



EKARAT ENGINEERING PUBLIC COMPANY LIMITED

56-1 One Report 2023



Thailand & ASEAN

Leading Transformer Business



EKARAT

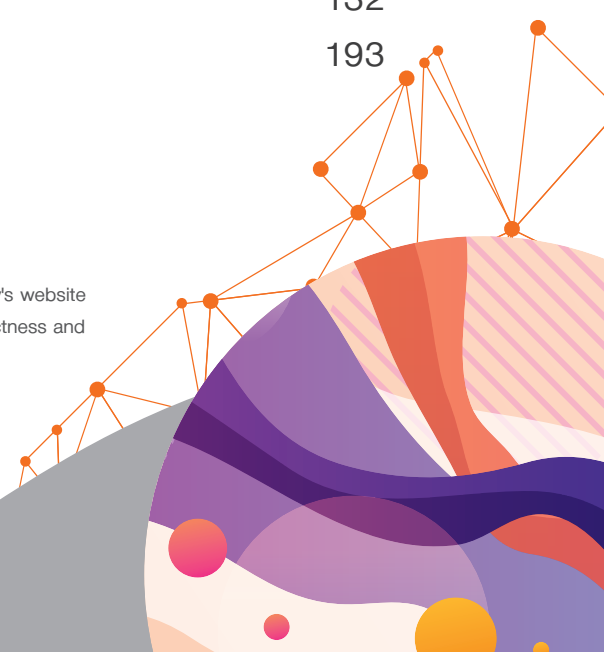


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Remark : This annual report 56-1 One Report references the information disclosed on the Company's website which is an integral part of the 56-1 One Report. The Board of Directors certifies the correctness and completeness of such referred information.



Message from the Chairman



AKR's journey has entered its 43rd year with a commitment to operating businesses to grow sustainably along with paying attention to the environment, society and surrounding communities under the principles of good corporate governance. For the goal of being a leading organization with market share in transformer products No.1 in ASEAN and consistently creating high returns for shareholders.

In 2023, it was the year of pride from receiving “SET Award 2023” in the Best Performance category from the Stock Exchange of Thailand. It emphasizes the potential of the Company with excellent performance and shows confidence in the products and services that customers trust, including giving equal importance to all stakeholders.

Overview of our performance in 2023

AKR's operating performance has continued to improve with net profit of 221 million baht, increase of 38%, total revenues were at 2,301 million baht, increase of 9% compared to the previous year.

Thailand's economy is recovering slowly as it faces many constraints. AKR must therefore adjust its strategic plan to suit the current situation that is constantly changing. We have expanded our customer base both domestically and abroad, continuously managing costs and expenses, reduce risks from exchange rate fluctuations. We also give importance to the renewable energy business which does not affect the environment and reduces greenhouse gas emissions. As a result, it has received a lot of attention from business operators.

Transformer Business

As the COVID-19 situation eases, real estate investment begins to recover. The revenue of sale of transformers increased from the previous year 14%. Transformer manufacturing is the main business of the Company with the highest proportion of revenue or 80% of total revenue and revenue from services and maintenance increased by 22% from last year. AKR had the number 1 of distribution transformer market share in Thailand for many consecutive years.

In the previous year, we are committed to developing transformers by adhering to quality as an important factor and increase the efficiency of transformer maintenance services to be faster and more accurate. Applying digital technology to facilitate customers in transformer maintenance and also expanding exports to foreign markets.

Solar Energy Business

Although the revenue from installing solar cell power generation systems decreased from last year due to the implementation of a large customer's solar rooftop installation project that has been ongoing since 2022, almost completed. As for new projects, income will gradually be received in installments in 2024. Periodic income in 2024 due to continuous growth of the production of electricity from solar energy. It comes from the support of the market that sells electricity directly to customers (Private PPA) and Self consumption, both of which have a lot of growth potential. In addition, the trend of solar panel prices continues to decline. Although the solar energy business is quite competitive but AKR still gives importance to electricity generation with solar energy, which is a sustainable and environmentally friendly energy. They are interest to installing a solar power generation system for use in the workplace. Including the government's policy to encourage electricity consumers to install solar power generation systems on their residential roofs (Solar Rooftop to reduce the electricity costs. Causing the solar energy business in Thailand to continue to grow and have more users.

Sustainable growth with ESG

AKR places importance on sustainability and ESG operations in organization by making it part of the corporate strategy. It will have a positive impact, namely efficient operations, reduced costs, good image and reliability. Including managing various risks that may affect business operations by striving for the organization to grow steadily along with all stakeholders.

Forecast of Thailand Economy in 2024

In 2024, Thai Economy will have supporting factors from exports returning to expand in line with the trend of increasing global trade. It is expect that private investment will recover following exports and the trend of requesting investment promotions, including the government's policies. However, there is still high uncertainty from both external and domestic factors.

Demand for electricity in Thailand continues growth along with the economy. As a result, our business will continue to grow in both transformer production and solar energy. The importance of policies to reduce environmental impact and greenhouse gas emissions as well as the desire to reduce electricity costs are important supporting factors in the use of renewable energy by the operators in Thailand.

Ekarat Engineering Public Company Limited would like to thank you shareholders, customers, business partners, management and all employees who participates in supporting the Company's continued growth. We'll develop our potential to keep in the business leader of transformers together with sustainable growth. However, our policy emphasizes on social and community responsibility for the greatest benefits to the public along with social responsibility, community development and environmental conservation at the same time for the utmost benefit of all stakeholders.

On behalf of the Directors
and Management Team



(Mr. Vichit Yamboonruang)
Chairman of the Board

Board of Directors



Mr. Vichit Yamboonruang
Independent Director
Chairman of the Board



Mr. Vinai Vittawasgarnvej
Independent Director
Chairman of the Audit Committee



Mr. Wara Tongprasin
Independent Director
Chairman of the Nomination and
Remuneration Committee
Audit Committee



Mr. Aroon Sricharoon
Independent Director
Audit Committee



Mr. Thunya Siltorn
Independent Director
Chairman of Risk Management
Committee
Chairman of ESG Committee

Board of Directors



Mr. Chatri Siripanichkorn
Independent Director
Nomination and Remuneration
Committee



Miss Urawee Kanokpruk
Director
Nomination and Remuneration
Committee



Mr. Wiwat Sangtian
Director



Mr. Danucha Noichaiboon
Director
Nomination and Remuneration
Committee



Miss Rompissri Noichaiboon
Director
Managing Director
Risk Management Committee
ESG Committee

SET Awards 2023

AKR received
Group
Category

SET Awards 2023
Business Excellence
Best Company Performance Awards

The award is given to listed companies that have excellent performance in terms of business performance, creating added value for shareholders through profitability, creating continuous growth and good corporate governance.



Business Excellence
Best Company
Performance Awards

SET market capitalization up to THB3 bln.

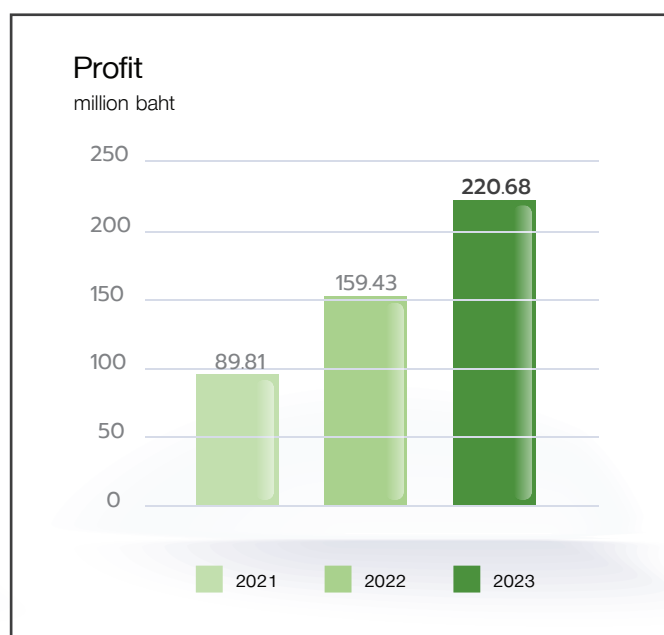
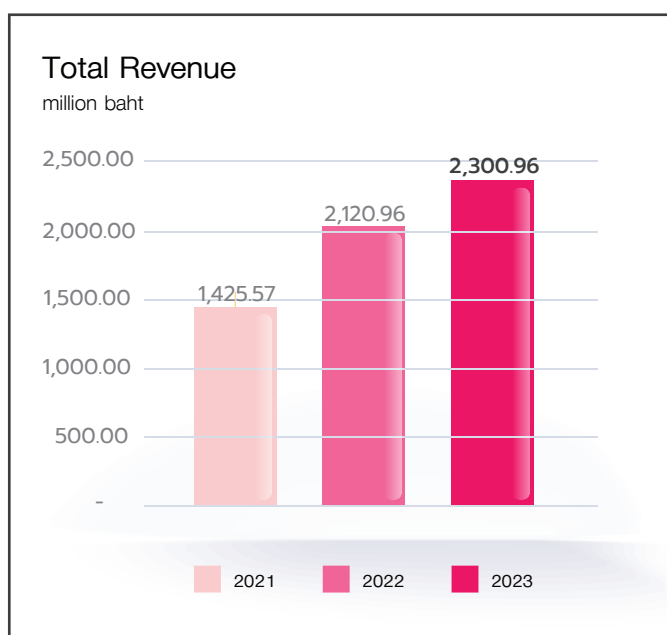
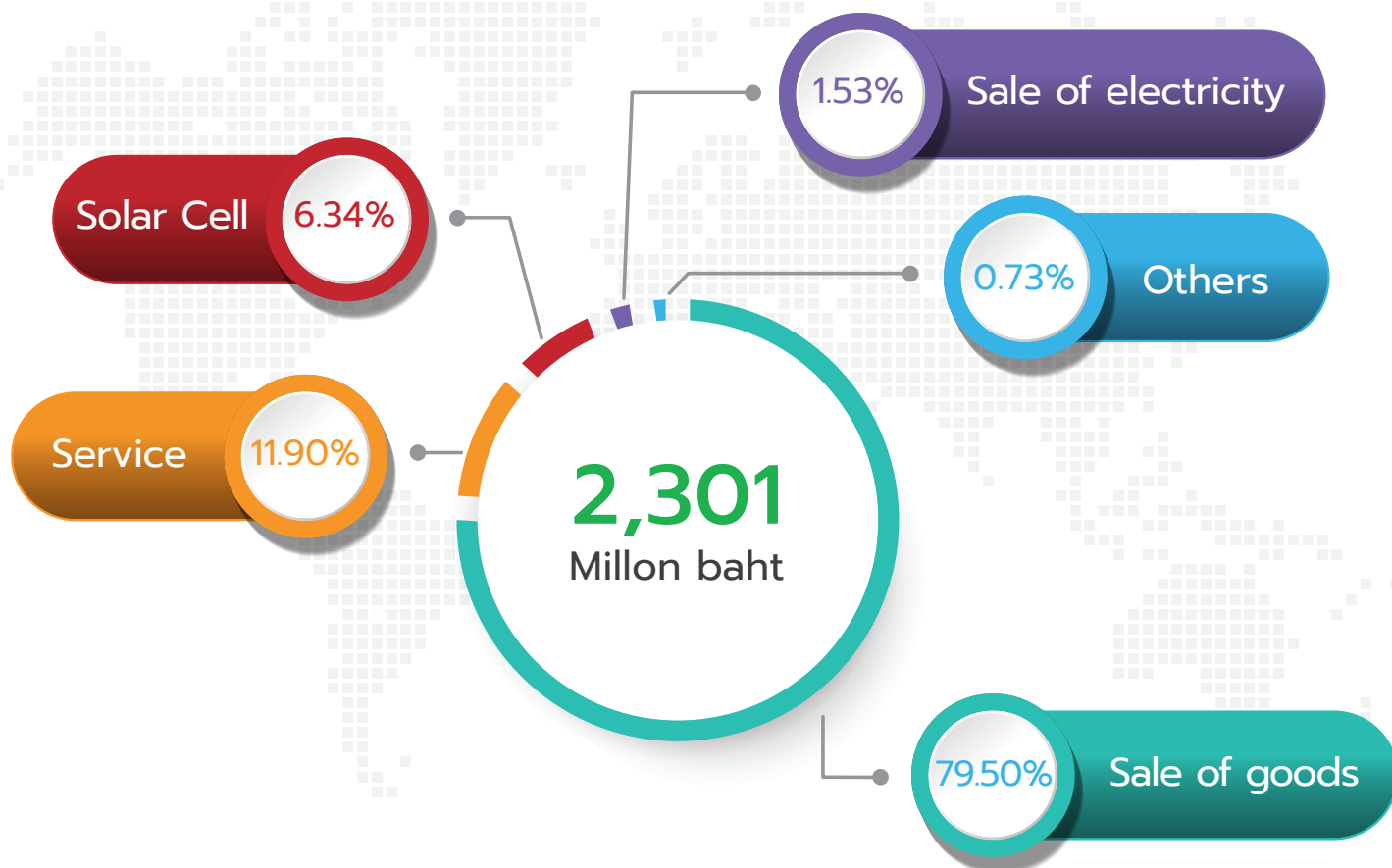


บมจ. เกร็ดวิศวกรรม
AKR

**“This is the highest honor that reinforces
our leadership in the energy industry in transformers and solar energy,
reflecting our determination and dedication both physical and mental, until we are recognized.”**

Ekarat Engineering Public Company Limited will strive to develop more quality products while creating value for stakeholders, society, and the environment throughout the value chain for stable and sustainable business growth.

Revenues



Financial Highlights

Ekarat Engineering Public Company Limited and Subsidiary for the year ended December 31, 2023

Consolidated Financial Statements (Million Baht)	2021	2022	2023
Revenue From Operations	1,414	2,105	2,284
Total Revenues	1,426	2,121	2,301
Net Profit	90	160	221
Total Assets	2,076	2,196	2,247
Total Liabilities	795	833	752
Total Shareholders' Equity	1,281	1,362	1,495
Share Information			
Book Value per Share (Baht)	0.85	0.90	0.97
Ordinary Shares (Million Baht)	1,471	1,471	1,471
Paid-up Share Capital (Million Baht)	1,177	1,177	1,177
Earnings Per Share (Baht)	0.063	0.108	0.15
Financial Ratio (%)			
Gross Profit Margin	25.11	22.60	25.21
EBIT Margin	8.55	10.53	13.46
Net Profit Margin	6.30	7.52	9.59
Total Debt to Equity (times)	0.62	0.61	0.50
Return on Total Assets	6.76	10.40	13.90
Return on Equity	7.67	12.09	15.37

Part 1

Business Operation and
Operating Results



1. Organization structure and operation of the group of companies

1.1 Policy and business overview

Background

Ekarat Engineering Public Company Limited (the "Company") was incorporated on June 24, 1981 with initial registered capital amount 4 million baht by Noichaiboon's Family as a major shareholder. The Company operates manufacturing and distribution (Distribution Transformer) under the trademark "EKARAT" which distributed in both domestic and international markets in South East Asia, South Asia, the Middle East and Australia, gained the trust in design and engineering until the sales always be the number one. In addition, the Company had an idea to find a new business that was consistent and able to support the existing business. We realized the importance and need for clean energy sources for generating electricity, looking at the potential and various factors in Thailand, we started the solar energy business. The solar power generation system is renewable energy that is clean and environmentally friendly under the slogan "Where electricity is accessible, we sell transformers and where electricity is not accessible, we sell solar panels."

- | | |
|------|--|
| 1994 | - The Company transformed into a public company. |
| 1998 | - The Company increased its registered capital 302 million baht. |
| 2004 | - The Company invested in establishing Ekarat Solar Company Limited to manufacture and supply solar cell (Solar Module), with manufacturing, assembly and distribution of solar panels at Chachoengsao Province with a capacity of 15 MW per year. |
| 2006 | <ul style="list-style-type: none">- The Company was approved to be listed and started trading in the Stock Exchange of Thailand in the energy and utility sector under the name of the securities "AKR" and increased the registered capital to 790 million baht with a total of common stock 790 million shares with a par value of 1 baht per share.- The Company set up a solar cell factory at Amata City Industrial Estate, Rayong Province, with a capacity of 25 MW per year. In addition, the Company also designs and installs electricity from solar energy and renewable energy and to be consultant on the energy conservation process, including the construction of power plants. |
| 2012 | - The Company reduced its registered capital by reducing the par value to par 0.80 baht which caused the registered and paid-up capital of the Company to decrease to 632 million baht. |
| 2013 | - The Company increased the registered capital to 1,074.63 million baht by issuing new ordinary shares 503 million shares par value 0.80 baht which is making the Company with registered capital 1,074.63 million baht and divided into common stock 1,343.29 million shares. |
| 2015 | - The Company invested in the establishment of Ekarat Energy Company Limited, which was operated in all energy businesses as a distributor, advising, bidding, investing in the energy business industry including various power plants both inside and outside the country. |
| 2019 | - The Company increased of the registered capital of 1,074.63 million baht to a new registered capital of 1,611.95 baht by issuing 671.64 million new common shares with a par value of 0.80 baht per share to support the exercise of rights according to the Warrants to purchase ordinary shares of the Company (AKR-W1). |
| 2020 | - Established a new service center, Phitsanulok Service Center, which will provide maintenance and repair services for transformers covering 6 provinces in the lower northern region, namely Phitsanulok, Sukhothai, Kamphaeng Phet, Uttaradit, Phichit, Tak, in order to increase service capabilities and solve problems with our transformers more quickly. |

2021	- The Company increased the issued and paid-up share capital from 1,074.63 million baht with common shares 1,343.29 million shares to 1,177.23 million baht with common shares 1,471.53 million shares after AKR-W1 expires and shareholders exercise their rights to purchase 128.24 million common shares, share value 1.00 baht per share and share capital premium of 25.65 million baht.
2022	- The Company reduced its registered capital to made the amount of the registered capital and the paid-up capital are identical. After the expiration of AKR-W1, the Company has unsold shares remaining in the amount of 543.40 million shares par value 0.80 baht. Therefore, the registered capital was reduced from 1,611.95 million baht to 1,177.23 million baht, equal to the current registered and paid-up capital.
2023	<ul style="list-style-type: none"> - The Company increase of the registered capital of 1,177.23 million baht to a new registered capital of 1,412.67 baht by issuing 294.31 million new common shares with a par value of 0.80 baht per share to support the exercise of rights according to the Warrants to purchase ordinary shares of the Company (AKR-W2). - Establishing a new service center, Ubon Ratchathani Service Center, which will provide transformer maintenance and repair services covering 7 provinces, namely Ubon Ratchathani, Amnat Charoen, Yasothon, Mukdahan, Roi Et, Surin, Sisaket, in order to increase the ability to serve customers more quickly.

In the present, the Company Headquarter is operational in Bangkok. The transformer factory and the solar panel assembly is located at Chachoengsao Province. The solar cell factory is located in Rayong Province. In addition, there are 12 Service Centers for transformer in nationwide.

1.1.1 Policy and organization direction

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

On December 21, 2023, The Board of Directors has reviewed vision, mission, policy and operating strategy in accordance with the main goals of the Company, appropriate current situation and disseminated to employees in the organization for the purpose in the same direction. The details are as follows;

Vision

To be a leader organization in transformer business and renewable energy which we aim to be the highest market share in ASEAN

Missions

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

Corporate policy

1. Operate the business with a moral which are acceptable in the business sector.
2. Bring the policy of "quality throughout the organization" to use for developing the product, service and business management.
3. Facilitate for learning and developing new idea in order to drive organization forward.
4. Select investments and business operations with high returns and low risk.
5. Search for the opportunity to expand the business in both vertical and horizontal, domestic and international market.
6. Focus on aggressive market strategies for the organization's existing customers and new customers.

Award of pride

SET Awards 2023

AKR received a proud award from SET Awards 2023, Business Excellence Award Group, category “Best Company Performance Awards” with Mr. Daroonwat Noichai boon, Deputy Managing Director of Marketing accepting the award from Dr. Phakorn Peetathawatchai, Director and Manager, The Stock Exchange of Thailand on November 21, 2023.



Accredited Business Establishment Award
Thai labor standards (MRT 8001-2020)
From the Labor Protection and Welfare
Office Chachoengsao Province

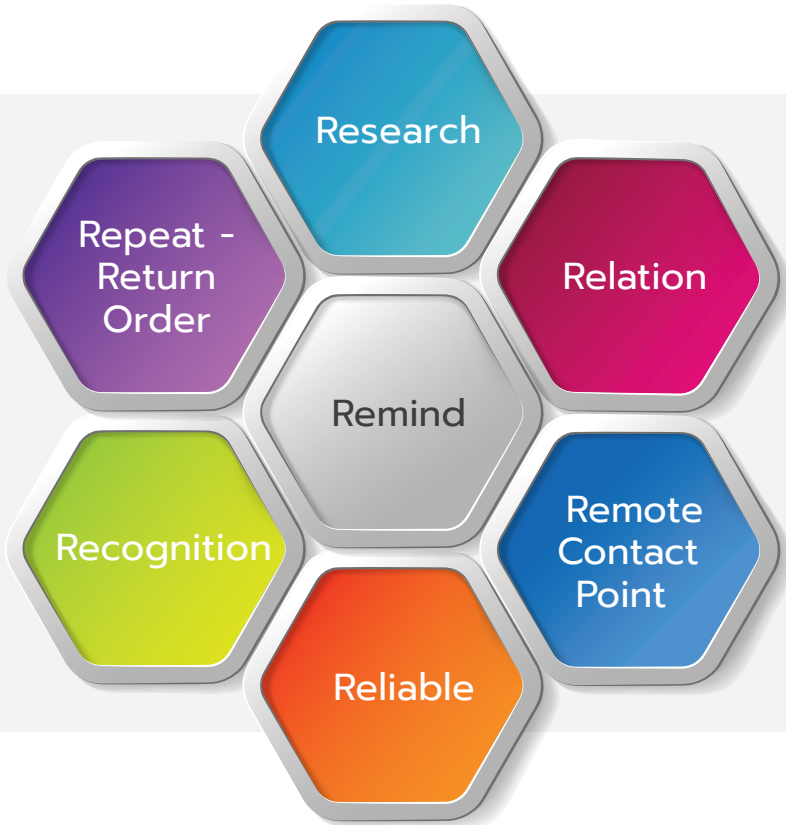


Green Label Certificate
Year 2022-2023 for transformers
From the Thai Environment Institute



Marketing Strategies 2024

We operate and run business under the motto of “keep our quality and be honest to customer”. Therefore, this made who we are today, which is to be the leader in distribution transformer business. For 2024’s business plan are as follow;



■ Research	Searching and organizing databases for planning sales promotion of transformers, services and solar cells.
■ Relation	Organizing training and seminars / joint planning with partners.
■ Reliable	Creating confidence in the quality of "Ekarat" transformers.
■ Recognition	Designing products and services that are acceptable to customers.
■ Remote Contact Point	Facilitate customers by adding more communication channels, both via Line Official and Call Center staff who can respond to needs and coordinate between customers and the Company as well.
■ Repeat - Return Order	Maintain the existing customer base in order to have repeat purchases and word of mouth.
■ Remind	Content creation, Event Marketing, Exhibitions, Advertisements.

Stepping into digital technology

The Company has been continuously developing products since 2020 by applying IIOT (Industrial Internet of Thing) digital technology to use with transformers to meet the needs of customers who want to manage energy efficiently, quickly and save costs. By connecting a wireless data monitor (Online Monitoring) to our transformers, it is possible to monitor the operation status of the transformer anytime and anywhere, along with 1 year IIOT device warranty.



Ekarat Service Platform

This program will facilitate customers and our service staff for transformer maintenance services. Customers can access their transformer information, book online service appointments and view past transformer inspection history. The system will work to connect IIOT devices and the Company's ERP systems.

Ekarat Unit Substation

Currently, the electrical system in Thailand has developed in the form of electricity distribution to be stable, beautiful, and safe. Especially in Bangkok and large provinces, the pattern of electricity distribution on electric poles has been changed to underground in order to beautify the scenery.

Ekarat Unit Substation is a set of equipment for underground electrical distribution systems, consisting of 4 main parts: Medium Voltage Switchgear, power transformer, Low Voltage Switchboard and Metal enclosure. It has passed the Internal Arc Test from KEMA Labs Institute in the Netherlands according to Standard IEC 62271-1-202 IAC-AB, 20kA, 1sec to ensure protection against sparks, explosions or flames caused by a short circuit inside the cabinet. It is also the right size and supports the requirements of the Metropolitan Electricity Authority and the Provincial Electricity Authority.

Cost Reduction

In 2023, the company has reduced production costs without affecting the quality standards of the products and continuously adjust to suit the situation, through the following methods:

- Improving and developing product production processes according to the zero-defect goal.
- Mass production will make the company have lower unit cost.
- Cost reduction from Supply Chain system to be faster and reduce transportation costs to the lowest level.
- Reducing the number of redundant personnel and improving the workflow faster.

Expansion and increase of business competitiveness

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

- Increasing the ability of personnel to provide advice on investing in solar power plants including services in various areas to respond to an investor.
- Increasing competitiveness by finding business partners that are technologically advanced continuously developing and training skills for employees. It is an important to maintain the leadership of the Company.
- Focus on creating understanding and trust among users about the equal quality between transformers using aluminum windings and copper windings. But most consumers are still not confident in the efficiency of aluminum and still prefer to use copper as the main one.
- Committed to expanding the business to cover from upstream to downstream by seeking opportunities to start new businesses that complement current operations, add value to products and can reduce operating costs.

In this regard, the Board of Directors' meeting will review Vision, the business plan and follow up on the Company's performance annually to adjust the operating strategy to suit the changing situation at all the times. **The management will present the annual strategic plan to the Board of Directors in December of every year.**

Strategic Plan for 3 years (2023-2025)

Strategic plan for the year 2023-2025 is long-term overview of the organization. Focus on being an organization with high capabilities covering all important operations, including transformer distribution systems, customer service and other support systems such as human resource management, management of information and communication technology. Creating a business model that facilitates opportunities for future related business development and focus on conducting a complete electrical business to strive to be a leader in Asian.

- 1) Encourage the organization to grow sustainably and Good corporate governance principles.
- 2) Management and allocation of assets to create financial stability.
- 3) To be an organization with high competence and developing products and services to meet customers' needs and expectations.
- 4) Promote and create cooperation in research and innovation development in core businesses and related businesses.
- 5) Seek investment opportunities for related businesses both domestically and internationally.
- 6) Promote and support in renewable energy.
- 7) Promote and develop ICT (Information and Communication Technology) capabilities in accordance with standards, safety, reliability and thoroughness to support the organization's driving efficiency.

1.1.2 Changes and developments in 2023

In 2023

- The 2023 Annual General Meeting of Shareholders held on April 27, 2023 resolved to approve the dividend payment for the year 2022 at the rate of Baht 0.06 per share with the total amount of 88.29 million baht. In which the Company has already paid dividends at the rate of 0.015 baht per share in the interim dividend payment on November 17, 2022, the remaining dividend for the year 2022 at the rate of 0.045 baht per share. The date to determine the names of shareholders who entitle to receive dividend (Record Date) scheduled on May 12, 2023. The dividend payment scheduled on May 26, 2023.
- The 2023 Annual General Meeting of Shareholders held on April 27, 2023 resolved to approve issuance of Warrants to purchase ordinary shares of Ekarat Engineering Public Company Limited No.2 (AKR-W2) for allocation to existing shareholders according to their shareholding ratio (Right Offering) in the number not exceeding 294.31 million units at no charge. The allocation ratio is 5 ordinary shares to 1 Warrant. The Warrants are valid for one years from the date of issuance.
- Establishing a new service center, Ubon Ratchathani Service Center, which will provide transformer maintenance and repair services covering 7 provinces, namely Ubon Ratchathani, Amnat Charoen, Yasothon, Mukdahan, Roi Et, Surin, Sisaket, in order to increase the ability to serve customers more quickly.
- The Board of Directors Meeting No.10/2023 on 13 November 2023 resolved to approve the payment of interim dividends for operating results the period ending 30 September 2023 at the rate of 0.015 baht per share for 1,471.53 million common shares, total amount 22.07 million baht, with dividend paid on December 8, 2023.
- Appointment of Mrs. Supaporn Chansuroj as Chief Financial Officer replacing Mrs. Suwannee Sujaritvanitchpong who retired on 31 December 2022, effected from 1 January 2023 onwards.

The Company has invested and improved the production process;

- The Company has ordered a high-voltage coil winding machine from Turkey and a low-voltage coil winding machine from Israel to support the increase in production capacity of standard electric transformers. Using modern technology to increase work efficiency, the production capacity is approximately 2.4 times greater than the original machine.



- Improving the electrical testing laboratory to be a closed room (Shield Room) for installing a Partial Discharge tester to support the expansion of the scope of routine electrical testing of dry-type transformers according to IEC 60076-11 standards and to comply with the regulations of the Metropolitan Electricity Authority.



- Improving the oven control that used in transformer production has reduced electrical energy consumption by approximately 20%, as well as reducing time and increasing safety in the closing and opening process.

- Process Improvement: Improving the transformer production process with Lean Management can reduce work process by approximately 15-20 percent, including reducing lost time in production and increasing production capacity by 10 percent.

In 2022

- The 2022 Annual General Meeting of Shareholders held on April 29, 2022 resolved to approve the dividend payment at the rate of Baht 0.03 per share with the total amount of 44.15 million baht. The date to determine the names of shareholders who entitle to receive dividend (Record Date) to be scheduled on May 12, 2022. The dividend payment will be scheduled on May 27, 2022.
- The 2022 Annual General Meeting of Shareholders resolved to approve the reduction of the Company's registered capital from 1,611.95 million baht to 1,177.23 million baht by cancelling authorized but unissued shares of 543.40 million shares with a par value of 0.80 baht per share, which are the remaining shares after the exercise of AKR-W1 and approved the amendment to Clause 4. of the Company's Memorandum of Association. The Company has registered the reduction of its registered capital with the Department of Business Development, Ministry of Commerce on May 11, 2022.
- The Board of Directors' Meeting No. 8/2022 held on September 15, 2022 resolved to approve the interim dividend payment for the period ended June 30, 2022 at the rate of 0.015 baht per share for a total of 1,471.53 million ordinary shares, totaling 22.07 million baht with dividend payment on November 17, 2022.



The Company has signed Memorandum of Understanding (MOU) with Planet Communications Asia Public Company Limited (PLANET) to jointly design, develop and set standard specifications for transformer and use Internet technology of Thing for "The project to install electric vehicle charging stations which has a tendency to grow more in the future, considering the green economy is important.

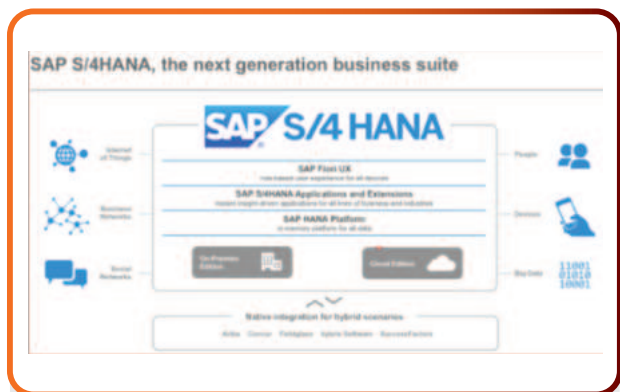


- The Company and Faculty of Engineering Kasetsart University Sriracha Campus signed an MOU to cooperate in developing student quality, consisting of cooperation in learning and students' activities, developing graduate quality, recruiting students for cooperative education projects, including working together in any activities under consideration of both parties.



The Company has invested and improved the production process;

- The Company has changed its ERP (Enterprise Resource Planning) software system used in enterprise management from QAD system to SAP S/4HANA system in order to work more efficiently, faster and internationally.



- The Company has purchased the most advanced silicon steel cutting machine from Germany to increase the efficiency of cutting steel quickly and accurately.



- Reduction of rework work from winding high-voltage coils, under/over speed by installing new programme rev counter with a target that fails the test due to under/over speed to zero.
- Developing an online time recording system to reduce the time of employees working in recording production by using the Ipad device to facilitate work.

In 2021

The result of the Board of Director Meeting No.3/2021 on March 18, 2021 as follows:

• Appointment of new director

Miss Rompissri Noichai boon appointed to the director replacing Mrs.Daranee Kantamara who retired and effective on March 1, 2021 onwards

• Appointment of new management team

The Board of Directors has resolved to appoint Ms. Rompitsri Noichai boon as Managing Director to replace Mr. Danucha who retired, effective from April 1, 2021 onwards.

In addition, two executives have been appointed to replace those who retired on December 31, 2020, as follows:

- Appoint Mrs.Suwannee Sujaritvanitchpong as Deputy Managing Director of Finance (CFO) replacing Mr. Anan Santichewasatian who retired, effect from 1 January 2021 onwards.

- Appoint Miss Hansa Buranajan as Companay Secretary replacing Miss Nuanchan Sirikul who retired, effect from 1 January 2021 onwards.

- **Report on the exercise of AKR-W1**

The Warrants to Purchase Newly Issued Ordinary Shares of Ekarat Engineering Public Company Limited No.1 (AKR-W1) allocated to the existing shareholders of the Company in amount 671,571,134 units at May 30, 2019. The last Exercise Date will be the date of the 2rd anniversary from the issuance date, which was on May 30, 2021. There wer the warrant holders exercised their rights to purchase ordinary shares in amount 128,243,452 shares on the exercise price Baht 1 per share in total value 128,243,452 baht. The number of ordinary shares of the Company increased to 1,471,532,856 shares from 1,343,289,404 shares with a par value of 0.80 baht per share and the paid-up capital increased to 1,177,226,284.80 baht from 1,074,631,523.20 baht. The Company has registered the change of paid-up capital with the Department of Business Development Ministry of Commerce on June 9, 2021.

The Company has invested and improved the production process;

- **Ekarat Service Platform**

The Company collaborated with King Mongkut's Institute of Technology Ladkrabang to create the Ekarat Service Platform project, which is a program that facilitates service customers. The customers can access their own transformer data, make an appointment online and can see the history of checking the transformer in the past. In addition, our service staff can record the results of transformer maintenance immediately. This program can reduce the workflow of service staff.

- **Product Registration and Certification of PEA PRODUCT ACCEPTANCE**

The Company has improved the production process of transformers since the design, manufacturing and testing transformer to request for registration and certification of products of the Provincial Electricity Authority. The aims to control the product's quality and to enhance the manufacturers to deliver and maintain the quality in accordance with international principles. The Compnay has been registered and certified for 10 items of transformer ranging from 30-250 kVA from Industrial Foundation Electrical and Electronics Institute.

- **Internet of Things**

The Company has developed innovations in transformers by using IoT (Internet of Things) systems to be used in conjunction with transformers which can report the working status of the transformer in Real-Time. The users can check the working via computer or mobile phone anytime and anywhere. Therefore, it can prevent and solve problems that occur with transformers quickly.

1.2 Nature of Business operation

1.2.1 Income Structure

In 2023, the Company mainly generates income from transformer and services. Its income structure for fiscal years ended December 31, 2021, 2022 and 2023 was as follows:

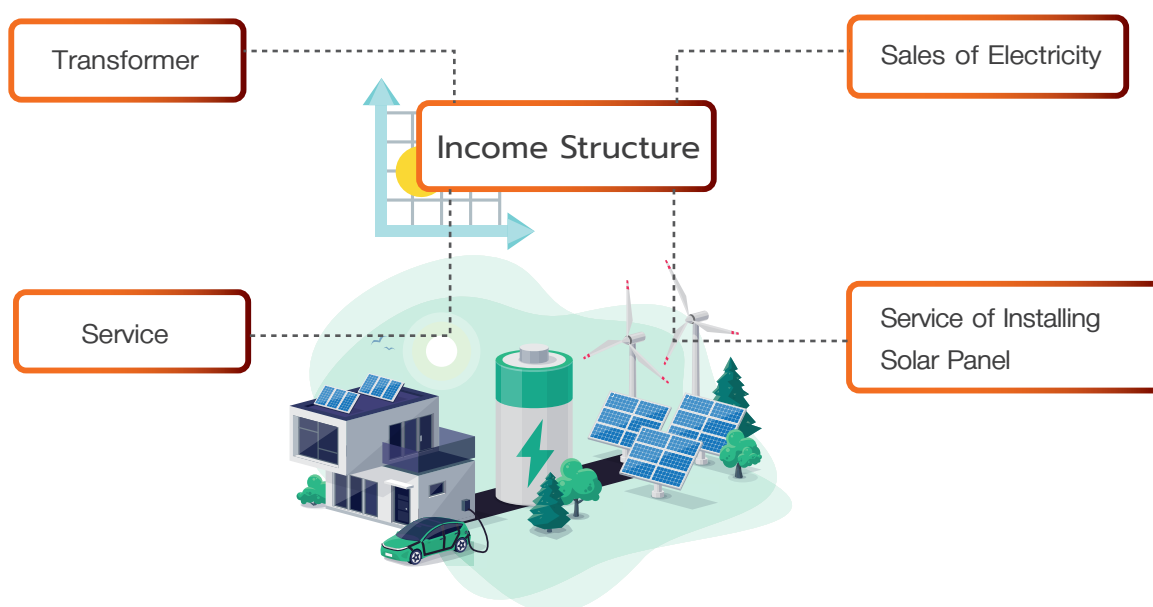


Table of the Company's revenue structure and its subsidiaries from 2021-2023

Type of Revenue	Operated by	2021		2022		2023	
		MTHB	%	MTHB	%	MTHB	%
Revenue from sales of goods	AKR	1,145.10	76.16	1,080.09	75.76	1,829.25	79.50
Revenue from services and maintenance	AKR	223.27	14.85	187.82	13.18	273.76	11.90
Revenue from service of installing a solar panel	AKR	75.56	5.03	108.57	7.62	145.81	6.34
Revenue from sales of electricity	AKR	43.61	2.90	37.78	2.65	35.26	1.53
Other incomes	AKR	15.95	1.06	11.30	0.79	16.88	0.73
Total Revenue		1,503.49	100.00	1,425.56	100.00	2,300.96	100.00

In 2023 the proportion of distribution transformers in the domestic distribution system was about 89.88% of private customers and 10.12% of the government sector customers.

