	98,800
Loss for the year		-	-	-	-	(8,383,407)	(192,430)	(8,575,837)
Other comprehensive income for the year		-	-	-	-	(1,559,066)	-	(1,559,066)
Total comprehensive income for the year		-	-	-	-	(9,942,473)	(192,430)	(10,134,903)
Balance as at 31 December 2019		167,860,223	45,286,907	69,149	10,506,481	(43,727,512)	(162,779)	179,832,469
Balance as at 1 January 2020		167,860,223	45,286,907	69,149	10,506,481	(43,727,512)	(162,779)	179,832,469
Cumulative effect of change in accounting policy	4	-	-	-	-	935,141	-	935,141
Balance as at 1 January 2020 - restated		167,860,223	45,286,907	69,149	10,506,481	(42,792,371)	(162,779)	180,767,610
Non-controlling interests increased from the capital increasing in subsidiary	13	-	-	-	-	-	12,151,100	12,151,100
Appropriated for legal reserve	24	-	-	-	702,110	(702,110)	-	-
Profit (loss) for the year		-	-	-	-	14,389,967	(304,414)	14,085,553
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	14,389,967	(304,414)	14,085,553
Balance as at 31 December 2020		167,860,223	45,286,907	69,149	11,208,591	(29,104,514)	11,683,907	207,004,263

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

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TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

Mr.Teeraphong Prasitratanaporn

Mr. Theerasak Prasitratanaporn

		In Baht				
		Issued and		Deficit		
		paid-up	Premium on	Appropriated for		
	NOTES	share capital	share capital	legal reserve	Unappropriated	Total
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
Balance as at 1 January 2020		167,860,223	45,286,907	10,506,481	(47,048,290)	176,605,321
Cumulative effect of change in accounting policy	4	-	-	-	935,141	935,141
Balance as at 1 January 2020 - restated		167,860,223	45,286,907	10,506,481	(46,113,149)	177,540,462
Appropriated for legal reserve	24	-	-	702,110	(702,110)	-
Profit for the year		-	-	-	14,042,207	14,042,207
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	14,042,207	14,042,207
Balance as at 31 December 2020		167,860,223	45,286,907	11,208,591	(32,773,052)	191,582,669

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 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
	NOTES	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before tax income		11,590,028	(10,863,132)	12,220,228	(13,233,045)
Adjustments to reconcile profit (loss) to net cash provided by operating activities :					
Unrealized gain on foreign exchange rate		(4,527,191)	(365,272)	(4,527,191)	(365,272)
Depreciation and amortization		19,555,490	17,002,961	8,128,185	7,283,593
Bad debts and expected credit losses (2019: Bad debts and doubtful accounts)		2,764,857	4,076,269	2,764,857	4,076,269
Decrease (increase) in allowance for right to recover product		516,543	(4,121,394)	516,543	(4,121,394)
Increase (decrease) in allowance for goods return		(737,917)	5,887,705	(737,917)	5,887,705
Loss on obsolescence of inventories		3,473,920	1,905,046	3,473,920	1,905,046
Loss on disposal of fixed assets		52,392	67,997	46,975	(1,087)
Unrealized loss on derivative		2,139,733	91,649	2,139,733	91,649
Provisions for employee benefit obligations		725,188	1,270,598	688,252	1,415,442
Interest expense and amortization of borrowing costs		8,761,995	9,685,808	6,191,681	8,451,453
Profit from operating activities before change in operating assets and liabilities		44,315,038	24,638,235	30,905,266	11,390,359
(Increase) Decrease in operating assets					
Trade and other current accounts receivable		(13,763,652)	8,870,998	(16,047,899)	6,549,216
Inventories		(1,808,257)	19,895,022	(1,756,835)	19,920,731
Right to recover product		549,730	1,147,312	549,730	1,147,312
Other current assets		337,495	(383,172)	328,187	(354,069)
Other non - current assets		477,909	(815,811)	477,909	(815,811)
(Decrease) Increase in operating liabilities					
Trade and other current accounts payable		11,514,976	1,412,010	12,731,333	1,224,565
Povision for refund liability		(785,329)	(1,639,017)	(785,329)	(1,639,017)
Cash received from operating activities		40,837,910	53,125,577	26,402,362	37,423,286
Income tax paid		(173,377)	(10,024)	(115,866)	-
Net cash provided by operating activities		40,664,533	53,115,553	26,286,496	37,423,286

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

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
	NOTES	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in deposits pledged as collateral		(214,849)	(3,378,785)	(214,849)	(78,785)
Cash paid for additional investment in subsidiary	13	-	-	(21,848,900)	-
(Increase) decrease in deposit for purchase of land		(600,000)	1,700,000	-	-
Cash paid for purchase of the subsidiaries	6	-	(27,999,839)	-	-
Cash at the date of purchase of the subsidiaries	6	-	438,506	-	-
Cash received from sale of purchase of investment in subsidiary		-	98,800	-	98,800
(Increase) decrease in short-term loans to a subsidiary		-	-	(5,850,000)	9,750,000
Proceeds from disposals of equipment		206,776	3,688	205,374	1,122
Cash paid for purchase of plant and equipment		(25,469,728)	(15,129,810)	(300,588)	(114,006)
Cash paid for purchase of right-of-use assets		(809,800)	-	(809,800)	-
Cash paid for purchase of computer software		-	(136,101)	-	(136,101)
Net cash provided by (used in) investing activities		(26,887,601)	(44,403,541)	(28,818,763)	9,521,030
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (decrease) in bank overdrafts and short - term loans from financial institutions		12,889,068	(32,013,374)	12,889,068	(32,013,374)
Payment for lease liabilities		(1,450,028)	-	(1,450,028)	-
Increase (decrease) in short - term loans from ralated parties		-	-	(2,000,000)	3,000,000
Increase in short - term loans from subsidiaries					
Ir from financial institutions	21	-	(1,550,000)	-	-
Increase in short - term loans from subsidiaries	21	-	50,000,000	-	-
Payment from long - term loans from financial institutions	21	(14,848,245)	(12,328,861)	(1,648,245)	(6,828,861)
Interest paid		(8,529,647)	(9,493,226)	(6,358,693)	(8,810,065)
Dividend paid		-	(49,468)	-	(49,468)
Cash received for shares from non-controlling interests	13	415,208	-	-	-
Net cash provided by (used in) financing activities		(11,523,644)	(5,434,929)	1,432,102	(44,701,768)
Net increase (decrease) in cash and cash equivalents		2,253,288	3,277,083	(1,100,165)	2,242,548
Cash and cash equivalents, beginning of year		8,045,753	4,768,670	5,576,416	3,333,868
Cash and cash equivalents, end of year		10,299,041	8,045,753	4,476,251	5,576,416