Customer	2021		2022		2023	
	MTHB	%	MTHB	%	MTHB	%
The private sector	771.36	80.28	1,079.96	74.22	1,493.25	89.88
The government & state enterprise	189.42	19.72	375.12	25.78	168.15	10.12
Total	960.78	100.00	1,455.08	100.00	1,661.40	100.00

International market, the Company had both sales through dealers and direct sales. The international market is considered as a target for future market expansion. Especially, customers in the Southeast Asian and the Middle East which has low consumption per capita statistics along with the consumption of the distribution transformer system still requires import from abroad. In addition, there are many foreign investors who are interesting in expanding the investment base increasingly, so the trends that are demanded the electricity and the distributed transformers are definitely increased.

However, the venue from selling the electrical distributed transformers in domestic market was 91.32% of the venue from total selling the distributed transformers. The venue from selling the distributed transformers in international markets is 8.68% of the total venues. It is expected that in the future the proportion of revenue from foreign markets will increase further. It will penetrate more foreign markets and make customers accept the quality of the Company's product. The venue from selling the distributed transformers from 2021-2023 can be divided as table below:

Market	2021		2022		2023	
	MTHB	%	MTHB	%	MTHB	%
Domestic	960.78	90.42	1,455.08	91.55	1,661.40	91.32
International	101.74	9.58	134.36	8.45	157.99	8.68
Total	1,062.52	100.00	1,589.44	100.00	1,819.39	100.00

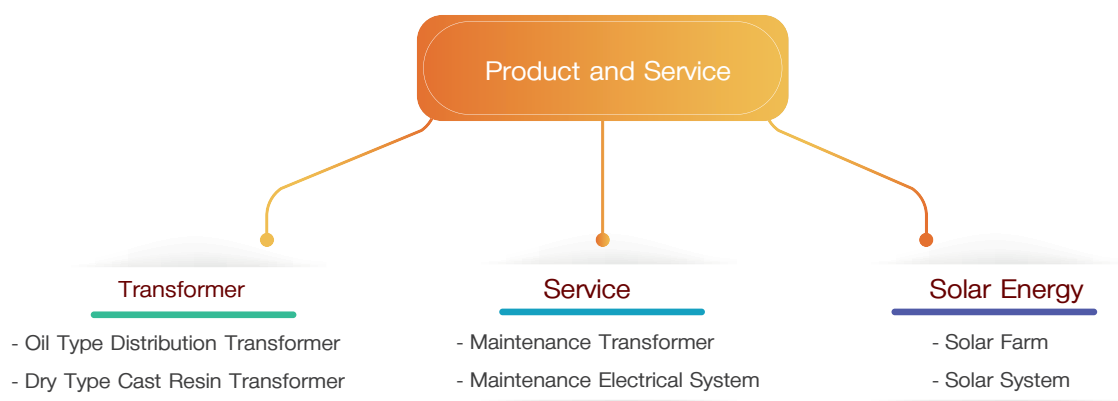
Table of the value that customers in each country order the company's transformers in 2021-2023

Year	Country	Value (MTHB)	% of Selling
2023	Laos	74.85	4.11
	Malaysia	37.28	2.05
	Brunei	14.26	0.78
	Australia	11.12	0.61
	Philiphin	7.82	0.43
	Morocco	7.15	0.39
	Cambodia	2.95	0.16
	Singapore	1.64	0.09
	Arab Emirates	0.92	0.05
2022	Laos	75.35	4.74
	Malaysia	18.35	1.15
	Brunei	22.29	1.40
	Australia	13.61	0.86
	Cambodia	1.05	0.07
	Singapore	1.96	0.12
	Philiphin	1.75	0.11
2021	Laos	43.70	4.11
	Malaysia	31.56	2.97
	Brunei	16.74	1.58
	Australia	7.23	0.68
	Singapore	1.29	0.12
	Cambodia	1.23	0.12

1.2.2 Product Information

(1) Characteristics of products or services and development of business innovation.

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



- **Distribution Transformer**

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

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

The Company can design and manufacture all types of transformers according to international standards or according to customer’s need IEC 60076, ANSI C57, VDE 0532 & DIN 4290, JIS, TIS 384-2543 (2000). The Company’s transformer has the electric power between 1 kVA to 30,000 kVA, both 1-phase and 3-phase with a maximum voltage not over 36 kV, maximum production capacity of 5,000 units or 2,500 MVA per year.

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

transformers can be divided into 2 types as follows:

A. Oil Type Distribution Transformer,

using oil to circulate inside for cooling and acting as insulation. Most of oil distribution transformers will be installed outdoors and can be divided into 2 types of oil distribution transformers as follows:

- **Open Type with Conservator**

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

- **Hermetically Sealed Transformers**

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

B. Dry Type Cast Resin Transformer,

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



The Company has quality control of every transformer. After baking and refueling in a vacuum oven to remove the accumulated moisture in the components. Then the transformer will be tested for quality before delivering the product to the customer, which has 2 type tests as follows:

- **Routine Test** : Ratio test, Resistance measurement, Polarity and phase relation test, No-load loss test, Oil test etc. No-load loss test, Oil test etc.
- **Special Test** (according to customers' requirement): Temperature rise test, Impulse test, additional testing/witness testing etc.

Ekarat Unit Substation

At present, the Metropolitan Electricity Authority has taken steps to bring electrical cables underground. Helps strengthen the security of the electrical system, reduce power outages or blackouts from natural disasters, and be able to support the increasing amount of electricity used in line with the growth of urban society, enhancing good image and beautiful scenery.

The installation of transformer had to be changed from being placed on an electrical pole to place on the ground instead. The Company has designed a set of equipment for the underground electrical distribution system or Ekarat Unit Substation, consisting of 4 main parts of equipment: Medium Voltage Switchgear, power transformer, Low Voltage Switchboard and Metal enclosure, which has passed Internal Arc Test from the KEMA Institute Labs, Netherlands, according to IEC 62271-202 IAC-AB, 20kA, 1sec, to ensure protection against sparks or flames caused by a short circuit inside the cabinet.

In addition, it has an appropriate size and blends in with the environment, creating a beautiful landscape that can be designed and installed for customers to use in every region and climate.



- **Service and maintenance**

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

A. The maintenance and repair of the distribution transformer

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

Maintenance of transformers = Medical Examination



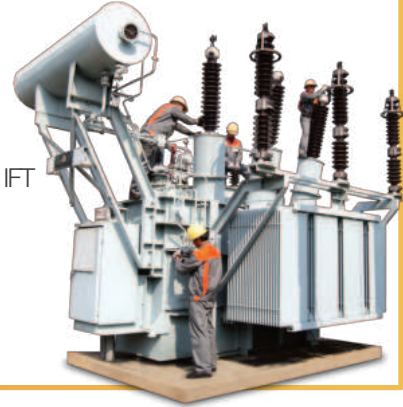
Human

1. Annual Medical Examination
2. See a doctor
3. Temperature measuring
4. Pressure measuring
5. X-Ray
6. Urine Test
7. Blood Test
8. MRI / CT Scan
9. Surgery



Transformer

1. Annual Transformer Maintenance
2. Check the external condition of the transformer.
3. Transformer temperature measurement
4. Check oil level, Presser, Nitrogen Gas
5. Megger Insulation
6. Oil Testing
7. Special Test : DGA, WT, ACID, PF, IFT
8. Special Test : PF, Winding Resistance, Ratio
9. Over Haul



B. Design, Installation and Maintenance of electrical systems.

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

- **Maintenance for On Load Tap Changer (parts of the transformer):** The Company's personnel have been trained by the On Load Tap Changer's manufacturer. Therefore, they can give advices on the conditional based maintenance, preventive maintenance, change parts, which can provide distribution transformers for all brands and all electrical systems.
- **Maintenance services and industrial electrical motor repair:** The Company provides maintenance and repair services for industrial electrical motors in accordance with ISO 9001: 2000. Customers can request free charges in the first operating the service team will check the solution at the factory including installation, test run and overhaul. In addition, the alternating current (AC) industrial electrical motor which have voltage ranges during 380 volts to 6,600 volts are also provided to repair DC motors (Direct Current: DC) voltage range from 110 volts to 1,200 volts including changing the rotor bar, spraying the shaft, changing the shaft, connecting the lid or hitting the Laser Alignment Renew Commutator and slip-ring with 1 year warranty.
- **Electrical system maintenance:** The Company provides electrical system maintenance services to enhance the efficiency of the power supply system with the continuous and consistent importance of the preventive maintenance for the control cabinet due to the dirty electrical equipment such as dust, powder, soot, smoke and other including the cause of the electrical equipment in the power distribution cabinet, also the release of heat until the heat increases at the electrical connection point or the connection point between electrical equipment which caused by the heat accumulated when using. In case of, the metal expands and shrink regularly, damage the electrical equipment, result in the stop supplying electricity for emergency repairs. Therefore, equipment should be maintained with cleaning and check the fastening on electrical equipment firmly at least once a year, which can be maintained in the cycle of annual maintenance or maintenance when encountering hot spots by checking the thermo vision.
- **Generator maintenance and repair services:** The Company sells spare parts, alternator engines, generators and tandard installation of generator. The Company also has provided a service to update the generator set and ATS to be an automatic system, parallel generator (Synchronize Generator), control cabinet and various equipment Including repair, maintenance (Preventive Maintenance), service charge list or annual service contract. In addition, the Company is able to provide the repair or overhaul services for generator's customer by skilled technicians and modern equipment.
- **Design and installation of industrial electrical systems, both medium and low voltage systems:** For power users who need a comprehensive service from the initial construction to the power supply by designing skills and supervising with professional engineer.
- **Design and construction of substation (Substation):** The Company is the design recipient, installation and construction of 69-115 kV power substation for large power users to reduce the cost of electricity about 15-20 percent and will also make the power system efficiency.

- Management system consulting: The Company provides consulting services, ISO 9000 quality management system, ISO 14000 environmental management system, occupational health and safety management system OHSAS / TIS 18000 System for quality standards, testing laboratories and calibration of ISO / IEC 17025 and activity systems, suggestions, 5S activities, QCC HACCP etc. professional consultants who work together to create systems that are in line with the business requirements and comply with standards.

- Calibration laboratory services: The Company provides calibration services for electrical measuring instruments and dimensional calibration with a calibration laboratory that has been certified by the ISO / IEC 17025 standard laboratory testing and calibration system from the Office of IndustriaStandards, Ministry of Industry.

AKR

In addition, the Company gets ready for service to respond the customers with the Mobile Service Test which can test the transformer without the electricity. It can be displaying the test results at the onsite and send information through the internet immediately.



The Company has established service and sales centers in every region which is already have the equipment, transformers distribution reserve and skilled engineers who have experience in controlling each center provide all the time. There are 12 sale and service centers, as follows:

	Service Center		Service Area	
1.	Bangkok Center	3 Provinces	: Bangkok Samutprakarn Nontaburi	
2.	Chachoengsao Center	7 Provinces	: Chonburi Chachoengsao Rayong Chanthaburi Prachinburi Sakao Trat	
3.	Ayutthaya Center	11 Provinces	: Ayutthaya Pathumthani Angthong Nakhonnayok Saraburi Lopburi Singburi Chainat Uthaithani Nakhonsawan Phetchabol	
4.	Nakhonpathom Center	8 Provinces	: Nakhonpathom Kanchanaburi Phetchaburi Prachuapkhirikhan Samutsakhon Samutsongkhram Ratchaburi Suphanburi	
5.	Konkaen Center	9 Provinces	: Konkaen Udonthani Kalasin Loei Nakhonpanom Buengkan Nongkhai Nongbualamphu Sakonnakhon	
6.	Nakhonratchasima Center	4 Provinces	: Nakhonratchasima Chaiyaphum Buriram Mahasarakham	
7.	Chiangmai Center	8 Provinces	: Chiangmai Chiangrai Maehongson Payao Lamphun Lampang Nan Phrae	
8.	Songkhla Center	7 Provinces	: Songkhla Trang Pattani Narathiwat Yala Satun Phattalung	
9.	Suratthani Center	4 Provinces	: Suratthani Chumphon Ranong Nakhonsithummarat	
10.	Phuket Center	3 Provinces	: Phuket Krabi Phangnga	
11.	Phitsanulok Center	6 Provinces	: Phitsanulok Uttaradit Sukhothai Tak Kamphaengphet Phichit	
12.	Ubonratchatani Center	7 Provinces	: Ubonratchatani Amnatcharoen Yasothon Mukdahan Roiet Surin Srisakat	

- **Solar Energy**

Solar Energy business is the Company's secondary business, divided into 2 types: solar power plants and selling and installing solar panels.

- A. Solar Power Plant**

At present, the Company has 2 ground-mounted solar power plants as follows:

- **Solar Power Plant, Prachinburi Province**

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



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

- **Solar Power Plant, Nonthaburi Province**

In 2016, the Company has agreed with the Bang Bua Thong Agricultural Cooperative to operate a ground-mounted solar power project for government agencies and agricultural cooperatives. the Company was all project developers from investment, design, procurement and construction of projects or was called EPC with the objective of producing, sending and selling electrical energy to the Metropolitan Electricity Authority. The purchase rate of electricity is not more than 5.66 baht per unit, fixed throughout the contract period of 25 years.



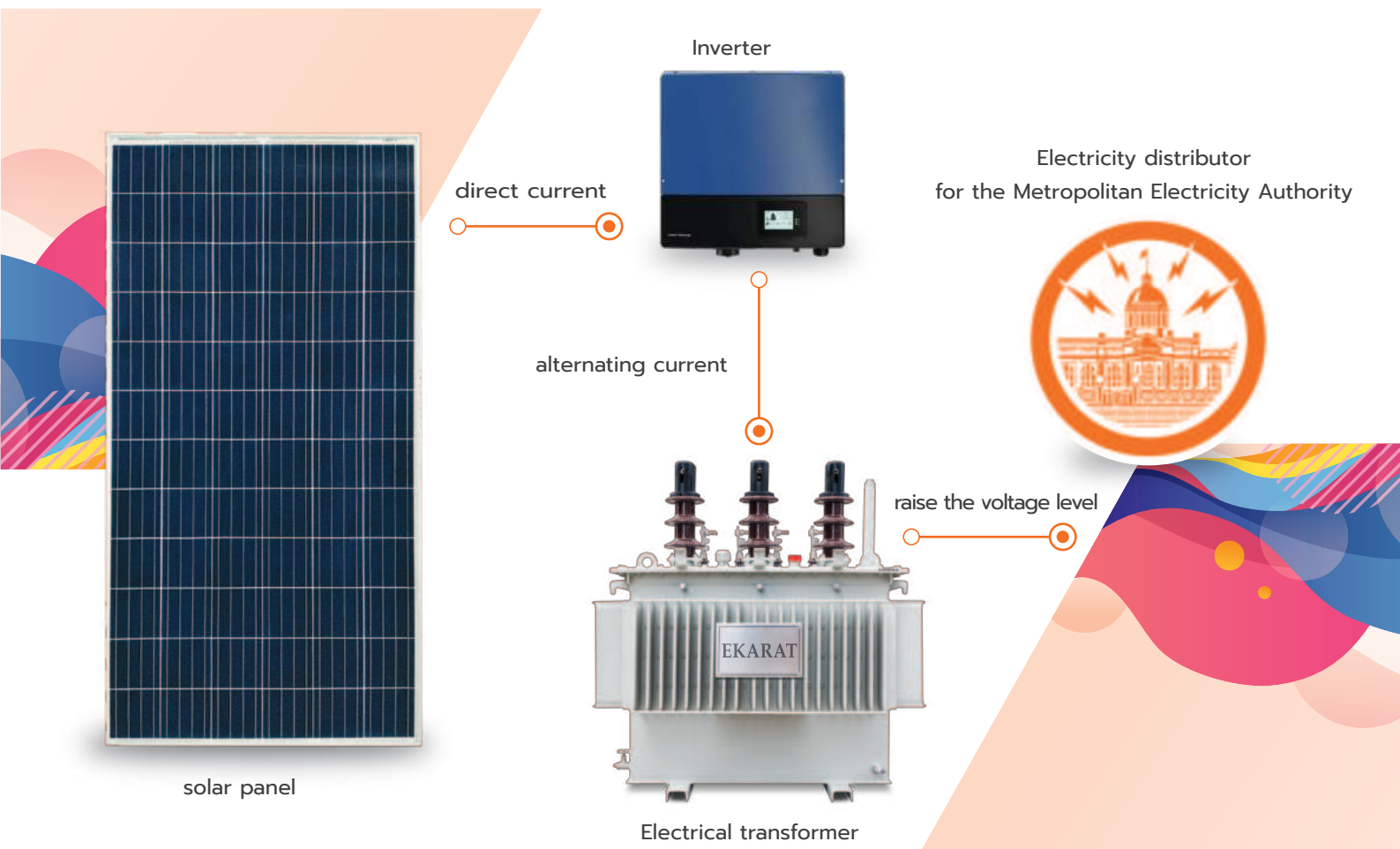
production capacity	3.35 megawatts per year
Value of investment	87.6 million baht
Project Location	Lahan Subdistrict, Bang Bua Thong, District Nonthaburi Province
Size of project area	34 Rai
MEA's power purchase rate	Not exceed 5.66 baht per unit, fixed throughout the contract period of 25 years
Amount of electricity generated per year	4,988,820 kWh/year

Project overview

The project is located in Lahan Subdistrict, Bang Bua Thong District, Nonthaburi Province, that area has enough potential for the implementation of the solar power plant project with average annual solar energy 1,787.90-1,874.00 kWh/m²-day.

The technology used as a standard technology is common ground-mounted solar power generation. The main working principles of the system are as follows:

- The solar cell will produce electricity with direct current (DC) when the sunlight hits the solar panel.
- The inverter will change DC power to AC power (Alternating Current : AC).
- Such alternating current will be passed through a transformer to increase the voltage and send electricity into the grid system of the Metropolitan Electricity Authority.



B. Solar Energy Business

The Company is a manufacturer and distributor of Solar PV Module. We are a provider of design and installation of solar power systems and other renewable and consulting on energy conservation. The Company's solar panels certified by TIS 1843-2553 or equivalent to the international standard IEC 61215 and TIS 2580 or equivalent to the international standard IEC 61730. Solar cells, which generated the power from 60 watts to 660 watts, are from the Thai Industrial Standards Institute.

The Company has established 2 subsidiaries to operate solar energy business as follows:

1. Ekarat Solar Company Limited

Operates as a distributor of solar modules as well as a service provider for the design and installation of electricity generating systems from solar energy and other renewable energy and consulting on energy conservation.

2. Ekarat Energy Company Limited

Operate in all energy business, to be a distributor, consultant, bidding, tendering, providing energy management services, including various power plants both domestically and internationally.

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

- **Solar PV Module**

The Company manufactures and sells crystalline silicon and multicrystalline silicon solar panels from 60 watts to 660 watts, according to customer's order (Made to Order) and has a capacity of 15 megawatts per year. The solar panels the Company produced will be efficient in converting solar energy into electric energy about 18% of the total solar energy received and can be used for 20-25 years.



- **Design and Installation (EPC)**

for Solar Power Plant, Solar Rooftop and Solar Alone/Off-Grid. Both using solar energy sources only and alternating energy sources. It's mean using solar energy together with other energy sources such as generators or wind power, etc.



Solar Rooftop on our factory



Solar Rooftop on parking building at Energy Complex

(2) Marketing and Competition

Distribution Transformer

Marketing Policy

Reliable Quality

The Company focuses on selling high quality distribution transformer. Therefore, our transformer is high-priced transformer according to the quality. Focus on the target customers who want products with high quality and durability. The factors supporting the production of quality transformers are below;

Selection of quality materials such as silicon steel, coil, transformer oil, insulating paper etc. The materials purchased from domestic such as copper wire, transformer oil, etc. and foreign countries such as silicon steel, Coil cast resin etc.

Using the modern machinery such as the folding fin, which is used to fold the long steel sheet into the fins to make the heat sink fins of the transformer wall must have the least connection. In order to prevent leakage of the tank and foil winding, which is a modern technology for producing low voltage coils to provide a balanced and efficient distribution of electricity resistance to the short circuit and maximum power surge which does not damage the coil and new silicon steel cutting machine from Germany to increase the efficiency of cutting steel quickly and accurately.

The Company has received technology from leading companies around the world such as Starkstrom-Geratebau GmbH in Germany, Westing House Co., Ltd. in USA and Elco Co., Ltd. in Israel, for example, to receive the technology of transformer distribution system such as sealed oil type and dry resin type from Starkstrom-Geratebau GmbH, Germany in the production and process. The Company realized the strengths and weaknesses of each technology in order to be able to use in the country appropriately.

Executives and personnel have experienced in the distribution transformer system for a long time. They have been trained from leading companies around the world of transformer manufacturing technologies such as Westing House Co., Ltd. in USA, Elco Co., Ltd. in Israel Starkstrom-Geratebau GmbH in Germany, etc.

Quick Delivery: the Company has stock products to support the needs of customers who urgently need to use transformers by planning to produce standard-sized electrical transformers with high order frequency. Because the production of transformers takes a long time.

The demand for electricity is constantly increasing.

Electricity is an important fundamental factor for economic development. When considering the electricity demand in the past compared to the economic growth rate. The growth in electricity demand was in line with the expansion of gross domestic product. The electricity cannot be stored and the electricity demand of users varies in each period. Therefore, the Electricity Generating Authority of Thailand, which is the agency responsible for supplying enough electricity to meet the demand at all times. Therefore, it is necessary to know the electricity demand and forecast the future electricity demand by considering 2 power demand values, namely peak demand and energy demand.

However, the expansion of the power transformer and the distribution transformer industry in the country can be considered from the sales of domestic transformer manufacturers that tend to continuously increase.

For international market It can be determined from the gross domestic product (GDP) in each country of the Company's customers; ASEAN Countries such as Laos, Malaysia, Brunei, etc, South Asian Countries such as India, Nepal, etc. and countries in the Australian continent. The gross domestic product (GDP) growth rate of each country tends to increase accordingly. The GDP growth is consistent with the growth rate of energy demand and the peak demand. The trend of economic growth and the demand for electricity are directly related to the demand for transformer. The transformer is rated to receive a certain amount of current capacity, when the economy expands and the demand for electricity increases, it is necessary to install more transformers in order to be sufficient for their use.

Target Group

Domestic customers

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

For distribution transformers, Dry Type Cast Resin is the safest and most suitable for indoor installation. Most of our customers are real estate groups such as high-rise buildings, condominiums, or hotels that focus on beauty, safety, and saving space.

The major distribution transformer customers in the country, most of them are private sector that are famous companies and contractors. For the government agencies are Provincial Electricity Authority and Metropolitan Electricity Authority. The Company's customers in 2023 were domestic private customers, Government and state enterprises, international customers equal to 1,493.25 168.15 and 157.99 million baht or 82.08% 9.24% and 8.68% respectively.

Foreign Customers

The Company has established alliances with foreign operators or dealers to expand production base, increase the customer base and exchange the technologies. It is sold to general private customers and government agencies projects and the Electricity authority in each country. Our main customers are neighboring countries in Asia and Australia because they have confidence in the reputation of quality and durability of the "Ekarat" transformer.

Price policy

In determining for the price of the distribution transformer products, the Company determines the price at a level similar to the competitors by relying on product quality, product design and after-sales service as a selling point.

Distribution channels

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

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

- Direct sales, which will have local sales and 12 service centers as an important sales channel. It can be classified customers in 2 groups is government sector customers: Metropolitan Electricity Authority, Provincial Electricity Authority and other government agencies which will be sold through direct bidding. Private clients sector customers: industrial factories, hotels, hospitals, office buildings or large residences, etc. to sell for customers who are expanding business or owning projects with the demand of electricity in the operation, including entrepreneurs who expand their business to foreign countries.

- Sales through intermediaries, this group of customers are various contractors who received work from bidding both government and private sectors, then ordered from the Company. There are 17 dealers of the Company in 2023. They are qualified according to the Company's criteria and have been well trained to provide knowledge about our products and service. Its possible to reach customers covering all areas.

International Market, the Company had both sales through dealers and direct sales. The international market is considered as a target for future market expansion. Especially, customers in the Southeast Asian and the Middle East which has low consumption per capita statistics along with the consumption of the distribution transformer system still requires import from abroad. In addition, there are many foreign investors who are interesting in expanding the investment base increasingly, so the trends that are demanded the electricity and the distributed transformers are definitely increased. In addition, the Company has also expanded the market to Australia through quality and reliable dealers.

Competition

Domestic markets

At present, there are many transformer manufacturers in the market which caused resulting in higher competition than the past, but the Company still has the highest number of distribution transformer sales average from 2018-2021 and it has an average market share of transformer distribution system about 20% which shows that the Company is a leader of the distribution transformer industry in Thailand.

International Market

For the competition in the international market, the competition is quite high in neighboring countries such as Laos, Myanmar because there are many entrepreneurs who are interested in expanding the market as well. But most customers will trust and accept the reputation of "Ekarat" as a high-quality transformer with long-lasting use. As a result, the Company has the No. 1 market share of transformers in Laos.

Service and maintenance

Marketing Policy

Commitment to service quickly and efficiently

Transformer maintenance, repair services and electrical system maintenance of the Company are very important task because it prevents the severe damage from the accidents. The Company will focus on using 12 service centers nationwide. In providing customer service for inspection, maintenance, repair services and other electrical systems throughout 24 hours. So that, the Company able to take care customers almost every province and creating confidence for the customers that will receive professional services by checking, maintenance and repair completely and quickly.

Transformer maintenance and repair service industry tends to grow steadily and continually in line with transformer sales. It can also grow from electrical services such as factory electrical safety certification and maintenance services and electrical systems used in large industrial plants.

Follow up and pay attention

The service teams will follow up and take care of our customers both of under the warranty period and annual maintenance service contract customers to provide inspection and maintenance services for transformers within the specified period or near the expiration of the warranty period according to the contract. This team will contact customers for service by offering various price packages, customers can choose according to their needs continually.

Providing services with modern and fast technology

The Company has used digital technology in conjunction with transformer maintenance services to facilitate the service team and customers in accessing transformer data. Customers can check the transformer's working status immediately, anytime and anywhere. Reduces the risk of transformer failures and also helps to solve problems quickly, including providing efficient and modern equipment.

Target Group

- **The private customers who are already using distribution transformers:** The Company has guaranteed the using of distribution transformer for 10 years. When the insurance period expires, most customers still use the service continued. For the maintenance of other brands transformers, the Company uses the advantage from service and sales center which has nationwide service area, to offer the service for maintenance and repair transformers to customers. The Company is able to offer electrical system services together with the sale of distribution transformers, maintenance and repair services for distribution transformers such as MDB (Main Distribution Board), high-pressure electrical contractor work etc.

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

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

Price policy

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

Distribution channels

In 2023, the proportion of the Company's services revenue, most of them are private customers. The Company offers services and sell distribution transformers at the same time. In addition, the Company has 12 service and sale centers which be the important force in the sale of services because there are many opportunities to meet with customers, includes customers who are technicians provide maintenance for transformers and will also offer sales services simultaneously or in cases when customers have problems with the distribution transformer, they will contact the service center first and will get convenient and faster in providing services. The Company has provided maintenance and repair services for all brands of transformers, not specific to only Ekarat's transformers.

Competition

The Company is a leader in the maintenance and repair service's the transformer after sales because the Company have the advantages from being a major producer and there are 12 service centers in the country, spread throughout the region by receive notification 24 hours.

However, the Company pays attention to the maintenance of our transformers, whereby the salesperson will communicate to customers the importance of maintaining transformers since receiving the order in order to use it effectively. The Company is committed to developing maintenance services continuously, bringing new technologies such as Internet of Thing (IOT)

to use with transformers. The operation of the customer's transformer can be monitored at all times. If it has something irregular, our service staff from Service centers are able to quickly resolve problems for customers. This will mitigate the damage that may occur. In addition, our service center can also provide advice and the information to those interested in purchasing our transformer and customers can order transformer at any nearby service center.

At present, the competition in the service and maintenance is not so intense, despite the increasing number of competitors such as the electric utility or electrical contractors, etc. Because we focus on providing transformer maintenance services to our customers first in order to ensure the safety of using our transformers. Most of the customers are more confident in using the service with the company than other operators.

Solar Energy

Marketing Policy

Build confidence in quality products that are certified according to standards

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

At present, energy is related to the livelihood of people all over the world. It uses energy from coal, solar, wind, natural gas and oil. It is estimated that in 2040 the population is likely to grow to 9.2 billion people, with similar demand for energy and a link between the economy and carbon emissions. China is the world's highest energy consumption country, replacing the United States and expect that in the future the demand for electricity will increase. The power generation process produces air pollution and causes premature loss of lives of the population. Alternative energy; clean and natural sources, such as solar, wind and biological energy are of great interest.

Solar cells are one of the most important technological inventions for converting solar energy into electrical energy. Currently, such technology has been researched and developed in many countries seriously. As a result, the price of solar cells produced has dropped significantly from the past. Although the cost of electricity production is still higher than that of other renewable energy sources. But the development trend to reduce production costs, including the high price of fossil fuels. As a result, solar photovoltaic power generation can compete with fossil fuel power generation in the future.

Growth rate and condition of solar cell manufacturing industry in the world market and Thailand.

Currently, the global solar market is booming. Market researchers predict that the use of Photovoltaics (PV) will continue to increase from the innovative manufacturing technologies. As a result, solar panels have better efficiency and lower prices. The electricity generation from solar energy in Thailand that is high growing too. From the statistics of the Department of Alternative Energy Development and Efficiency, it showed that the performance of solar energy has increased continuously every year. The government sector has issued policies to support Thai solar cell industry in both production and usage, such as;

1) Renewable Energy and Alternative Energy Development Plan 2018–2037 (AEDP2018) by the Department of Alternative Energy Development and Efficiency Ministry of Energy.

The renewable and alternative energy development plan places importance on promoting energy production from alternative energy raw materials available within the country. Developing the potential for production and use of alternative energy with appropriate technology. Developing the potential for production and use of alternative energy with appropriate technology, with the goal of increasing the proportion of renewable energy and alternative energy in the form of electric power, heat, and biofuels to final energy consumption at 30% in year 2037. The target for using solar energy in 2037 is 12,139 megawatts.

2) Thailand's Power Generation Development Plan 2018-2037 (PDP2018 Revision1) by the Energy Policy and Planning Office, Ministry of Energy.

It is the main plan for providing electricity in Thailand. By giving importance to the stability of the electrical system that covers from the electrical generation system, electrical transmission system to the electrical distribution system. Electricity production is in line with the demand for electricity as the population increases to support the economic growth of Thailand. One of the main goals is the production and purchase of electricity produced from renewable energy, which will be purchased annually at a price not exceeding the average wholesale price (Grid Parity).

Environmental Focus

Currently, business operators pay attention to environmental conservation and greenhouse gas reduction for sustainable growth of their business. They are interested in using more renewable energy, especially the installation of solar power generation systems in the workplace, such as Solar Rooftops on the factory roofs to generate electricity for use in the factory and reduce electricity costs. Solar energy is clean energy that does not affect the environment or neighboring communities.

Target Group

The Company have both domestic and international customers which were group of customers who operate solar panel business, solar panel installation services and government agencies that are supported by government policies. Including private agencies, who interested investment into the solar rooftop installation for reducing the electricity costs. Including entrepreneurs who are interested in investing in installing a Solar Rooftop for the benefit of reducing electricity costs and caring for the environment for sustainable growth. Also receive benefits from the BOI promotion, which can deduct 3 years corporate income tax at 50% the investment together with the exemption of import duty on machinery. Which will end the project in 2022 and other target customers such as hotels, resorts, personal accommodation that are not in the service area of the Provincial Electricity Authority or want to use clean energy to protect the environment, including communities, schools, national parks, Government agencies located in backcountry areas.

Price policy

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

Distribution channels

Currently, the proportion of the installation of the solar power generation system of the Company in 2023 was all private customers. For distribution channels, the public relations will be used to create understanding and confidence in our solar panels. We had a marketing team to meet customers to regularly sell products and to update news for participate in various projects about the solar power of government agencies and private. That has been supported by government policies such as solar power generation projects or the project of installing solar roof for the benefit of electricity production with their own business.

Competition

At present, the government agencies and the private sector pay more attention to environmental impacts. The government's policy to strengthen the security of electric power, causing the renewable energy industry in Thailand to grow as well. Therefore, the core customers are government agencies that have been allocated budgets to support renewable energy.

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

(3) Procurement of products and services

• Distribution Transformer

The Company produces distribution transformers that have power at 1-30,000 kV amperes (kVA) and have a maximum voltage of no more than 36 kV under the trademark "Ekarat". There are steel core assemblies, coils and internal distribution transformer equipment, located at 190 Moo 6, Tha Sa-An Subdistrict, Bang Pakong District, Chachoengsao. The metal body factory is located at 260 Moo 6, Bangpakong-Chachoengsao Road, Tha Sa-an Subdistrict, Bang Pakong District, Chachoengsao Province. The Company has the production capacity and capacity load during 2021-2023 as shown below;

Capacity	2021	2022	2023
Production capacity (kVA.) *	2,500.00	2,500.00	2,500.00
Volume (kVA.)	1,794.21	2,064.42	2,085.73
Capacity load (%)	71.77	82.58	83.43

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

The raw materials used in the production of distribution transformers are Copper wire, Silicon steel, Transformer oil, Steel of tank body, Copper tail plate, Coil Cast Resin and other equipment. The raw materials ordered from domestic are Transformer oil, Steel of tank body, Copper wire, Enameled copper wire, etc. The raw materials imported from foreign countries are Silicon, Copper Coil, Coil Cast Resin which can show the details of the order value of raw materials that can be classified according to the source of purchase as shown in the table below:

Source of raw materials	2021		2022		2023	
	MTHB	%	MTHB	%	MTHB	%
Domestic	574.77	47.71	543.70	53.41	637.96	47.12
Foreign	630.05	52.29	474.29	46.59	715.83	52.88
Total	1,204.82	100.00	1,017.99	100.00	1,353.80	100.00

Service and maintenance

In terms of service, the Company has prepared more than 100 distribution transformers for customers to borrow or rent and had spare parts for maintenance and repair of distribution transformers to serve customers in the case of their transformer accident or maintenance schedules. The Company had 12 service and sales centers throughout the country to prepare for services to customers. Including, there are the calibration of electrical measurement and dimension calibration services by testing and calibration laboratories that have received ISO / IEC 17025 standards from the Office of Industrial Standards Ministry of Industry which is ready to serve customers. Our personnel have highly knowledgeable and experienced, they have to pass the training course on all service standards before the actual operation.

Solar Energy

- Solar Module

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

From the production of both solar cells and solar panels, the Company had a CO2 certificate for export to countries in Europe and America.

- Solar Farm

The Company has 2 solar power plants located in Si MahaPho District, Prachinburi Province and Bang Bua Thong District, Nonthaburi. The Company is the operator of all project developments from investment, design, procurement and construction. Its objectives are to produce, transmit and distribute electric power to the Provincial Electricity Authority and the Metropolitan Electricity Authority.

The Company manufactures solar panels and transformers for use in the project itself and purchasing the other equipments for the development of the entire project. Therefore, the product warranty form is the direct guarantee from the supplier of each type of equipment directly to the Company. In the event that the solar panel or transformer is damaged, the Company can replace the solar panel or solve the problems caused by transformer immediately because we are the manufacturer of those devices.

(4) Assets used in business undertaking

Assets used in business operations of the Company and its subsidiaries as of December 31, 2023, details can be found in Attachment 4 on the Company's website.

(5) Outstanding Works

Distribution Transformer

The Company had distribution transformers that has been ordered and preparing to deliver for customers but not yet delivered on December 31, 2023 in totally 394 units, the amount was 583.06 million baht.

Solar energy

The Company had the service of installing a solar panel that have not been delivered to the customer only high-value projects and take time to deliver as of December 31, 2023

- Ongoing projects and gradually recognizing revenue throughout the year 2023 with a balance as of December 31, 2023 of approximately 40.57 million baht.
- The other projects that have not yet started operating in the amount of 7.01 MW with a total value of 218.31 million baht.

(6) Environmental impact

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

- Using a new generation of silica gel that is a natural substance to preserve the environment.



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

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

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

(7) Research and Development

In the Company's business operations both transformer business and solar energy, Its necessary to continually improve production processes and services to keep up with the ever-changing. Increasing the competitiveness of core businesses through education and adoption of new technologies that can promote faster performance.

The Company had a working team for the transformer improvement project, consisting of Deputy Managing Director of Factory, Engineer, Quality System Development Department in ordrer to develop transformers to be durable and have higher efficiency in use.

In 2023, the Company has continued to develop the use of IIOT technology in electrical transformers since 2021.

Ekarat Service Platform Project

It is a continuous development project since 2021. The Company collaborates with King Mongkut's Institute of Technology Ladkrabang in implementing the Ekarat Service Platform project by using information technology to facilitate service personnel and customers by provide services more conveniently and quickly. Ekarat Service Platform is an integrated system where customers can manage information about their own transformers such as past transformer maintenance history, online appointment, monitoring the operation of transformers through the IIOT system, reporting problems with transformers, including facilitating the recording of the transformer maintenance inspection results of service personnel and delivering reports to customers immediately. As a result, work is faster and more responsive to customer needs. It will be completed in early 2023.

1.3 Shareholding structure of the group of companies

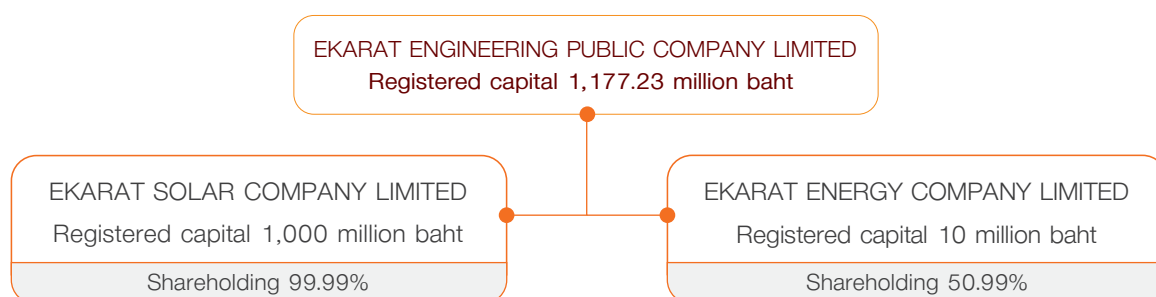
1.3.1 Shareholding Structure of AKR Group

The Company is a manufacturer and distributor of transformers under the "EKARAT" trademark. Later, the Company expanded business from seeing the importance of renewable energy. Especially solar energy. Therefore established a subsidiary to operate solar cell production and distribution business, the details are as follows;

1. Ekarat Solar Co., Ltd. has a registered capital 1,000 million baht. The Company holds 99.99% of shares. It was established on April 9, 2004 to operate solar cell and solar cell business. By the solar cell factory located at Amata City Industrial Estate, Rayong Province and the solar cell production plant is located at Bangpakong, Chachoengsao Province. The Board of Directors is jointly managed by the Company with 3 members, namely Mr. Wiwat Sangthian, Mr. Danucha Noichaiboon and Ms. Rompissri Noichaiboon, to manage their duties in accordance with the stated core business plan. At the present, the asset of Ekarat Solar Co., Ltd. have been sold to the Company in order to continue using solar energy business.

2. EKARAT ENERGY Co., Ltd. has a registered capital 10 million baht. The Company holds 50.99% of shares. It was established on 22 April 2015 to operate solar energy business. By having 3 executive directors together with the Company namely, Mr. Danucha Noichaiboon, Miss Rompissri Noichaiboon and Ms. Urawee Kanokpruk.

As of December 31, 2023, the Company has a diagram of the shareholding structure of the Group as follows:



Investment Policy in Subsidiaries

The investment policy in the Company's various businesses, including new investments, expansion or increase of existing production, purchasing shares or acquiring business. The Company considers many factors such as business expansion trends, value-added investment and to increase the Company's competitiveness etc., in order to diversify the investment risks and has considered that the solar power business has good growth prospects in the future. The Company has a policy to set core operating guidelines for its subsidiaries and the designation of the executive directors to be directors in subsidiaries, to supervise and manage the business operations of the subsidiaries to be in line with the Company's policies and strategies.

At present, the Company has no plan to invest in other subsidiaries.

1.3.2 Person with a potential conflict of interest

- None -

1.3.3 Relationship with major shareholders' business

The Company's core business operations are not related to other business of the major shareholders.

1.3.4 Shareholders

List of top 10 major shareholders as of November 28, 2023

Shareholders' Name	Number of held shares	Porportion of total shares (%)
1. KV assets Co., Ltd.*	170,000,000	11.55
2. Mr. Kongkrai Kanokpruk	156,680,500	10.65
3. Miss Teeraya Kanokpruk	101,640,000	6.91
4. Mr. Chayaphol Kanokpruk	81,100,000	5.51
5. Mr. Wanchai Poolsap	64,589,000	4.39
6. Miss Uravee Kanokpruk	31,000,000	2.11
7. Mrs. Paradee Chiamchanya	29,000,000	1.97
8. Mr. Poompat Numpaisarn	22,408,680	1.52
9. Mr. Pornchai Permpumsuwan	18,100,000	1.23
10. Thai NVDR Company Limited	17,106,820	1.16
Total	691,625,000	47.00

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

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

Shareholders' Name	Number of held shares	Porportion of total shares (%)
1. Miss Rompissri Noichai boon	99,275	18.05
2. Miss Chompicha Noichai boon	99,275	18.05
3. Miss Peerayachan Noichai boon	97,075	17.65
4. Mr. Danucha Noichai boon	48,125	8.75
5. Mr. Wornpahol Sangtian	41,250	7.50
6. Miss Pimolwan Sangtian	41,250	7.50
7. Mr. Sittichok Kantamara	27,500	5.00
8. Mr. Daroonwat Noichai boon	27,500	5.00
9. Mr. Ruengrat Noichai boon	17,188	3.13
10. Miss Wanravee Topongkasame	17,188	3.13
11. Mr. Visitsak Noichai boon	17,187	3.12
12. Miss Khanittha Topongkasame	17,187	3.12
Total	550,000	100.00

Number of Company's Stock holding by the Board of Directors

Name	Position	Shareholding				Variant
		December 31, 2022		December 31, 2023		
		Share	(%)	Share	(%)	
Mr. Vichit Yamboonruang	Independent Director Chairman of the Board	3,168,722	0.215	3,268,722	0.222	100,000
Mr. Vinai Vittawasgarnvej	Independent Director Chairman of Audit Committee	-	-	-	-	-
Mr. Aroon Sricharoon	Independent Director Audit Committee	210,000	0.014	210,000	0.014	-
Mr. Wara Tongprasin	Independent Director Audit Committee Chairman of Nomination and Remuneration Committee	39	0.000	39	0.000	-
Mr. Chatri Siripanichkorn	Independent Director Nomination and Remuneration Committee	-	-	-	-	-
Mr. Thunya Sritorn	Independent Director Nomination and Remuneration Committee	-	-	-	-	-
Miss Urawee Kanokpruk	Director Nomination and Remuneration Committee	31,000,000	2.107	31,000,000	2.107	-
Mr. Danucha Noichai boon	Director Nomination and Remuneration Committee	-	-	-	-	-
Mr. Wiwat Sangtian	Director	170,000	0.012	170,000	0.012	-
Miss Rompissri Noichai boon	Director Risk Management Committee	1,171,724	0.080	1,171,724	0.080	-
Total		35,720,485	2.428	35,820,485	2.434	100,000

1.4 Amounts of registered capital and paid-up capital

1.4.1 Ordinary Share

The Company has a registered capital of 1,412,671,541.60 baht and divided into 1,765,839,427 shares, of which 1,177,226,284.80 baht is paid up and divided into 1,471,532,865 shares at 0.80 baht per share with the right to vote 1 share 1 vote.

1.5 Issuance of other securities

1.5.1 Convertible Securities

2023 The Company issued warrants to purchase ordinary shares of the Company No.2 (AKR-W2) with details as follows:

• Allocated to the existing shareholders	5 existing ordinary shares for 1 unit of Warrant
• Offering price per unit	0 Baht (allocation free of charge)
• Issuance date	May 31, 2023
• Expiration date	May 30, 2024 (1 year)
• Issuance amount	294,305,502 units
• Number of the newly issued ordinary shares	294,306,571 shares
• Exercise ratio	1 unit of Warrant: 1 ordinary share
• Exercise price	Baht 1 per share
• Exercise period	1st exercise date on November 30, 2023 2nd exercise date on February 29, 2024 Last exercise date on May 30, 2024

For the first and second exercise date, none of the holders of AKR-W2 informed their intention to exercise their rights to purchase common shares of the Company.

2019 The Company issued warrants to purchase ordinary shares of the Company No.1 (AKR-W1) with details as follows:

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

As of December 31, 2020, the remaining amount of AKR-W1 is 671,571,134 units. Because in the past, there was no person who expressed their intention to exercise the rights to purchase the Company's ordinary shares.

On May 28, 2021 was the last exercise date and the warrants expire on May 29, 2021, there were 128,243,452 warrant holders to purchase ordinary shares of the Company in the amount of 128,243,452 shares, totaling 128,243,452 baht, with the remaining shares issued and supported for the exercise of 543,401,250 shares.

1.5.2 Debt Securities

- None -

1.6 Dividend Policy

Dividend Payment Policy of the Company

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

The 2022 Annual General Meeting of Shareholders held on April 29, 2022 resolved to approve the Company the dividend payment for the year 2021 to the shareholders whose names appeared on the record date on May 12, 2022 for total number of ordinary shares 1,471,532,856 shares at the rate of 0.03 baht per share, total amount 44,145,985.68 baht, dividend payment scheduled on May 27, 2022.

Interim dividend payment

Board of Directors Meeting No. 10/2023 held on December 13, 2023 resolved to approve the interim dividend payment for the period ended September 30, 2023 at the rate of 0.015 baht per share for ordinary shares totaling 1,471,532,856 shares, total amount 22,072,944.43 baht with dividend payment on December 28, 2023

Year	2020	2021	2022
Earning per share (Baht)	-	0.03	0.06
Dividend per share (baht)	0.073	0.064	0.106
Dividend to earnings ratio (%)	N/A	46.88%	56.60%

Dividend Payment Policy of Subsidiaries

The Board of Directors of both subsidiaries has a policy to pay dividends according to the performance financial position and investment plans. without specifying the exact dividend payment rate, but will consider the performance of each year.

The Company's subsidiaries did not pay dividends for the operating results for the year 2022.



2. Risk Management

2.1 Risk management policy and plan

The Company is aware of the important of risk management of the organization which is an essential component of every business process and connection at all levels. Therefore, the Company has continuously managed the risks. The Risk Management Committee is responsible for assessing potential risks to formulate strategies in accordance with the Company's objectives and goals. Including setting the risk management policy that all employees must follow.

2.2 Risk factors on business operation

2.2.1 Distribution Transformer Business Risk

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

Most of the Company's revenue came from the sale of Distribution Transformer. In 2021, 2022 and 2023, the Company had the revenue from sales of Distribution Transformer to the Metropolitan Electric Authority and the Provincial Electric Authority were 15.02%, 23.60% and 28.68% respectively. It was found that the proportion of revenue of government agencies in 2023 increased by 5.08% from 2022. Revenue from sales of transformers to government agencies is uncertain and depends on many factors that the Company cannot control, both the government's annual budget and the competition in the transformer auction.

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

In 2023, the Company had the major revenue from the sale of Distribution Transformer. In the production of Distribution Transformer used the local raw material and imported material likes Silicon steel, Copper wire, Transformer oil, etc. The Company was greatly affected by the fluctuation of raw material prices in the world market and it affected the total cost of transformer production. Therefore, the Company had to adjust the selling price to be in line with the increased cost. However, we continue to improve and develop in order to reduce costs and plans to procure new raw materials and reserve of raw materials for use in production for about 3-6 months.

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

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

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

In 2023, 89.72% of the revenue from sales of goods and services came from the sale of Distribution Transformer which requires experienced, knowledgeable and skilled personnel. Therefore, the skilled staffs in specialized knowledge are important to the production of Distribution Transformers and operation of the Company. Anyway, with the good operation system awarded ISO 9001, ISO standard has the operating manual, training and operation process. If there is a new employee, it will help to understand the work process. This will enable employees to perform their work quickly.

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

2.2.2 Solar Energy Business Risk

Risk related to the government power purchasing policy

In 2023, the government has a policy and promotion of the production electricity with many solar cell projects connect from the previous year, both Solar Roof and Solar Farm as follows:

- Risk related Anti-Dumping Law

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

- Risks from purchasing energy of the government sector

In 2023, the Office of Investment Promotion (BOI) announced the benefits for general entrepreneurs who have installed Solar Rooftop and Solar Farm for internal use. Therefore, which was another channel that the Company can join to work.

- Power Development Plan of Thailand (PDP)

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

2.2.3 Financial Risk

- Risk from interest rate fluctuations

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

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

The current global economy, although the COVID-19 crisis has eased, there is still a crisis of the War. This results in higher inflation around the world. The bank increased the interest rate (KBANK) MLR from 5.47% to 5.97% per annum and MOR from 5.84% to 6.34% per annum.

However, the Company has been closely monitoring the interest rate situation and managing its finances efficiently to reduce interest costs.

- Foreign exchange rate risk

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

2.2.4 Economy and Political Risk

In 2023, the economy began to expand due to political changes and the Kovic-19 situation has a better direction, resulting in GDP for the year 2024 according to the announcement of the National Economic and Social Development Council was 2.2-3.2%. The Company estimates that in 2024 there will be public investment in large-scale public utilities and the expansion of renewable energy mainly. If the public investment project can speed up the operation in the first half of the year, the economy will expand according to the target.

Business sustainability development



3. Business Sustainability Development

3.1 Policy and objectives of sustainable management

The Company operates its business under good corporate governance, in accordance with the direction and strategic plans in order to create sustainability for the organization on Economic, Social and Environmental Responsibility. The Company has established a corporate sustainability policy and publicly announced on the Company's website: https://www.irplus.in.th/Listed/AKR/pdf/Sustainability_Policy_2565.pdf and all stakeholders as a guideline to drive the organization to achieve its vision in a transparent and efficient manner by defining 3 important issues as follows:

Environment

Committed to operate business in environmentally friendly. Reduce the impact on the ecosystem caused by all aspects of the production process and use resources cost-effectively. Create understanding and awareness of environmental conservation to employees, in order to jointly develop the organization to grow in harmony with the good environment.

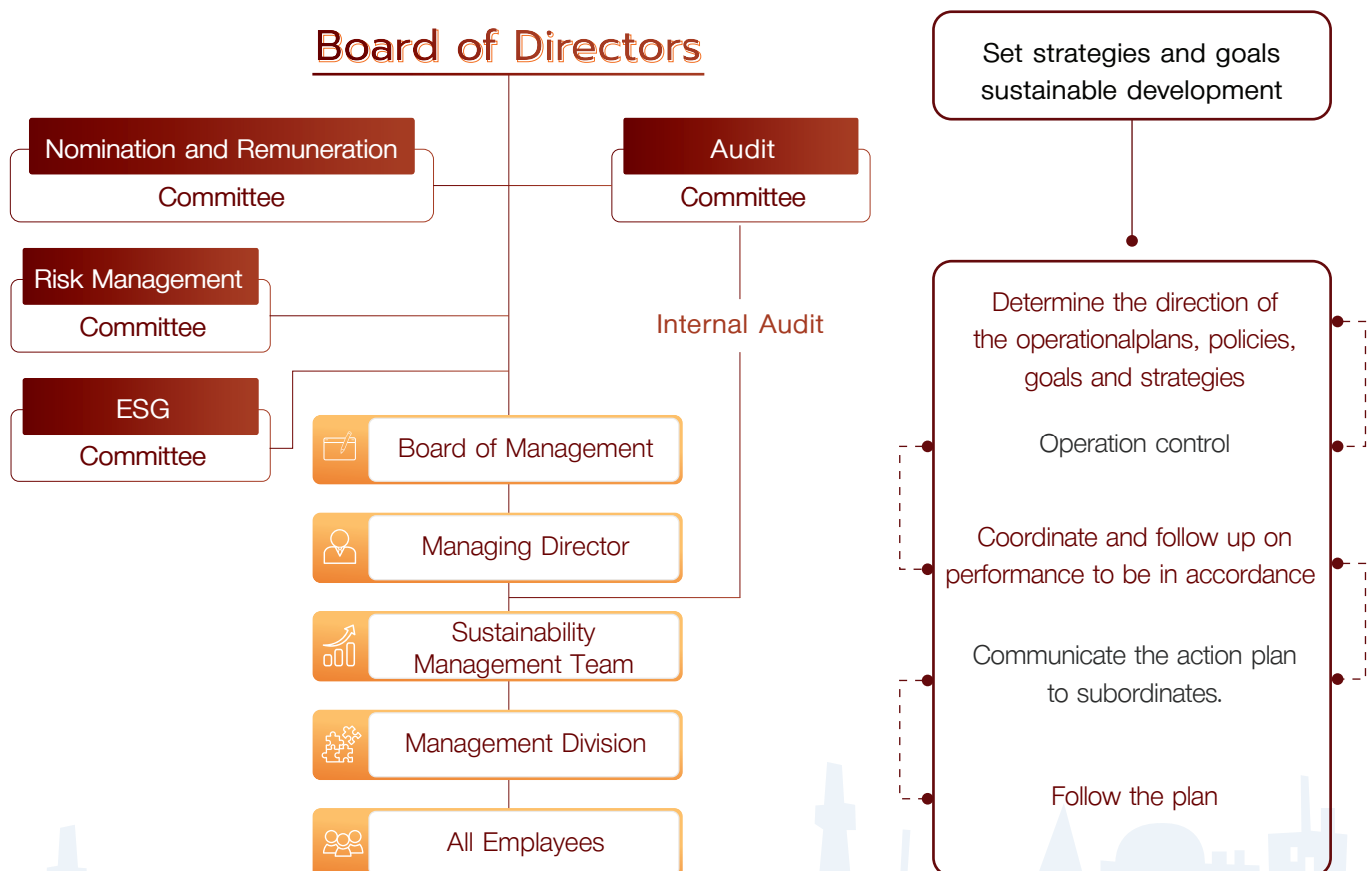
Society

Operate the business with regard to the principles of human rights, fairness and equality of employees and focus on developing the knowledge and competence of employees. As well as promoting the development of communities and society for sustainable coexistence.

Corporate Governance

Adhering to compliance with good corporate governance principles, conduct business with transparency, accountability, ethics, taking into account both internal and external stakeholders by managing risks to control and reduce the impact of operation throughout the value chain. Including the search for business opportunities that can satisfy all groups of stakeholders by focusing on creating new innovations for sustainable growth of the organization.

Sustainability Governance Structure



The scope of the report

The Sustainability Performance Year 2023 presented the Company's performance only the transformer manufacturing factory at Chachoengsao Province in economic, social and environmental aspects for continuous and sustainable development of the organization.

Sustainability Management Target

The Company's vision is to be a leading organization in the quality of renewable energy transformers by setting the direction for business operations according to the mission and operating philosophy "Adherence to quality and honesty to customers" in order to create maximum returns for all stakeholders and grow sustainably. In 2023, the Company set strategies and goals for sustainable development as a guideline for operations in the midst of constant changes, the details are as follows;

ESG	Strategic Direction	Goal	Outcome
Environment	Environmentally-friendly business operation.	Reduce the greenhouse gas emissions by 5% compared the base year 2021.	Implement the plan to reduce greenhouse gas emissions from the production process.
Social	Promote good and safe working environment.	<ul style="list-style-type: none">• Renovate the buildings at the factory both inside and outside to be beautiful and modern due to old and dilapidated conditions.• Reduce the number of work-related accidents by 50% from year 2022.	<ul style="list-style-type: none">• Renovate the building at the factory complete 100% of the plan.• The number of work-related accidents same as year 2022.
Governance	Comply with the principles of good corporate governance and business ethics.	<ul style="list-style-type: none">• Conduct sustainability work in accordance with the principles of good corporate governance.	<ul style="list-style-type: none">• The ESG Committee monitors sustainability performance according to the principles of good corporate governance and adjusts according to the company's sustainability policy.

Remark : The sustainability policy can be found at www.ekarat.co.th

3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business value chain

The Company is aware of the expectations of stakeholders towards the business operations of the organization. Therefore, it engages with internal and external stakeholders to identify the interests, expectations, concerns and success factors that can influence business performance from each stakeholder to assess key issues that affect sustainable business operations.

The Company's business operations are divided into 5 main activities, each of which has a relationship with each group of stakeholders as follows:



1

Sale & Marketing

1. Promotional plans and marketing activities.
2. Fair and competitive prices.
3. Communicate information to target customers.

Raw Material & Procurement

1. Sourcing raw materials from various trading partners and taking into account the quality and reasonable price.
2. Efficiency of delivering on time.
3. Raw material control and storage system.

2



3

Manufacturing & Development

1. Standard production.
2. Inspect and test product quality.
3. Product development to meet customer needs.

Delivery

1. Efficient logistics management with safe and on-time cargo.
2. Transport system that has the least impact on the community and the environment.

4



5

Maintenance & Service

1. Product warranty and after sales service.
2. Survey customer satisfaction after using the product.
3. Follow up on continuous maintenance service.
4. Provide fast, timely and efficient service.

3.2.2 Analysis of stakeholders in the business value chain

The Company recognizes the importance of all stakeholders in the business value chain that may affect our operations. Therefore, a sustainability working group was established with representatives from all departments to consider and analyze groups of stakeholders both inside and outside the organization. By analyzing the value chain of each line and identifying affected stakeholders or affect the operation of each mission or activity which gathered 8 key groups of stakeholders as follows: Stakeholder Value Chain Analysis Result

Stakeholder	Sale & Marketing	Raw Material	Manufacturing	Delivery	Maintenance Service	Support Activities
Customer	✓		✓	✓	✓	✓
Employee	✓	✓	✓	✓	✓	✓
Supplier	✓	✓	✓	✓	✓	✓
Investor			✓	✓		✓
Payable	✓	✓	✓			✓
Community&Social			✓	✓	✓	✓
Competitor	✓	✓				✓
Government Officials			✓	✓		✓

Work with Stakeholders

The Company has compiled stakeholder needs, expectations and concerns into a business plan to analyze and prioritize issues of importance to stakeholders. Then build relationships with stakeholders to respond to issues that stakeholders focus on to improve the Company's operations.

Stakeholder	Expectation Survey Methods	Expectation	The Organization's Response
Employee	<ul style="list-style-type: none"> • Quarterly in-house journal • Listening to employee opinions and complaints • Annual Labor Welfare Committee Meeting • Executives visit employees. 	<ul style="list-style-type: none"> • Appropriate welfare • Knowledge development training • Appropriate compensation • Work safety 	<ul style="list-style-type: none"> • Safety Environmental management pursuant to the standards • Modify wage payment and performance assessment systems • Situational assistance program • Internal and external training programs
Shareholder	<ul style="list-style-type: none"> • News via SET • Annual meetings of shareholders • Registered companies meet investors • Invitations for investors to visit factories 	<ul style="list-style-type: none"> • Good returns • Stable business and continuous growth • Correct and complete Company's information • Good corporate governance 	<ul style="list-style-type: none"> • Dividend Payment • Transparent disclosure of information
Customer	<ul style="list-style-type: none"> • Customer satisfaction surveys • Meet-ups with customers • Organize seminars to educate • Product exhibitions • Technical knowledge provision to customers • Business visits and tours. 	<ul style="list-style-type: none"> • Receive quality products • Fair price • Warranty for products and services • After sales service is good and fast. • Acquire technical knowledge 	<ul style="list-style-type: none"> • Quality products that meet the needs of customers • Total quality management pursuant to ISO9001

Competitor	<ul style="list-style-type: none"> • News and information • Group member meetings • Meetings and conversations 	<ul style="list-style-type: none"> • Fair and transparent trade competition • Help each other when encountering problems in business • Exchanges of information about products and process 	<ul style="list-style-type: none"> • Operate business fairly and transparently • Collaborate to develop business.
Creditor	<ul style="list-style-type: none"> • Meetings and conversations • Discussion performance 	<ul style="list-style-type: none"> • Ability to comply with contract terms and agreements • Have a stable action plan • Reliability and transparency in operations 	<ul style="list-style-type: none"> • Strict compliance with terms and agreements in contracts • Discuss Company's performance
Supplier	<ul style="list-style-type: none"> • Selection and assessment of partners • Meeting with the supplier to check raw material quality. • Partner Satisfaction Survey 	<ul style="list-style-type: none"> • Transparency in bending and evaluating • Comply with the terms and conditions of payment • Fair price competition 	<ul style="list-style-type: none"> • Procurement policy fairly and transparently • Anti-corruption policies
Community	<ul style="list-style-type: none"> • Organizing activities with communities • Annual Community polls • Hold a public hearing 	<ul style="list-style-type: none"> • Received support for community activities • Help the community from the impact of the epidemic. • Peaceful coexistence • No negative safety and environmental impacts on communities and society 	<ul style="list-style-type: none"> • Support for community activities • Human rights policies • Environmental management with ISO 14001 standards • Standard of Corporate Social Responsibility Department of Industrial Works (CSR-DIW)
Public Sector	<ul style="list-style-type: none"> • Rules and regulations • Meeting and discussions • Participation in government activities 	<ul style="list-style-type: none"> • Ability to comply with related laws • Support government projects 	<ul style="list-style-type: none"> • Comply with rules and regulations prescribed by law • Participate in public service activities

Assessing Key Issues for Sustainable Business Operations

The Company collected and identified key issues from all stakeholders and important trends that may occur in the future that affect business operations both in the short and long term such as the epidemic situation, cyber security, climate change, etc. In order to consider with the organization's risk management, sustainability policy and business strategies as well as analyze and review the operating results of the past year to bring those issues to prioritize business and set management guidelines. The Company will assess the key issues every year, to review changes in the issues and stakeholders, then lead to efficient and balanced management. The key sustainability issues were assessed as follows:

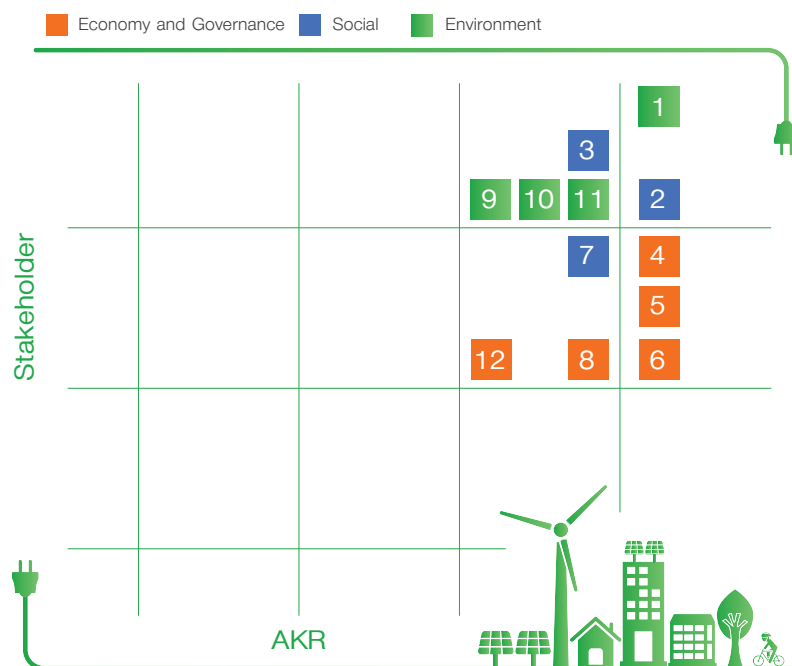
1. Issue Identification

Selecting sustainability issues together with various agencies internal and external stakeholders based on relevant requirements, standards, and guidelines. The needs and expectations of stakeholders that affect operations throughout the organization's value chain, including alignment with the organization's sustainability management strategy.

2. Priority Assessment

Prioritize sustainability issues in terms of opportunities and impacts to create value for the organization and stakeholders. The group of issues will be divided according to the level of importance, namely high level, medium level and low level, then selecting the important issues to enter the strategy formulation and management process to be effective.

Materiality Assessment



12 Issues in each dimension

1. Climate Change
2. Occupational Health and Safety
3. Social Responsibility
4. Risk Management
5. Responsibility for Products and Services
6. Corporate Governance
7. Human rights and Fair Labor Practice
8. Innovation and Technology
9. Water Management
10. Waste Management
11. Energy Management
12. Supply Chain Management

Key Issues	Detail	Stakeholders
Occupational Health and Safety	<ul style="list-style-type: none"> Occupational Health and safety that causes injuries/ illness to employees Production process safety 	Employee, Supplier, Competitor, Community, Public Sector
Climate Change	<ul style="list-style-type: none"> The management of greenhouse gas Use of renewable energy in production process. 	All groups
Human Rights	<ul style="list-style-type: none"> Respecting human rights Legal Employment Employee potential development 	All groups
Risk Management	<ul style="list-style-type: none"> Managing various corporate risks 	All groups
Social Responsibility	<ul style="list-style-type: none"> Participation with the community to lift their quality of life through community activities Conservation of natural resources and the environment 	All groups
Responsibility for Products and Services	<ul style="list-style-type: none"> Production standard Service standard Customer Relationship Management 	Employee, Customer, Supplier, Competitor
Corporate Governance	<ul style="list-style-type: none"> Conducting business with fairness in accordance with governance and transparency Anti Corruption 	All groups
Innovation and Technology	<ul style="list-style-type: none"> Innovation promotion and technology application for the production of goods and service Cyber security 	Employee, Customer, Supplier, Public Sector

Water Management	<ul style="list-style-type: none"> •Responsible management of wastewater •Efficient water consumption 	Employee, Community, Public Sector
Waste Management	<ul style="list-style-type: none"> •Management of hazardous waste from production process 	Employee, Community, Public Sector
Energy Management	<ul style="list-style-type: none"> •Efficient energy management 	All groups
Supply Chain Management	<ul style="list-style-type: none"> •Procurement guideline following the procurement policy and the code of conduct of business partners •Risk Management from the procurement process and the suppliers' operation 	Employee, Supplier, Community

3.3 Management of environmental sustainability

The Company is determined to operate with adherence to quality and honesty, creating value and engaging with stakeholders to grow stably and sustainably according to ESG, namely environmental, social, governance by analyzing internal and external factors to identify various sustainability issues both are risks and opportunities that may affect both positively and negatively. In 2023, sustainability policy was reviewed and 12 key sustainability issues were analyzed and guided in the formulation of corporate strategies. The details include strategies and operational indicators, short-term and long-term goals as well as the duties and responsibilities of the relevant agencies.

Sustainability Management in Environmental Dimensions

The Company sets policies and plans to conserve energy and the environment as part of its business operations. By focusing on the quality of production and realizing the importance of the environment and energy conservation. Therefore, the energy management system has been applied to every step of the business with goals and objectives to promote energy efficiency and maximum benefits, as well as comply with laws and other requirements related. It is considered the responsibility of the management and employees at all levels to cooperate in complying with the specified measures and communicated and publicized the said policy to all internal and external stakeholders. In this regard, we have implemented the energy and environmental conservation policy and requirements according to ISO 14001 environmental management standards (more details can be found at the Company's website <https://www.ekarat.co.th>) as follows:

- **Energy conservation** by designing energy-saving products develop appropriate and continuous energy management systems. Improve energy efficiency in the production process and the technology used.
 - The design of the transformer that has a lower loss than normal, according to the draft of the Green Label, which will reduce losses in the power supply system that occurs during use. can reduce the electricity bill.
- **Saving resources** by reusing and wasting from the production process, such as bringing wood chips, unused pallets or steel structures to be used as a cabinet or table for placing and providing a recreational corner for employees to sit and read. Using recycled paper to reduce the use of paper for internal work, etc. The Board of Directors had a policy to promote efficient use of resources by setting off the lights and air conditioning during the lunch break for 1 hour and providing training on environmental knowledge to the employees according to ISO 14001 standard.

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

- The use of transformer oil without substance Polychlorinated Biphenyls (PCBs) which are difficult to decompose chemicals and can accumulate in both living organisms and the environment. Causing various symptoms such as chronic bronchial liver cancer Impaired nervous system, etc.
- The use of silica gel that is plated from natural organic substances instead of Crystal Violet plated from Cobalt Chloride, which is a banned substance in the product.
- The use of plastics that do not contain heavy metals.

- The use of water colors to reduce the impact on the environment by using water as an ingredient instead of oil paint that must be used thinner as solvent.
- The use of varnish without heavy metal.
- Using hand washing powder to wash oil stains in maintenance work.
- Use an environmentally friendly oil stain remover.
- Change the lighting bulb in the factory to be an energy-saving LED bulb, saving 3,312 kW-h of electricity per month, or reducing electricity costs by approximately 162,950 baht per year and the amount of greenhouse gas that is reduced by 10.30%.
- Installed 851.26 kW solar power generation system (Grid connected System) on the factory roof, allowing the Company to save electricity by 330,791.37 baht per year and have income from selling electricity 59,736.48 Baht per month.
- Reduce the amount of oil used in the forklift by 5% per year. There were cost of forklift oil costs reduced by 5,039.26 baht per month and resulting in reduced greenhouse gas volume too.
- The management and the energy management working group will review and improve policies, goals, performance and action plans annually to be in line with the ever-changing situation and environment. To conduct business with social responsibility and to promote, disseminate, publicize various energy conservation activities to the organization, government agencies and society.

Environmental operating results

Climate Change

Long-term Indicators



Reducing greenhouse gas emissions

by 5% in 2031

Thailand is one of the most impacted by climate change in the world, causing widespread damage to the economy and likely to intensify in the future. Climate change is caused by the amount of greenhouse gases being converted into the atmosphere beyond the ability of nature to absorb. It consists of Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O). The continued increase in greenhouse gas emissions has increased the concentration of CO₂ in the Earth's atmosphere. Resulting in higher global warming and global climate change.

The Company is aware of these problems by striving to manage and reduce greenhouse gas problems arising from the production process at the transformer manufacturing plant and promote the use of clean energy according to Thailand's power generation development plan 2018-2037.

In 2017, the Company participated in the "Supply Chain De-carbonization Project" organized by the National Productivity Institute which aims to promote the industrial sector to realize the importance of Greenhouse Gas Reduction. This is the key sustainability strategic area and helps improve performance, enhance the management of the business value chain, used to communicate to customers and stakeholders in a transparent manner in accordance with the needs of society with increased environmental awareness and respond to sustainable management strategies with a green economy The project implementation period is from November 2016 to August 2017, whereby the Company can reduced CO₂ by 48,963.6 tons CO₂-eq per year and reduced electricity costs by 344,043 baht per year.

After the completion of the said project, the Company did not continue operating in the following years due to several unfavorable factors, Including the availability of personnel of the responsible agencies was insufficient.

However, in 2021, the Company has started to review and plan the management to reduce greenhouse gas problems mainly caused by the operating processes at the factory. Then communicate with personnel in the organization to understand and realize the importance of greenhouse gas problems that affect the environment,

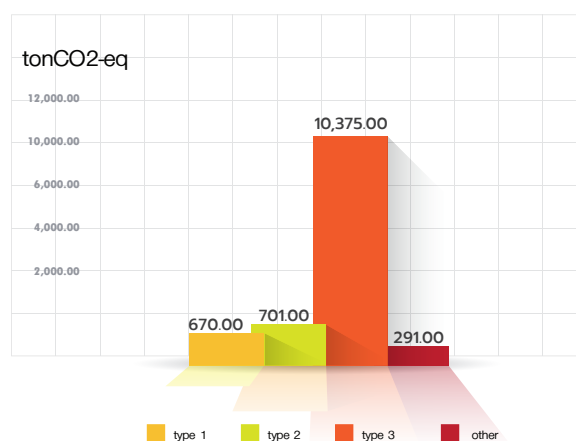
including the benefits that will receive. Employees must work together to implement the plan in order to achieve the objectives.

In 2022, the Company started implementing the Carbon Footprint for Organization (CFO) project by collecting data on greenhouse gas emission activities both directly and indirectly during the period from 1 January - 31 December 2021 to assess the amount of emissions and consider ways to reduce greenhouse gas emissions efficiently. Established the working team and action plans to communicate to relevant parties about the objectives and guidelines for collecting data to accurately and completely calculate greenhouse gas emissions according to the carbon footprint calculation and reporting requirements of organization 8th edition (6th revision, July 2022) by Thailand Greenhouse Gas Management Organization (Public Organization). All departments in the organization must cooperate in gathering relevant information and attend meetings to know the guidelines.

In this regard, the Company was certified TGO Guidance of the Carbon Footprint for Organization from Thailand Greenhouse Gas Management Organization (Public Organization) on November 29, 2022 and announced to employees through the Company's intranet system.

The Company's direct and indirect greenhouse gas emissions year 2021 (first year)

Performance Data	GHGS (tCO ₂ e/yr)	%
Scope 1	670.00	5.70
Scope 2	701.00	5.97
Scope 3	10,375.00	88.33
Totale	11,746.00	100.00



Management of Material Issues

Objective : Transform to environmentally friendly organization by reducing greenhouse gas emissions and promoting the use of clean energy.

Key Performance



Reduce greenhouse gas emissions from
the production processes.

Improve your air compressor's efficiency by replacing air valves and quick couplings to reduce air leaks in your air conditioning system.

Develop a paint spraying room to prevent paint dust from the production process from spreading outside that may affect the environment.

Reduce electrical energy
Reduce carbon dioxide
emissions 215 CO₂e.

Reduce and control the amount of
paint dust to prevent it spreading
to the outside.



Promote environmentally

friendly products.

Our transformers are environmentally friendly.

Green label transformer

Our transformers have received the Green Label certification from the Thai Environment Institute, indicating the production process or use of technology has a low impact on the environment and creates more confidence for consumers.



Label No. 5

Our transformers have received the new label number 5 certification from the Electricity Generating Authority of Thailand. Refers to products that are highly efficient and save more electricity than before, as well as showing a reduction in CO2 emissions and having an environmentally friendly production process.



Reduce-Reuse-Recycle

Paper / Ink

'Paper' is an important resource that is the top spender of the organization, at the same time it is used carelessly to the point of wastage.

Statistics show that Thai people use paper average of about 60 kilograms per year. The producing 1ton of paper requires up to 17 trees. There are also greenhouse gases emitted from the production process and the use of water and electricity resources in production as well.

We have adjusted new work methods to reduce paper use by working in online system, such as making KPI reports, requesting use of meeting rooms, recording work hours, distributing documents, and increasing channels for receiving complaints, suggestions, comments, etc.



Environmental organization management.

ISO 14001:2015

The Company is well aware of the importance of the environment and has clearly formulated policies and goals regarding energy conservation and reviewing for continuous improvement annually. The Company has been certified with the environmental management standard or ISO14001 since 2001. We aim to implement, maintain and continually improve as well as increasing the efficiency of environmental operations in accordance with various laws and regulations.

ISO 50001:2018

On September 25, 2023, the company received an audit of the energy management system standard ISO 50001:2018, which is an audit of compliance with the standard for the year 2023 (Surveillance No.1) by BSI GROUP (THAILAND) Co., Ltd. The results of the assessment passed according to the specified standards and received continuous certification.