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

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Mr. Theerasak Prasitratanaporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
	NOTES	2020	2019	2020	2019
SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION					
Non-cash transactions					
Transfer of assets from non-controlling interests					
from capital increasing in subsidiary	14	11,735,892	999,000	-	-
Reclassify in between intangible assets	17	-	24,654,828	-	-
Increase in lease liabilities		3,239,200	-	3,239,200	-
Decrease in accrued dividends		-	(49,468)	-	(49,468)
Accrued interest expense increase		172,000	-	167,012	-
Accrued rental decrease		(960,924)	-	(960,924)	-
Transfer equipment to right-of-use assets		(1,595,000)	-	(1,595,000)	-
Increase in right-of-use assets		4,665,368	-	4,665,368	-

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 2020

1. GENERAL INFORMATION AND OPERTIONS

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 2020 and 2019, the Company has deficit balances in separate stetaments of financial position were Baht 32.77 million and Baht 47.05 million, respectively, (consolidated statements of financial position were Baht 29.10 million and Baht 43.73 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 belives 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.

Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is currently impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues and will be recorded as the situation has evolved.

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 Thailand Federation of Accounting Professions ("TFAP"); 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 unlees other miss stated.

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

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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CON'T)
FOR THE YEAR ENDED 31 DECEMBER 2020

Company name	Country of incorporation	The date of commencing control	Percentage of holding by company	
			2020	2019
Subsidiaries directly owned by the Company				
Teera-Mongkol Green Energy Co., Ltd.	Thailand	21 April 2017	100	100
Power generation				
Teera-Mongkol Energy Co., Ltd.	Thailand	1 February 2018	65.00	90.10
Power generation				
Subsidiaries indirectly owned by the Company				
Green Saving Energy Thailand Co., Ltd.	Thailand	30 August 2018	100	100
Power generation				
Green Earth Energy Co., Ltd.	Thailand	22 March 2019	100	100
Power generation				
Global Utility Supply Co., Ltd.	Thailand	22 March 2019	100	100
Biogas				

"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 and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2020. 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:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five financial reporting standards, accounting standards and financial reporting standard 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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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CON'T)
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Reporting Standard Interpretations:

TFRI 16 Hedges of a Net Investment in a Foreign Operation

TFRI 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 by 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.

The effects of the adoption of these accounting standards are described below:

- Recognition of credit losses - The Group is 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 receivables and contract asset.

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated. The effect of the change is described in Note 4 to the consolidated financial statements.

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 have recognised the effect of initial applying TFRS 16 and the comparative information was not restated. The Group elects to apply TFRS 16 to leases previously classified as an operating leases by recognised lease liabilities as of 1 January 2020 at the present value of lease payment to be made over the remaining lease term which is discounted by the Incremental Borrowing Rate of the Company and subsidiaries as of the initial application date and recognised right-of-use assets at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position before the date of initial application.

The effect of the change is described in Note 4 to the consolidated financial statements.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

During the year 2020, the Federation of Accounting Professions has issued the Notification regarding the revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, totaling 16 number, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform.

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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CON'T)
FOR THE YEAR ENDED 31 DECEMBER 2020

In addition, in January 2021, The Federation of Accounting Professions has issued the Notification regarding a revision from year 2020 of five Thai Financial Reporting Standards, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards (except for consent to reduce rental fee relate to covid-19, it will be effective for accounting period beginning or after 1 June 2020). The most of the changes directed towards revisions of accounting requirement for Covid-19-Related Rent Concessions which meet specified conditions and Interest Rate Benchmark Reform-Phase 2.

The Group's management will adopt the relevant TFRSs in the preparation of Group's financial statements when they become effective. The Group's management is on the evaluating process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

4. EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 3 to the consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

	In Baht			
	Consolidated financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Trade and other current receivables	115,264,661	1,158,988	-	116,423,649
Other current financial assets				
- Derivative assets	-	43,357	-	43,357
Right-of-use assets	-	-	4,665,368	4,665,368
Leasehold rights of land	1,595,000	-	(1,595,000)	-
Deferred tax assets	8,413,915	(223,847)	-	8,190,068
Liabilities				
Trade and other current payables	56,196,569	(91,649)	(960,924)	55,143,996
Current portion of lease liabilities			1,340,231	1,340,231
Lease liabilities			2,691,061	2,691,061
Other current financial liabilities				
- Derivative assets		135,006	-	135,006
Deficit	(43,727,512)	935,141	-	(42,792,371)

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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CON'T)
FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht			
	Separate financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Trade and other current receivables	108,823,333	1,158,988	-	109,982,321
Other current financial assets				
- Derivative assets	-	43,357	-	43,357
Right-of-use assets	-	-	4,665,368	4,665,368
Leasehold rights of land	1,595,000	-	(1,595,000)	-
Deferred tax assets	8,413,915	(223,847)	-	8,190,068
Liabilities				
Trade and other current payables	51,787,640	(91,649)	(960,924)	50,735,067
Current portion of lease liabilities	-	-	1,340,231	1,340,231
Lease liabilities	-	-	2,691,061	2,691,061
Other current financial liabilities				
- Derivative assets	-	135,006	-	135,006
Deficit	(47,048,290)	935,141	-	(46,113,149)

4.1 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	In Baht
	Consolidated and Separate financial statements
Operating lease commitments as at 31 December 2019	4,322,621
Less Deferred interest expenses	(291,329)
Increase in lease liabilities due to TFRS 16 adoption	4,031,292
Liabilities under finance lease agreements as at 31 December 2019	-
Lease liabilities as at 1 January 2020	4,031,292
Comprise of	
Current lease liabilities	1,340,231
Non-current lease liabilities	2,691,061
	4,031,292

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TEERA - MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CON'T)
FOR THE YEAR ENDED 31 DECEMBER 2020

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	In Baht
	Consolidated and Separate financial statements
Building and warehouse	3,070,368
Leasehold rights of land	1,595,000
Total right-of-use assets	4,665,368