Green Industry Level 4

The Company received an assessment to renew its Green Industry Certification Level 4, Green Culture, from the Department of Industrial Works, Ministry of Industry on 24-25 August 2023. It means that everyone in the organization works together to operate in an environmentally friendly manner in every aspect of business operations until it becomes part of the organizational culture.



Water Management

Short-term Indicators



Reduce water consumption

at least 5% from the year 2022.

The Company mainly uses tap water both in the head office and the factory for consumption within the office, without using water in the transformer manufacturing process. The wastewater will be treated properly before being released to the outside. Water quality analysis is carried out regularly.

Year	2021	2022	2023
Water Consumption (CMB)	5,551	8,369	94,683
Water Supply (baht)	183,004	278,410	379,878

In 2023, the Company had an increase in water consumption of 86,314 cubic meters or 1,031.35 % and increased in water costs of 101,468 baht or 36.45 % compared to the year 2022, which did not meet the target. Because the Company has increased the production of transformers causing overtime work in the evenings and weekends, including the leakage of underground water pipes. The Company is investigating the cause and taking immediate corrective action.

Wastewater Management

The Company had the water withdrawal management system through wastewater treatment processes such as prefabricated septic tanks and aerated grease traps before being released to the outside.

In 2023

The amount of treated effluent was 75,746.40 cubic meters, or 80% of the total water consumption.

Measuring the physical, chemical and biological quality of wastewater-effluent in 2023



Waste and Garbage Management

Disposal of waste and residual materials in the factory caused by the production process both dangerous and harmless. If the waste and garbage disposal operator does not comply with the standards set by the Department of Factory, it will be major problem that severely affects the environment and nearby communities.

Therefore, the Company attaches great importance to the disposal of waste and other waste materials from the production process. There were regulations on waste management from classification, storage, handling and transportation, solid waste disposal and proper utilization for each type of waste in accordance with relevant laws and the least impact on the environment. To be disposed of properly and to reduce waste disposal by landfill especially hazardous waste, recycled waste, waste that can be sold, etc. The Company has communicated and created awareness of waste separation for everyone in the organization to know and implement it correctly. There are garbage bins separated by type of waste in many areas for the convenience of employees.

Garbage Disposal

Short-term Indicators



Reduce the amount of hazardous waste at least 10%

from the year 2022.

Key Performance

The Company has control of solid waste management from classification, storage, loading and transportation, waste disposal and proper utilization for each type of waste in accordance with relevant laws and environmental impacts. Solid waste can be divided into 3 types: general waste, recyclable waste and hazardous waste.

The Company has hired a waste or unused waste sorting contractor which has been registered with the Department of Industrial Works only to carry out the collection, segregation of various wastes to be disposed of properly. Especially the waste that is contaminated with dangerous chemicals that may be toxic to the environment around the factory.

At the head office, mainly separate general waste and recyclable waste because there was no hazardous waste. The juristic person of the UM Tower building charges a monthly general waste disposal fee.

As for the factory, the Company disposes of general waste by hiring an external agency on a monthly basis with no limit on the amount of waste. It costs 72,000 baht per year.

The amount of waste generated from the production process

Garbage type	Amount of waste (kg)		
	2021	2022	2023
Recycle waste	8,859	81,540	43,674
Hazardous waste	61,250	32,725	27,781



**Recycle Waste
Decreased
by 37,866 kg.**



**Hazardous waste
Decreased
by 4,944 kg.**

In 2023, the Company's recycled waste volume decreased by 46% and the amount of hazardous waste generated from the production process within the factory decreased by 15% compared to 2022. The Company can reduce the amount of hazardous waste according to the target.

The Company did not dispose of hazardous waste from the production process by landfill.

Complaint Management on the disposal of factory waste from communities in the surrounding area of the factory

The Company has an annual survey of complaints from communities surrounding the factory by preparing an inquiry letter to the Tha Sa-an Subdistrict Municipality Office, Tha Sa-an District, Chachoengsao and Industry of Chachoengsao Province. Along with send representatives to meet and inquire the residents of the communities nearby the factory to know the problems and dissatisfaction caused by the disposal of waste or waste from the factory, suggestions and comments to improve and prevent such problems from occurring. In 2023, there were no complaints about waste disposal from communities in the factory area.

Inspecting the operations of waste disposal companies.

On April 7, 2023, the Quality System Development Department visited AK Mechanical and Recycling Company Limited, a hazardous waste disposal company. To inspect the location and practices for disposing of waste or unused material that are hazardous waste in accordance with the law or not. It was found that the practice was in accordance with the law.



Electric power

Short-term Indicators



Electricity consumption increased

not over than 10% from the year 2022.

Key Performance

Electricity consumption within the factory in 2021-2023

(kWh)	2021	2022	2023
Provincial Electricity Authority (PEA)	1,401,040	1,468,860	1,460,660
Solar Rooftop	608,309	606,910	550,909
Total	2,009,349	2,075,770	2,011,569

From the table showing the amount of electricity used in the factory, in 2023 the amount of electricity used decreased from 2022 by 64,201 kilowatt-hours or 3.10%, the performance's better than the target.

Using natural clean energy

According to the Company that manufactures, sells and installs solar power generation systems. We understand and recognize the importance of using natural energy which is not toxic to the environment. It helps to reduce the amount of greenhouse gas generated by the use of electricity in the factory. Therefore, we have installed Solar Rooftop on the roof of the transformer factory in Chachoengsao Province, 2 places, size 27 kWp and 501.18 kWp, totaling 528.18 kWp to produce electricity for use within the factory since 2018. There was a working team to survey the area, design, assemble the solar panels and carry out the installation. The generated electricity will be connected to the Main Breaker to distribute electricity throughout the plant, thus reducing the electricity consumption from the Provincial Electricity Authority.

In 2023, the amount of electricity generated from Solar Rooftop decreased from the previous year by 56,001 kWh or 9.23%. The amount of electricity produced depends on climate and sunlight intensity as the main factors.

Year	2021	2022	2023
Electricity purchased from PEA	5,983,249	7,062,002	7,731,063
Solar Cell	2,597,378	2,901,907	2,952,174
Total	8,580,628	9,963,909	10,683,238
Save electricity from Solar Cell	30.27%	29.12%	27.64%

When comparing the electricity costs at the factories, the electricity costs in 2023 increased from the previous year by 669,061 baht or increased by 9.48%. We were able to save electricity purchased from the Provincial Electricity Authority in the amount of 2,952,174 baht, or 27.63% of the total electricity bill.

In addition, there was a survey of the working conditions of the machines, electrical appliances, electric wires, electric bulbs that have been used for a long time regularly because it may be damaged or use a lot of electricity. The Company has switched to use energy-saving products, such as changing the incandescent lamp to LED instead of installing solar-powered walkway lamps, etc.

The Company has organized a campaign for employees to cooperate in saving electricity and water by placing warning signs in various places. To make employees aware of the importance of saving electricity which is one of the major expenses of running business and to reduce the amount of electricity used to meet the target.

Social Sustainability Management

The Company places importance on labor practices and fair human rights respect, equality and non-discrimination, comply with the regulations of labor law in terms of employment compensation, promotion development and training without discrimination of gender, age, race, religion, as well as supporting employment for the disadvantaged, oth the disabled and the elderly. Which is part of the goals of the sustainable business plan.

The Company set policies and guidelines for labor management according to the labor law in order to develop to the potential business. The Company received an award for an establishment that has a good labor management system in accordance with Thai labor standard certification TLS 8001: 2020 (basic level) from the Office of Labor Protection and Welfare, Chachoengsao Province on September 26, 2023.



Safety and occupational health

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

Management of Material Issues

Objective : Appropriate occupational health safety and adaptation of work environments that cause injury or illness to employees.

Short-term Indicators



Number of work-related accidents

has decreased by 50% from year 2022.

Long-term Indicators



Control the number of work-related accidents

to zero in 2031.

Key Performance

Accident at work

In 2023, there were 6 employees who suffered accidents and injured from work; lost time accident 1 time and minor injuries 5 times. The number of accidents equal to year 2022, less than target.

Comparison of the Company's workplace accident statistics in 2021-2023

Severity Level	Number of times per year		
	2021	2022	2023
Minor injuries	7	3	5
Lost time accident	1	3	1
Total	8	6	6

Most accidents occur at factories because of insufficient standards for work practices or 66.66% all accidents. The Safety and Occupational Health Committee, Safety Officer and employees, have jointly reviewed and assessed workplace safety risks. Along with finding ways to prevent it from happening again by training to create awareness and be careful in working for the safety of employees. The supervisors have assigned to take care of subordinates to comply with the Company's safety regulations, including strict disciplinary punishment.

Occupational Safety Training

The Company regularly provides training on safety at work for employees every year to create knowledge and understanding of safety regulations, to raise awareness of work and awareness of potential hazards which must cooperate with all parts of the organization. In order to prevent accidents for oneself, co-workers, and the Company's assets. All new employees must be trained on work regulations, organizational, product, occupational safety and health and working environment. In 2023, there are important training workshops as follows:

- Safety in Electrical Works Course
- Safety in Working at Height Course
- Safety in Working with Cranes Course
- Safety in Working with Forklift Course

Occupational Safety, Health and Working Environment Week 2023.

The Company organized the 2023 Occupational Safety, Health and Working Environment Week activity at the factory in Chachoengsao Province from October 26, 2023 to November 20, 2023 in order to stimulate employees' awareness of working safely and paying attention to maintaining a good environment.



Blood donation activity for Occupational Safety Officer Day 2023.

On November 8, 2023, the Company participated in the activity "November 12, Occupational Safety Officer Day 2023" with the Chachoengsao Provincial Labor Protection and Welfare Office by donating blood to Phutthasothon Hospital at Robinson Life Style Shopping Center.



Fire Fighting and Evacuation Fire Drill Training for the year 2023.

In order to comply with the Ministerial Regulations stipulating standards for management and operation of occupational safety, health, and working environment regarding fire prevention and suppression, B.E. 2012, which stipulates that establishments must arrange for employees practice firefighting and fire evacuation drills together at least once a year by speakers from the Disaster Prevention and Mitigation Department Tha Sa-an Subdistrict Municipality Chachoengsao Province in November 2023.



The Head Office, by the juristic person, UM Tower on June 2023.



Building inspection at the factory for the year 2023

On May 25, 2023, Building Inspector Group (2007) Company Limited was hired to inspect the factory building for the year 2023 as required by law. The checklist are as follows:

1. Check the stability of the building.
2. Check service and facilitation systems
3. Check the hygiene system and environment
4. Check the fire prevention and suppression system.
5. Check the building safety management system.



Factory Building Renovation

Renovate the transformer factory building in Chachoengsao Province for a good image of the organization, creating reliability, modernity, as the original building was old and dilapidated.

Occupational health

Annual health check 2023

The Company recognizes the importance of employee health, which is an important factor in business operations. The annual health check-up is arranged continuously once a year for the head office, the factory and service center by hiring a standardized hospital and comprehensive health check-up program according to the law.

The Company has organized an annual health check-up for personnel in the head office and the factory by doctors and staff from Kasemrad International Hospital Rattana Thibet.

The Headoffice at UM Tower



The Factory at Chachoengsao province



Drug and alcohol testing

The Company has a drug prevention and suppression system within the factory according to the Company's regulations on prohibiting the use of alcohol or intoxicants in the workplace or working while intoxicated or causing abandonment of duty. It is strictly forbidden to smoke / consume / bring intoxicating substances or beverages that cause intoxication, including marijuana and kratom into the Company premises. If found violated, it will be considered a serious offense and may be terminated without paying any compensation.

The Company conducts random, unannounced drug and alcohol testing twice a year. All new employees are required to undergo a drug test before starting work in accordance with our regulations. To prevent and solve drug problems in the workplace according to the standard criteria for the prevention and solution of drug problems in the workplace of Chachoengsao Province, which was certified on August 17, 2016.

On August 18, 2023, the Company randomly tested the urine of employees in the factory, and the results did not find any addictive substances.

Influenza Vaccination

The Company has taken steps to ensure that employees are vaccinated against influenza annually to reduce the severity of the disease if infected with influenza. At the same time, during the epidemic situation of COVID-19, it also helps to increase the clarity of diagnosis for doctors as well as providing treatment. It can also reduce severe complications from influenza.

Health Activities

The Company has arranged various sports and recreational facilities that are beneficial to employees' mental and physical health such as football fields, table tennis, reading rooms, etc., so that employees can exercise during their free time from work, foster unity within the organization and also help reduce the problem of drug addiction.

Working environment improvement

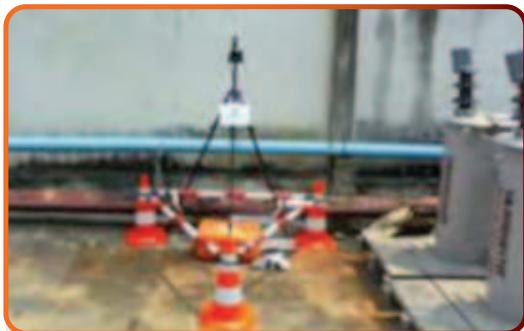
The Company provides the safe working environment to prevent hazards and reduce risks from work processes or working environments by measuring the quality of the environment in the factory once a year.

On March 16-17, 2023, the Company hired Smile Laboratory Company Limited to measure the environment in the factory. By measuring pollutants in the work area and those emitted from the ventilation shafts, measuring heat levels, light intensity, and sound loudness, which were found to be within normal limits as required by law.

Measurement of pollutants in the working area



Measurement of 24-hour average noise levels and noise levels around the factory



Thermal and light intensity measurement in the working area



Measuring the amount of pollutants released out of the ventilation shaft



Employee Engagement

The Company has an annual employee satisfaction survey on November. It aims to systematically and comprehensively explore the factors affecting employee satisfaction and motivation and to identify problems and their causes. The Company will analyze and improve the development of personnel management processes because of work satisfaction will affect the efficiency of the employees.

	2021	2022	2023
Turn over rate (person)	59	77	44
Compared to all employees (%)	8.90	11.38	6.30

In 2023 there were the turn over rate employees less than the previous year by 5.08%.

The Company conducted a survey of employee satisfaction, the results are as follows:

- Employee satisfaction towards the organization was 74.67%.
- Employee satisfaction in the services of the Human Resources Department was 90%.

The Company has established a strategic plan for human resource management that is linked to the organizational strategy on employee engagement as follows:

- New employee care program (On-boarding Program) / Mentorship program to reduce the turnover rate of new employees in 1 year.
- Organizing activities to build relationships such as sports competitions, parties, joint training to create unity and cooperation in working between departments.

Human rights and fair treatment for labor

The Company conducts business based on respect for human rights. There is no discrimination regarding nationality, race, religion, language, age, gender, social status. There is no violation of human rights, no employment of child labor, no support for the use of forced labor in any form.

Operations on human rights

The Company focuses on encouraging employees to realize the importance and understanding of human rights. By organizing training to educate both existing and new employees about the Company's human rights practices and complaint channels at the Internal Audit Department, E-mail: nuttavit@ekarat.co.th. Including giving importance to the human rights of all stakeholders who are at risk of affecting the organization. In 2023, the Company has not received any complaints about human rights violations in its business operations.

The Company does not employ foreign workers and most of the employees at the factory are residents of the community nearby the factory. It is our policy to promote the creation of jobs and careers for society and communities to live together sustainably.

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

Support for Disabled Individuals Program

The Company supports and promotes disabled group of individuals to have stable careers and jobs by giving fairness and security to all levels of employees with the opportunity for disabled workers to work with the Company according to the individual's ability. At the present, there are 7 disabled individuals working for AKR Group or 1% of total full-time employees.

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Full-time employees	407	256	420	257	437	261
Number of disabled employees	6	1	6	1	6	1
Percentage	1.48	0.39	1.43	0.39	1.37	0.38

Employee Development Policy

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

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

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

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

In 2023 the Company provided both internal and external training in total training hours of the year 14,262 hours, the average training hours was 22 hours per staff. That's higher the target of 12 hours per person per year. Since the Company has changed the new ERP system to the SAP system, it is necessary to train employees throughout the organization on how to use the SAP system, which takes a considerable amount of time to train, causing the number of training hours to be higher than the set target.

	2021	2022	2023
Average number of training hours for employees (hour/person/year)	6.04	8.81	22
Training expenses (Baht)	281,736	586,290	702,764

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

Internal employee training

- Orientation for new employees by the Human Resources Department will organize an orientation for all new employee to know and understand work regulations, career advancement, ISO standard system and RLS 8001, product knowledge safety at work, etc.
- Service standards which will provide knowledge training on transformer maintenance services to service center employees.
- ABAP Programming Training Project, by the Information Technology Department organizes training on ABAP program knowledge for relevant employees.
- The use of cranes by the Human Resource Management Department provides training to employees who request to register to use cranes.

External employee training

- On 4-5 August 2023, the Company organized training on "High Performance Team Leadership" for 57 employees from supervisor to executives to enhance leadership skills at Na Vela Hotel, Ratchaburi Province.



- General Safety, Electrical Safety, Work at Height.
- Application of information security standards according to ISO/IEC27001:2022.
- ANZEN LEADER TRAINING.
- ISO/IEC 27001:2022 (Internal Auditor Training Course / Requirement Training Course).
- ISO 50001:2018 Energy management system.
- Creating corporate culture to drive the organization.



Employee compensation

The Company has revised the salary structure to be in line with the competitive labor market conditions and in accordance with the law by surveying the salary rates of other entrepreneurs in the same area to ensure fairness to employees. Using KPIs to assess the performance of employees twice a year to adjust the level and the annual salary. The Company has various benefits including social security funds, provident funds, accident insurance and others such as uniform, overtime payment, the shuttle bus for employees, support sports venues and equipment, etc. (see more details of employee compensation in Part 2, item 7.5).

Labor dispute in year 2023

– None –

Responsibility to product and service

Transformer is the main factor that brings power to nourish every business. When choosing a transformer, it is necessary to select the best one. Because if the business is stumbled due to the breakdown of the transformer, may cause enormous damage.

The Company adheres to the policy to produce transformers with the highest quality. It is durable in all conditions of use and resistant to accidents that will happen to the transformer and lowest rate of damage. We guarantee the quality of the transformer for up to 10 years. In addition, information technology is also used in conjunction with transformers to provide greater convenience for customers.

In terms of service, the Company attaches great importance to service personnel who must be trained and learn to work proficiently. To build confidence to customers in the efficiency of transformer maintenance work.

Standard quality products

Ekarat™ transformer has received various technologies from leading companies around the world such as Starkstrom-Geratebau GmbH in Germany, Westing House Co.,Ltd. in the United States and Elco Co.,Ltd. in Israel. Our personnel have expertise and experience in distribution transformers from knowledge training. We can design and manufacture all kinds of transformers according to international standards or customer requirements. Transformers must be quality tested in an accredited testing laboratory, TIS 17025-2017, before being delivered to the customer with 10-year warranty after installation.

The Company has been certified with various standards in terms of quality, environmental, occupational health and safety, etc. By focusing on every production process from design, development, testing, transportation, installation, and even the last step of transformer maintenance to made customers' confidence in products and services that meet international quality standards, safety, durability and low environmental impact, the details of standard items were as follows:

Accredited Standards	Accrediting Agency	Accreditation No.	Remarks
IEC 60076	TISI	N/A	Transformer product standard
ISO 9001:2015	SGS	TH98/4911.00	Quality Management System Standards
ISO 14001:2015	SGS	TH19/12054	Environmental Management System Standards
ISO/IEC 17025:2017	TISI	Calibration 0043 Test 0599	Laboratory Calibration Quality System Standards
ISO 45001:2018	SGS	TH19/12055	Occupational Health and Safety Management System Standards
ISO 50001	SGS	ENMS717624	Energy Management System Standards
ISO/IEC 27001-2013	BSI	IS 741368	Information Security Standards System
PPA	MEA	N/A	Product quality certification
CSR-DIW 2021	Department of Industrial Works	10240000125245	Industrial Social Responsibility Standards
Green Industry Level 4	Ministry of Industry	4-142/2559	Environmentally friendly business
Made in Thailand (MiT)	FTI	N/A	Products made in Thailand
Green Label	TEI	GL2019/054 GL2020/043	Products that reduce pollution and have a low impact on the environment.
TGO Guidance of the Carbon Footprint for Organization	Thailand Greenhouse Gas Management Organization	TGO CFO FY23-02-070	Certification of the carbon footprint of the organization

Our transformers have been tested and certified by reliable and reputable institutions abroad.



Type Test Certificate of Short - Circuit Performance
By KEMA High Power Laboratory, Germany



Routine Tests Before Short - Circuit Tests, Short - Circuit Tests
Routine Tests After Short - Circuit Tests
By CESI Centro Elettrotecnico Sperimentale Italiano, Italy

Product development for safety and health of customers

The Company is committed to developing products that reduce pollution and have the least impact on the environment in terms of noise, air and heat generated from the operation of transformers, which may cause pollution to the health of customers and the surrounding environment. Our transformers are certified Green Label products or Green Label products that have less impact on the environment. The production process is controlled from the selection of raw materials with standard quality, monitor the transportation process and production process. It is important to verify the performance of the transformer in accordance with the specified criteria before delivery to the customer to build more confidence for the customer in making a purchase decision.

Information of products and services

After the product has been delivered to the customer, the Company will send the product quality assurance card to the customer by post with various details to notify customers of usage instructions, warranty period, warranty scope and phone number to contact the service department. To facilitate customers to contact, inquire or report problems or complain about products through the Call Center and Line Official at any time, 24 hours a day, or leave a message on our website www.ekarat.co.th. The staff will be in touch quickly to coordinate the problem and monitor progress continuously. In this regard, customers can view our products and services information or any promotions at our website or via Facebook: Ekarat Engineering PCL.



Product Warranty

The Company guarantees our transformer for 10 years. In the event that the transformer has a problem during the first 3 years from the purchase date, We will be responsible for repairing or replacing the new device for the customer free of charge Depending on the severity of such problems, which must be considered on a case-by-case basis in accordance with our conditions. After the 4th year onwards, we provide maintenance services for transformers by making an annual service contract to monitor and check the operation of the transformers for safety and to prevent unexpected events that may occur such as transformer explosion. This will cause damage to the customer's business from power outages or fires. The Company takes into account the importance of these, so we have a backup transformer for customers to use while waiting for the transformer to be repaired.

Management of Material Issues

Objective : Customer satisfaction from quality products and safety to make confidence in the product.

Short-term Indicators



Customer satisfaction

in products and services in 2023 at good level, not less than past year.



Manage Customer Complaints

in Goods and Services 100%

Long-term Indicators



Fulfill customer's demand

and create maximum customer satisfaction.

Key Performance

Customer satisfaction is important

The customer is important, we are committed to solving any problems arising from goods and services in order to be able to meet the needs of customers as much as possible by survey satisfaction and customer complaints through various communication channels such as telephone interviews, meeting customers, Line Application, E-mail, the Company's website, seminars or trade shows. To gather various issues to consider and find solutions to improve and prevent them from happening again in the future.

The Marketing and Public Relations Department conducts a quarterly customer satisfaction survey for transformers and maintenance services and collect the average annual survey results. There are four levels of satisfaction assessment criteria as follows:

Score range	3.26 – 4.00	points	Satisfaction level	Very Good
Score range	2.51 – 3.25	points	Satisfaction level	Good
Score range	1.76 – 2.50	points	Satisfaction level	Should be improved
Score range	1.00 – 1.75	points	Satisfaction level	Should be greatly improved

Surveying customer satisfaction in purchasing transformers starts from coordination until the product delivery process. The main customers are divided into 4 groups: contractors, users, government agencies and foreign customers. The target number of customers responding to the questionnaire is not less than 50% of the total number of customers.

For the service customer satisfaction survey, customers' opinions will be asked after service technicians have completed their work, with a target number of customers responding to the questionnaire not less than 85% of the total number of customers.

From the past customer satisfaction statistics since 2007, the Company is more aware of the needs of the customers and uses the opinions of the customers to improve the products and services to be more efficient and meet the needs of customers as much as possible. The marketing team will summarize the survey results and publish them internally on a quarterly basis and presenting complaints with low scores to the management for acknowledgment.

In 2023, there were customer satisfaction survey results as follows:

Customer Satisfaction	2021	2022	2023
Transformer	93.00%	93.25%	93.25%
Service and Maintenance	98.50%	98.00%	99.50%

Customer satisfaction of our transformers

In 2023, the number of customers responding to transformer surveys was 72.45%, which was higher than the target. It was found that the average annual customer satisfaction in our transformers was 93.25%, equal to 2022, thus achieved the target set.

Customer satisfaction of our service and maintenance

In 2023, there were a number of customers responding to questionnaires after receiving transformer maintenance services 89.50%, which was higher than the target. As for the satisfaction of customers in the service and maintenance of transformers was 99.50%, increased by 1.5% from the previous year, thus achieved the target set.

Complaint Management

As the Company had variety of channels to receive complaints about products or services to maintain fairness for consumers under the Consumer Protection Act. There are plans to solve problems and manage complaints that are clear, fast and have staff tracking the progress until the process is completed.

In 2023, the Company did not receive any complaint from customers in the field of transformer maintenance services. Most of the customers are satisfied and appreciate the work of the service staff on a regular basis which was our great pride.



Customer

Bang Sue Chia Meng Rice Mill Co., Ltd.



Customer

G.M.Tower Co., Ltd.



Customer

Jung Wang Brothers Co., Ltd.

As for the complaints received, most of them were about transformers. The quality control department is responsible for receiving those complaints and presenting them to meetings in the production department to jointly improve the problems. The details are as follows.

	2021	2022	2023
Number of complaints from customers	2	0	0
Complaint Management	100%	0	0

In 2023, the Company didn't receive any complaints from customer, achieved the target.

Corporate Social Responsibility

The Company is committed to conducting business with social responsibility, environment and good governance. Under the operating philosophy "Adhering to quality and integrity for customers" important both product quality and quality in corporate management. By striving to develop the potential of personnel in the organization improve the development of quality products, create better quality for society, and create a sustainable return for shareholders. So that the organization can live happily with the community and society. As well as elevating the progress of all stakeholders together. Starting from controlling and improving internal business processes (CSR in Process) that may affect society and the environment to a minimum, according to guidelines on "Social Responsibility" of the Stock Exchange of Thailand and participation with social communities to jointly develop sustainable quality of life.

The Company has adopted the corporate Social Responsibility (CSR) to be a part of the operation continuously. In 2023, the Company received awards for conducting corporate social responsibility activities as follows:

- On August 24, 2023, the Company received renewal assessment for Green Industry Certification Level 4, Green Culture, by the Factory Environmental Technology Promotion Division, Department of Industrial Works. They visited the work area, assessed relevant documents, interviewed the team. The results of this inspection did not find any defects and received continuous certification.



- On September 26, 2023, the Company received award for the establishment that has been certified with Thai labor standards (MRT 8001-2020) from the Chachoengsao Provincial Labor Protection and Welfare Office. Demonstrates being an organization that is socially responsible for labor and acts in accordance with the law on basic labor rights.



Management of Material Issues

Objective : Participation with community and society to improve quality of life through community activities and conservation of natural resources and the environment.

Short-term Indicators



The number of complaints

surrounding the factory were zero.

Long-term Indicators



Develop communities

to grow while conserving natural resources and the environment around the factory area.

Key Performance

Community Complaint Management

The Company conducted a survey of the communities in the vicinity of the factory by submitting a questionnaire to the Tha Sa-an Municipality, Chachoengsao Province. Our representatives visit the area to meet with people to find out about any issues which arising from the production process that affect the environment and livelihoods of those communities. Acknowledge needs and suggestions to participate in improving or developing their communities, then collect important issues and present them to the management acknowledgment, cause analysis, solving problems plan and improve operations and continually monitor and follow up on the corrective action results.

In 2023, no complaints from communities in the vicinity of the factory achieved as targeted.

On November 10, 2023, a survey of 35 communities surrounding the factory area within 500 meters was conducted to inquire about the impact of our work processes regarding air, water, and noise, without finding any complaints from the communities.



Development of the quality of life of the community

The Company attaches importance to employment by selecting those in the area first to generate income and develop knowledge and create work skills. In order to improve the quality of life of people, resulting in community development along with the growth of the Company.

Environmental, Social and Community Development Project

In addition to the control and improvement of internal business operations (CSR in Process) that may affect society and the environment. The Company is involved in the development of the well-being of the community and outside society in order to live together happily by participating in various activities.

Sustainable social and community responsibility of entrepreneurs (CSR-DIW CONTINUOUS)

- Participate in the National River and Canal Conservation and Development Day (Water Gratitude Day) on September 20, 2023, to instill and create awareness of preserving the natural environment and river ecosystem to support the habitat of aquatic animals, aquatic plants, and residents in nearby areas at Sanam Chan Temple, Ban Pho, Chachoengsao.
 - Released 50,000 giant freshwater prawns and 20,000 freshwater fish.
 - Contest for creating items from leftover materials from school.



- AKR has joined the project “Environmental Awareness Training” organized by the Chachoengsao Province Environmental Conservation Association at the Panavet Building, Toyota Motor Thailand Company Limited, so that people can use the knowledge gained to develop household gardening or earn additional income from the contest. It also supports organic farming instead of using chemicals.



Promote and support education

- On May 29, 2023, Mr. Kietphong Noichaiboon, founder and chairman of the advisory board, supported 20 sets of solar cell learning equipment to the Phaetonology Engineering Center to become a prototype learning center with modern teaching system. It can answer the needs of the industrial labor market in Chachoengsao Province and be part of the EEC. This project, the Chachoengsao Foundation for Development and the Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang (KMITL), and the Bang Krut Subdistrict community joined together to develop Phanit Wittaya School, located in Bang Krut, Ban Pho, Chachoengsao.



- On August 27, 2023, the Engineering Preparatory Center organized the Pha Pa Samakkhi ceremony, chaired by Mr. Kietphong Noichaiboon, the founder and chief advisor, and invited guests, community leaders, and people in the area to join in this donating to raise funds for development the Center in total amount 1.23 million baht.



Scholarships for students



School supplies consistent with the curriculum



Classroom renovation



Student and teacher accommodation

To prepare for students in the academic year 2024 after the Chachoengsao Foundation for Development joined with KMITL to upgrade the Phanitwitthaya School that was about to be dissolved because the number of students did not meet the criteria. It was changed to be an engineering preparation center for students in Chachoengsao who are interested in engineering have the opportunity to develop their knowledge according to standards.



- AKR attended the exhibition “Renewable Energy” by Toyota Daihatsu Engineering and Manufacturing Co., Ltd. (TDEM) to publicize and encourage visitors to be aware of carbon neutrality by using renewable energy at the main office building, Bang Phli, Samut Prakan.



- AKR joins in exhibiting transformers at Sino-Thai Learning Center (SLC), Nonthaburi, to support education and engineering training for young engineers, visitors and trainees of Sino-Thai Engineering and Construction Public Company Limited.



- Presenting the book "Textbook on the Design of High Voltage Transformers in Distribution Systems" written by Mr. Kietphong Noichaiboon, the founder of the Company, as a medium for providing basic knowledge about high voltage transformers in distribution systems. By collecting illustrations and explanations of the working principles of electrical transformer production, readers will know the word "electric transformer" more, which will be beneficial to the field of electrical engineering education.



Faculty of Engineering
Chulalongkorn University



Faculty of Engineering
King Mongkut's Institute of Technology Ladkrabang



- Supporting 1 transformer to Ban Hong Vocational College in the Power Electrical Engineering Department, Lamphun Province, to be used in teaching students in outdoor electrical installation and to use it for maximum benefit to students.



- Grant scholarships to the Faculty of Engineering Kasetsart University Sriracha Campus On the occasion of the 27th anniversary of the founding, AKR has continuously supported various activities of Kasetsart University, Sriracha.



Students visit the transformer production process and solar panel assembly.

- Students from the Faculty of Industrial Technology, Department of Electrical Technology, Suan Sunandha Rajabhat University.



- Master's degree and PhD students from the Faculty of Engineering, Pathumwan Institute of Technology.



Support funding for public benefits.

- The Company has jointly supported funds for Theparattanawetchanukul Foundation in the amount of 1,000,000 baht. On September 15, 2023, Miss Rompitsri Noijaiboon, Managing Director, traveled to deliver. "Cardiac and vital signs monitoring device" for Hat Samran Chaloe Phrakiat 80th Anniversary Hospital, Trang Province.



- Dr. Wiwat Sangtian, Director, was honored to join as chairman to open the 2023 Annual General Meeting and give financial support to Bang Bua Thong Agricultural Cooperative Limited on November 23, 2023 at Bang Bua Thong Agricultural Cooperative Limited, Nonthaburi Province.



Other social assistance activities

- On September 26, 2023, employees participated in donating blood at the auditorium, Bang Pakong District, Chachoengsao Province. Organized by Bang Pakong District in collaboration with the Chachoengsao Provincial Red Cross Chapter and the Bang Pakong District Red Cross Branch.



- Join in supporting the "Little Elephant Chom Mueang" project of the Sahachat Foundation in collaboration with the Naresuan Border Patrol Police School, Ban Huai Sok, to organize the activity "Love You as Elephants Fund" for the year 2023, to develop students in border schools to learn from field trips and create a good attitude towards solving problems between wild elephants and villagers.



Religious Mission and help the hospital foundation

The Company recognizes the importance of religious landmarks which is the mental dependence of everyone especially Buddhism. We made merit in religious ceremonies for temples all over the country. It also provides assistance to the hospital by donating money to the hospital foundation for use within the hospital.

- Chao Khun Alongkot Phrarajwisutthiprachanat, abbot of Wat Phra Bat Nam Phu, Mueang District, Lopburi Province, receives invitations from executives and employees to join in making merit by donating supplies and medical supplies to help AIDS patients recuperating under the care of Wat Phra Bat Nam Phu every year.



- Donated hot water bottle to Wat Sai Chon Na Rangsi, Mueang District, Chachoengsao Province on National Occupational Safety Day.

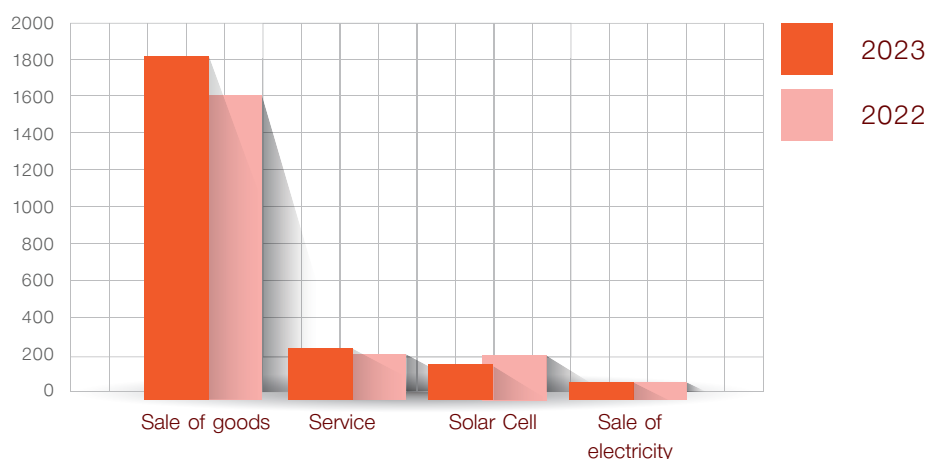


4. Management Discussion and Analysis

4.1 Analysis of the Company's performance and its subsidiaries in 2023

Performance comparison between fiscal years 2023 and 2022

	2023	2022	Variance	
			MTHB	%
Total revenue from operation	2,284.08	2,104.65	179.43	8.53
- Revenue from sales of goods	1,829.25	1,604.89	224.36	13.98
- Revenue from services and maintenance	273.76	225.23	48.53	21.55
- Revenue from service of installing a solar panel	145.81	239.04	-93.23	-39.00
- Revenue from sales of electricity current	35.26	35.49	-0.23	-0.64
Total cost from operation	1,700.53	1,629.07	71.46	4.39
- Cost of goods sold	1,387.87	1,254.76	133.11	10.61
- Cost of services and maintenance	172.89	122.41	50.48	41.25
- Cost from installation of solar electric generating system	126.80	230.76	-103.96	-45.05
- Cost of electricity current sales	20.64	19.32	1.32	6.82
- Loss (reversed) on devaluation of goods	(7.67)	1.82	-9.49	N/A
Gross profit	583.55	475.58	107.97	22.70
Other incomes	16.88	16.31	0.57	3.49
Reversal of (loss on) assets impairment	3.62	(0.13)	3.75	N/A
Distribution costs	107.68	109.48	-1.80	-1.64
Administrative expenses	186.60	160.75	25.85	16.09
Profit from operating activities	309.77	221.53	88.24	39.83
Financial cost	28.31	22.52	5.79	25.71
Profit before income tax expenses	281.46	199.01	82.45	41.43
Tax expense	60.78	39.59	21.19	53.55
Profit for the year	220.68	159.43	61.25	38.42
Non-controlling interests	0.17	(0.03)	0.20	N/A
Profit attributable to equity holders of the parent	220.51	159.46	61.05	38.29
Earnings per share (Baht/share)	0.150	0.108	0.042	38.89



Summary of past performance

In 2023, Thai economy began to recover after the COVID-19 outbreak situation began to subside. Government agencies and the private sector have begun to invest more. Exchange rates are less volatile, reducing the risk of exchange rate losses arising from purchasing raw materials from abroad. It also affects the price of raw materials to decrease, making it possible to effectively manage and plan the purchase of raw materials from abroad both in the short and long term. Including managing the efficient use of resources and waste management, planning for Zero Defect work, adapting to the effects of climate change and planning to prevent various risks. The operating results of the company in 2023 are as follows:

Revenues

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

1. The revenue from sales of goods in year 2023 and 2022 was 1,829.25 million baht and 1,604.89 million baht, respectively or increased 13.98%, from delivered transformers to many major private customers and government agencies too.