4.2 Financial instruments

As at 1 January 2020, the classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9, and with the carrying amounts under the former basis, are as follows:

	In Baht			
		Classification and measurement in accordance with TFRS 9		
	Carrying amounts under the former basis	Fair value through profit or loss	Amortized cost	Total
Consolidated financial statements as at 1 January 2020				
Financial assets				
Cash and cash equivalents	8,045,753	-	8,045,753	8,045,753
Trade and other current receivables (Unless advances payment for inventories and prepaid expenses)	110,674,134	-	110,674,134	110,674,134
Other current financial assets				
- Derivative assets	43,357	43,357	-	43,357
Restricted bank deposits	4,314,803	-	4,314,803	4,314,803
Total financial assets	123,078,047	43,357	123,034,690	123,078,047
Financial liabilities				
Other current financial liabilities				
- Derivative liabilities	135,006	135,006	-	135,006
Separate financial statements as at 1 January 2020				
Financial assets				
Cash and cash equivalents	5,576,416	-	5,576,416	5,576,416
Trade and other current receivables (Unless advances payment for inventories and prepaid expenses)	105,791,587	-	105,791,587	105,791,587
Other current financial assets				
- Derivative assets	43,357	43,357	-	43,357
Short-term loans to subsidiary	54,150,000	-	54,150,000	54,150,000
Restricted bank deposits	1,014,803	-	1,014,803	1,014,803
Total financial assets	166,576,163	43,357	166,532,806	166,576,163
Financial liabilities				
Other current financial liabilities				
- Derivative liabilities	135,006	135,006	-	135,006

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss, except for derivative liabilities.

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5. ACCOUNTING POLICIES

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

5.1 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 "Resstricted bank deposits" as part of other non-current assets in the statements of financial position.

5.2 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.

5.3 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 (if any).

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment.

5.4 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 the replacement part is included in the carrying amount of the asset is 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.

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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.

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5.5 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.

5.6 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.

5.7 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss. Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, without consideration of indication that such goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

5.8 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.

5.9 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets - cost of spectrum licenses, other related right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.10 Leases

Accounting policies adopted since 1 January 2020

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

The Group assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets

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

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

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets, as follows:

Building and structure	2.6	years

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Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

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Accounting policies adopt before 1 January 2020

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 in profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.

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 less or) are charged in profit or loss on a straight-line basis over the period of the lease.

5.11 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

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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.

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.

5.12 Revenues recognition

Revenue recognition sale of goods

Revenue from sale of electrical equipment products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. A receivable is recognized when the goods are delivered to the customer's specific location at which the Company has right to receive payment of that consideration is due. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts.

The Company recognizes the amount expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover then goods. Provision for warranty claims is recognised based on the actual ratio of repair or replacement of the defective goods and revenues in the past.

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.

5.13 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.

5.14 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.

5.15 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.

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

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Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopt before 1 January 2020

Trade receivables

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Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

5.17 Derivatives

The Group uses derivatives (forward currency contracts) to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

5.18 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.

5.19 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.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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.

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.

5.20 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.

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6. ACQUISITIONS GROUP OF ASSETS AND ACQUISITIONS OF BUSINESS

- 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.

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

	In Baht		
	Green Earth Energy Co., Ltd.	Global Utility Supply Co., Ltd.	Net book value
Assets			
Cash and cash equivalents	255,726	182,780	438,506
Trade and other current receivables	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 and other current payables	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

- The Group had acquired the businesses as follows:

Green Saving Energy Thailand Co., Ltd.

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.

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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

7. 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.

7.1 Relationships and pricing policies

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

	Relationship
Subsidiaries	
Teera-Mongkol Green Energy Co., Ltd.	100% Shareholding and Directorship
Teera-Mongkol Energy Co., Ltd.	65% Shareholding and Directorship (As at 25 August 2020)
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
Related persons	
Theerachai Prasitrattanaporn	The Company's director and shareholder
Theerayut Prasitrattanaporn	The Company's director and shareholder
Theeraphong Prasitrattanaporn	The Company's director and shareholder
Teerapsak Prasitrattanaporn	The Company's director and shareholder

	Pricing Policy
Loans to and loans from	Interest charge at rate of 1.0 - 6.89% per annum.

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7.2 Balances of transactions with related parties

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

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other current receivables (Note 9)				
Subsidiary	-	-	6,873,419	4,394,060
Short-term loans to subsidiary				
Balance at the beginning of the year	-	-	54,150,000	63,900,000
Add Increased during the year	-	-	15,250,000	40,250,000
Less Decreased during the year	-	-	(9,400000)	(50,000,000)
Balance at the end of the year	-	-	60,000,000	54,150,000
Other current payable (Note 20)				
Related persons	-	10,000	-	-
Short-term loans from Related parties				
Balance at the beginning of the year	-	-	7,000,000	4,000,000
Add Increased during the year	-	-	-	9,000,000
Less Decreased during the year	-	-	(2,000,000)	(6,000,000)
Balance at the end of the year	-	-	5,000,000	7,000,000

7.3 Revenues and expenses transactions between related parties

Revenues and expenses transactions with related parties for years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other income				
Subsidiary	-	-	240,000	240,000
Interest				
Subsidiary	-	-	2,496,805	3,627,992
Interest expenses				
Subsidiary	-	-	55,288	84,055
Related persons	-	146,616	-	146,616
Total	-	146,616	55,288	230,671
Directors and management's benefits				
Short - term employee benefits	9,384,370	9,363,780	9,384,370	9,363,780
Post - employment benefits	178,201	598,482	178,201	598,482
Total	9,562,571	9,962,262	9,562,571	9,962,262

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8. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	203,031	136,206	127,509	86,013
Current deposits	8,247,904	2,515,962	2,508,605	105,408
Saving deposits	1,848,106	5,393,585	1,840,137	5,384,995
Total	10,299,041	8,045,753	4,476,251	5,576,416

The weighted average effective interest rates of deposits at financial institutions were 0.25% to 0.50% per annum (31 December 2019: 0.22% to 0.375% per annum).

9. TRADE AND OTHER CURRENT RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - net	112,776,272	99,986,248	112,776,272	99,986,248
Accrued incomes	4,146,134	8,148,694	-	-
Total trade receivables	116,922,406	108,134,942	112,776,272	99,986,248
Other current receivable				
Advances payment for inventories	851,266	2,608,078	851,266	2,608,078
Deposit	585,000	-	-	-
Prepaid expenses	6,266,490	3,141,437	2,409,858	1,582,656
Other receivables - related companies (Note 7.2)	-	-	6,873,419	4,394,060
Other receivables - other companies	476,130	305,981	470,414	252,291
Receivables - Revenue Department	2,437,018	1,074,223	-	-
Total other current receivables	10,615,904	7,129,719	10,604,957	8,837,085
Total trade and other current receivables	127,538,310	115,264,661	123,381,229	108,823,333

The aging of outstanding balances as at 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Within credit terms	108,243,930	89,070,868	104,097,796	80,922,174
Overdue:				
Less than 3 months	3,899,543	10,956,469	3,899,543	10,956,469
3 - 6 months	2,957,110	5,701,615	2,957,110	5,701,615
6 - 12 months	2,182,744	3,750,328	2,182,744	3,750,328
Over 12 months	11,117,139	8,527,854	11,117,139	8,527,854
Total	128,400,466	118,007,134	124,254,332	109,858,440

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	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Less Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(11,478,060)	(9,872,192)	(11,478,060)	(9,872,192)
Trade accounts receivable - net	116,922,406	108,134,942	112,776,272	99,986,248

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

	In Million Baht					
	Consolidated financial statements					
	Collectively assessed					
	Trade receivables - days past due					
As at 31 December 2020	Within credit terms	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Expected credit loss rate	0 - 0.38%	0.75 - 12.00%	20.00%	20.00%	53.00-100%	
Estimated total gross carrying amount at default amounts not past due	108.24	3.90	2.96	2.18	11.12	128.40
Lifetime expected credit loss	(0.40)	(0.28)	(0.59)	(0.44)	(10.54)	(12.25)
Less Povision for refund liabilities	0.11	0.18	0.17	0.13	0.18	0.77
Estimated total gross carrying amount at default amounts not past due net	(0.29)	(0.10)	(0.42)	(0.31)	(10.36)	(11.48)
Trade accounts receivable - net	107.95	3.80	2.54	1.87	0.76	116.92

	In Million Baht					
	Separate financial statements					
	Collectively assessed					
	Trade receivables - days past due					
As at 31 December 2020	Within credit terms	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Expected credit loss rate	0 - 0.38%	0.75 - 12.00%	20.00%	20.00%	53.00 - 100%	
Estimated total gross carrying amount at default amounts not past due	104.10	3.90	2.96	2.18	11.12	124.26
Lifetime expected credit loss	(0.40)	(0.28)	(0.59)	(0.44)	(10.54)	(12.25)
Less Povision for refund liabilities	0.11	0.18	0.17	0.13	0.18	0.77
Estimated total gross carrying amount at default amounts not past due net	(0.29)	(0.10)	(0.42)	(0.31)	(10.36)	(11.48)
Trade accounts receivable - net	103.81	3.80	2.54	1.87	0.76	112.78

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The movement in the allowance for expected credit losses of trade receivables as follow:

	In Baht
	Consolidated and Separate financial statements
As at 1 January 2020	9,872,192
The impact of the adoption of TFRS 9	(1,158,988)
Balance as at 1 January 2020 after adjustments	8,713,204
Provision for expected credit losses	3,923,844
Amortization	(686,078)
Amount recovered	(472,910)
As at 31 December 2020	11,478,060

10. INVENTORIES

	In Baht					
	Consolidated financial statements					
	At Cost		Allowance for obsolescence of inventories		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	88,437,152	82,546,612	(19,336,947)	(16,976,894)	69,100,205	65,569,718
Work in process	10,447,421	9,269,500	(3,915,469)	(3,575,118)	6,531,952	5,694,382
Raw materials	14,906,852	12,521,879	(4,956,155)	(4,182,639)	9,950,697	8,339,240
Supplies	77,131	25,709	-	-	77,131	25,709
Inventories in transit	1,999,744	9,696,343	-	-	1,999,744	9,696,343
Net	115,868,300	114,060,043	(28,208,571)	(24,734,651)	87,659,729	89,325,392

	In Baht					
	Separate financial statements					
	At Cost		Allowance for obsolescence of inventories		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	88,437,152	82,546,612	(19,336,947)	(16,976,894)	69,100,205	65,569,718
Work in process	10,447,421	9,269,500	(3,915,469)	(3,575,118)	6,531,952	5,694,382
Raw materials	14,906,852	12,521,879	(4,956,155)	(4,182,639)	9,950,697	8,339,240
Inventories in transit	1,999,744	9,696,343	-	-	1,999,744	9,696,343
Net	115,791,169	114,034,334	(28,208,571)	(24,734,651)	87,582,598	89,299,683

During the current year, the Group reduced cost of inventories by Baht 3.47 million to reflect the net realisable value and reduced the amount of inventories recognised as expenses during the period.

For the year ended 31 December 2020 ,the Group had the cost of inventories recognised as expenses and included in cost of sales Baht 266.20 million (2019: Baht 230.91 million).

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11. 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 2020		
Balance at the beginning of year	3,796,733	5,423,904
Add Increased	(516,543)	(737,917)
Less Decreased	(549,730)	(785,329)
Balance at the end of year	2,730,460	3,900,658

12. RESTRICTED BANK DEPOSITS

			In Baht			
	Interest rates (%)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Saving deposits	0.125	0.375	116,089	182,245	116,089	182,245
12-months fixed deposits	0.20	0.90	1,113,563	832,558	1,113,563	832,558
24-months fixed deposits	1.60	1.60	3,300,000	3,300,000	-	-
Total			4,529,652	4,314,803	1,229,652	1,014,803

Such deposits were pledged as collateral against credit facilities from the financial institutions (Note 21) and guarantee of electricity (Note 31.3).