2. The revenue from services and maintenances in year 2023 and 2022 was 273.76 million baht and 225.23 million baht, respectively or increased 21.55%. Most of them increased from contract work due to the better situation of Covid-19, the Company was able to provide more maintenance services for transformers to customers.

3. The revenue from service of installing a solar panel in year 2023 and 2022 was 145.81 million baht and 239.04 million baht, respectively or decreased 39.00% from the major project of installation of solar power generation system of a private customer as continuous work since 2021, it is almost completed. As for new work in 2023, income will be gradually recognized on an installment basis next year.

4. The revenue from sales of electricity current in year 2023 and 2022 was 35.26 million baht and 35.49 million baht, respectively or decreased 0.64% because the amount of electricity generated from Solar Farm Phase 2 and Phase 3 decreased.

Cost

1. The Company had the cost of goods sold in year 2023 and 2022 of 1,387.87 million baht and 1,254.76 million baht, respectively or increased 10.61%, according to the revenue increased. The proportion of cost of goods sold to the revenue from goods sold in year 2023 and 2022 was 75.87% and 78.18, respectively, its decreased when compare to year 2022 about 2.31%.

2. The Cost of services and maintenances in year 2023 and 2022 was 172.89 million baht and 122.41 million baht, respectively or increased 41.25%. The proportion of cost of services and maintenances to the revenue from services and maintenances in year 2023 and 2022 was 63.16% and 54.35% or increased 8.81%.

3. The Cost of service of installing a solar panel in year 2023 and 2022 was 126.80 million baht and 230.76 million baht, respectively or increased 45.05%. The proportion of cost of installing a solar panel to the revenue from installing a solar panel in 2023 was 86.97% higher than year 2022 which was 96.54% or decreased 9.57%.

4. The Cost of electricity sold in year 2023 and 2022 was 20.64 million baht and 19.32 million baht, respectively or increased 6.82%. Most of it is for repairs to solar panels. The proportion of Cost of electricity sold to the revenue from sales of electricity current in year 2023 and 2022 about 58.54% and 54.46%, respectively or increased 4.08%.

Loss on devaluation of goods

There was reversal of loss on devaluation of goods in year 2023 in amount of 7.67 million baht, causing its decrease by 9.49 million baht, compared to the previous year. Because there has been a reversal of allowance for impairment of work in progress on transformers and solar panels.

Loss on assets impairment

There was reversal of loss on assets impairment in year 2023 in amount of 3.62 million baht, causing its decrease by 3.75 million baht compared to the previous year. It involves reversing the impairment of buildings and equipment, including investment real estate.

Distribution costs

The Company had the distribution costs in year 2023 and 2022 of 107.68 million baht and 109.48 million baht respectively, decreased 1.64% from year 2022. The proportion of the distribution costs to total revenues in year 2023 and 2022 was 4.68% and 5.17, respectively or decreased 0.49%. From controlling expenses related to sales work to continuously decrease.

Administration Expenses

The Company had the administration expenses in year 2023 and 2022 of 186.61 million baht and 160.75 million baht respectively, increase 16.09% from last year. The increase was mainly due to computer expenses from changing the computer system from the QAD system to the SAP system. The proportion of the administration expenses to total revenues in year 2023 and 2022 was 8.11% and 7.58%, respectively or increased by 0.53%.

Gross Profit

The Company had the gross profit margin from the sale of goods in year 2023 and 2022 was 24.13% and 21.82%, respectively. The gross profit margin from services and maintenances in year 2023 and 2022 was 36.85% and 45.66%, respectively. The gross profit margin from service of installing a solar panel in year 2023 and 2022 was 13.04 and 3.47%, respectively. The gross profit margin from the sales of electricity current in year 2023 and 2022 was 41.46% and 45.55%, respectively.

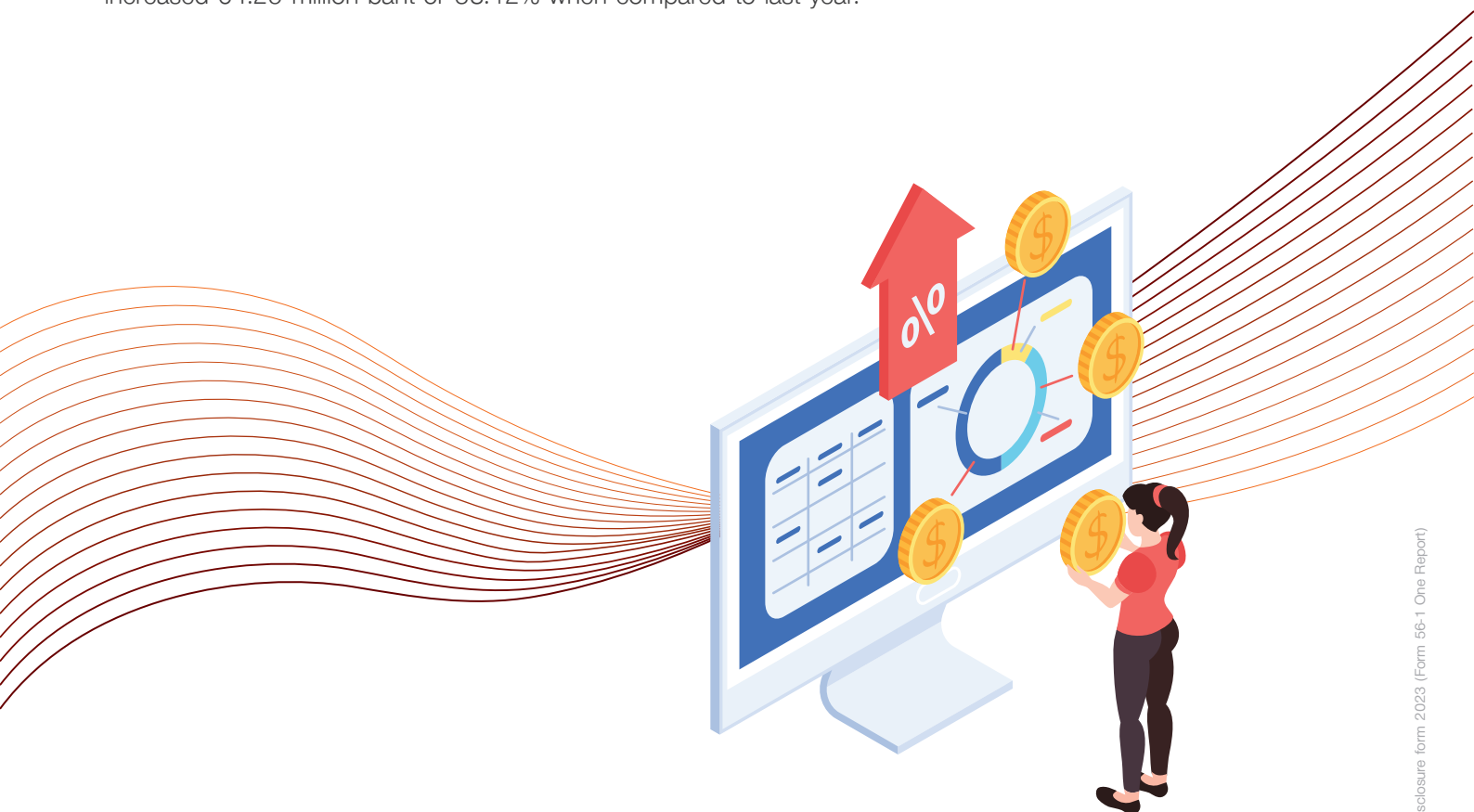
In 2023, Most of gross profit margin was increased from last year, except for the decrease in revenue from the sales of electricity current.

Tax expense

The Company has tax expenses in year 2023 of 60.78 million baht, increased 21.19 million baht or 53.55% when compared to year 2022 according to the operating results. The proportion of tax expenses to total revenues in year 2023 and 2022 was 2.65 % and 1.87%, respectively or increased by 0.78%.

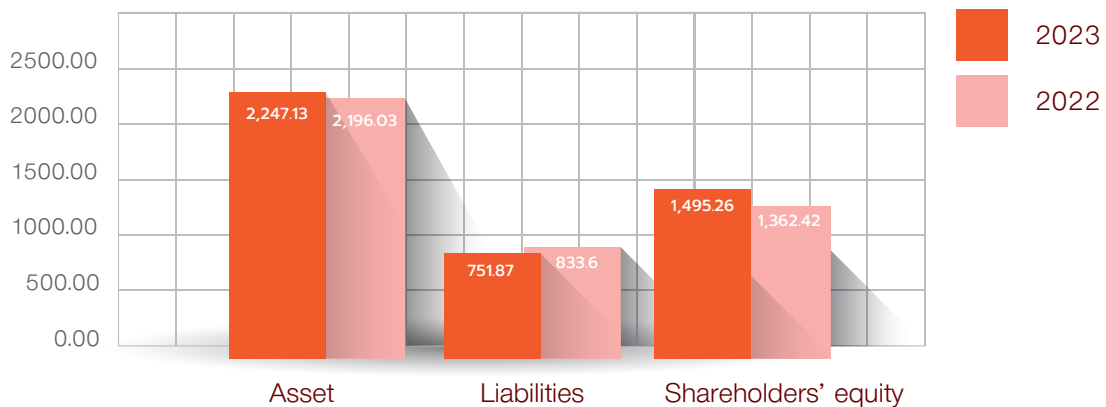
Net Profit of the year

The Company has Net Profit in year 2023 and 2022 of 220.68 million baht and 159.43 million baht, respectively, increased 61.25 million baht or 38.42% when compared to last year.



Summary of financial position between year 2023 and 2022

Unit : million baht	2023	2022	Variance	
			MTHB	%
Asset				
- Cash and cash equivalents	261.37	89.09	172.28	193.38
- Trade and other receivables	357.47	394.91	-37.44	-9.48
- Inventories	808.89	949.16	-140.27	-14.78
Total current assets	1,440.08	1,454.78	-14.70	-1.01
- Property, plant and equipment	638.97	554.44	84.53	15.25
- Right-of-use assets	59.24	75.55	-16.31	-21.59
- Deferred tax assets	60.67	74.01	-13.34	-18.02
Total non-current assets	807.05	741.24	65.81	8.88
Total assets	2,247.13	2,196.03	51.10	2.33
Liabilities				
- Short-term loans from financial institutions	219.68	210.79	8.88	4.21
- Trade and other payables	171.22	247.63	-76.41	-30.86
- Accrued expenses	88.00	64.21	23.79	37.05
Total current liabilities	604.71	666.41	-61.70	-9.26
- Long-term loans from financial institutions	11.60	16.21	-4.61	-28.42
- Lease liabilities	44.13	52.25	-8.12	-15.55
- Non-current provisions for employee benefit	76.40	80.12	-3.72	-4.64
Total non-current liabilities	147.16	167.20	-20.04	-11.98
Total liabilities	751.87	833.60	-81.73	-9.80
Shareholders' equity	1,495.26	1,362.42	132.83	9.75
Total liabilities and shareholders' equity	2,247.13	2,196.03	51.10	2.33



Asset

As at December 31, 2023 and 2022, the Company had the total assets of 2,247.13 million baht and 2,196.03 million baht, respectively or increased 51.10 million baht or 2.33%. Most of the increased assets were cash and cash equivalents increased from operations. As for trade receivables and inventories decreased from last year.

Trade and Others receivable

As at December 31, 2023 and 2022, the Company had trade and others receivable after deducted allowance for doubtful debt of 357.47 million baht and 394.91 million baht, respectively or decreased 37.44 million baht or 9.48%. Most of them were domestic trade receivables that decreased from repayment of transformer payments.

The Company had the credit terms for the customer about 30-90 days. The average collection days in year 2023 and 2022 was 60 and 59 days, respectively. It found that the Company could collect debt from customers slower from last year.

Inventories

The Company had the Inventories (Net) after deducted the allowance for devaluation of inventories at December 31, 2023 and 2022 of 808.89 million baht and 949.16 million baht, respectively. Most of the decrease was raw materials used in the production of transformers because the end of last year we prepared raw materials to support customer's work that will delivery in early 2023 and reduce the risk from fluctuating raw material prices according to exchange rate.

The Inventories comprise of Finished goods deducted the allowance for devaluation of inventories 162.81 million baht, Work in process 212.17 million baht, Raw Material 387.30 million baht, Supplies 8.72 million baht, and Materials in transit 37.89 million baht. The inventories turnover ratio in year 2023 and 2022 was 1.93 and 1.79 times.

Property, plant and equipment

As at December 31, 2022 and 2022, the Company had property, plant and equipment of 638.97 million baht and 554.44 million baht, respectively or increased 84.53 million baht or 15.25%. of land worth 27.26 million baht, the purchase of machinery worth 15.44 million baht and the purchase of computers to support the use of the SAP system in the amount of 7.32 million baht, and work in progress and installation of 3 solar rooftop projects, and decreased from depreciation during the period of 63.33 million baht.

Right-of-use assets

As at December 31, 2023 and 2022, the Company had right-of-use assets of 59.24 million baht and 75.55 million baht, respectively, decreased 16.31 million baht or 21.59%. This was due to the depreciation expense during the period of 12.65 million baht.

Deferred tax assets

As at December 31, 2023 and 2022, the Company had deferred tax assets of 60.67 million baht and 74.01 million baht, respectively or decreased 13.34 million baht or 18.02%. This is mainly due to the impact from depreciation and allowance for impairment of accounting and the change in inventory valuation policy from FIFO to Weighted Average in the amount of 3.24 million baht.

Liabilities

As at December 31, 2023 and 2022, the Company had the liabilities of 751.87 million baht and 833.60 million baht, respectively or decreased 81.73 million baht or 9.80%. Most of them were trade payables and advances received for goods and services.

Trade and Other Payable

As at December 31, 2023 and 2022, the Company recorded trade and other payables of 171.22 million baht and 247.63 million baht, respectively or decreased 76.41 million baht or 30.86% because the Company paid debts to trade payables both domestic and foreign, in the amount of 75.83 million baht.

The Company received the credit terms from the creditor about 30-60 days. The average repayment days of year 2023 and 2022 are 45 and 56 days, respectively. The rate of payment payable was faster than last year.

Short-term and Long-term loans from financial institutions

As at December 31, 2023 and 2022, the Company had short-term loans from financial institutions of 219.68 million baht and 210.79 million baht, respectively or increased 8.88 million baht or 4.21% which arises from promissory notes and decreased from debt payments to creditors of trust receipts.

The Company had long-term loans from financial institutions of 22.94 million baht and 21.87 million baht, respectively or increased 1.07 million baht or 4.88% because the Company made the loan contract to support the purchase of land and buildings.

Advance received for goods and services

As at December 31, 2023 and 2022, the Company had advance received for goods and services of 51.93 million baht and 68.35 million baht, respectively or decreased 16.42 million baht or 24.03% from the recognition of income upon completion of contracted transformer maintenance services.

Shareholders' Equity

As at December 31, 2023 and 2022, the Company shareholders' equity was 1,495.26 million baht and 1,362.42 million baht, respectively or increased 132.83 million baht or 9.75% because the Company had Net profit from operation in the consolidated financial statements of 220.68 million baht. The remaining unappropriated retained earnings amounted to 244.85 million baht, including the premium on ordinary shares of 25.65 million baht.

Capital Structure Suitability

The Company's Debt to Equity (D/E) ratio at December 31, 2023 and 2022 was 0.50 times and 0.61 times, respectively, decreased from the previous year as the Company had more shareholders' equity than liabilities.

4.2 Factors that may affect to the operations results

The Company has assessed factors or events that may significantly affect the financial position or operations in the future. Both external factors (economic, social and environmental) and internal factors (the production process, management, corporate policies and strategies) can be summarized as follows:

1. Uncertainty of the transformer purchasing budget of the Electricity Authority

The budget for transformer auction from the Metropolitan Electricity Authority and the Provincial Electricity Authority are uncertain and may be delay within the specified period, including the risk of the chance of winning the bidding each time. It may affect the company's sales revenue.

2. Uncertainty of raw material prices

Although the price of major raw materials in transformer production decreased from last year, such as silicon steel, copper, transformer oil, etc. But the Company still needs to closely monitor price movements because most of them were raw materials purchased from overseas which are linked to various risk factors that will affect the price at any time.

3. Fluctuations in currency exchange rates

Raw materials ordered from abroad must be purchased in \$US, which fluctuates at times. This causes risk of loss from exchange rates when payments are due with the bank and can affect the financial liquidity of the Company.

4. Economic slowdown

The world economy in 2024 is likely to slow down, especially in the United States and European due to continued tight financial conditions. The Chinese economy is unlikely to grow much due to problems in the real estate sector. However, the economies of ASEAN, South Korea, and Taiwan are likely to expand better, while the Middle East and India are likely to grow at a high level, which may be both a supporting and hindering factor to exports in the future.

5. The problem of the epidemic

Although the situation of the spread of the COVID-19 virus has improved and more relaxed control of the epidemic. But still need to be vigilant to prevent new outbreaks and other epidemics may occur again. Therefore, the Company must prepare plans to support other epidemics that may occur in the future in order to prevent any impact on the operations.

6. Problems and obstacles in the transportation of raw materials

Transportation of goods and raw materials by boat, air and road are important to our product production process. If it is delayed, it will affect the delivery of the product later than scheduled, affecting customer confidence and may require a penalty if the sales contract specifies conditions for defaulting on the delivery time.

4.3 Important financial information

The presented financial position and operating results consist of the operating results from the financial statements for the year ended December 31, 2023, which have been audited by the certified public accountant, ANS Audit Company Limited. By comparing the financial position and operating results from the financial statements for the year ended 31 December 2022 and for the year ended 31 December 2021.

Statement of Financial Position

Unit : Thousand Baht	2021	2022	2023
Current Assets			
Cash and cash equivalents	126,879	89,089	261,374
Trade and other current receivables - net	289,045	394,906	357,468
Inventories - net	873,312	949,163	808,885
Derivatives assets	97	-	-
Deposit and advance payment for goods	22,074	14,729	5,950
Other current assets	12,588	6,895	6,400
Total current assets	1,323,995	1,454,782	1,440,077
Non-current assets			
Non-current financial assets - net	19,650	19,650	19,650
Investment properties - net	1,632	1,632	2,425
Assets for rent - net	5,189	3,338	2,552
Property, plant and equipment - net	551,329	554,444	638,974
Right-of-use assets - net	80,604	75,554	59,243
Intangible assets - net	296	11,351	22,682
Deferred tax assets	80,517	74,008	60,670
Withholding tax	550	619	708
Other non-current assets	852	647	146
Total non-current assets	740,619	741,243	807,050
Total assets	2,064,614	2,196,025	2,247,127

Unit : Thousand Baht	2021	2022	2023
Current liabilities			
Short-term loans from financial institutions	221,598	210,794	219,678
Trade and other current payables	250,598	247,629	171,219
Accrued expenses	29,265	64,210	87,997
Advance received for goods and services	78,053	68,354	51,929
Current portion of loans from financial institutions	21,807	21,874	22,941
Current portion of lease liabilities	12,186	11,445	9,178
Current portion of other financial liability	-	3,166	3,302
Accrued corporate income tax	3,309	19,217	26,858
Derivative liabilities	-	1,203	253
Other current liabilities	2,857	18,513	11,353
Total current liabilities	619,673	666,405	604,710
Non-current liabilities			
Long-term loans from financial institutions - net	38,085	16,211	11,604
Lease liabilities - net	53,748	52,254	44,130
Other financial liability - net	-	13,133	9,831
Non-current provisions for employee benefit	78,249	80,121	76,400
Other non-current liabilities	5,650	5,478	5,196
Total non-current liabilities	175,732	167,197	147,161
Total liabilities	795,405	833,602	751,871
Shareholder's equity			
Shares Capital Authorized	1,611,947	1,177,226	1,412,671
Shares Capital Issued and paid-up	1,177,226	1,177,226	1,177,226
Premium on shares capital	25,649	25,649	25,649
Surplus on change of proportion interest in subsidiary	365	365	365
Retained earnings (deficit) -Legal reserve	27,840	35,658	46,690
Retained earnings (deficit) -Unappropriated	37,797	123,223	244,852
Total equity of the parent company	1,268,877	1,362,121	1,494,782
Non-controlling interests	333	302	474
Total shareholders' equity	1,269,210	1,362,423	1,495,255
Total liabilities and shareholders' equity	2,064,614	2,196,025	2,247,127

STATEMENTS OF FINANCIAL POSITION

Unit : Thousand Baht	2021	2022	2023
Revenues			
Revenue from sales of goods	1,080,093	1,604,894	1,829,252
Revenue from services and maintenance	187,822	225,227	273,764
Revenue from service of installing a solar panel	108,570	239,038	145,805
Revenue from sales of electricity	37,775	35,487	35,260
Other income	11,305	16,313	16,882
Total revenues	1,425,566	2,120,959	2,300,963
Costs			
Cost of goods sold	(833,044)	(1,254,759)	(1,387,866)
Cost of services and maintenance	(101,786)	(122,406)	(172,894)
Cost from service of installing a solar panel	(105,480)	(230,764)	(126,797)
Cost of electricity sold	(18,785)	(19,325)	(20,642)
Loss on devaluation of goods	(9,543)	(1,816)	7,673
Total costs	(1,068,637)	(1,629,070)	(1,700,528)
Gross profit	345,624	475,576	583,555
Reversal of (loss on) assets impairment	(5,985)	(129)	3,621
Distribution costs	(88,551)	(109,481)	(107,683)
Administrative expenses	(140,540)	(160,749)	(186,606)
Finance cost	(12,767)	(22,516)	(28,307)
Profit before income tax expenses	109,085	199,014	281,462
Income tax expenses	(19,273)	(39,586)	(60,785)
Profit for the year	89,812	159,428	220,677

STATEMENTS OF CASH FLOWS

Unit : Thousand Baht	2021	2022	2023
Cash flows from operating activities	(186,573)	116,046	387,737
Cash flows from investing activities	(17,310)	(60,063)	(118,792)
Cash flows from financing activities	269,555	(93,772)	(96,660)
Net cash and cash equivalents increase (decrease) - net	65,672	(37,790)	172,285
Cash and cash equivalents at the ending of the year	126,879	89,089	261,374

Financial Ratios

	2021	2022	2023
<u>Liquidity Ratio</u>			
Current Ratio (time)	2.16	2.18	2.38
Receivable Turnover (time)	5.08	6.15	6.07
Average Receivable Collection Period (day)	72	59	60
Inventory Turnover (time)	1.67	1.79	1.93
Average Inventory Procession Period (day)	218	204	190
Payables Turnover (time)	5.87	6.53	8.16
Payables Payment Period (day)	62	56	45
Cash Cycle (day)	228	208	205
<u>Profitability Ratio</u>			
Gross Profit Margin (%)	25.11	22.68	25.21
Operating Profit Margin (%)	8.55	10.53	13.46
Net Profit Margin (%)	6.30	7.52	9.59
Return on Equity (%)	7.67	12.12	15.37
<u>Efficiency Ratio</u>			
Return on Assets (%)	6.76	10.40	13.90
Total Asset Turnover (time)	0.79	0.99	1.03
<u>Financial Ratio</u>			
Total Debt to Equity Ratio (time)	0.62	0.61	0.50

5. General information and other material facts

5.1 General information

Company Name	EKARAT ENGINEERING PUBLIC COMPANY LIMITED
Symbol	AKR
Nature of Business	<ul style="list-style-type: none"> • Production and distribution of distribution transformers (Distribution Transformer) with power from 1 kVA to 30,000 kVA, maximum voltage not exceeding 36 kV • Electrical maintenance and repair services, design, installation and maintenance of electrical systems and construction of substation • Manufacture and sell solar cells and solar panels which can produce solar panels from 60 watts to 660 watts, including the design, construction, installation, maintenance of electricity systems from solar cells
Registration No.	0107537002711
Registered Capital and Paid-up Capital Proportion of Free Float	<ul style="list-style-type: none"> • Registered Capital 1,412,671,541.60 baht, consists of ordinary shares 1,765,839,427 shares, par value 0.80 baht • Paid-up Capital 1,177,226,284.80 baht, consists of ordinary shares 1,471,532,856 shares, par value 0.80 baht • The number of Free Float as of March 14, 2023 was 7,817 persons, representing 63.48% of Shareholders.
Address	9/291, UM Tower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250

CONTACT US



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@ekaratengineering



 Service Center	Location
1. Bangkok Center	1068/1 Soi Sukhumvit 101/1, Bang Chak Subdistrict, Phra Khanong District, Bangkok 10260 Tel. +662-393-0437, +662-746-3840-1, Fax +662-398-2903
2. Chachoengsao Center	260/6 Moo 6, Tha Sa-An Subdistrict, Bang Pakong District, Chachoengsao 24130 Tel. +6638-530-213 Fax +6638-530-214
3. Ayutthaya Center	26/7 Moo 2, Asia Rd. (Bang Pa-in - Nakhon Sawan), Thanu Subdistrict, Uthai District, Ayutthaya Tel. +6638-530-213 Fax +6638-530-214
4. Nakhon Pathom Center	470 Phetkasem Rd., Phra Prathon Subdistrict, Muang District, Nakhonpathom 73000 Tel. +6634-244-045-6 Fax +6634-244-047
5. Klonkaen Center	324/80 Moo 6, Mittraphap Rd., Sila Subdistrict, Mueang District, KhonKaen 40000 Tel. +6643 -465-276 Fax +6643-364-277
6. Nakhon Ratchasima Center	2175/2 Moo 6, Suebsiri Rd., Nai Mueang Subdistrict, Mueang District Nakhon Ratchasima 30000 Tel. +6644-277-279 Fax +6644-277-050
7. Chiang Mai Center	92/9 Moo 4, Tha Sala Subdistrict, Mueang District, Chiang Mai 50000 Tel. +6653-128-039 Fax +6653-128-040
8. Songkhla Center	1496 Moo 3 Sanam Bin-Lop Buri Road, Laem Set, Khuan Lang Subdistrict Hat Yai District, Songkhla 90110 Tel. +6674-250-648 Fax +6674-250-649
9. Surat Thani Center	54/2, Moo 5, Leam Muang Road, Makham Tia Subdistrict, Mueang District, Surat Thani 84000 Tel. +6677-295-488 Fax +6677-295-489
10. Phuket Center	101/220 Moo 6, Ratsada Subdistrict, Mueang District, Phuket 83000 Tel. +6676-307-570 Fax +6676-307-571
11. Phitsanulok Center	343/4 Samo Khae Subdistrict, Mueang District, Phitsanulok 65000 Tel. +6655-307-770 Fax +6655-307-778
12. Ubon Ratchathani Center	39/10 Soi Chayangkun 42, Chayangkun Road, Nai Mueang Subdistrict, Mueang District, Ubon Ratchathani 34000 Tel. +6645-428-436, +6681-268-2918

Information of Subsidiaries

Company Name	EKARAT SOLAR COMPANY LIMITED (Proportion of Shares 99.99%)
Nature of Business	Production and assembly of solar panels, tools and equipment in all solar power generation systems. Including the design, construction, installation, maintenance of electricity systems from solar cells and other renewable energy and consulting on energy conservation.
Address	28th Floor, UM Tower, 9/291, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250
Phone No.	+662-7 19-8777
Fax No.	+662-7 19-8760
Website	http://www.ekarat.co.th

Company Name	EKARAT ENERGY COMPANY LIMITED (Proportion of Shares 50.99%)
Nature of Business	Operate in all energy business, including investment advisory, engineering and management services, a distributor investing in the energy business industry both inside and outside the country, producing and selling electricity from solar cells.
Address	28th Floor, UM Tower, 9/291, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250
Phone No	+662-7 19-8777
Fax No.	+662-7 19-8760
Website	http://www.ekarat.co.th

Reference information

Securities Registrar

Company Name	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED
Address	93 Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Phone No.	+662-009-9000
Fax No.	+662-009-9991

Auditor

Company Name	ANS Audit Company Limited
Address	22th Floor, Vongvanij Building B, 100/72, Rama 9 Road, Huaykwang, Bangkok, 10320
Phone No.	+662-645-0109
Fax No.	+662-645-0110

Internal Auditor

Company Name	AMT Solution Company Limited
Address	18th Floor, Park Van Park Ventures Ecoplex, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Phone No.	+662-309-3550
Fax No.	+662-393-3086

Legal Counsel

Company Name	THEPNITI LAW OFFICE COMPANY LIMITED
Address	1845/11 Phaholyothin Road, Ladyao Subdistrict, Chatuchak District, Bangkok 10900
Phone No.	+662-512-1353, +662-513-5450
Fax No.	+662-939-7156

5.2 Other material fact

Foreign Holding Limit

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

As of November 28, 2023, the Company's shareholding proportion by foreigners for approximately 0.04% of the total issued shares.

5.3 Legal dispute

In 2023, the Company and its subsidiaries do not have any lawsuits or disputes that may affect the assets or business operations of the Company and its subsidiaries significantly.

Part 2

Corporate Governance



6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

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

In addition, the Company annually revises its CGR policy and manual to comply with the changing laws, economic and social conditions, along with requiring directors, executives and employees at all levels to acknowledge and abide as part of the work.

Business Ethics

The Board of Directors has approved the Company's Business Code of Ethics, which consists of the organization's code of conduct and the code of ethics of directors, executives, and employees. By requiring everyone to comply which is an important tool in leading to better performance results.

In 2023, the Board of Directors' Meeting No. 11/2023 reviewed and improved the policy of Good Corporate Governance and Business Ethics. The details are shown in www.ekarat.co.th in the topic of Sustainability Development/ Policy and Corporate Governance.

In 2023, the Company has no cases of violations regarding Business Ethics.

In 2023, The Company has received evaluation results regarding corporate governance and awards as follows:



SET Awards 2023 in the Business Excellence award group, Best Company Performance Awards category for companies with market capitalization not exceeding 3,000 million baht from the Stock Exchange of Thailand.



Results of the Corporate Governance Survey of Listed Companies (CGR) for the year 2023 by the Thai Institute of Directors Association (IOD) at the level of 5 stars or excellent criteria. (Excellent)



Received a full score of 100 points from the quality assessment of the 2023 Annual General Meeting of Shareholders by the Thai Investors Association.

6.1.1 Policy and Guidelines for the Board

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

Board Composition

Directors are appointed as per the resolution of the AGM as proposed by the Nomination and Remuneration Committee and the Board of Directors, respectively, according to the Company's AOA, the Board of Directors must consist of at least 5 directors who have knowledge and experience involve our business. The Company set a policy for the Board's diversity in genders, skills, professions, and specializations, namely, industrial, engineering, financial, business management, economic, legal, political science and security.

Independence of the Board

The Company recognizes the importance of the independence of the Board of Directors. The Board shall consider, express opinion on and vote for the activities under their authority. Therefore, it is necessary to have the freedom to express opinions freely and not under the control of the management or major shareholders and related persons or close relatives of such persons in order to protect the Company and the stakeholders.

Authority and Responsibilities of Director

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

Board of Directors Meeting

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

Non-executive directors can hold meetings without the participation of management as necessary and appropriate. The Company Secretary is the coordinator and notifies the meeting results to executive directors.

Evaluation of the performance of the Board

The Board shall evaluate its performance annually to be jointly consider the results and improve the performance in accordance with the policy, review the problems and obstacles that occurred in the past year.

Remuneration of Directors and the management

The Company had set a policy for remuneration for directors and executives fairly and reasonably. The Nomination and Remuneration Committee will consider and scrutinize as appropriate for each position. In accordance with the financial status of the company and compared with other companies in the same business group. The remuneration was allowance and bonus which has already approved by the shareholder's meeting every year. (More detail in 7.4.2)

Succession Plan

The Company focuses on recruiting personnel who will hold senior management positions, such as Managing Director and Deputy Managing Director in various fields. Therefore, formulated succession plan by defining policies and guidelines for management development to prepare personnel to take up replacement positions when there are vacancies.

Directors' Development

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

Company Secretary

To comply with the principles of good corporate governance of listed companies and the Securities and Exchange Act. The Board appoint a Company Secretary, responsible for arranging Board's meeting and the shareholder's meeting to ensure that they are recognized in a transparent way and in a compliance with applicable law and regulation.

Monitoring of Associated Companies

To supervise the operations of Subsidiaries, the Company as a shareholder has sent representatives to supervise the interests as well as coordinated cooperation between Subsidiaries. The Company's representatives are those who have been approved by the Management and the Executive Board or the Board of Directors to take positions as Directors in two Subsidiaries.

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

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

The details of the policies are in the Good Corporate Governance and Business Ethics Manual on the Company's website: https://www.ekarat.co.th/ir_index.php

6.1.2 Policies and practices relating to shareholders and stakeholders

Right of Shareholders

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

Annual General Shareholders' Meeting

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

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

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

At the Board of Directors' meeting 2/2023 held on February 27, 2023, resolved to hold the 2023 AGM on April 27, 2023 at Parichart Room, Golden Tulip Sovereign Hotel, Rama 9 Road, Huay Kwang, Bangkok. The Company has chosen a location that was convenient for shareholders and not far from the head office location, including strictly following Covid 19 infection prevention measures, with appropriate spacing and meeting room sizes.

In 2023, the Company didn't call an Extraordinary General Meeting of Shareholders.

- **Meeting invitations in advance**

The Company disclosed the Board of Director's resolutions, AGM dates and agenda by made available through the Stock Exchange of Thailand to shareholders in advance on the date of the Board of Director's meeting. The Thailand Securities Depository Co., Ltd. (TSD) is the Company's securities registrar, will deliver the invitation letter with details of the meeting agenda, importance information, opinion of the Board of Director, Minutes of the previous meeting, Annual Report and documents required for proxy which clearly specify the method used by the Company. The invitation will be send to shareholders in advance more than 21 days before AGM date. The Invitation Letter sent out on April 5, 2023 and published in newspapers continuously for 3 days during on April 17-19, 2023 including announcements on the Company's website to inform the shareholders of the meeting in advance and revealed on the Company's website in advance 30 days (since March 24, 2023). Shareholders who are unable to attend the meeting can download a proxy form, Form A, Form B, or Form C, to use in appointing others to attend the meeting on their behalf.

- **Day of the AGM**

The Company has facilitated all shareholders in accordance with the primarily for shareholders' convenience. There are registration officers and registration service points for shareholders and proxies attending the meeting appropriately and adequately. Applying technology to AGM, barcode was used in the registration and vote counting processes for time saving. The participating shareholders were treated for lunch, snacks and refreshments. The Company sent invitation letters and meeting documents in English to the foreign shareholders, allowance given to shareholders to appoint a proxy or one of Independent Director who have been specified in the proxy form to attend the meeting and vote on behalf of the shareholders without conditions. In addition, the Company has disclosed the invitation letter and the proxy form along with details, procedures and evidence to show their rights to attend the meeting.

Prior to commencing the AGM, the Chairman provided attendees with a summary of the Quorum and then Managing Director explained how to use the voting ballot, the voting procedure, the vote collection process and the vote counting process. After each vote count, the Chairman announced the results of voting for each agenda to the shareholders ensuring transparency of each vote counted. On each agenda for consideration, the Board of Directors and management were on hand to provide comprehensive response to queries and/or comments that shareholders might have.

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

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

The 2023 AGM was scheduled at 14.00 hrs. by registering at 12.00 hrs. There were total of 48 persons attended the meeting participants included 19 shareholders attended the meeting in person and 29 shareholders by proxy, with totaling 575,928,562 shares, accounted for 39.14% of the Company's paid-up capital which more than one-third of the total number of shares sold constituting a quorum in accordance with the regulations of the Company.

- **Disclosure of Resolutions**

Resolutions reached at the AGM were disclosed to the general public via the SET's information channel within the period of the time at the end of the day after the meeting. Details regarding the approved/disapproved resolution and the vote counts (approve/disapprove/abstain/Voided Ballot) had been clearly indicated for each agenda item that was submitted for consideration. The detailed minutes to the AGM containing names of Board members and management attending the meeting along with the resulting resolutions and the vote count on agenda items posed for shareholders' consideration along with major issues posed by shareholders and the response made by the Company were submitted to the SET within 14 days and the minutes of the AGM had also been posted on Company's website in Thai and English to allow foreign shareholders to access information thoroughly, including video and picture of the meeting on May 10, 2023.

Dividend Payment

The Company has a policy to pay dividends at a rate of approximately 50% of net profits according to the separate financial statements. It will consider paying dividends when there is profit after corporate income tax and legal reserves each year, including no accumulated losses and sufficient funds as required by law and future business needs. The Company determines to pay interim dividends and annual dividends within 30 days from the date the Board of Directors or shareholder meeting resolves to approve the payment of dividends. The company will disclose dividend payment policy, rate and amount proposed to be paid along with reasons and supporting information for shareholders to consider appropriately.

At the 2023 Annual General Meeting of Shareholders, resolved to approve the payment of dividends from operating results in 2022 at the rate of 0.06 baht per share, total amount 88,291,754.24 baht, with an interim dividend paid at the rate of 0.015 baht per share on 17 November 2022, remaining dividends at the rate of 0.045 baht per share, paid to shareholders on 26 May 2023.

Interim dividend payment

Board of Directors Meeting No.10/2023 held on November 13, 2023 resolved to approve the interim dividend payment for the period ended September 30, 2023 at the rate of 0.015 baht per share for ordinary shares totaling 1,471,532,856 shares, total amount 22,072,944.43 baht. The record date was November 28, 2023 and dividend payment on December 8, 2023.

Communication among the Company and shareholders

Shareholders can communicate and access company information freely without blocking each other.

Equitable Treatment of Shareholders

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

Invitation to shareholders to propose agenda items and candidates for Directorship.