13. INVESTMENTS IN SUBSIDIARIES

Separate financial statements

	Country of incorporation	Paid - up Capital (In Baht)	Holdings (%)		At Cost (In Baht)	
			2020	2019	2020	2019
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	35,000,000	65	90.10	22,749,900	901,000
Total					47,749,700	25,900,800

The movement of the investments in subsidiaries can be analysed as follow:

	In Baht
	Separate financial statements
For the year ended 31 December 2020	
Net book value, beginning of year	25,900,800
Increase the registered capital and paid-up capital of subsidiary	21,848,900
Net book value, end of year	47,749,700

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The movements in investment in non-controlling interests are as follow:

	In Baht							
Company name	Proportion of equity interest held by on-controlling interests (%)		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests	
	2020	2019	2020	2019	2020	2019	2020	2019
Teera-Mongkol Energy Co., Ltd.	35	9.9	11,683,907	(162,779)	304,414	192,430	-	-

Increase the registered capital and paid-up capital of subsidiary

Teera-Mongkol Energy Co., Ltd.

On 1 August 2020, Bioclean International (2010) Co., Ltd. ("Co-investor") entered into Memorandum of Understanding to co-invest in Teera-Mongkol Energy Co., Ltd. with the Company and the Co-investor agree to increase the registered capital according to the proportion of the new investment. The Company previously held 90.1% of the shares and will change the new shareholding proportion to the Company holds 65% of the shares and the Co-investor holds 35% of the total shares, respectively.

On 18 August 2020, the Extraordinary General Meeting of shareholders of Teera-Mongkol Energy Co., Ltd., approve to increase the registered capital from the registered capital of Baht 1 million to Baht 35 million and calling for fully paid-up capital to the shareholding proportion according to the Memorandum of Understanding. The Company paid the share subscription with cash of Baht 21.8 million according to its share holding portion of 65% and the Co-investor paid the share subscription with machine, was measured at fair value of Baht 11.7 million (Note 14) and paid with cash of Baht 0.4 million according to its share holding portion of 35%. Teera-Mongkol Energy Co., Ltd. has registered an increase in share capital with the Ministry of Commerce on 25 August 2020.

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14. 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	Building under construction	Machinery and plant equipment during installation	Total
As at 1 January 2019								
Cost	23,547,124	108,963,430	121,574,130	11,829,145	15,530,201	-	-	281,444,030
Less Accumulated depreciation	-	(41,577,017)	(82,682,366)	(10,942,930)	(10,593,232)	-	-	(145,795,545)
Net book value	23,547,124	67,386,413	38,891,764	886,215	4,936,969	-	-	135,648,485
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
Transfer of assets from business acquisition	-	999,000	-	-	-	-	-	999,000
Add Acquisitions	10,000,000	-	5,005,952	123,858	-	-	-	15,129,810
Less Disposal	-	-	(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

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	In Baht							
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Building under construction	Machinery and plant equipment during installation	Total
Transaction during the year ended 31 December 2020								
Net book value, Beginning of year	33,547,124	61,744,584	35,974,667	548,927	4,648,078	-	-	136,463,380
Transfer of assets (Note 13)	-	-	-	-	-	-	11,735,892	11,735,892
Add Acquisitions	-	-	4,022,581	329,376	-	1,543,351	19,574,420	25,469,728
Less Disposal	-	-	(6,320)	(534)	(252,314)	-	-	(259,168)
Depreciation	-	(6,712,476)	(9,075,399)	(317,509)	(535,979)	-	-	(16,641,363)
Net book value, end of year	33,547,124	55,032,108	30,915,529	560,260	3,859,785	1,543,351	31,310,312	156,768,469
As at 31 December 2020								
Cost	33,547,124	109,962,429	130,139,171	11,783,246	13,956,202	1,543,351	31,310,312	332,241,835
Less Accumulated depreciation	-	(54,930,321)	(99,223,642)	(11,222,986)	(10,096,417)	-	-	(175,473,366)
Net book value	33,547,124	55,032,108	30,915,529	560,260	3,859,785	1,543,351	31,310,312	156,768,469

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

As at 31 December 2020 land, building and structure amounting to Baht 81.98 million (31 December 2019: Baht 94.74 million) is mortgaged as collateral for bank overdrafts and short-term loans (Note 19) and long-term loans from financial institutions (Note 21).

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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 2019						
Cost	23,547,124	79,400,106	60,496,121	11,114,744	15,154,364	189,712,459
Less Accumulated depreciation	-	(35,684,526)	(54,630,702)	(10,355,043)	(10,370,688)	(111,040,959)
Net book value	23,547,124	43,715,580	5,865,419	759,701	4,783,676	78,671,500
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
Add Acquisitions	-	-	-	114,006	-	114,006
Less Disposal	-	-	(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
Less 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

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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 2020						
Net book value, Beginning of year	23,547,124	38,739,379	4,789,856	489,056	4,569,870	72,135,285
Add Acquisitions	-	-	69,534	231,054	-	300,588
Less Disposal	-	-	(2)	(33)	(252,314)	(252,349)
Depreciation	-	(4,989,835)	(618,245)	(275,703)	(460,688)	(6,344,471)
Net book value, end of year	23,547,124	33,749,544	4,241,143	444,374	3,856,868	65,839,053
As at 31 December 2020						
Cost	23,547,124	79,400,106	60,380,954	11,101,464	13,580,365	188,010,013
Less Accumulated depreciation	-	(45,650,562)	(56,139,811)	(10,657,090)	(9,723,497)	(122,170,960)
Net book value	23,547,124	33,749,544	4,241,143	444,374	3,856,868	65,839,053

Cost of building of Baht 21.63 million is building on leased land.

As at 31 Decembe 2020 land, building and structure amounting to Baht 53.34 million (31 December 2019: Baht 56.42 million) is mortgaged as collateral for bank overdrafts and short-term loans (Note 19) and long-term loans from financial institutions (Note 21).

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15. RIGHT-OF-USE ASSETS/LEASEHOLD RIGHTS

	In Baht		
	Consolidated and Separate financial statements		
	Land	Vehicles	Total
Transaction during the year ended 31 December 2020			
Net book value	-	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	3,070,368	-	3,070,368
Add Increase in assets' lease agreement during the period	-	4,049,000	4,049,000
Transfer from leasehold rights of land	1,595,000	-	1,595,000
Less Depreciation and amortization	(1,696,497)	(39,430)	(1,735,927)
Net book value	2,968,871	4,009,570	6,978,441
As at 31 December 2020			
Cost	4,665,368	4,049,000	8,714,368
Less Accumulated Depreciation	(1,696,497)	(39,430)	(1,735,927)
Net book value	2,968,871	4,009,570	6,978,441

16. INTANGIBLE ASSETS

	In Baht	
	Consolidated and Separate financial statements	
	2020	2019
As at 1 January		
Cost	2,599,771	2,463,670
Less Accumulated amortization	(2,484,293)	(2,430,886)
Net book value	115,478	32,784
For the years ended 31 December		
Opening net book value	115,478	32,784
Add Acquisitions	-	136,101
Less Amortization	(47,787)	(53,407)
Closing net book value	67,691	115,478
As at 31 December		
Cost	2,599,771	2,599,771
Less Accumulated amortization	(2,532,080)	(2,484,293)
Net book value	67,691	115,478

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17. RIGHT TO PRODUCE AND SELL ELECTRICITY

	In Baht	
	Consolidated financial statements	
	2020	2019
As at 1 January		
Cost	43,417,828	18,763,000
Less Accumulated amortization	(1,504,128)	(376,804)
Net book value	41,913,700	18,386,196
For the year ended 31 December		
Opening net book value	41,913,700	18,386,196
Add Acquisition	-	24,654,828
Less Amortization	(1,130,413)	(1,127,324)
Closing net book value	40,783,287	41,913,700
As at 31 December		
Cost	43,417,828	43,417,828
Less Accumulated amortization	(2,634,541)	(1,504,128)
Net book value	40,783,287	41,913,700

As at 31 December 2020, the amortization period right to produce and sell electricity will be fully in 14-20 years.

18. GOODWILL

	In Baht	
	Consolidated financial statements	
	2020	2019
As at 31 December		
Cost	8,147,981	8,147,981
Less Provision for impairment	-	-
Net book value	8,147,981	8,147,981

Goodwill of Baht 8.15 million arose from the acquisition of the small power producer segment of Green Saving Energy Thailand Co., Ltd., a company that power generation.

Goodwill arising from the small power producer segment is tested annually for impairment by comparing the carrying amount to the recoverable amount, based on value-in-use. The value-in-use was calculated by using a cash flow projection, approved by the management, covering the remaining periods of the power purchase agreements (PPAs) and estimates for electricity tariffs and the power plant's capacity as specified in the PPAs.

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

	Interest rate (%) per annum		In Baht Consolidated and Separate financial statements	
	2020	2019	2020	2019
Bank overdraft	-	6.88	-	18,176,545
Trust receipts	3.24	4.96	41,212,052	19,964,600
Promissory note	4.25 - 6.025	5.00 - 6.025	95,000,000	87,000,000
Total			136,212,052	125,141,145

As at 31 December 2020, the Company has overdraft facility and short-term loans from local financial institution amounting to Baht 220 million (31 December 2019: Baht 205 million). Loans bear interest at the rate of MOR and MLR per annum and are secured over land and structure (Note 14).

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.

20. TRADE AND OTHER CURRENT PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables	37,184,949	28,214,202	35,623,952	25,720,094
Other current payable				
Accrued expenses - other companies	24,002,664	23,756,955	22,897,029	22,621,129
Advance received for inventories	117,547	114,221	117,547	114,221
Accrued rental	-	960,924	-	960,924
Payable - Revenue Department	1,320,593	1,857,099	1,238,878	1,732,512
Other accounts payable - Related persons (Note 7.2)	-	10,000	-	-
Other accounts payable - other companies	1,243,838	1,283,168	804,601	638,760
Total trade and other current payable	63,869,591	56,196,569	60,682,007	51,787,640

21. LONG - TERM LOANS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long - term loans from financial institution	31,300,000	46,148,245	-	1,648,245
Less : Deferred loan of fees	(977,174)	(1,381,522)	-	-
Long-term loans - net	30,322,826	44,766,723	-	1,648,245
Less : Current portion	(12,795,652)	(14,443,897)	-	(1,648,245)
Current portion of long - term loans	17,527,174	30,322,826	-	-

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As at 31 December 2020, the Group has long-term loans facility from local financial institution amounting to Baht 80 million. (31 December 2019: Baht 80 million), are secured over land, property and machines (Note 14), fixed deposits (Note 12) and guaranteed by subsidiary indirectly owned by the Company shares of subsidiary and certain directors.

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

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance, beginning of the year	44,766,723	8,477,106	1,648,245	8,477,106
Loan received	-	50,000,000	-	-
Payment of fees	-	(1,550,000)	-	-
Loans payments	(14,848,245)	(12,328,861)	(1,648,245)	(6,828,861)
Amortization of bank fees during the year	404,348	168,478	-	-
Balance, end of the year	30,322,826	44,766,723	-	1,648,245

Separate financial statements

Loan 1 No balance. (31 December 2019: Baht 0.61 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 No balance. (31 December 2019: Baht 1.04 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 30.32 million. (31 December 2019: Baht 43.12 million) 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.

22. LEASE LIABILITIES

	In Baht		
	Consolidated and Separate financial statements		
	Land	Vehicles	Total
As at 31 December 2019	-	-	-
Addition from lease agreement during the year	4,031,292	3,239,200	7,270,492
Accretion of interest	167,660	24,557	192,217
Payments	(1,507,891)	(134,354)	(1,642,245)
As at 31 December 2020	2,691,061	3,129,403	5,820,464
Less current portion	(1,484,332)	(537,924)	(2,022,256)
Lease liabilities - net of current portion	1,206,729	2,591,479	3,798,208

The Company entered into financial arrangement agreements to purchase land and vehicles. The liabilities under the agreements are payable on monthly and the terms of agreements are 3 - 5 years.

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The Company has future minimum payments required under the financial arrangement agreements as follows:

(Unit: Baht)

	As at 31 December 2020		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	2,389,409	4,321,586	6,710,995
Deferred interest expenses	(367,153)	(523,378)	(890,531)
Present value of future minimum payments	2,022,256	3,798,208	5,820,464

The following are the amounts for the year ended 31 December 2020 recognised in profit or loss:

	In Baht	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	1,155,928	1,116,498
Interest expense on lease liabilities	192,217	167,660
Leases of low - value assets	200,934	28,957
Total	1,549,079	1,313,115

23. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement in the present value of the defined non-current provisions for employee benefits for the year ended 31 December 2020 and 2019 is summarized below.