The Company arranged for the shareholders to propose agenda items for the said meeting and/or nominate qualified persons for director election in advance during October 25, 2022 to December 25, 2022 and so notified the shareholders through the SET. Moreover, the Company posted information on its website, giving details about the procedure and method of consideration in a clear and transparent manner. For the 2023 Annual General Meeting of Shareholders, none of the shareholders proposed agenda items for such meeting and/or nominated qualified candidates for director election which the Company Secretary has reported to the Board of Directors for acknowledgment.

Policies on Insider Information

The Company has the policies on insider information, prescribing that no Director, Executive and employee who knows or possesses inside information shall trade securities by resorting to inside information, which is material non-public information, in such a manner that it is likely to have an effect on the price or value of securities, and has known or possessed while holding a position or the line of work responsible for or capable of accessing inside information. Any actions, either for the benefit of oneself or other persons or to pass on such information to others, are prohibited. No Director, Executive and employee, and who has known or possessed inside information, shall trade securities during the period of 1 month prior to and 24 hours post the disclosure of the Company's financial statements. Including having policies and adhering to ethics and integrity in business operations to customers, business partners and shareholders. There are clear requirements and codes of conduct in case that employees or executives disclose company information or used for their own acts or transactions that may have conflict of interest. It is a serious offense and may be subject to disciplinary action. The Company had sent by e-mail to the staff and management were informed accordingly. Investor Relations has sent e-mails to notify directors, executives and employees in advance of such period. Along with clarifying knowledge and understanding about the information that affects the stock price to prevent information leakage and comply with regulations correctly.

Reporting Changes in Share Portfolios

The Company has informed the directors and executives including their spouses and children under legal age, must report any change in their AKR shares ownership to the SEC in accordance with Section 59 of the Securities and Exchange Act and send a copy of the report to the Company within 3 days of the date of purchase, sale, disposal or received of such shares. The Company will disclose reports of changes in shares ownership of the directors and executives to the monthly Board's meeting.

Conflict of Interest

The Company's Board of Directors has set up the policy on conflicts of interest based on the principle that any decision on business conduct must be made with respect to the highest interests of the Company only. Any action which might lead to conflicts of interest must be avoided. It is specified that any person relevant to or connected with the subject to be considered is obliged to acknowledge the Company of his/her relationship to or connection with the matter. He/She is not permitted to join the party which judges the case and does not have the power to authorize that particular transaction. No irregular conditions or regulations are specially set for such case. It is also stipulated that the Office of Internal Audit and the Audit Committee are responsible for taking care of and solving the conflicts of interest. **In 2023, no such problem was found.** However, to date, the Company has not experienced the problem related to conflicts of interest. The Audit Committee will report the carefully considered connected transaction matter and any matter containing a conflict of interest to the Board of Directors in compliance with the regulations of the SET. Such information is disclosed in 56-1 One Report.

Roles of Stakeholders

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

Society and the General Public

The Company realized the important of community and environment by assign the practical of working and awarded ISO 9001:2000, ISO 14001, ISO 50001:2011, ISO 45001 and others certificates both development and negative impacts on the environment as prove of social responsibility such as participated in the Green Industry Project by committed to develop according to the objectives of the project according to the definition "Environmental friendly transformers". The Company is supportive of activities that are beneficial to the society or communities and cultivate employees to have a sense of responsibility to society, communities and the environment.

Shareholders

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

Employees

Employees are provided with fair and reasonable compensation and welfare strictly according to human rights principles. A safety workplace has been maintained to ensure security of employees' life and properties. The importance is given to employees' equal opportunity of knowledge, capability and skill development and practices that are not involved in human rights violations according to Thai labor standards or TLS 8001-2020.

Customers

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

Trade Competitors

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

The Company has established procedures and measures to prevent any involvement in behavior that impedes competition while encouraging employees to realize the importance of complying with the law.

In 2023, the Company has no disputes or lawsuits with the competitors.

Business Partners and Creditors

The Company has established a procurement policy with social responsibility systematically and clearly such as purchasing control, selection of procurement sources, monitoring, auditing and evaluating trading partners for sustainable business development. Perform duties with honesty and fairness and maintain good relations with trading partners. Support each other in terms of technology, safety, productivity, reduce environmental problems to step towards business stability. Mutually based on business relationships and fair returns to both parties. The Company will also avoid any situation which may cause a conflict of interest. The suppliers have to sign the Company's Supplier Sustainable Practice Guidelines and there must be an annual assessment of sustainable practices.

In 2023, when the COVID-19 situation resolved, the Company organized activities to strengthen relationships with business partners, such as training seminars on new products, company visits, and exchanging technology knowledge to promote business development.

AKR joins the exhibition "The 35th Architect Fair '66 - Tam Tray: Time of Togetherness"

It was the first gathering of 5 professional organizations for architects and interior designers on April 25-30, 2023 at Challenger Hall, IMPACT Muang Thong Thani. The visitors were interested in our products including transformers and solar cells throughout the event period, increasing the opportunity to expand business with architects and designers in the construction industry both domestically and abroad.



For creditors, the Company has complied with the agreements or conditions agreed by both parties strictly, including taking care of the collateral under the relevant contracts, responsible and has not concealed information which will cause damages to the creditors. The Company reports statement of financial position to creditors regularly with accuracy and punctuality. In case of failure to fulfill its obligations in the agreement, the Company will notify the creditors immediately to find solutions including managing finances to build the appropriate structure to the Company's business operations, maintaining the confidence of creditors. Including not accepting or paying any benefits which dishonest with partners or creditors. Along with monitoring and evaluating partners to develop sustainable business operations in order to manage the supply chain in accordance with the direction of the organization taking into account the environmental, social and governance impacts.

Intellectual Property practice

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

Anti-Corruption

The Company has established a policy on anti-corruption under the business operation, using fair business strategy, transparency, adherence, good quality of the product is important and strictly abide by relevant laws. The Company is committed to anti-corruption by prohibiting the Board of Directors, executives and employees of the Company relating to any corruption. Giving and receiving all forms of direct and indirect such as a bribes reception, donation and political assistance calling or receiving any benefits or assets. That will lead to practice or refrain from performing their own responsibilities. Because the Company to lose benefits unless it is the case of laws, regulations, notifications, regulations, local customs or trade tradition can be done. In this regard, the Company has imposed penalties if employees fail to comply with the stated policies. The Company has posted public relations announcements for employees to acknowledge and notify in the internal journal at least once a year.

Information Disclosures and Transparency

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

Disclosure of information through the involved agencies

The Company disclosed the Company's information both financial and other important aspects to regulators, such as financial reporting and news that are essential to the investment of shareholders and investors, report of the Company's information through Form 56-1 One Report to SET, Changes in directors, related transactions, including information that affects the trading of the Company's securities or the rights of shareholders. The Company will immediately disclose it to the public via the stock exchange's SETLink information system.

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

Disclosure of information through website

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

Responsibilities of the Board of Directors

The Board of Directors has established policies and guidelines for good corporate governance in accordance with the Corporate Governance of the Office of the Securities and Exchange Commission to be adapted to suit the Company's business by adhering to transparency, accountability and fairness to all parties. Additionally, the Company also encourages and supports every director to attend directors training programs that will further develop their knowledge arranged by the Thai Institute of Directors Association (IOD) and other institutes on an ongoing basis, so as to increase their effectiveness and productivity in their capacity as the Board of Director.

Separation of the Role and Responsibilities between the Board of Directors and the Management

The Company has clearly separated the role and responsibilities between Board of Directors and the Management in terms of duties and decision-making powers in order to ensure the efficiency of the operations. Therefore, the Chairman of the Board of Directors and Managing Director are different persons, as well as will not participate in the management of the Company's business operations. Both positions must be qualified by the Board of Directors.

Directors' Term of Office

According to the Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of the directors who have held office for the longest terms shall retire. In the case that the total number of directors is not divisible by three, the number of directors to retire shall be the number closest to one-third of all directors or 3 years for each full term of office. Except that a person who replaces a director as a director for reasons other than retirement at the end of his or her term of office will remain in the position of director only for the remaining term of that director. However, directors whose terms have expired may be considered for re-election as directors.

Directorship in other companies

The Company has established a clear policy on holding of positions by Company's directors in other companies. The Company prohibits the director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest. The Company Secretary will disclose the information in the Form 56-1 One Report.

In 2023, no director holds directorship in more than 5 other listed companies. Details can be found in the profile of the Board of Directors in Attachment 1.

Orientation of New Directors

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

In 2023, the Company did not appoint new directors.

Knowledge and Skill Development for Director

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

In 2023, The directors attended the IOD training course as follow;

- Miss Rompissri Noichaiboon attended the Director Accreditation Program (DAP 200/2023 Online) on January 23, 2023.

Currently, there were 9 and 2 directors who have passed the Director Accreditation Program (DAP) and Director Certification Program (DCP) training courses, respectively, for a total of 10 people or 100% of the total directors.

Other training

- ▶ Mr. Vinai Vittavasgarnevej attended "The importance of Audit Committee in the confidence of the Thai capital market" organized by SEC in collaboration with the Stock Exchange of Thailand, Federation of Accounting Professions under Royal Patronage, Thai Institute of Directors Association and Thai Listed Companies Association.
- ▶ Mr. Wara Tongprasin attended "Enterprise risk management, information presentation, disclosure Financial and hedging accounting tools" by TFAC.
- ▶ Mr. Wara Tongprasin attended "Keeping up with financial reporting standards" by TFAC.
- ▶ Mr. Wara Tongprasin attended "Guidelines for operating according to auditing standards for small audit firms" by TFAC.

6.2 Business Code of Conduct

The Company has its written business ethics for all directors, executives and employees to uphold and practice. The Company believes that ethical guidelines are an essential tool for good performance and taking into account all stakeholders. Violators of the code are subject to disciplinary action. The essential aspects of the code are included below:

1. honest and reliable
2. Respect others regularly
3. Fair and undivided

4. Respect for intellectual properties including copyrights and patents
5. Confidentiality
6. Accuracy of the Company's record keeping
7. Insider Information and Securities Trading Information
8. Compliance with laws and regulations
9. Fair business competition
10. Responsible for shareholders

The detail of complete information on Corporate Governance and Code of Business Ethics are shown in https://www.irplus.in.th/Listed/AKR/pdf/Code_of_Conduct_on_business.pdf

The Company has organized training on work regulations (Employee Handbook) and business ethics for all new employees to complete 100% in order to create understanding and perform their duties correctly both in work and behavior.

In 2023, no executives or employees were found guilty of corporate ethics. There were only minor violations of the Company's rules, which were not serious offences.

6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year.

In 2023, The Board of Directors has reviewed and improved the essence of the policies, guidelines and corporate governance system as follow:

- Review the vision, mission, policies and strategies of the organization that have been set to be suitable for the current situation and aligned in the same direction.
- The Board of Directors jointly considers the appropriateness of the succession plan for senior executives that has been considered and presented by the Nomination and Remuneration Committee in order to prepare for the rapid recruitment of qualified personnel to replace them.
- Organize projects on good corporate governance and sustainable development, including training on corporate governance policy, anti-corruption, climate change management to reduce greenhouse gas emissions and preparation for sustainable development.
- Consider revising and improving the policy of good corporate governance and business ethics to suit the present.

However, in 2023, there were issues in CGR which could not be covered. Details are as follows:

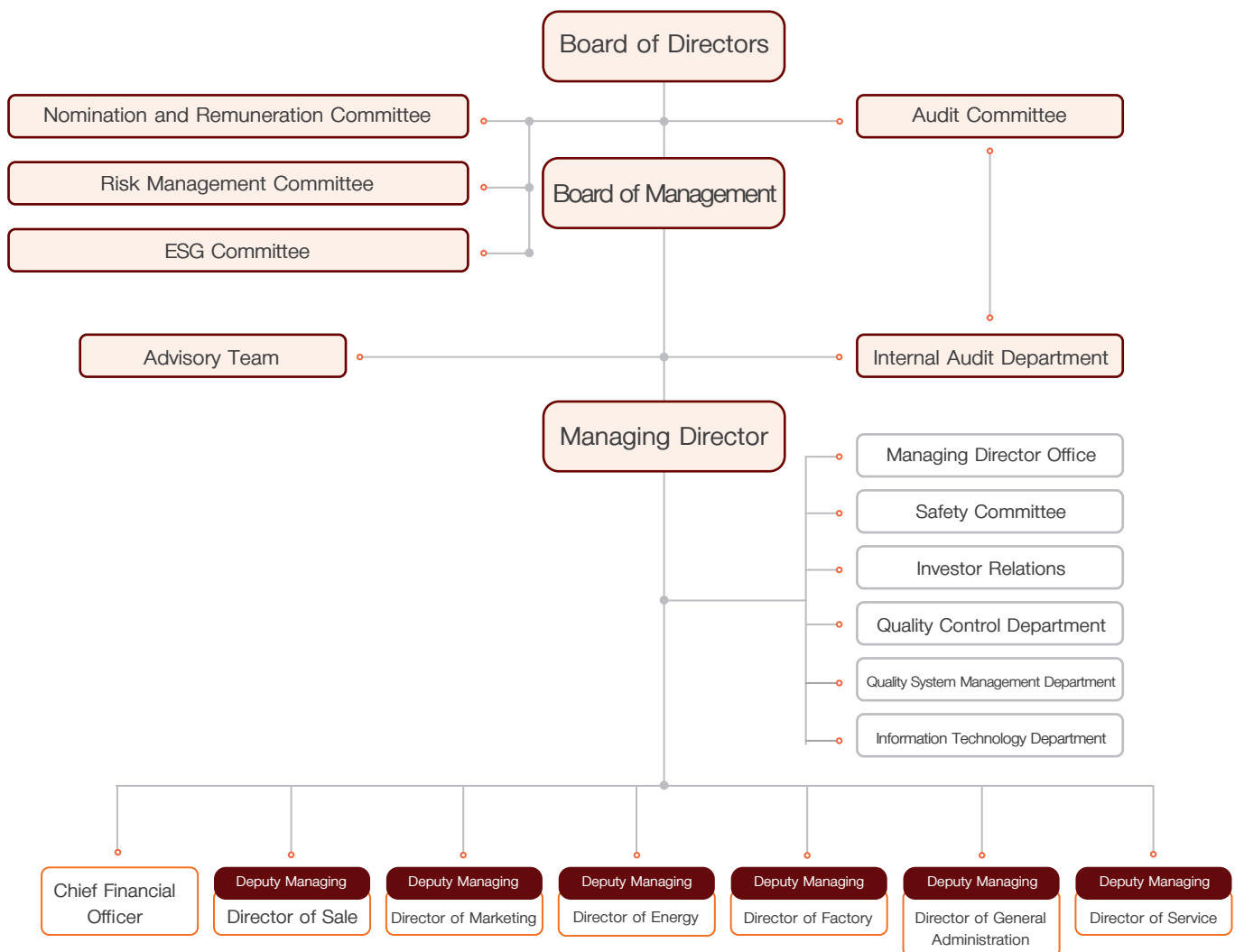
- The Company's policy didn't require a minimum quorum of at least 2/3 for board decisions. According to Article 24 of the Company's regulation only prescribes that the meeting of the Board of Directors, there must be not less than half of the total number of directors present to constitute a quorum.
- The Company cannot use Cumulative Voting as the procedure of voting for the Company's Directors. As Article 21 of the Company's regulation stipulates that one shareholder shall have one vote for each share. Each shareholder shall exercise all the votes he or she has, to select one or several persons to be directors but cannot divide the votes for any person to any extent.
- The Company has Independent Directors with terms of office exceeding 9 years in total from the initial date of appointment as an Independent Director. This is because the Company's requires Independent Directors, who are knowledgeable and understanding of the nature of the Company's business without benefits or interests whether directly or indirectly to the Company, its subsidiaries or shareholders. Including being independent in expressing opinions freely without being under the control of executives or major shareholders of the Company. The Board of Directors has deemed it appropriate not to limit the number of years the tenure of Independent Directors of the Company not exceeding 9 years, according to the reason mentioned above. It was proposed to the shareholders' meeting to consider and approve the selection of those independent directors.

7. Governance Structure and significant information relates to the Board of Directors, Subcommittees, Executive, Employees and Others.

7.1 Corporate Governance Structure

The Company's management structure comprises of Board of Directors, Board of Management and 4 Subcommittees: Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and ESG Committee. Managing Director is the top of executive who manages the Company's business through the Board of Management. The qualified of all directors and management are under Section 68 of the Public Limited Companies Act B.E. 2535.

Organizational structure diagram



7.2 Information on the Board of Directors

The Board of Directors has the ultimate responsibility for the administration of the Company's affairs under the Company's Articles of Association which requires that the Board consists at least 5 directors, and that no less than half of the directors must reside in Thailand. Directors must be qualified and not disqualified under the Companies Act and the regulations of the SEC and the Stock Exchange of Thailand. Directors should have knowledge, leadership abilities, morality, and expertise that benefit the Company.

7.2.1 The composition of the Board of Directors

The Company has appointed the Directors and has a balance of non-executive directors, without giving any person or groups the sole decision-making power in order to create a mechanism for balance and effective management.

As December 31, 2023, the Board consist of 10 directors who's appointed by the shareholder meeting as below:

- Executive Director 2 persons (20% of Board members)
- Non-Executive Director 8 persons (80% of Board members), which are as follows:
 - o Independent Director 6 persons (60% of Board members)
 - o Non-Executive Director 2 persons (20% of Board members)

In addition, in order to promote gender diversity according to human rights principles, the Board of Directors consists of;

- Male Director 8 persons (80% of Board members)
- Female Director 2 persons (20% of Board members)

The Board of Directors is diverse in terms of skills, knowledge and expertise according to the Board Skills Matrix table below;

Directors	Administration & Organization Management	Accounting Finance	Risk Management	Economics	Security & Society	Engineering	Law	R&D
1. Mr. Vichit Yamboonruang	✓	✓	✓	✓	✓			
2. Mr. Vinai Vittawasarnvej	✓	✓	✓	✓	✓			
3. Mr. Wara Tongprasin	✓	✓	✓	✓	✓			
4. Mr. Aroon Sricharoon	✓		✓	✓	✓			
5. Mr. Chatri Siripanichkorn	✓	✓	✓	✓	✓		✓	
6. Mr. Thunya Siltorn	✓		✓	✓		✓		
7. Ms. Urawee Kanokpruk	✓	✓	✓	✓		✓		✓
8. Mr. Danucha Noichaiboon	✓	✓	✓	✓	✓			
9. Mr. Wiwat Sangtian	✓	✓	✓	✓		✓		
10. Ms. Rompissri Noichaiboon	✓	✓	✓	✓	✓	✓		

7.2.2 The Current Board of Director

The Board of Director as of December 31, 2023

Name	Position	Appointed
1. Mr. Vichit Yamboonruang	Independent Director Chairman of the Board	28 February 2011
2. Mr. Vinai Vittawasarnvej	Independent Director Chairman of the Audit Committee	11 June 2012
3. Mr. Wara Tongprasin	Independent Director Chairman of the Nomination and Remuneration Committee Audit Committee	17 June 2009
4. Mr. Aroon Sricharoon	Independent Director Audit Committee	13 May 2019
5. Mr. Chatri Siripanichkorn	Independent Director Nomination and Remuneration Committee	12 July 2016
6. Mr. Thunya Siltorn	Independent Director Chairman of Risk Management Committee Chairman of ESG Committee	30 June 2020
7. Miss Urawee Kanokpruk	Director Nomination and Remuneration Committee	28 February 2011
8. Mr. Danucha Noichaiboon	Director Nomination and Remuneration Committee	15 January 2011
9. Mr. Wiwat Sangtian	Director	25 June 2014
10. Miss Rompissri Noichaiboon	Director Risk Management Committee ESG Committee	18 March 2021

List of directors who resigned/resigned during the year

There was no change in the Board of Directors in 2023.

Authorized Director

According to the Company's Articles of Association, the directors who are authorized to sign to bind the Company are the Chairman of the Board of Directors or Managing Director or both of them who shall jointly sign with the seal of the Company affixed.

7.2.3 Authorities, Duties and Responsibilities of the Board

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

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

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

- Matters required by law to be approved by the resolution of the shareholders' meeting.
- Connected transactions with a value exceeding 20 million baht or 3% of NTA, whichever is higher.
- Buying or selling assets in accordance with the principle of acquiring and disposing of assets with the size of the transaction according to the criteria of the Stock Exchange of Thailand required to be approved by shareholders.

Qualification of Directors

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

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

Duties and Responsibilities of Chairman of the Board

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

1. The Chairman has the role of overseeing policy advocacy and strategic performing manner of the company's management including giving recommendation and support the operating of the company's management but this entitle shall not participate in the daily operation.
2. Ensure that the directors' participation in promoting an ethical corporate culture. and good corporate governance.
3. Strengthen the relationship between the executive and non-executive Directors and between the Board and Management.
4. Define the agenda for the Board of Directors meeting appropriate to the situation and urgent need. The Board receives information accurately, clearly and in a timely manner.
5. Control the meeting to be effective, allocate sufficient time for the management to present the information, support and provide opportunities for directors to ask questions and freely express opinions, control issues in discussion and conclude meeting resolutions.

7.3 Subcommittees

The Board of Director appointed 4 sets of Committees to study and scrutinize specific matters as follows:

1) Audit Committee

Each Quarter the Audit Committee, together with Chief Financial Officer and the External Audit, review the Company's financial report. The Board is accountable the consolidate financial statement and the financial report which prepared under generally accepted accounting principles and are audited and certified by ANS Audit Co., Ltd.

As of December 31, 2023, the member of Audit Committee are as follow:

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

Secretary of the Audit Committee is the manager of Internal Audit Department,

Qualifications of the members of the Audit Committee

The Audit Committee must have qualifications according to the criteria by the Stock Exchange of Thailand.

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

Duties and Responsibilities of the Audit Committee

1. To review the Company's financial statements to ensure they are accurate, complete, and reliable.
2. To review the efficiency and effectiveness of the Company's Internal Controls and Internal Audit procedures by included the bellowing topics.
 - 2.1 Give the consent to appointed, rotated, layoff, and determine to reward the head of Internal Audit.
 - 2.2 Determine the independent of Internal Audit Division, in term of operation, reporting and structure.
3. To review the efficiency and effectiveness of the Company's risk management systems.
4. To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.
5. Determine and selected to nominate and remunerate the Company auditor and considering the independent of Company auditor which might give the company other services.
6. Meeting with the Company auditor without the management for receive the comment from auditor at least once a year.
7. To review and submit an opinion on Internal Audit plans, practices of the Internal Audit group and coordinate with external auditors and report the performance of Audit Committee to the Board of Directors at least 4 times a year.

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

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

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

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

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

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

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

The responsibility of the Audit Committee

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

In the event that the duties of the Audit Committee are changed, the Company will notify the resolution of the change according to the form prescribed by the Stock Exchange of Thailand and submit it to the Stock Exchange of Thailand within 3 working days from the date of such change.

The Company arranges the Audit Committee meeting regularly before the Board of Directors meeting at least 4 times each year on a quarterly basis by reporting the results of auditing and reviewing various transactions to the Board of Directors for acknowledgment. Including having a meeting with the auditor and the accounting department to review the financial statements.

2) Nomination and Remuneration Committee

As of December 31, 2023, there were 4 members of the Nomination and Remuneration Committee as follow:

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

Qualifications of the Members of the Remuneration and Nomination Committee

Company director who has knowledge and ability to understand the nature of business and the roles and responsibilities of the Board of Directors and sub-committees, able to perform duties and express opinions independently. As well as being independent and impartial in recruiting and selecting suitable persons for nomination to be the Company's directors to replace those who have retired by rotation. The Remuneration and Nomination Committee consists of 2 independent directors or 50% of the members, namely Mr. Wara Thongprasin as Chairman and Mr. Chatri Siripanichkorn as Director.

Duties and Responsibilities

1. Assign the policies, qualification, and procedure for the nomination of the director and management level.
2. Determine the nomination policies for the benefit of the Company.
3. Nominate and select the qualify person follow the related rules and regulations and present to the Board of Directors for the appointment of Director or management level.

4. Control and monitor the suitable size and structure of the Board and adjust the size and structure to conform to the changing environment.

5. Present to the Board of Directors for the nomination of the directors replacing the resigned directors from the articles of association.

6. Give the proposal and evaluation of the management level.

7. To perform other tasks assigned by the Board of Directors.

8. Broach with the rules of Board of Directors compensation, Executive Board compensation, others committee, and the advisor of the Company to approve by the Board of Directors.

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

9. Broach with the rules of Board of Directors annual compensation to approve by the Board of Directors before the shareholders' meeting approval.

10. Determine the employee's bonus to approve by the Board of Directors.

11. Determine the employee's annual adjusted salary to approve by the Board of Directors.

12. Determine the rules and regulations of the company that concern to the benefit of the employee by the order of the Board of Directors.

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

3) Risk Management Committee

As of December 31, 2023, there were 7 members, including 1 independent director, 4 senior executives, and 2 executives, in the Risk Management Committee as follow:

- | | |
|-------------------------------|---|
| 1. Mr. Thunya Siltorn | Chairman of the Risk Management Committee |
| 2. Miss Rompissri Noichaiboon | Risk Management Committee |
| 3. Mr. Daroonwat Noichaiboon | Risk Management Committee |
| 4. Mr. Paitoon Intrarawisut | Risk Management Committee |
| 5. Mrs. Supaporn Chansuroj | Risk Management Committee |
| 6. Mr. Surasak Wachirapakorn | Risk Management Committee |
| 7. Mr. Somphong Rob-loak | Risk Management Committee and Secretary |

Qualifications of the Members of the Risk Management Committee

Be a person with appropriate knowledge, experience and qualifications, able to dedicate time to perform duties adequately and efficiently, without prohibited characteristics according to the Public Company Act and other relevant laws. It consists of executives from various departments as an important mechanism in the operation.

Duties and Responsibilities

1. Evaluate, analyze, and develop the framework of risk management and the method of risk evaluation in the future.

2. Assign the policies of overall risk management of the Company which include any important type of risk likes business risk, competitive, production, procurement, credit risk, liquidity risk, and exchange rate risk.

3. Assign the conform strategies with the Company risk management policies which can be evaluate, monitor, and control the risk.

4. Assign the sufficient policies and risk management including with the efficiency of the system and follow the policies.

5. Report the result of approach to the Board of Directors to modify direct to the policies and regulations of risk management and notice to the Audit Committee for the proper audit

Risk Management Committee Meeting are scheduled at least 2 times per year before the Board Meeting which has been defined and notified in advance.

4) Environment Social and Governance Committee (ESG)

The Company established the Environment, Social and Governance (ESG) Committee on December 8, 2022 to create sustainable business growth and environmentally friendly. Responding to the needs of stakeholders and continually creating value for society along with effective corporate governance.

As of December 31, 2023, there were 6 members in the ESG Committee. The Chairman was an independent director while the directors are 4 senior executives and Company Secretary as follow:

1. Mr. Thunya Siltorn	Chairman of ESG Committee
2. Miss Rompissri Noichai boon	ESG Committee
3. Mr. Daroonwat Noichai boon	ESG Committee
4. Mrs. Supaporn Chansuroj	ESG Committee
5. Mr. Somphong Rob-loak	ESG Committee
6. Miss Hansa Buranajan	ESG Committee

Qualifications of the Members of the ESG Committee

A person with appropriate knowledge, experience and qualifications, able to dedicate time to perform duties adequately and efficiently which consists of executives from various departments as important operating mechanism in order to develop and improve the corporate governance process in all aspects.

Duties and Responsibilities

1. Environmental - Efficient use of resources, including the restoration of the environment that has been affected by business operations.
2. Social - Fair and equitable human resource management, community and social development continually.
3. Governance - Good corporate governance, risk management and anti-corruption.
4. Propose relevant issues that may affect stakeholders and the Company's operations or reputation to the Board of Directors, including recommendations for improvement of policies and operations.
5. Organize a meeting as deemed appropriate at least once a quarter.
6. Report on performance and perform other duties related to ESG operations as assigned by the Board of Directors.
7. Disclosure of information ESG that matters to the public.

7.4 Information on Executives

7.4.1 Senior Executives

According to the organizational structure as of December 31, 2023, there were 4 Senior Executives as follow:

1. Miss Rompissri Noichai boon	Managing Director
2. Mrs. Supaporn Chansuroj	Chief Financial Officer
3. Mr. Daroonwat Noichai boon	Deputy Managing Director of Marketing
4. Mr. Paitoon Intrarawisut	Deputy Managing Director of Factory

Remark : the management are "Management" under SEC's notification.

Duties and Responsibilities of Managing Director

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

1. Bring forward the policies from the Board of Directors and Responsible for all of the management received.
2. Assign the strategies to meet the goal for operation and policies.
3. Approve the important investment that code in the annual budget which approved from the Board of Directors.
4. Approve the operation plan and the policies in each division, also monitor the operation of the company to conform to the plan and policies.
5. Issue orders, rules, notices, memo for the benefit of the company and the organization tidiness.

6. Approve to appoint, hire, transfer, and dismiss of the employee whose position below the Deputy Managing Director.
7. Assign the third party, by approval of Managing Director, to manage and operate for the Managing Director in the necessary matter and not above authorized financial amount.
8. Determine and bring forward the expenditure budget for the approval of the Board of Directors.
9. Conduct the employees to work with ethics, morals, laws, and cultural to the shareholders, customers and employees and related person.
10. Operated in the normal manner of the company, and in case of the important subject, Managing Director must present to the Board of Directors or the Management Board for the approval.
11. Support and develop the organization and employees in term of skill and the cultural of organization.
12. Support and encourage the education and develop new technology to increase the production and develop the business by using the resources in full capability.
13. Act with honest and care for the best of company.

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

Board of Management

As of December 31, 2023, there were 8 members in Board of Management as follow:

- | | |
|-------------------------------|---------------------------------------|
| 1. Miss Rompissri Noichaiboon | Managing Director |
| 2. Mrs. Supaporn Chansuroj | Chief Financial Officer |
| 3. Mr. Daroonwat Noichaiboon | Deputy Managing Director of Marketing |
| 4. Mr. Paitoon Intrarawisut | Deputy Managing Director of Factory |
| 5. Mr. Surasak Wachirapakorn | Senior Service and Sales Manager |
| 6. Mr. Salaha Ouipraphat | Senior Sales Manager |
| 7. Miss Chompicha Noichaiboon | Factory Manager |
| 8. Miss Hansa Buranajan | Company Secretary |

Duties and Responsibilities

The Management Board has the authority and responsibility for the management of the Company in regard to normal operations. By co-determining business policies, goals, operational plans, business strategy, budget, management structure to propose to the Board of Directors' meeting and/or the shareholders' meeting for approval before proceeding. Including checking and monitoring the Company's performance according to the policy. The current board of management has the authority as follows:

1. Report and present the business policies, Goals, operation plan, business strategies, and annual budgeting of the Company for the Board of Directors approval.
2. Control and monitor the Company's operation to go along with rules, regulations, business policies, business plan, and business strategies by the resolution of the Board of Directors and/or the resolution of the shareholders' meeting.
3. Determine and assign the Human Resource Management policies, IT Technology, expand the businesses, Personal Relations, and regulated the operation to meet the company's goal.
4. Determine and approve to bid in the project or be a contractor for the agencies or the person.
5. Approve the appoint, hire, dismiss, assign fees, compensation, bonus, and workfare for the employee and Management team, except for appoint, hire, transfer, and dismiss Internal Audit Department Manager and officer which need the approval of the Audit Committee. For the appointment, hire, transfer, and dismiss of Deputy Managing Director and higher positions and the advisors, the Remuneration Committee will determine and pass the subject to the Board of Directors to approve. The Management Board is authorized to perform the financial transactions:

5.1 If conducted in the business plan or budget which is already approved, the Management Board can use in the line that already approved.

5.2 If not in concern with 5.1 above, the Management Board can approve the financial amount not over Baht 20 million and the amount mentioned is include with the financial transactions, capital expenditure and can approve for the financial obligations (Loan) in any kind of financial tools which not over Baht 20 million and the affiliate, when the transaction is finish, the Management Board need to report the conclusion to the Board of Director.

6. The Management Board has the power to authorize one or more than one person to perform an action for the Management Board which the action is under the control of the Management Board within the period of time and the Management Board can cancel or modify the authority or power.

7. Perform the tasks received from the Board of Directors.

In addition, the approval of the aforementioned items must not cause the Management Board or the authorized person from the Management Board able to approve items that he or someone may have conflicts, or may have other conflicts of interest (according to the Company's Articles of Association and The Securities and Exchange Commission Act) done with the Company or its subsidiaries, except for approval of transactions that are normal course of business with clear details.

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

Board of Management Meeting

Board of Management Meetings are scheduled at least twice a month which has been defined and notified in advance. The Board of Director had opinion that each management committee should not focus on just the time to attend the meetings. But should include sharing of opinions, advice, experience, and relationships in order to increase the benefits for the business of the Company.

Appointment and Removal of Managing Director

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

Managing Director of the Company, namely Miss Rompissri Noichaiboon, was appointed by the Board of Directors' meeting on March 18, 2021. The scope of authority and duty is to manage the business operations of the Company to achieve the objectives and goals set by the Board of Directors.

Directorship in other companies of the Managing Director

The Board of Directors has set a policy limiting the number of directorships in other companies where Managing Director can hold office, Managing Director is able to hold no more than 5 positions in other listed companies by inform the Board of Director. The Company Secretary will disclose the information in Form 56-1 One Report. The Company prohibits Managing Director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest.

Knowledge and Skill Development for the highest responsibility in finance and accounting (CFO) and the person supervising accounting.

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

- The highest responsibility in finance and accounting (CFO)

The Company's CFO was Mrs. Supaporn Chansuroj, Position: Chief Financial Officer. She has been appointed to the position on January 1, 2023.

She attended the training to prepare for accounting and finance (Orientation Course) according to the rules of the SEC Office, organized by the Capital Market Knowledge Development Center, the Stock Exchange of Thailand on December 2022 "e-learning CFO's Orientation Course, training period 12 hours.

In 2023, she attended CFO Refresher Course "Prepare to deal with financial, investment and accounting issues that affect listed companies", by the Capital Market Knowledge Development Center, the Stock Exchange of Thailand on November 2023, training period 6 hours. It was continuously development of accounting knowledge (CFO Refresh) according to the rules of the SEC and the Stock Exchange of Thailand.

- The person supervising accounting

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

In 2023, She attended the training for continuously develop her knowledge of accounting standards, detailed as follow:

- "Techniques and methods for checking inventories, class 2/23" organized by the Federation of Accounting Professions under royal patronage, for a period of 6 hours.

- "Understand the basic principles of TFRS 9 (Fuundamental of TFRS9), class 3/23" organized by the Federation of Accounting Professions under royal patronage, for a period of 6 hours.

7.4.2 Remuneration policy for Executive Directors and Executives

Executive compensation policy is based on the Board of Directors and in accordance with the Company's operating results both short term and long term. The Nomination and Remuneration Committee will consider the appropriate criteria and method of remuneration for top executives, both from the performance, which is directly proportional to the achievement of the Company's strategic goals. As well as practices and standards of the same leading business groups under clear, transparent and fair rules which the salary increase rate and the annual bonus payment rate will be consistent with the results of the assessment of KPIs and the Company's annual performance.

Salary and Bonus

Executive compensation is based on duties, responsibilities, experience and skills, job performance and salary rates in the same industry and reviewed it annually.

Bonus is based on the achievement of goals according to the annual strategic plan and KPI assessment results and compared to remuneration in the same industry.

7.4.3 Total amount of the remunerations of Executives

The Company's management compose of 4 persons comprising Managing Director, Chief Financial Officer, Deputy Managing Director of Marketing, Deputy Managing Director of Factory by received remuneration as detailed below:

Year	Remuneration	Number	Amount (baht)
2021	Salary and Bonus	4	8,138,400
2022	Salary and Bonus	4	8,640,000
2023	Salary and Bonus	4	9,696,000

The provident fund of the Executives (only Managing Director)

Year	Remuneration	Number	Amount (baht)
2021	Provident fund	1	71,574
2022	Provident fund	1	106,236
2023	Provident fund	1	113,400

- Other Remuneration

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

7.5 Information of employees

The Company stresses the development of HR management system compatible with technological advancement. Employees are pivotal to increase competitiveness and drive the organization to sustainable growth.

As of December 31, 2023, the Company had a total number of 698 employees.

Department (person)	2021	2022	2023
1. Managing Director Office	12	14	14
2. General Management	33	31	32
3. Financial and Accounting	30	30	28
4. Marketing and Corporate Communications	4	5	6
5. Sale Department	32	32	31
6. Service Department	127	126	132
7. Production Department	416	429	445
8. Internal Audit Department	2	2	2
9. Information Technology Department	7	8	8
Total	663	677	698

The remuneration of the employees

The remuneration to staff (Excluding the Managing Director and Senior Management) for the year 2021-2023 with details of the award;

Remuneration	2021	2022	2023
Monthly salary (baht)	184,292,250	188,427,840	247,552,773
Bonus (baht)	-	36,835,008	55,307,086
Provident Fund (baht)	6,124,642	6,339,595	4,983,871
Total	190,416,892	231,602,443	307,843,730

The Company sets the remuneration's employees bases on the short-term and long-term performance and strategy. The Consideration of salary increase of employees based on individual performance once a year by using Key Performance Indicators: KPIs were apply to manage employee performance evaluation, which would be accordingly reflected in their salary increases and benefits.

The Provident Fund

At present, there are employees of the Company participating in the provident fund which is managed by AIA Co., Ltd. of 624 persons or 89.40% of total employees in accordance with the Fund Act at the rate of 3% of the wages. However, the employees have the right to contribute 50% of the Company in the case of termination of membership after working with the Company for not less than 3 years and 100% in the case of working with the Company for at least 5 years.

The Fund engaged to investment with due regard for Environmental, Social, and Governance (ESG) factor and jointly with the management company, setting policies and assigning them to invest in entities with committed responsibility for all Stakeholders: shareholders, employees, customers, business partners and socially. The Company defined CG criteria and apply its decision to making process to ensure that the Fund makes the right investment in transparent business for the best benefit of fund members in the long term.