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Defined benefit obligations at 1 January	5,968,254	2,766,316	5,821,601	2,518,256
Included in profit or loss:				
Current service costs	611,514	268,304	577,643	415,777
Past service cost	-	877,016	-	877,016
Interest on obligation	113,674	125,278	110,609	122,649
Total	725,188	1,270,598	688,252	1,415,442
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	6,693,442	5,968,254	6,509,853	5,821,601

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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	
	2020	2019	2020	2019
Cost of sales	178,283	379,039	178,283	379,039
Cost of electricity sales	24,744	14,498	-	-
Selling expenses	200,924	216,479	200,924	216,479
Administrative expenses	321,237	660,582	309,045	819,924
Total	725,188	1,270,598	688,252	1,415,442

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

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 27 years (Separate financial statements: 16 years).

Principal actuarial assumptions at the reporting date

For the years ended 31 December 2020 and 2019.

	Consolidated and Separate financial statements
Discount rate	1.90 - 2.09% per annum
Salary increase rate	5%
Employee turnover rate	Scale related to Age ranging from 1.91 - 45.84%
Mortality rate	According to Thailand TMO 2017 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.

	In Baht			
	Consolidated financial statements		Separate financial statements	
Defined benefit obligation at 31 December 2020	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(887,843)	1,057,687	(851,455)	1,010,038
Future salary growth (1% movement)	1,086,677	(926,891)	1,038,844	(889,681)
Turnover rate (20% movement)	(1,321,870)	1,845,116	(1,280,592)	1,786,662

	In Baht			
	Consolidated financial statements		Separate financial statements	
Defined benefit obligation at 31 December 2019	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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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.

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 in 2019.

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. In year 2020 the Company has increased appropriated for legal reserve of Baht 0.7 million.

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 2020, the Company's contribution to the provident fund recorded in the financial statements is Baht 702,110 (2019 : Baht 902,717).

26. INCOME TAX

Income tax for the years ended 31 December 2020 and 2019 are made up as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax				
Corporate income tax	39,744	32,504	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(2,535,269)	(2,319,799)	(1,821,979)	(1,617,146)
Income tax reported in the statements of comprehensive income	(2,495,525)	(2,287,295)	(1,821,979)	(1,617,146)
Income tax 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	
	2020	2019	2020	2019
Loss before tax	11,590,028	(10,863,132)	12,220,228	(13,233,045)
Thai corporation tax rate (%)	20%	20%	20%	20%
Income tax using the Thai corporation tax rate	2,318,006	(2,172,627)	2,444,046	(2,646,609)
Tax losses	2,089,871	4,446,358	(3,549,034)	1,117,794
Deduetible as taxable expense from promotional privileges	(4,892,799)	(3,100,920)	-	-
Additional expense deductions allowed	(1,243,206)	(1,867,480)	(654,639)	(1,198,302)
Non-deductible expenses	1,767,872	2,727,173	1,759,627	2,727,117
Current income tax	39,744	32,504	-	-
Relating to temporary differences	(2,535,269)	(2,319,799)	(1,821,979)	(1,617,146)
Income Tax income reported in the statements of comprehensive income	(2,495,525)	(2,287,295)	(1,821,979)	(1,617,146)

Deferred tax assets and liabilities are presented in the statements of financial position as at 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for doubtful accounts and provision for refund liabilties	3,052,368	2,971,726	3,052,368	2,971,726
Allowance for obsolescence of inventories	5,056,895	4,067,819	5,056,895	4,067,819
Provision for accrued rental	-	186,688	-	186,688
Lease	146,318	-	146,318	-
Non-current provisions for employee benefits	1,292,076	1,131,021	1,292,076	1,131,021
Provision for dismantling cost	39,696	38,856	39,696	38,856
Derivatives assets	-	17,805	-	17,805
Derivatives liabilities	424,694	-	424,694	-
Deferred tax assets - net	10,012,047	8,413,915	10,012,047	8,413,915
Deferred tax liabilities				
Transferred from business acquisition	5,617,605	6,330,895	-	-
Deferred tax liabilities - net	5,617,605	6,330,895	-	-

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27. EXPENSES BY NATURE

Significant expense by nature for the years ended 31 December 2020 and 2019. The details are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in finished goods and work in process	(1,694,410)	(12,108,880)	(1,694,410)	(12,108,880)
Purchase of finished goods	186,320,991	137,509,148	186,320,991	137,509,148
Raw materials and consumable used	64,266,222	53,367,161	55,575,193	42,494,391
Staff costs	94,418,129	93,032,455	90,700,692	88,113,742
Depreciation and amortization	19,555,490	17,002,961	8,128,185	7,283,593

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 2020 and 2019, the Company total revenues from operations derived domestic, represented 97% and 99% of total revenues, respectively.

	In Baht					
	Generation and sell of electricity		Manufacturing and distributing electrical equipment		Total	
	2020	2019	2020	2019	2020	2019
Sales revenue	-	-	412,266,197	347,491,535	412,266,197	347,491,535
Sales revenue from electricity	35,594,728	44,504,625	-	-	35,594,728	44,504,625
Cost of sales	-	-	(266,202,120)	(230,912,996)	(266,202,120)	(230,912,996)
Cost of electricity sales	(27,717,460)	(30,349,913)	-	-	(27,717,460)	(30,349,913)
Gross profit	7,877,268	14,154,712	146,064,077	116,578,539	153,941,345	130,733,251
Other income					1,628,753	2,251,898
Profit before expenses					155,570,098	132,985,149
Cost of distributions					(64,957,201)	(59,800,400)
Administrative expenses					(70,260,874)	(74,362,073)
Finance costs					(8,761,995)	(9,685,808)
Total expenses					(143,980,070)	(143,848,281)
Profit (loss) before income tax					11,590,028	(10,863,132)
Income tax incomes					2,495,525	2,287,295
Profit (loss) for the year					14,085,553	(8,575,837)

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	In Baht					
	Generation and sell of electricity		Manufacturing and distributing electrical equipment		Total	
	2020	2019	2020	2019	2020	2019
Segment assets	90,929,416	64,328,095	65,839,053	72,135,285	156,768,469	136,463,380
Segment liabilities	134,417,440	141,128,558	120,464,767	103,022,535	254,882,207	244,151,093

Major customers

For the years ended 31 December 2020 and 2019, the Group has revenue from two, major customer represented at 32.40% and 30.00% 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;

a Exemption of corporate income tax on the profit for eight years from the date of earning operating income from promoted activity.

b In case of loss from operation during the exemption period, it can deduct from the profit beyond the exemption period for five years.

c Exemption of import duty on machinery and equipment as approved by the Board.

d 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 2020 and 2019 of the Company are summarised as follows:

	In Baht					
	Promoted business		Non- promoted business		Total	
	2020	2019	2020	2019	2020	2019
Domestic sales	41,076,867	56,232,477	392,586,176	331,092,967	433,663,043	387,325,444
Export sales	-	-	14,197,882	4,670,716	14,197,882	4,670,716
Total	41,076,867	56,232,477	406,784,058	335,763,683	447,860,925	391,996,160

30. FINANCIAL INSTRUMENTS

30.1 Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 6 months.