Other Remunerations

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

The Company recognizes about the health of employees, therefore provided annual health check-up by creating a clear operating procedure according to the standards of the Ministry of Labor, including annual influenza vaccination for personnel.

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

Employee Development Policy

It is the Company's policy to increase the standard of quality and capabilities of its work force through its development and training programs and also to prepare for more competitive environment in the future. The Company has established an organization responsible particularly for employee development and training. Budget is appropriately and sufficiently allocated for development and training in accordance with objectives of each department. The Company has given employees the opportunity to present and organize training and development in various ways. Details of the training can be found in Part 1 on Business sustainability development, under the topic "Human Rights and Fair Labor Treatment".

Fostering relationship between management and staff in search of common goal

The communication between management and staff comes in various forms. Needing to be aware of corporate business, obstacle and potential repercussions employee should be allowed to share their views and take part in business efficiency improvement. Through various channels such as

- The Company's quarterly journals to disseminate the news and information to all employees.
- The executives will meet the staff at the factory in Chachoengsao Province and all service centers.
- A welfare committee has been set up consisting of representatives of employees from all departments together with the management to consider improving or solving problems related to welfare and employee benefits.
- Employee Satisfaction Survey by the Human Resources Department will allow employees to express their opinions or suggest their needs about work processes or welfare issues through a yearly questionnaire. In order for the Human Resources Department to summarize the opinions and suggestions presented to the management for acknowledgment and consideration as appropriate, then presented to the Board of Directors in the next order.

Labor Protection

The Company recognizes the importance of safety, occupational health and work environment of employees due to different job characteristics in each department. Therefore, the Committee on occupational safety, health and environment in the workplace was established by selecting the management and staff in various units together as directors in order to consider finding guidelines and proceeding correctly as required by law. Including supply of equipment and monitoring tools for convenient and maximum security to reduce accidents and hazards that may occur to the employees.

Responsible Political Involvement

The Company recognizes the importance of honest business operations, especially in political activities in all sectors whether it is providing assistance or providing benefits that cause the power to control politics incorrectly. The Company has informed employees for acknowledgment and strict compliance.

Dispute in year 2023

- None -

7.6 Other significant information

The Company Secretary

The Board of Directors has appointed Miss Hansa Buranajan as a Company Secretary on January 1, 2021 replaced Miss Nuanchan Sirikul who retired to comply with the Securities and Exchange Act (No.4) B.E.2551.

The duties and responsibility of the Company Secretary

1. Preparing and keeping the following documents:

1.1 A register of directors

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

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

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

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

4. Orientation and advising the new director.

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

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

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

The highest responsibility in finance and accounting (CFO)

The Company's CFO was Mrs. Supaporn Chansuroj, position: Chief Financial Officer, who was appointed to the position effective January 1, 2023, replacing Mrs. Suwannee. Sujaritwanichphong who retired (More profile detail appear in Executive Profile in Attachment 1)

The person supervising accounting

The person supervising accounting of the Company was Mrs. Somjit Phokabutr, position: Accounting Manager. She has been appointed to the position since 2015 until now. (More profile detail appear in Executive Profile in Attachment 1)

Head of Internal Audit

The Internal Audit Manager is by position assigned as Head of Internal Audit. Mr. Nuttavit Noisri, position: Internal Audit Division Manager is the present Head of Internal Audit. (More profile detail appear in 9. Internal Control and Connected Transactions and detail of head of Internal Audit profile in Attachment 3)

Investor Relation

Miss Wanngam Tipyawat was appoint Investor Relation and can be contacted at Tel : 02-719-8777,

Email : wanngam@ekarat.co.th or www.ekarat.co.th

Compliance

Compliance is a part of the internal audit where the head of the internal audit unit is responsible for ensuring compliance with the Companies' regulation or laws and assigned Investor Relations to be responsible for compliance according to the laws, rules and regulations of the SET and the SEC.

The remuneration of the auditor

• Audit fee

The Company paid audit fees to ANS Audit Co., Ltd., the auditor of the Company and its subsidiaries in the fiscal year 2023, in the total amount of 1,465,000 baht, consisting of the audit fee of the Company in the amount of 1,420,000 baht and the audit fee of 2 subsidiaries in the amount of 45,000 baht.

• Non-audit fee

- None -

8. Report on key operating results on corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year

8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

The Company has appointed the Nomination and Remuneration Committee to consider criteria and methods for recruiting qualified persons to serve as directors, which will be reviewed annually to be in line with the Company's strategy.

- Independent Director

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

The Company has 6 independent directors, representing 60% of the entire Board of Directors, namely Mr.Vichit Yamboonruang, Mr.Vinai Vittawasarnvej, Mr.Wara Tongprasin, Mr.Aroon Sricharoon, Mr.Chattri Siripanichkorn and Mr.Thunya Siltorn.

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

1. Must hold no more than 1 percent of the total outstanding voting shares of the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company. Shareholding of the Independent Director includes shares held by persons related to that particular Director.

2. Is not or has never been a part of the management, staff, employee, consultant earning salary or controlling person of the Company, parent company, subsidiaries, associated companies or subsidiaries of the same level, major shareholder or controlling person of the Company unless the position has been terminated for over 2 years.

3. Is not related by blood or through legal bonding which includes father, mother, spouses, siblings, children, spouses of children, to other directors, management, major shareholder, controlling person of the Company or any person being nominated to the director, management or controlling position of the Company or its subsidiary.

4. Is not or never have business relationships with the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company which may distract one's independent judgment. This also includes not having been a shareholder of significance or a controlling person of the entity having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company unless the person's term has been terminated for at least 2 years.

5. Is not or has never been the auditor of the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and is not a shareholder of significance, a controlling person or a partner of an audit firm where the auditor of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company is subject to, unless the position has been terminated for at least 2 years.

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

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

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

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

Roles and Responsibility of Independent Director

1. Recommend essential and beneficial matters to the Company and minor shareholders to the Board.
2. Advocate roles and duties of the Board that should be performed.
3. Take other Board-assigned action provided that they do not compromise their independent.

Segregation of Chairman and Managing Director

The Chairman of the Board of Directors does not hold a management position but is an Independent Director and is not the same person holding the position of Managing Director. The Chairman of the Board has no relationship with other members of the Management. The Company has clearly separated the roles, duties and responsibilities of the Board of Directors and the management. The Company has written for the directors to perform their duties and evaluate the performance of the management effectively.

• Selection of Directors and Chief Executives

Nomination of Directors

In the appointment of directors, the Nomination and Remuneration Committee has duty and responsibility for selecting and screening qualified persons as prescribed in the Company's Articles of Association with experience, knowledge and abilities that are beneficial to the Company based on the Board Skill Matrix. Including suitable for nature of business, future plans, structure and composition of the Board of Directors. The Company provides an opportunity for shareholders to participate in the nomination of qualified under the terms and conditions by considering the list of suitable persons from:

- (1) The person who is the former director who has expired to propose to the next position.
- (2) The shareholders' nomination (if any);
- (3) The nomination by the Chairman of the Board, Directors, etc;
- (4) The recruitment of the knowledgeable, skilful and experienced persons ideal for the Company.

The qualifications of the Directors being recruited as follow:

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

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

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

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

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

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

The AGM might resolve for any Director to retire before the term ends with the majority vote of at least three-fourths of all shareholders attending the meeting and holding the rights to vote and the combined share amount of not less than half of the share amount held by the shareholders attending the meeting and holding the rights to vote in such meeting.

In addition, the directors vacate office for these reasons.

- (1) died
- (2) Resign
- (3) Incomplete properties or having prohibited characteristics under the law on public limited companies
- (4) The shareholders' meeting passed a resolution to remove the director from office prior to the expiration of his/her term with a vote of not less than half of the number of shares by the shareholders attending the meeting and having the right to vote.
- (5) The court order to vacate office

In the case where a director position is vacant for other reasons than retirement by rotation, the Board shall elect a person who has qualifications and does not have any prohibited characteristics under the law to replace it at the next Board Meeting. Unless the remaining term of the Board of Directors is less than 2 months, the person who is appointed as a replacement director will remain in office for the remaining term.

In the event that the Board of Directors vacates office as a whole, to remain in the position to continue the company's business as necessary until the new committee takes over. Unless the court orders otherwise, in the case of (5) and must hold a shareholders' meeting to elect a new committee within 1 month from the date of retirement. The notice of the meeting must be sent to shareholders at least 14 days prior to the meeting.

In the event that the director's position becomes vacant and less than a quorum, the remaining directors may act on behalf of the Board for holding the shareholders' meeting to elect new directors only.

The meeting under the first paragraph shall be held within one month from the date that the number of members remaining less than the quorum and the person who is appointed as replacement director will hold office only for the remaining term of that director.

Nomination of Managing Director

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

Performance Evaluation of the Board of Directors

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

1. Board Evaluation
2. Self Assessment

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

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

At the Board of Director's meeting No.11/2023 on November 13, 2023 the Company Secretary send the Board members the self-assessment form to evaluate their performance. The evaluation result is reported to the Company's Board of Directors in the next time. Evaluation Criteria, the percentage of the total score for each item is greater than 85% = excellent, more than 75% = very good, more than 65% = good, more than 50% = fair, less than 50% = need improvement. The results of the assessment can be summarized as follows:

Summarize scores of performance assessment results of the Board of Directors

All criteria points have excellent average score, with a strong agreement or an excellent performance in that regard, reflecting the Board's performance of duties according to the good corporate governance principles at a well to excellent level. They're involved in working closely with the management in order to follow the business plan and keep up with the constantly changing situation. In this regard, the directors provided suggestions for developing various aspects in order to be able to perform their duties with greater efficiency. The directors will use the evaluation results to develop their work further.

Managing Director's Performance Assessment

The Company executed Managing Director's Performance Assessment each year. The Nomination and Remuneration Committee is in charge of the annual performance assessment of the Managing Director. The Committee is to forward the assessment outcome to the Board for endorsement. Evaluate the performance of the Managing Director into two parts: financial success and management potential. In 2023, the assessment results of the Managing Director were in the criteria of excellent performance level.

Succession Plan

In regard to top management succession planning, the Company plans to select and develop successors by developing high potential personnel within the organization to become senior executives in the future through a continuous recruitment and development process. By selecting and evaluating the level of readiness to advance to the position using various tools, including evaluating all-round people in order to create an individual development plan (IDP) by developing skills and experience for holding higher positions, both assigned work and development of various training courses.

The Board of Directors has assigned the Nomination and Remuneration Committee to determine criteria, methods, and procedures for selecting individuals to hold senior executive positions in the Company. The succession plan is also reviewed annually and reported to the Board of Directors.

In 2023, Human Resources Department has prepared a succession plan for executives, continuing from the previous year, to present to the Nomination and Remuneration Committee for consideration of suitability before presenting to the Board of Directors.

The Company continuously develops the executives to have qualifications and to replace senior executives who will retire in the future by setting the succession plan for various positions as follows:

- Managing Director
- Deputy Managing Director

8.1.2 Meeting Attendance and Dividual Directors' Compensation

The Board of Director Meeting

1. The meeting of the Board of Directors shall be scheduled in advance and at least once every quarter at the head office or branches or nearby provinces.
2. The director shall attend at least 75% of all the board meetings held during the year.
3. The quorum of not less than two-thirds of all Board members is eligible to vote at the meeting to pass a resolution.
4. Invitation, details of the meeting and supporting documents shall be sent to each director at least 7 days in advance of the meeting date.
5. The Company Secretary is responsible for preparing the minutes of meeting to be submitted to the Board of Directors for approval in the first agenda of the next meeting and shall certificated by Chairman of the Board.

In 2023, the Company held a total of 11 Board of Directors' meetings and the 2023 Annual General Meeting of Shareholders without calling for an Extraordinary General Meeting of Shareholders. Details of meeting attendance by the individual directors are as tabulated below:

Name	Position	The Meeting Board of Director (11 times)	The Meeting Non-Executive BOD (1 time)	The Meeting AGM (1 time)
Mr. Vichit Yamboonruang	Chairman of the Board	11 / 11	1 / 1	1 / 1
	Independent Director			
Mr. Vinai Vittawasgarnvej	Independent Director	11 / 11	1 / 1	1 / 1
Mr. Wara Tongprasin	Independent Director	11 / 11	1 / 1	1 / 1
Mr. Aroon Sricharoon	Independent Director	10 / 11	1 / 1	1 / 1
Mr. Chatri Siripanichkorn	Independent Director	11 / 11	1 / 1	1 / 1
Mr. Thunya Siltorn	Independent Director	11 / 11	1 / 1	1 / 1
Miss Urawee Kanokpruk	Director	11 / 11	1 / 1	1 / 1
Mr. Danucha Noichai boon	Director	11 / 11	-	1 / 1
Mr. Wiwat Sangtian	Director	11 / 11	1 / 1	1 / 1
Miss Rompissri Noichai boon	Director	11 / 11	-	0 / 1

Non-Executive Board of Directors

In 2023, there was a meeting of Non-Executive Board of Directors without the management on October 19, 2023 to consider on improving the organization structure by dividing it into Business Units according to product type in order to manage and plan strategies for each product more efficiently.

Remuneration of the Board of Directors

The Company had set a policy for remuneration for directors and executives fairly and reasonably. The Nomination and Remuneration Committee will consider and scrutinize as appropriate for each position. In accordance with the financial status of the Company and compared with other companies in the same business group. The remuneration was allowance and bonus which has already approved by the shareholder's meeting every year.

In 2023, the shareholders' meeting resolved to approve to increase the amount of meeting allowances for Board of Directors and Sub-committees to 5,000,000 baht from 4,000,000 baht by increasing the meeting allowance per attendance. Previously, there was only monthly meeting allowance and reduce the monthly meeting allowance of Board of Directors. As for the meeting allowance of other Sub-committees remain the same rate as 2022 as follows:

Directors' remuneration

1. Allowance

1.1 Monthly Allowance

• Chairman of the Board	Baht	30,000	per month
• Directors	Baht	20,000	per month
• Chairman of the Audit Committee	Baht	20,000	per month
• Audit Committees	Baht	10,000	per month

1.2 Allowance for each meeting

• Chairman of the Board	Baht	20,000	per meeting
• Directors	Baht	10,000	per meeting
• Chairman of Nomination and Remuneration Committee	Baht	15,000	per meeting
• Nomination and Remuneration Committees	Baht	10,000	per meeting
• Chairman of the Risk Management Committee	Baht	15,000	per meeting
• Risk Management Committees (Director)	Baht	10,000	per meeting
• Risk Management Committees (Non-Director)	Baht	5,000	per meeting

2. Bonus

The Company determine the remuneration of the Board of Director as bonus in reasonable rate on the performance of each year. The Board of directors' bonus for the 2023 fiscal year shall not exceeding 3,000,000 baht, increase from previous year not exceeding 2,000,000 baht. In this regard, the bonus payment of directors will be considered based on the Company's operating results and must pay dividend to shareholders as well. the Board of Directors determines the appropriate bonus amount to be allocated to each director.

The remuneration for Directors in 2023

Name	Remuneration's Director (Baht)					
	Board of Director	Audit Committees	Nomination and Remuneration Committees	Risk Management Committees	Bonus	Total
Mr. Vichit Yamboonruang	600,000	-	-	-	480,000	1,080,000
Mr. Vinai Vittawasgarvej	360,000	240,000	-	-	315,000	915,000
Mr. Wara Tongprasin	360,000	120,000	45,000	-	315,000	840,000
Mr. Aroon Sricharoon	340,000	120,000	-	-	315,000	775,000
Mr. Chatri Siripanichkorn	360,000	-	30,000	-	315,000	705,000
Mr. Thunya Siltorn	360,000	-	-	45,000	315,000	720,000
Miss Urawee Kanokpruk	360,000	-	30,000	-	315,000	705,000
Mr. Danucha Noichai boon	360,000	-	30,000	-	315,000	705,000
Mr. Wiwat Sangtian	360,000	-	-	-	315,000	675,000
Miss Rompissri Noichai boon	-	-	-	30,000	-	30,000

Remark - The executives did not receive any remuneration for holding the position of director.

3. Other Remuneration

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

8.1.3 Supervision of subsidiaries and associated companies

To supervise the operations of Subsidiaries, the Company as a shareholder has sent representatives to supervise the interests as well as coordinated cooperation between Subsidiaries. The Company's representatives are those who have been approved by the Management and the Executive Board or the Board of Directors to take positions as Directors in two Subsidiaries. The representatives are either members of the Company's Board of directors or executive management total 3 persons who have knowledge and understanding of the business and can determine policies that are crucial to business operation, provide management guidelines that will benefit to the Company. Enhance knowledge and understanding of governance operations, risk management and internal control, governance of compliance with laws and corporate regulations, supervise the disclosure of financial position information and operating results, conducting transactions between the Company and connected persons, acquisition or disposition of assets or any other important transactions to ensure completeness and compliance with the law.

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

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

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

(1) Prevention of conflicts of interest

According to the Company's business ethics, requires the Board of Directors, Executives and employees to disclose information related to their interests or connections which may have conflicts of interest with the Company. Such persons must notify the person responsible for such matters and not participate in the transaction. If employees do not comply, they will be in the nature of disciplinary offenses by consider the punishment according to the procedure and the severity of the act.

In transactions that may have conflicts of interest, the Board will carefully consider the suitability by taking into account the interests of the Company as the primary. There are transactions that may have conflicts of interest, the Company will propose to the Audit Committee for consideration and opinions on such items and presented to the Board for further consideration. The interested directors or executives will not be involved in the approval of such transactions.

In 2023, the Internal Audit Department examined the implementation of the guidelines and the disclosure of conflicts of interest. There was no misconduct in relation to conflicts of interest.

(2) Use of inside information to seek benefits

The Company has the policies on insider information, prescribing that no Director, Executive and employee who knows or possesses inside information shall trade securities by resorting to inside information, which is material non-public information, in such a manner that it is likely to have an effect on the price or value of securities, and has known or possessed while holding a position or the line of work responsible for or capable of accessing inside information. Any actions, either for the benefit of oneself or other persons or to pass on such information to others, are prohibited. No Director, Executive and employee, and who has known or possessed inside information, shall trade securities during the period of 1 month prior to and 24 hours post the disclosure of the Company's financial statements. In 2022, the Company has taken the following actions;

- Disseminating policies and guidelines through the Company's website and the internet system, which can be easily accessed throughout the organization. Along with posting an announcement to publicize the Black Out Period in advance of the announcement of quarterly and annual financial statements or disclosure of information that affects the price of the Company's securities.

- Clarify and understand the type of information that will affect the price of securities for everyone to know in order to comply with the rules correctly.

In 2023, It was not found the Directors, Executives or employees had trading in securities on the silence period. There was no comparison, fines or civil action from the SEC or SET regarding insider trading.

In addition, the Company requires the directors and the first four executives to notify their intention to trade securities to the Company Secretary at least 1 business day and report their securities trading to the SEC within 3 business days from the trading date. The Company Secretary will report to the Board of Directors in the next meeting.

In 2023, Directors and Executives traded the Company's shares total of 4 times in compliance with the Company's policy and reported trading to the SEC

(3) Anti-corruption action

The Company has communicated policies and guidelines to employees at all levels. Including all related parties of the company. In 2023, the Company conducted the following activities;

- Publication and guidelines via the Company's website and the internet system within the Company which is easily accessible and throughout the organization along with closing the announcement to publicize to employees.

- All new employee orientation must be trained and understand the content of ethics in business operations, Work regulations, policies and guidelines for anti-corruption, penalties in case of violating the regulations of the Anti-Corruption Policy to prevent corruption from occurring within the organization. The employees have been trained at the rate of 100%.

- The Company conducted a survey and assessed the risks of corruption that may occur in the organization in order to acknowledge the possibility of corruption in the organization by the Internal Audit department through the assessment of internal control and proposing preventive measures. The Company will use the survey results to review the guidelines, internal control system and work processes that may have gaps. Then, improve the preventive and announcements for the implementation of the entire organization, such as rules of compliance trade competition connected transactions, etc. The Audit Committee will review the completeness and sufficiency of the preventive process annually.

In 2023, the Company did not find any issues related to fraud and corruption, and penalties or fines due to operations and violations of business ethics.

In this regard, the internal audit department found only a few incidents of employee corruption that were not material. They examined the facts and presented them to the management for warning and punishment according to the Company's regulations.

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

The Company has disclosed details of policies and actions to prevent any involvement with corruption on the Company's website <https://ekarat.co.th> on the topic of Corporate Governance.

(4) Whistleblowing

The Company has established a policy and guideline for whistle-blowing policy. In order to support and pay attention to all stakeholders, whether they are internal or external personnel. Third parties can report clues in cases of corruption or misconduct in business ethics or related regulations through the channels provided by the Company, via E-mail or telephone in order to help improve, correct or operate to be more accurate, appropriate, transparent and effective in business operations. The Audit Committee, which is independent of the management, will be consider and the Internal Audit Department is responsible for screening such clues and complaints.

The Company gives importance to all stakeholders by listening to comments, suggestions for mutual benefits and provide opportunities for stakeholders to complain in the event that the stakeholders. Do not receive fairness or can report clues if witnessing behavior that indicates fraud corruption of individuals in the Company. The stakeholders can contact through various channels as follows;

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

Procedures when receiving whistleblowing or complaints

The Company will investigate your complaints and suggestions and will contact you back as soon as possible by assigning the Internal Audit Department to gather relevant facts and consider screening information received from whistleblowers. In the event that it is found to be factual, the Internal Audit Department will present to the Audit Committee and the Board of Directors for acknowledgment and consideration of guidelines for conducting investigations and solutions, along with imposing penalties.

Measures to protect whistleblowers or complainants

The Company places importance on confidential information to protect and protect whistleblowers. There is no disclosure of personal information that can identify the informer and there are measures to protect the whistleblower or complainant in the event of trouble, damage or insecurity.

In 2023, the Company has not received any whistleblowing or complaints related to corruption or breach of business ethics or related regulations of the Company either from internal personnel or outsiders.

Violation of regulations of regulators

In the past year, the Company has not committed any offenses or violations of the rules and regulations of the SEC or the Stock Exchange of Thailand.

8.2 Report on the results of duty performance of the Audit Committee in the past year

As of December 31, 2023, the Audit Committee consists of 3 independent directors. The Company regularly holds the Audit Committee meetings before the Board of Directors' meetings at least 4 times each year on a quarterly basis which has been set and notified in advance.

In 2023, there were 7 meetings of the Audit Committee, with details of meeting attendance as follows:

- | | | |
|-----------------------------|-----------|------------------------------|
| 1. Mr. Vinai Vittawasarnvej | Chairman | Attended the meeting 7 times |
| 2. Mr. Wara Tongprasin | Committee | Attended the meeting 7 times |
| 3. Mr. Aroon Sricharoon | Committee | Attended the meeting 5 times |

Secretary of the Audit Committee is Mr. Nuttavit Noisri, the manager of Internal Audit Department,

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

Performance of duties of the Audit Committee

(Details as per Attachment 6, Audit Committee Report)

8.3 Summary of the results of duty performance of other Sub-committees

Report of the Nomination and Remuneration Committee

At December 31, 2023, the Nomination and Remuneration Committee consists of 4 directors which are 2 independent directors. In 2023, there were 3 meetings of the Nomination and Remuneration Committee, with details of meeting attendance as follows:

1. Mr. Wara Tongprasin	Chairman	Attended the meeting 3 times
2. Miss Urawee Kanokpruk	Committee	Attended the meeting 3 times
3. Mr. Danucha Noichai boon	Committee	Attended the meeting 3 times
4. Mr. Chatri Siripanichkorn	Committee	Attended the meeting 3 times

Secretary of the Nomination and Remuneration Committee is Mr. Danucha Noichai boon.

Performance of duties of the Nomination and Remuneration Committee

(Details as per Attachment 7, Report of Board Committees)

Report of the Risk Management Committee

The Company values corporate risk management that may affect to the Company's business operations all the risk factors from inside and outside the corporation. Therefore, must be prepared to deal with various risks to reduce the impact that will occur including pushing to achieve the set goals.

At December 31, 2023, the Risk Management Committee consists of 7 directors. The Company organizes the Risk Management Committee meetings regularly before the Board of Directors' meetings at least twice a year.

In 2023, held a total of 3 meeting of the Risk Management Committee, with details of meeting attendance as follows:

1. Mr. Thunya Siltorn	Chairman	Attended the meeting 3 times
2. Miss Rompissri Noichai boon	Committee	Attended the meeting 3 times
3. Mr. Daroonwat Noichai boon	Committee	Attended the meeting 3 times
4. Mr. Paitoon Intrarawisut	Committee	Attended the meeting 3 times
5. Mrs. Supaporn Chansuroj	Committee	Attended the meeting 3 times
6. Mr. Surasak Wachirapakorn	Committee	Attended the meeting 3 times
7. Mr. Sompong Rom-rok	Committee	Attended the meeting 3 times

Secretary of the Risk Management Committee is Mr. Sompong Rom-rok

Performance of duties of the Nomination and Remuneration Committee

(Details as per Attachment 7, Report of Board Committees)

Report of the Environment Social and Governance Committee (ESG)

The Company recognizes the importance of sustainable growth by setting framework for conducting business carefully and efficiently in terms of environmental, social, and corporate governance that have both positive and negative impacts on business operations throughout the value chain.

As of December 31, 2023, there were 6 members in the ESG Committee. The chairman is an independent director. The Company organizes the ESG Committee meetings regularly before the Board of Directors' meetings at least once a quarter.

In 2023, there were 3 meetings of the ESG Committee, with details of meeting attendance as follows:

1. Mr. Thunya Siltorn	Chairman	Attended the meeting 3 times
2. Miss Rompissri Noichaiboon	Committee	Attended the meeting 3 times
3. Mrs. Suwannee Sujaritvanitchpong	Committee	Attended the meeting 3 times
4. Mr. Daroonwat Noichaiboon	Committee	Attended the meeting 3 times
5. Mr. Somphong Rob-loak	Committee	Attended the meeting 3 times
6. Miss Hansa Buranajan	Committee	Attended the meeting 3 times

Secretary of the ESG Committee is Miss Wanngam Tipyawat

Performance of duties of the ESG Committee

(Details as per Attachment 7, Report of Board Committees)

Report of the Board of Management

Currently, the Board of Management consists of 8 executives of the Company. In 2023, held a total of 33 meeting of Board of Management, with details of meeting attendance as follows:

1. Miss Rompissri Noichaiboon	Chairman	Attended the meeting 32 times
2. Mrs. Supaporn Chansuroj	Committee	Attended the meeting 33 times
3. Mr. Daroonwat Noichaiboon	Committee	Attended the meeting 30 times
4. Mr. Paitoon Intrarawisut	Committee	Attended the meeting 30 times
5. Mr. Surasak Wachirapakorn	Committee	Attended the meeting 30 times
6. Mr. Salaha Ouipraphat	Committee	Attended the meeting 30 times
7. Miss Chompicha Noichaiboon	Committee	Attended the meeting 30 times
8. Miss Hansa Buranajan	Committee	Attended the meeting 32 times

Secretary of Board of Management is Miss Nittaya Boonmayapan.

Performance of duties of Board of Management

(Details as per Attachment 7, Report of Board Committees)

Summary of meeting attendance of the Board of Directors and subcommittees in 2023

Directors	Number of meeting attendance / Number of meetings				
	BOM	AC	NRC	RMC	ESG
Mr. Vinai Vittawasgarnvej		7 / 7			
Mr. Wara Tongprasit		7 / 7	3 / 3		
Mr. Aroon Sricharoon		5 / 7			
Mr. Chatri Siripanichkorn			3 / 3		
Mr. Thunya Siltorn				3 / 3	3 / 3
Ms. Urawee Kanokpruk			3 / 3		
Mr. Danucha Noichaiboon			3 / 3		
Ms. Rompissri Noichaiboon	32 / 33			3 / 3	3 / 3
Mr. Daroonwat Noichaiboon	30 / 33			3 / 3	3 / 3
Mr. Paitoon Intrarawisut	30 / 33			3 / 3	
Mr. Surasak Wachirapakorn	30 / 33			3 / 3	
Mrs. Supaporn Chansuroj	33 / 33			3 / 3	3 / 3
Mr. Salaha Ouiprapat	32 / 33				
Ms. Chompicha Noichaiboon	30 / 33				
Ms. Hansa Buranachan	32 / 33				3 / 3
Mr. Sompong Rom-rok				3 / 3	3 / 3

Remark : BOM = Board of Management, AC = Audit Committee, NRC = Nomination and Remuneration Committee,

RMC = Risk Management Committee, ESG = Environment Social and Governance Committee

9. Internal control and related party transactions

9.1 Internal Control

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

At the Board of Directors' meeting No.2/2023 on 28 February 2023, all 3 audit committees attended. The Board of Directors evaluated the internal control system by asking information from Head of Internal Audit and Internal Control System Assessment Results, prepared by Internal Audit together with the management in accordance with the framework of internal control practices of the The Committee of Sponsoring Organizations of the Treadway Commission (COSO) by following the form of the SEC's internal control system sufficiency assessment form before submitting to the Board of Directors for approval. To increase confidence in the internal control system and operating under the principles of good corporate governance. In 2022, the Board approved the hiring of external auditors from A.M.T Solutions Co., Ltd., responsible for verifying the performance of all departments and evaluating the Company's internal control system. The report from A.M.T are no significant deficiencies in the internal control system that will affect its' operations. Including the Company's auditor, ANS Audit Company Limited, reported that there were no material flaws and no special remarks regarding the financial reports and internal control.

The Board regards internal control as adequate and suitable for its business, environment and no significant deficiencies. The results of the internal control assessment for the past year are summarized as follows:

1. Control within organization

- The Company is well aware of its corporate responsibility for the society as a whole, by ensuring its directors, executives and employees conduct ethical business without seeking personal benefits for themselves or others, avoiding conflict of interest, and refraining from the happening of corruption in their responsible works. A proper disciplinary procedure is posed in case of breaching the Company's regulations, disseminated to all executives and employees.

- The Company has defined the roles of the Board of Directors and the Management in Business Etc. The Board of Directors has assigned the Board of Management to undertake business administration on its behalf, to determine policies, the organization structure and targets on business administration.

- The Company has established nomination process to recruit personnel with required knowledge, skills, expertise and experience, for staff and executive levels. It has a process in place for performance evaluation and salary increment. The other remuneration and benefits are made available as appropriate to employees at all levels without discrimination, Promote the development of employee potential and has also worked out a succession plan.

- The Company has an independent work unit handling internal audit and following up on other work units' operations in terms of internal control, risk management and compliance with applicable laws. Such internal audit unit shall implement in line with the annual audit plan, and shall report the audit result to both the Board of Management and the Audit Committee for acknowledgement, as well as comments and recommendation for the management's improvement and remedial action accordingly.

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

2. Risk assessment

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

3. Control activities

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

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

- The Company Secretary has been assigned to keep and regularly update information on the significant shareholder, directors, executives, and connected persons, to facilitate monitoring and review of related transactions or transactions prone to conflict of interest.

4. Information and communication

• IT Security

IT system is in place to support the data storing/searching for important documents, including internal and external operational information to ensure that it is accurate, complete, sufficient for operation and has been updated to meet the changes in the IT world such as prevention, access to the IT systems of the Company wrongfully to protect against various forms of cyber threats around the world. Its' causing damage to the organization such as the cost of data redemption, the impact of business interruption and losing customer confidence. Information security policies and guidelines are published with executives and employees at all levels to prepare them for cyberthreats.

Cyber Security Operations

The Company has established a security policy for information technology systems in accordance with relevant laws by announced since 2020 with the following guidelines:

- Support and educate everyone in the organization, including third parties who work with the organization, to be aware of the importance of various cyber threats by strictly complying with this policy.
- Manage information technology risks to an acceptable level.
- Allocate and manage information technology resources to be sufficient for business operations.
- Review and improve the information technology management policy at least once a year or when there is an event that significantly affects the Company's information system.

In this regard, information technology officers will monitor and screen information from outside that may be a threat to the Company, along with alerts through the intranet system to let everyone know immediately if an abnormality is found. Protect infrastructure risks to cover information technology systems to manage program system flaws, update tools to be modern and efficient, to protect the security of the Company's information system.

In 2023, the Company has not been damaged by information threats. The management regularly monitors the operations of relevant departments while reviewing the policy to be suitable for the rapidly changing situation.



On December 20-21, 2023, the Company received ISO/IEC 27001 system audit, which was a renewal of certification and modified version of the standard from the original ISO/IEC 27001:2013 changed to ISO/IEC 27001:2022 by auditors from BSI GROUP (THAILAND) Co., Ltd. has inspected all parties involved with the information security management standard system and has been certified to renew until 2027.

- **Personal Data Protection Act: PDPA**

A solution to protect to lawfully use personnel data of all person in charge with our organization conducted to comply the implementation of the Personnel Data Protection Act, B.E. 2019. The Company has formulated a policy and work process planning in accordance with the PDPA by assessing and analyzing all sectors of the organization. Set up the detection and data lack protection system, Along with communicating and training everyone in the organization to acknowledge and strictly follow, to prevent legal problems, including civil, criminal and administrative penalties, which will have a detrimental effect on the organization.

For the protection of customer personal information, collected, used, disclosed and transferred for the purchase of goods or services. The Company has prevented the leakage of personal information of customers by having a unit responsible for protecting customer information and limiting access rights or authorized persons who need to use the information only. The Company is transparent and always insists on keeping the customer's personal information secure and confidential.

In 2023, there was no leak of personal information causing damage to the Company.

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

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

5. Monitoring activities

- The Company has a process to monitor business operations at director, executive, and managerial levels through various meetings, namely Board of Management (weekly), Board of Directors meeting (quarterly), Board Committee meetings to consider to consider and improve to achieve the goals regularly.
- The Company monitors and evaluates its internal controls at all levels and preparing the internal control reports annually Including reviewing and evaluating the effectiveness of the internal audit from the Company's internal audit department according to the set plans.
- The internal auditors will prepare the audit report and suggestion for improvement and presented to Executives for acknowledgement and approval. The Office of the Internal Audit monitors the progress of those implementations through to completion and provides a summary of progress for presentation to Managing Director and Audit Committee to ensure the effective practice as per the recommendations. Also, in the case of suspected transactions or actions that could potentially cause damage to the Company's operating results such as conflicts of interest, fraud, major irregularity or deficiency in the internal control system or a breach of rules, the head of Office of the Internal Audit will report to the Managing Director and the Audit Committee immediately.

9.2 Head of Internal Audit Control

The Company has appointed Mr. Nuttavit Noisri as the head of Internal Audit Department and taking effect on January 1, 2021. He had internal audit work experience more than 18 years, has knowledge and understanding of the Company's business activities and operations and obtained training relating to internal audit work, i.e. Certified Professional Internal Audit of Thailand CPIAT from the Association of Internal Auditors of Thailand. Therefore, the Audit Committee agreed that Nuttavit Noisri is appropriate to act as the supervisor of the internal auditor.

In addition, the Audit Committee Meeting No. 7/2023 on December 21, 2023 appointed A.M.T. Solution Co., Ltd., an external agency, to perform the duties of the Company's internal auditor in 2023 continuously for the 4th year. The Audit Committee have considered that A.M.T had good understanding of our business, the service fee was reasonable and to ensure continuity in internal audit work. In this regard, A.M.T Solution Co., Ltd. has assigned Mr. Suphot Pannoi, Managing Director, to be the primarily responsible person for the Company's internal auditor. (More details about the internal audit supervisor in Attachment 3).

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

9.3 Related Party Transactions

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

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

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

Reasonableness of related party transaction

In considering the approval of related party transactions, The Company determines the authority of the person who has the right to approve according to the specified amount. The Audit Committee is responsible for reviewing the connected transactions of the Company and subsidiaries, related companies and connected persons on a quarterly basis to eliminate conflicts of interest prudently with the interests of the Company as the top priority. Procurement of goods, raw materials or services from related entities aims to maximize mutual benefit in business operations of the Company's group. Such transactions are regarded as normal business practices, leading commercial benefits to the Company and related companies without any benefits transferring or irregular transaction. It has been approved by the management and the Board of Directors before entering into the transaction.

For the years ended December 31, 2023, the auditor disclosed related transactions in the notes to the financial statements and the Audit Committee has reviewed that as normal business practices with normal business conditions.

Policy on Future Connected Transaction

The future connected transaction will be conducted as part of its normal without special favors of transfer of benefits between the Company, subsidiaries, related company and shareholders. Pricing policy will determine from the normal business price as it is assigned to other unrelated parties/businesses and based on the market price.

The Company has no policy to grant loans or credit guarantees to non-subsidiary companies which holding less than 50 percent of shares or related businesses and persons.

The relationship of the parties

Name	Country	Nature of relationships	Related by
Ekarat Solar Co., Ltd.	Thailand	Subsidiary	Direct shares holding of 99.99%
Ekarat Solar Co., Ltd.	Thailand	Subsidiary	Direct shares holding of 51%

Balance with related parties as at December 31, 2023 and 2022 are as follows:

Related Company	Item	December 31, 2023		December 31, 2022		Necessity and reasonableness
		Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements	
Ekarat Energy Co., Ltd.	Other Receivable	-	12,000	-	18,000	Normal business transaction of goods and services.
	Rental Income	-	24,000	-	24,000	Mutually agreed price based on the contract
	Advance received for goods and services	-	3,826,500	-	-	Normal business transaction of goods and services.
Related Person	Cash Advance	52,870	-	223,200	-	According to mutual agreement
	Consulting Fee	-	-	2,685,000	2,685,000	Mutually agreed price based on the contract



Part 3

Financial Statements





Report on The Board of Directors' Responsibilities for The Financial Statements

The Board of Directors is responsible for the separate financial statements and the consolidated financial statements of the Company and its subsidiaries, and the financial information in the Annual Report. The said financial statements for the year ended December 31, 2023 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis, exercising due discretion and estimate as may be carefully and justifiable. Adequate disclosures have also been made in the notes to the financial statements. These financial statements were audited by certified independent auditors who have given their unqualified opinions.