30.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, short-term and long-term loans, trade accounts payable and liabilities under financial arrangement agreements. The financial risks associated with these financial instruments.

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30.3 Interest Rate Risk

The Group is exposure to interest rate risk relates primarily to its cash at banks, short-term loans, long - term loans and liabilities under financial arrangement agreements. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate; therefore, no financial derivative was adopted to manage such risks.

Interest rate sensitivity

The Group expected that there is no materiality effect on profit before tax from a possible change in interest rate due to the interest rate of financial assets, short-term loans, long-term loans of the Group are market rate.

30.4 Credit risk

Trade and other accounts receivables

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, The Group does not anticipate material losses from its debt collection. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

30.5 Liquidity risk

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

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

	In Baht			
	Consolidated financial statements			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short - term loans from financial institutions	136,212,052	-	-	136,212,052
Trade and other current accounts payable	63,869,591	-	-	63,869,591
Lease liabilities	2,022,256	3,798,208	-	5,820,464
Long - term loans	12,795,652	17,527,174	-	30,322,826
Total non-derivatives	214,899,551	21,325,382	-	236,224,933

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	In Baht			
	Separate financial statements			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short - term loans from financial institutions	136,212,052	-	-	136,212,052
Trade and other current accounts payable	60,682,007	-	-	60,682,007
Lease liabilities	2,022,256	3,798,208	-	5,820,464
Short - term loans from related parties	-	5,000,000	-	5,000,000
Total non-derivatives	198,916,315	8,798,208	-	207,714,523

30.6 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.

As at 31 December 2020 and 2019, the Group had the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(In Million)	(In Million)	(In Million)	(In Million)	(Baht per 1 foreign currency unit)	
U.S. Dollars	2.03	0.56	-	0.43	30.0371	30.3313

As at 31 December 2020 and 2019, the Group had the Foreign exchange contracts outstanding are summarised below.

As at 31 December 2020					
			Contractual exchange rate		Contractual
Foreign currency	Bought amount	Sold amount	Bought	Sold	maturity date
	(In Million)		(Baht per 1 foreign currency unit)		
U.S. Dollars	2.03	-	30.9172	-	January - June 2021

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

30.7 Fair values of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, and loans denominated in Thai Baht bearing the market interest rates, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

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The carrying value and fair value of financial assets and financial liabilities as at 31 December 2020 is presented below.

	In Baht			
	Consolidated financial statements as at 31 December 2020			
	Carrying value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	10,299,041	10,299,041	10,299,041
Trade and other current receivables (Unless advances payment for inventories and prepaid expenses)	-	119,835,554	119,835,554	119,835,554
Restricted bank deposits	-	4,529,652	4,529,652	4,529,652
Total financial assets	-	134,664,247	134,664,247	134,664,247
Financial liabilities				
Derivative liabilities				
- Forward exchange contract	2,139,733	-	2,139,733	2,139,733

	In Baht			
	Separate financial statements as at 31 December 2020			
	Carrying value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	4,476,251	4,476,251	4,476,251
Trade and other current receivables (Unless advances payment for inventories and prepaid expenses)		120,120,105	120,120,105	120,120,105
Short-term loans to subsidiary	-	60,000,000	60,000,000	60,000,000
Restricted bank deposits	-	1,229,652	1,229,652	1,229,652
Total financial assets	-	185,826,008	185,826,008	185,826,008
Financial liabilities				
Derivative liabilities				
- Forward exchange contract	2,139,733	-	2,139,733	2,139,733

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30.8 Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: In Baht)

	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2020				
Financial liabilities measured at fair value				
Derivative liabilities				
- Forward exchange contract	-	2,139,733	-	2,139,733
As at 31 December 2019				
Financial assets measured at fair value				
Derivative liabilities				
- Forward exchange contract	-	43,357	-	43,357
Financial liabilities measured at fair value				
Derivative liabilities				
- Forward exchange contract	-	135,006	-	135,006

The fair value of financial instruments is estimated on the following criteria.

The fair value of derivative instruments has been calculated by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves, the Company has considered to counter party credit risk when determining the fair value of derivatives.

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Lease commitments

As at 31 December 2020, The Group has the minimum amount of future payments under these land leases are as follows;

In Million Baht

	Consolidated financial statements
Paid within	
1 year	0.2
1 to 5 years	0.4
More than 5 years	0.1
Total	0.7

Mr.Teeraphong Prasitratanaporn Mr. Theerasak Prasitratanaporn

In during the year ended 31 December 2020, the Group had lease expenses recognized in statement of comprehensive income totaling Baht 0.17 million.

31.2 Capital commitment

The Group has capital commitment to purchase land and machinery amounting to Baht 61.22 million.

31.3 Contingent liabilities

The Group has contingent liabilities from letters of guarantee issued by banks for the payment of electricity amounting to Baht 2.70 million.

31.4 Guaranteed

The Company has guaranteed long-term loan for a subsidiary company in the amount of Baht 54 million.

31.5 Significant agreements

- The subsidiary has entered into the 20 years Power Purchase Agreement with Provincial Electricity Authority (PEA) to sell the electricity generciled from the renewable energy, commemcing from commercial operation date and can be extended base on the conditions stiputated in the agreements.
- A subsidiary has entered into an untreated waste water purchase agreement with a company. Such untreated waste water rate accordance with the conditions specified in the agreements.

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 2020, the Company's debt-to-equity ratio was 1.15:1 (2019: 1.12:1).

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on 22 February 2021.

Mr.Teeraphong Prasitratanaporn

Mr. Theerasak Prasitratanaporn

บริษัท ธีระมงคล อุตสาหกรรม จำกัด (มหาชน)
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