The Board of Directors has appointed an Audit Committee which comprises the independent directors who are responsible for reviewing the financial reports and for maintaining the adequacy of the internal control and audit systems of the Company. In order to ensure that accounting information is recorded correctly, completely, timely and

to prevent fraud or materially irregular operations. The Audit Committee has expressed its opinion with regard to the stated matters in the Report of the Audit Committee which are presented in the Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and can assure the creditability of the separate financial statements as well as the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023.66

(Mr. Vichit Yamboonruang)
Chairman of the Board

EKARAT ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023





Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated and separate financial statements of Ekarat Engineering Public Company Limited and its subsidiaries ("the Group") and of Ekarat Engineering Public Company Limited ("the Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Ekarat Engineering Public Company Limited and its subsidiaries and of Ekarat Engineering Public Company Limited respectively as at December 31, 2023, consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Allowance for expected credit losses of trade accounts receivable

Risk

As discussed in Note to Financial Statements No. 9, as at December 31, 2023, the Group and the Company had net balance of trade receivables of Baht 339.81 million in the consolidated financial statements and Baht 339.67 million in the separate financial statements. The Group measured expected credit losses on trade accounts receivable based on the management's estimate of the lifetime expected credit loss, which is estimated by taking into account the credit history of the Group's customers, the current and future market environment and customer-specific conditions.

I identified the measurement of expected credit losses as a key audit matter because trade accounts receivable is material to the Group and the recognition of expected credit loss requires the exercise of significant management judgement.

Auditor's Responses

I obtained an understanding of the Group's policy for the allowance for expected credit losses, and then verified whether the computation method for the allowance of expected credit losses complies with the Company's policy. I also considered the appropriateness of the allowance of expected credit losses by considering the aging profile of outstanding debts, and assessed each customer's ability to pay for those long overdue items and considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Impairment of Property, Plant and Equipment

Risk

As discussed in Note to Financial Statements No. 15, as at December 31, 2023 and 2022, the Company has property, plant and equipment related to the unused assets under production and distribution section of solar cells panels with a net book value amounting of Baht 64.98 million and of Baht 74.88 million, respectively. I identified the impairment of property, plant and equipment as a key audit matter because the provision for impairment requires significant judgment by management.

Auditor's Responses

I obtained an understanding of the Company's policy to determine the allowance for impairment of property, plant and equipment. I also considered the appropriateness of the allowance for impairment of the property, plant and equipment by verifying Management's cash flow projection. Such verification includes assessment of the work done by the independent appraiser, assessment of the significant assumptions and testing the computation of the amount of estimated impairment by review the assessment report and consider the reasonableness of the judgements that the appraiser used to support the determination of the fair value of the asset, test the suitability and adequacy of the evidence that the appraiser used to determine the fair value of an asset. The verification includes a test of the evidence that the appraiser received from the management and the actual financial information of the Company and test of value calculation of allowance for impairment of property, plant and equipment.

Emphasis of Matter

I draw attention to Note to Financial Statements No.4, on April 1, 2023, the Company changed the accounting policy on the inventory valuation from the FIFO method to weighted average method. The changed has significant effect to the statement of financial position as at December 31, 2022 and January 1, 2022, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flow for the year ended December 31, 2022. The Company had restated the financial statements. My opinion is not qualified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year 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 consolidated and separate 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.

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

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

In preparing the financial statements, management is responsible for assessing the Group's 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 consolidated and separate 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 TSAs 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

(Atchara Suknaibaboon)
Certified Public Accountant Registration
Number 4642
ANS Audit Company Limited
Bangkok, February 28, 2024

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

Unit: Baht

	Notes	Consolidated financial statements			Separate financial statements		
		December 31, 2023	December 31, 2022	January 1, 2022	December 31, 2023	December 31, 2022	January 1, 2022
			"RESTATED"	"RESTATED"		"RESTATED"	"RESTATED"
Assets							
Current assets							
Cash and cash equivalents	7	261,374,451	89,089,341	126,879,121	260,224,985	88,051,925	125,817,527
Current financial assets - net	8	-	-	-	-	-	-
Trade and other current receivables - net	6, 2, 9	357,467,925	394,906,536	289,045,161	357,339,204	394,818,095	288,962,759
Inventories - net	4, 10	808,885,287	949,162,631	873,312,044	808,885,287	949,162,631	873,312,044
Derivatives assets		-	-	97,393	-	-	97,393
Deposit and advance payment for goods		5,949,461	14,728,693	22,073,549	1,762,895	14,728,693	22,073,549
Other current assets		6,399,637	6,894,869	12,588,190	5,138,136	6,658,692	12,282,981
Total current assets		1,440,076,761	1,454,782,070	1,323,995,458	1,433,350,507	1,453,420,036	1,322,546,253
Non-current assets							
Investments in subsidiary companies - net	11	-	-	-	1,274,925	1,274,925	1,274,925
Non-current financial assets - net	12	19,650,000	19,650,000	19,650,000	19,650,000	19,650,000	19,650,000
Investment properties - net	13	2,424,784	1,631,755	1,631,755	2,424,784	1,631,755	1,631,755
Assets for rent - net	14	2,551,599	3,338,270	5,189,187	2,551,599	3,338,270	5,189,187
Property, plant and equipment - net	15	638,973,887	554,444,449	551,328,867	635,648,892	550,822,789	547,410,541
Right-of-use assets - net	16	59,243,227	75,554,678	80,603,855	59,243,227	75,554,678	80,603,855
Intangible assets - net	17	22,681,920	11,350,690	296,544	22,681,920	11,350,690	296,544
Deferred tax assets - net	4, 18	60,670,444	74,007,694	80,516,867	60,670,444	74,007,694	80,516,867
Withholding tax		707,654	618,825	549,776	-	-	-
Other non-current assets		146,412	646,783	852,000	146,412	557,954	763,171
Total non-current assets		807,049,927	741,243,144	740,618,851	804,292,203	738,188,755	737,336,845
Total assets		2,247,126,688	2,196,025,214	2,064,614,309	2,237,642,710	2,191,608,791	2,059,883,098

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

Unit: Baht

	Notes	Unit: Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2023	December 31, 2022	January 1, 2022	December 31, 2023	December 31, 2022	January 1, 2022
			"RESTATED"	"RESTATED"		"RESTATED"	"RESTATED"
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	19	219,678,475	210,794,404	221,598,183	219,678,475	210,794,404	221,598,183
Trade and other current payables	20	171,219,169	247,628,528	250,598,060	171,219,169	247,628,528	250,598,060
Accrued expenses	21	87,996,740	64,209,636	29,265,414	87,951,595	64,164,491	24,599,289
Advance received for goods and services	6.3, 22	51,929,094	68,354,070	78,053,145	46,932,953	68,354,070	78,053,145
Current portion of loans							
from financial institutions	23	22,941,390	21,873,727	21,806,947	22,941,390	21,873,727	21,806,947
Current portion of lease liabilities	24	9,178,485	11,445,212	12,185,693	9,178,485	11,445,212	12,185,693
Current portion of other financial liability	15, 25	3,301,777	3,165,575	-	3,301,777	3,165,575	-
Accrued corporate income tax		26,858,321	19,217,381	3,308,830	26,858,321	19,217,381	3,308,830
Derivatives liabilities	33	253,437	1,203,157	-	253,437	1,203,157	-
Other current liabilities	6.4	11,353,375	18,513,512	2,856,710	10,971,125	18,153,162	2,679,561
Total current liabilities		604,710,263	666,405,202	619,672,982	599,286,727	665,999,707	614,829,708
Non-current liabilities							
Long-term loans from financial institutions - net	23	11,604,516	16,211,369	38,085,165	11,604,516	16,211,369	38,085,165
Lease liabilities - net	24	44,130,305	52,254,146	53,747,505	44,130,305	52,254,146	53,747,505
Other financial liability - net	15, 25	9,830,905	13,132,682	-	9,830,905	13,132,682	-
Non-current provisions for employee benefit	26	76,399,725	80,120,896	78,248,645	76,399,725	80,120,896	78,248,645
Other non-current liabilities		5,195,540	5,477,951	5,650,260	5,195,540	5,477,951	5,650,260
Total non-current liabilities		147,160,991	167,197,044	175,731,575	147,160,991	167,197,044	175,731,575
Total liabilities		751,871,254	833,602,246	795,404,557	746,447,718	833,196,751	790,561,283

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

Unit: Baht

	Notes	Consolidated financial statements			Separate financial statements		
		December 31, 2023	December 31, 2022	January 1, 2022	December 31, 2023	December 31, 2022	January 1, 2022
			"RESTATED"	"RESTATED"		"RESTATED"	"RESTATED"
Liabilities and shareholders' equity							
Shareholder's equity							
Shares capital							
Authorized							
Ordinary shares 1,765,839,427 shares of Baht 0.80 each (December 31, 2022 : ordinary shares 1,471,532,856 shares)	27	1,412,671,542	1,177,226,285	1,611,947,285	1,412,671,542	1,177,226,285	1,611,947,285
Issued and paid-up							
Ordinary shares 1,471,532,856 shares of Baht 0.80 each		1,177,226,285	1,177,226,285	1,177,226,285	1,177,226,285	1,177,226,285	1,177,226,285
Premium on shares capital		25,648,690	25,648,690	25,648,690	25,648,690	25,648,690	25,648,690
Surplus on change of proportion interest in subsidiary		364,450	364,450	364,450	-	-	-
Retained earnings							
Appropriated							
Legal reserve	28	46,689,646	35,658,251	27,839,797	46,689,646	35,658,251	27,839,797
Unappropriated	4	244,852,471	123,223,607	37,797,395	241,630,371	119,878,814	38,607,043
Total equity of the parent company		1,494,781,542	1,362,121,283	1,268,876,617	1,491,194,992	1,358,412,040	1,269,321,815
Non-controlling interests		473,892	301,685	333,135	-	-	-
Total shareholders' equity		1,495,255,434	1,362,422,968	1,269,209,752	1,491,194,992	1,358,412,040	1,269,321,815
Total liabilities and shareholders' equity		2,247,126,688	2,196,025,214	2,064,614,309	2,237,642,710	2,191,608,791	2,059,883,098

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
	31, 34, 35		"RESTATED"		"RESTATED"
Revenues					
Revenue from sales of goods		1,829,252,589	1,604,893,971	1,829,242,371	1,604,893,971
Revenue from services and maintenance		273,763,987	225,227,184	273,763,987	225,251,184
Revenue from service of installing a solar panel	22	145,805,237	239,038,204	142,262,573	239,038,204
Revenue from sales of electricity		35,259,812	35,486,761	35,259,812	35,486,761
Total revenues		2,284,081,625	2,104,646,120	2,280,528,743	2,104,670,120
Costs					
Cost of goods sold	4	(1,387,866,118)	(1,254,759,385)	(1,386,176,901)	(1,254,759,385)
Cost of services and maintenance		(172,894,181)	(122,405,661)	(172,894,181)	(122,405,661)
Cost from service of installing a solar panel		(126,797,170)	(230,764,247)	(123,658,778)	(230,764,247)
Cost of electricity sold		(20,642,187)	(19,324,585)	(20,345,521)	(19,027,919)
Reversal of (loss on) devaluation of inventories	10, 34	7,672,907	(1,816,396)	5,983,690	(1,816,396)
Total costs		(1,700,526,749)	(1,629,070,274)	(1,697,091,691)	(1,628,773,608)
Gross profit		583,554,876	475,575,846	583,437,052	475,896,512
Other income	6.5	16,881,834	16,313,453	16,895,818	11,811,648
Reversal of (loss on) assets impairment	13, 15, 34	3,621,299	(128,628)	3,621,299	(128,628)
Distribution costs		(107,682,812)	(109,481,347)	(107,682,812)	(109,481,347)
Administrative expenses	6.5	(186,605,704)	(160,749,074)	(186,551,378)	(160,690,926)
Profit from operating activities		309,769,493	221,530,250	309,719,979	217,407,259
Finance cost		(28,307,538)	(22,515,890)	(28,307,538)	(22,515,890)
Profit before income tax expenses		281,461,955	199,014,360	281,412,441	194,891,369
Income tax expenses	4, 18	(60,784,550)	(39,586,564)	(60,784,550)	(39,586,564)
Profit for the year		220,677,405	159,427,796	220,627,891	155,304,805
Other comprehensive income (loss) for the year :					
<i>Components of other comprehensive income</i>					
<i>that will not be reclassified to profit or loss:</i>					
Gains on re-measurements of defined benefit plans	26	558,538	-	558,538	-
Income tax of other comprehensive income					
that will not be reclassified to profit or loss	18	(111,708)	-	(111,708)	-
Other comprehensive income for the year, net of tax		446,830	-	446,830	-
Total comprehensive income for the year		221,124,235	159,427,796	221,074,721	155,304,805

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
			"RESTATED"		"RESTATED"
Profit (loss) attributable to					
	Equity holders of the parent	220,505,198	159,459,246	220,627,891	155,304,805
	Non-controlling interests	172,207	(31,450)	-	-
		220,677,405	159,427,796	220,627,891	155,304,805
Total comprehensive income (loss) attributable to					
	Equity holders of the parent	220,952,028	159,459,246	221,074,721	155,304,805
	Non-controlling interests	172,207	(31,450)	-	-
		221,124,235	159,427,796	221,074,721	155,304,805
Earnings per share					
	Basic earnings per share (Baht)	0.150	0.108	0.150	0.106
	Number of weighted average share (Shares)	1,471,532,856	1,471,532,856	1,471,532,856	1,471,532,856

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

Unit: Baht										
Consolidated financial statements										
	Notes	Share capital issued and paid-up	Premium on shares capital	Surplus on change of proportion interest in subsidiary	Retained earnings		Gains on re-measurements of defined benefit plans	Total parent shareholders' equity	Non-controlling interest	Total shareholders' equity
					Appropriated to legal reserve	Unappropriated				
Balance as at January 1, 2022 (before restated)	4	1,177,226,285	25,648,690	364,450	27,839,797	49,677,456	-	1,280,756,678	333,135	1,281,089,813
Effect of changes in accounting policies		-	-	-	-	(11,880,061)	-	(11,880,061)	-	(11,880,061)
Balance at January 1, 2022 (after restated)		1,177,226,285	25,648,690	364,450	27,839,797	37,797,395	-	1,268,876,617	333,135	1,269,209,752
Change in shareholders' equity for the year :										
Legal reserve	28	-	-	-	7,818,454	(7,818,454)	-	-	-	-
Dividend paid	29	-	-	-	-	(66,214,580)	-	(66,214,580)	-	(66,214,580)
Comprehensive income (loss) for the year		-	-	-	-	159,459,246	-	159,459,246	(31,450)	159,427,796
Balance as at December 31, 2022		1,177,226,285	25,648,690	364,450	35,658,251	123,223,607	-	1,362,121,283	301,685	1,362,422,968
Balance as at January 1, 2023 (before restated)	4	1,177,226,285	25,648,690	364,450	35,658,251	136,167,948	-	1,375,065,624	301,685	1,375,367,309
Effect of changes in accounting policies		-	-	-	-	(12,944,341)	-	(12,944,341)	-	(12,944,341)
Balance at January 1, 2023 (after restated)		1,177,226,285	25,648,690	364,450	35,658,251	123,223,607	-	1,362,121,283	301,685	1,362,422,968
Change in shareholders' equity for the year :										
Legal reserve	28	-	-	-	11,031,395	(11,031,395)	-	-	-	-
Dividend paid	29	-	-	-	-	(88,291,769)	-	(88,291,769)	-	(88,291,769)
Comprehensive income for the year		-	-	-	-	220,505,198	446,830	220,952,028	172,207	221,124,235
Transferred to retained earnings		-	-	-	-	446,830	(446,830)	-	-	-
Balance as at December 31, 2023		1,177,226,285	25,648,690	364,450	46,689,646	244,852,471	-	1,494,781,542	473,892	1,495,255,434

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

Unit: Baht							
Separate financial statements							
		Retained earnings			Gains on		
		Share capital	Premium on	Appropriated	re-measurements of	Total shareholders'	
Notes		issued and paid-up	shares capital	to legal reserve	defined benefit plans	equity	
	Balance as at January 1, 2022 (before restated)	1,177,226,285	25,648,690	27,839,797	50,487,104	1,281,201,876	
4	Effect of changes in accounting policies	-	-	-	(11,880,061)	(11,880,061)	
	Balance at January 1, 2022 (after restated)	1,177,226,285	25,648,690	27,839,797	38,607,043	1,269,321,815	
	Change in shareholders' equity for the year :						
28	Legal reserve	-	-	7,818,454	(7,818,454)	-	
29	Dividend paid	-	-	-	(66,214,580)	(66,214,580)	
	Comprehensive income for the year	-	-	-	155,304,805	155,304,805	
	Balance as at December 31, 2022	1,177,226,285	25,648,690	35,658,251	119,878,814	1,358,412,040	
	Balance as at January 1, 2023 (before restated)	1,177,226,285	25,648,690	35,658,251	132,823,155	1,371,356,381	
4	Effect of changes in accounting policies	-	-	-	(12,944,341)	(12,944,341)	
	Balance at January 1, 2023 (after restated)	1,177,226,285	25,648,690	35,658,251	119,878,814	1,358,412,040	
	Change in shareholders' equity for the year :						
28	Legal reserve	-	-	11,031,395	(11,031,395)	-	
29	Dividend paid	-	-	-	(88,291,769)	(88,291,769)	
	Comprehensive income for the year	-	-	-	220,627,891	221,074,721	
	Transferred to retained earnings	-	-	-	446,830	(446,830)	
	Balance as at December 31, 2023	1,177,226,285	25,648,690	46,689,646	241,630,371	1,491,194,992	

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		"RESTATED"		"RESTATED"
Cash flows from operating activities :				
Profit for the year	220,677,405	159,427,796	220,627,891	155,304,805
Adjustments to reconcile net profit to net cash provided by (used in) operating activities				
Expected credit loss	4,521,743	482,020	4,521,743	654,769
(Revesal of) loss on devaluation of inventories	(7,672,905)	1,816,396	(5,983,690)	1,816,396
Revesal of loss on impairment of investment properties	(793,029)	-	(793,029)	-
Revesal of loss on impairment of property, plant and equipment	(3,173,862)	-	(3,173,862)	-
Loss on impairment of other non-current assets	345,592	128,628	345,592	128,628
Depreciation	64,997,709	64,458,147	64,701,044	64,161,481
Depreciation of right-of-use assets	12,649,669	13,586,430	12,649,669	13,586,430
Amortization of intangible assets	1,705,008	148,733	1,705,008	148,733
Non-current provisions for employee benefit	5,708,180	5,776,017	5,708,180	5,776,017
(Gain) loss from disposals and write off of assets	2,086,972	(1,385,873)	2,086,972	(1,385,873)
Unrealized gain on exchange rate	(1,164,057)	(1,891,257)	(1,164,057)	(2,064,006)
Loss on measurement fair value of derivatives contract	253,437	1,203,157	253,437	1,203,157
Transfer liabilities to be revenues	(208,039)	(5,039,611)	(208,039)	(539,611)
Finance costs	28,307,538	22,515,890	28,307,538	22,515,890
Interest income	(573,060)	(354,177)	(563,048)	(352,372)
Income tax expenses	60,784,550	39,586,564	60,784,550	39,586,564
Profit from operations before changes in operating assets and liabilities	388,452,851	300,458,860	389,805,899	300,541,008
Operating assets (increase) decrease				
Trade and other current receivables - net	21,578,844	(106,694,614)	21,619,076	(106,688,614)
Inventories - net	112,486,128	(88,027,020)	110,796,913	(88,027,020)
Deposit and advance payments for goods	(1,820,768)	7,344,856	2,365,798	7,344,856
Other current assets	495,228	5,624,272	1,520,557	5,624,290
Other non-current assets	65,950	76,588	65,950	76,588
Operating liabilities increase (decrease)				
Trade and other current payables	(67,898,191)	(5,131,270)	(67,898,191)	(5,131,270)
Accrued expenses	23,528,508	39,430,215	23,528,508	39,551,195
Advance received for goods and services	(5,219,626)	(9,422,311)	(10,215,767)	(9,422,311)
Other current liabilities	(7,160,136)	15,656,802	(7,182,038)	15,473,601
Other non-current liabilities	(147,572)	40,434	(147,572)	40,434
Cash received from operating activities	464,361,216	159,356,812	464,259,133	159,382,757
Employee benefit obligations paid	(8,870,813)	(3,903,766)	(8,870,813)	(3,903,766)
Finance costs paid	(27,902,632)	(22,238,795)	(27,902,632)	(22,238,795)
Corporate income tax paid	(39,850,718)	(17,168,840)	(39,850,718)	(17,168,840)
Net cash provided by operating activities	387,737,053	116,045,411	387,634,970	116,071,356

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		"RESTATED"		"RESTATED"
Cash flows from investing activities :				
Cash received from disposals of assets for rent	465,000	2,037,474	465,000	2,037,474
Cash received from disposals of property, plant and equipment	210,637	2,950,234	210,637	2,950,234
Cash paid for acquisition of assets for rent	(883,000)	(248,160)	(883,000)	(248,160)
Cash paid for acquisition of property, plant and equipment	(101,586,424)	(52,390,901)	(101,586,424)	(52,390,901)
Cash paid for assets payable	(4,524,893)	(1,711,348)	(4,524,893)	(1,711,348)
Cash paid for acquisition of intangible assets	(13,036,348)	(11,202,879)	(13,036,348)	(11,202,879)
Cash received from interest income	562,996	502,756	553,029	500,989
Net cash used in investing activities	(118,792,032)	(60,062,824)	(118,801,999)	(60,064,591)
Cash flows from financing activities :				
Cash received from capital increase from exercise of warrants				
Short-term loans from financial institutions increase (decrease)	9,771,426	(9,358,674)	9,771,426	(9,358,674)
Cash received from long-term loans from financial institutions	20,000,000	-	20,000,000	-
Cash paid for repayment of long-term loans from financial institutions	(23,685,000)	(22,020,000)	(23,685,000)	(22,020,000)
Cash paid for repayment of liabilities under financial lease contracts	(11,288,993)	(12,477,370)	(11,288,993)	(12,477,370)
Cash received from other financial liability increase	-	21,336,291	-	21,336,291
Cash paid for repayment of other financial liability	(3,165,575)	(5,038,034)	(3,165,575)	(5,038,034)
Cash paid for dividends	(88,291,769)	(66,214,580)	(88,291,769)	(66,214,580)
Net cash used in financing activities	(96,659,911)	(93,772,367)	(96,659,911)	(93,772,367)
Net cash and cash equivalents increase (decrease) - net	172,285,110	(37,789,780)	172,173,060	(37,765,602)
Cash and cash equivalents at the beginning of the year	89,089,341	126,879,121	88,051,925	125,817,527
Cash and cash equivalents at the ending of the year	261,374,451	89,089,341	260,224,985	88,051,925
Supplemental cash flow information :				
Non-cash transactions :				
Transfer of inventories to property, plant and equipment	35,581,939	10,321,621	35,581,939	10,321,621
Transfer of inventories to asset for rent	488,151	38,417	488,151	38,417
Transfer of asset for rent to inventories	605,968	-	605,968	-
Transfer of right-of-use assets to property, plant and equipment	4,560,208	1,706,271	4,560,208	1,706,271
Acquisition of assets on credit	5,835,363	4,619,271	5,835,363	4,619,271
Increase in right-of-use assets from liabilities under lease agreement	898,425	10,243,530	898,425	10,243,530

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. General information

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

The head office is located at 9/291 UM Tower, 28th Floor, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok. The Company and its subsidiaries (“the Group”) engage in the manufacture and distribution of transformers and solar farms.

The Company has the following four branches:

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

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

Solar farms:

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

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

2. Basis of preparation of the financial statements

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

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

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

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

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

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

Basis of preparation of consolidation financial statements

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

Name	Nature of business	Incorporation	% of shareholding	
			2023	2022
Ekarat Solar Co., Ltd.	Distributor of solar cell and solar panel	Thailand	99.99	99.99
Ekarat Energy Co., Ltd.	Operate on solar electric power	Thailand	51.00	51.00

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and if it has the ability to direct the activities that significantly affect the amount of its returns.

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

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

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

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

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2023. 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. 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, providing accounting guidance for users of the standards and amendments due to TFRS 17 Insurance Contracts.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Changes in accounting policies

On April 1, 2023, the Company change the accounting policy on the inventory valuation from the FIFO method to weighted average method. The change has significant effect to the statement of financial position as at December 31, 2022 and January 1, 2022, statements of comprehensive income, statement of changes in shareholders' equity and statements of cash flow for year ended December 31, 2022. The Company had restated the financial statements as follows:

Unit: Baht

Consolidated financial statements

Statements of financial position as at January 1, 2022**Assets**

Inventories - net	888,162,121	(14,850,077)	873,312,044
Deferred tax assets - net	77,546,852	2,970,015	80,516,867

Shareholder's equity

Unappropriated retained earnings	49,677,456	(11,880,061)	37,797,395
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Statements of financial position as at December 31, 2022**Assets**

Inventories - net	965,343,057	(16,180,426)	949,162,631
Deferred tax assets - net	70,771,609	3,236,085	74,007,694

Shareholder's equity

Unappropriated retained earnings	136,167,948	(12,944,341)	123,223,607
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Statements of comprehensive income**for the year ended December 31, 2022**

Cost of goods sold	(1,253,429,035)	(1,330,350)	(1,254,759,385)
Income tax expenses	(39,852,634)	266,070	(39,586,564)
Profit for the year	160,492,076	(1,064,280)	159,427,796

Statements of cash flows**for the year ended December 31, 2022****Cash flows from operating activities**

Profit for the year	160,492,076	(1,064,280)	159,427,796
Income tax expenses	39,852,634	(266,070)	39,586,564
Inventories - net	(89,357,370)	1,330,350	(88,027,020)

Unit: Baht			
Separate financial statements			
	As previously reported	Adjustments	After restated
Statements of financial position as at January 1, 2022			
Assets			
Inventories - net	888,162,121	(14,850,077)	873,312,044
Deferred tax assets - net	77,546,852	2,970,015	80,516,867
Shareholder's equity			
Unappropriated retained earnings	50,487,104	(11,880,061)	38,607,043
Statements of financial position as at December 31, 2022			
Assets			
Inventories - net	965,343,057	(16,180,426)	949,162,631
Deferred tax assets - net	70,771,609	3,236,085	74,007,694
Shareholder's equity			
Unappropriated retained earnings	132,823,155	(12,944,341)	119,878,814
Statements of comprehensive income			
for the year ended December 31, 2022			
Cost of goods sold	(1,253,429,035)	(1,330,350)	(1,254,759,385)
Income tax expenses	(39,852,634)	266,070	(39,586,564)
Profit for the year	156,369,085	(1,064,280)	155,304,805
Statements of cash flows			
for the year ended December 31, 2022			
Cash flows from operating activities			
Profit for the year	156,369,085	(1,064,280)	155,304,805
Income tax expenses	39,852,634	(266,070)	39,586,564
Inventories - net	(89,357,370)	1,330,350	(88,027,020)

5. Significant accounting policies and accounting judgments and estimates

5.1 Significant accounting policies

Revenue recognition

- Sales are recognized upon the transfer of ownership to customers in exchange for the consideration to which the Group is entitled. Sales are shown net of sales taxes and discounts.
- Revenue from service and maintenance is recognized upon service completion and in accordance with the service contract.
- Revenue from installation of solar electric generating systems is recognized when a performance obligation is satisfied over the period of the contract by measuring progress towards complete satisfaction of that performance obligation by referencing the completion of a physical proportion of the contract work performed as assessed by the project engineers.

Recognized revenue not yet due according to the contracts has been presented under the caption of “Contract asset” in the statement of financial position. The amounts recognized are reclassified to trade receivables when the Group’s right to consideration is unconditional, such as upon completion of services and acceptance by the customer. Amounts received by the Group or that are due from customers with the obligation to transfer services to customers are presented under the caption of “Contract liability” in the statement of financial position. Contract liabilities are classified as “Advance received for goods and services” and will be recognized as revenue when the obligation satisfied under the term of contract.

- The Group recognizes revenue from sales of electricity when electricity is distributed to customers. Sales are recognized based on units of sale delivered at the applicable tariff rates.
- Rental income is recognized based on the term of the lease.
- Interest income is recognized on an accrual basis based on the effective interest rate.
- Other income is recognized on an accrual basis.

Expense recognition

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

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

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

- Payments made under short-term leases and low-value leases are recognized in profit or loss according to the straight-line method over the term of the lease. Contingent rentals are charged to profit or loss for the accounting period in which they are incurred.
- Financial cost consists of interest expenses or other expenses of a similar nature charged to profit or loss in the year such expenses are incurred except where they are partly recorded as cost of assets due to the effect of the long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amounts under lease contracts is charged to profit or loss by the effective rate method.
- Other expenses are recognized on an accrual basis.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

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

Inventories

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

- Raw materials and supplies are valued at cost by using the weighted average method. The accounting policy on the inventory valuation was changed from the FIFO method to weighted average method since April 1, 2023 as mentioned in Note to Financial Statements No.4.

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

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

Financial assets and financial liabilities

Classification

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

The Group classifies its debt instruments in the following categories:

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

The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

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

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

- **Amortized cost:** A financial asset will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** A asset that does not meet the criteria for amortized cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognized through profit or loss or other comprehensive income depending on the classification of such equity instrument. Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied. Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

Impairment

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

Investments in subsidiary companies

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

Investment properties

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

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

Assets for rent

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

Property, plant and equipment

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

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

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

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

Intangible assets

Computer software is considered as intangible assets and stated at cost less accumulated amortization and impairment (if any). Intangible assets are amortized by straight-line method over the estimated useful life of 5-10 years. Intangible assets during installation are not amortized.

Impairment of assets

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

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

Trade and other payables

Trade and other payables are stated at cost.

Employee benefits

Short-term employee benefits

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

Post-employment benefits

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

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

Current service costs, past service costs and gains and losses on settlement including gains and losses from reducing project size and project benefit payments when reducing project size will be recognized in profit or loss for the period during which the transaction occurs.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income and loss.

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

Estimation of liabilities

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

Leases

Leases - where the Group is the lessee

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

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

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

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

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

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

	Estimated useful lives (years)
Right-of-use - land	25
Machinery, tools and equipment	5
Office equipment	5
Vehicles	5

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

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

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

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

Foreign currencies

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

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

Income tax

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

Current tax

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

Deferred tax

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

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognize 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 utilized.

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

Related party transactions

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

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

Fair value measurement

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

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

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

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

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

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

Basis earnings per share

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

Segment information

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

5.2 Significant accounting judgments and estimates

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

Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

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

- Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- Entity's performance creates or enhances a customer controlled asset as the asset is created or enhanced; and
- Entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

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

Allowances for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and forecast economic conditions 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 devaluation of inventories

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

Fair valuation of financial assets and derivatives

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

Impairment of investment in subsidiary

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

Property, plant and equipment and depreciation

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

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

6. Transactions with related parties

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

6.1 Relationship among the parties

Name	Country	Nature of relationships	Related by
Ekarat Solar Co., Ltd.	Thailand	Subsidiary	Direct shares holding of 99.99%
Ekarat Energy Co., Ltd.	Thailand	Subsidiary	Direct shares holding of 51%

Balances with related parties as at December 31, 2023 and 2022 are as follows:

6.2 Other receivable - related company

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Other receivable				
Ekarat Energy Co., Ltd.	-	-	12,000	12,000

6.3 Advance received for goods and services - related company

		Unit: Baht	
		Consolidated financial statements	Separate financial statements
		2023	2022
		2023	2022
Advance received for goods and services			
Ekarat Energy Co., Ltd.		-	-
		3,826,500	-

6.4 Other current liability - related person

		Unit: Baht	
		Consolidated financial statements	Separate financial statements
		2023	2022
		2023	2022
Cash advance			
Ekarat Energy Co., Ltd.		52,870	223,200
		-	-

6.5 Significant transactions with related parties

Significant transactions with related parties for the years ended December 31, 2023 and 2022 are as follows:

		Unit: Baht		Pricing Policy
		Consolidated financial statements	Separate financial statements	
		2023	2022	
		2023	2022	
Rental income				
Ekarat Energy Co., Ltd.		-	-	Mutually agreed price based on the contract.
24,000	24,000			
Consulting fee				
Related person		-	2,685,000	Mutually agreed price based on the contract.
2,685,000	2,685,000			

6.6 Remuneration of key management

Remuneration of key management for the years ended December 31, 2023 and 2022 are as follows:

		Unit: Baht	
		Consolidated and Separate financial statements	
		2023	2022
Benefit - short-term		15,492,000	14,349,150
Benefit - after retirement		893,068	866,697
Directors' remuneration		7,280,000	5,645,000
Total		23,665,068	20,860,847

Management's remunerations

Management's remunerations are expenses related to salaries, remunerations and other benefits to the directors as a management, in accordance with the definitions of the Securities and Exchange Commission. Management, under the definition, includes a chief executive officers, the next four executive levels immediately below the chief executive officer and all persons in positions comparable to these fourth executive levels, as well as the management in accounting or finance at the level of department manager or the equivalent, and up.

Directors' remunerations

Directors' remuneration represents benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

7. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash on hand	700,617	680,834	700,000	680,000
Current accounts	10,611,296	6,163,361	10,600,362	6,163,361
Savings accounts	130,724,665	81,121,290	129,586,750	80,084,708
Cheque due for deposit	119,337,873	1,123,856	119,337,873	1,123,856
Total cash and cash equivalents	261,374,451	89,089,341	260,224,985	88,051,925

8. Current financial assets - net

Current financial assets - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2023	2022
Current financial assets		
Investment in equity instrument on marketable securities	1,128,315	1,128,315
Loss from change in fair value	(1,128,315)	(1,128,315)
Total current financial assets - net	-	-

As at December 31, 2023 and 2022, the fair value of equity instrument on marketable securities, arranged in Level 2, measured using a closing price from an asset management company.

9. Trade and other current receivables - net

Trade and other current receivables - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade receivables				
Trade receivables - Other companies	272,221,709	351,599,983	272,080,897	351,599,983
Post-dated cheque	10,014,570	12,721,311	10,014,570	12,721,311
Contract assets				
- Solar panel installation contracts	55,350,283	992,350	55,350,283	992,350
- Service contracts	20,287,434	14,979,963	20,287,434	14,879,383
Total contract assets	75,637,717	15,972,313	75,637,717	15,871,733
Total trade receivables	357,873,996	380,293,607	357,733,184	380,193,027
<u>Less</u> allowance for expected credit loss	(18,061,468)	(13,539,725)	(18,061,468)	(13,539,725)
Total trade receivables - net	339,812,528	366,753,882	339,671,716	366,653,302
Other current receivables				
- Related company	-	-	12,000	12,000
- Other companies	4,334,940	5,980,027	4,334,940	5,980,027
Prepaid expenses	15,748,381	14,353,417	15,748,381	14,353,417
Deposit receivable	480,252	10,930,217	480,252	10,930,217
Others	1,110,704	907,873	1,110,795	908,012
Total other current receivables	21,674,277	32,171,534	21,686,368	32,183,673
<u>Less</u> allowance for expected credit loss	(4,018,880)	(4,018,880)	(4,018,880)	(4,018,880)
Total other current receivables - net	17,655,397	28,152,654	17,667,488	28,164,793
Total trade and other current receivables - net	357,467,925	394,906,536	357,339,204	394,818,095

As at December 31, 2023 and 2022, the Group's trade receivables classified by age analysis are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade receivables - other companies				
Aged on the basis of due dates				
Not yet due	126,228,058	220,939,544	126,228,058	220,939,544
Over due				
Less than 3 months	85,439,713	92,353,451	85,298,901	92,353,451
From 3 months to 6 months	25,519,955	13,076,325	25,519,955	13,076,325
From 6 months to 12 months	12,733,047	6,383,700	12,733,047	6,383,700
More than 12 months	22,300,936	18,846,963	22,300,936	18,846,963
Total	272,221,709	351,599,983	272,080,897	351,599,983
Post-dated cheque				
Not yet due	10,014,570	12,721,311	10,014,570	12,721,311
Contract assets				
Aged on the basis of services dates				
Less than 3 months	73,872,179	14,297,247	73,872,179	14,297,247
From 3 months to 6 months	1,437,682	1,169,666	1,437,682	1,169,666
From 6 months to 12 months	218,776	255,080	218,776	255,080
More than 12 months	109,080	250,320	109,080	149,740
Total	75,637,717	15,972,313	75,637,717	15,871,733
Total	357,873,996	380,293,607	357,733,184	380,193,027
<u>Less</u> allowance for expected credit loss	(18,061,468)	(13,539,725)	(18,061,468)	(13,539,725)
Total trade receivables - net	339,812,528	366,753,882	339,671,716	366,653,302

The normal credit terms for the Group's customers are approximately 30 - 90 days with average age of 30 - 90 days for a post-dated cheque.

As at December 31, 2023 and 2022, a part of trade receivable overdue more than 12 months is under installment payments.

For the year ended December 31, 2023, movement in the allowance for expected credit loss of trade receivables and contract assets are as follows:

	Unit: Baht
	Consolidated and Separate financial statements
As at January 1, 2023	13,539,725
Increase during the year	4,705,505
<u>Less</u> reversal of allowance for expected credit loss	(183,762)
As at December 31, 2023	18,061,468

10. Inventories - net

Inventories - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(Restated)		(Restated)
Raw materials	387,301,114	577,674,030	387,301,114	577,674,030
Raw materials - in transit	37,886,657	54,710,677	37,886,657	54,710,677
Work in process	212,166,477	210,849,109	212,166,477	210,849,109
Finished goods	198,571,213	142,655,143	198,571,213	140,965,928
Supplies	8,717,712	5,762,528	8,717,712	5,762,528
Total	844,643,173	991,651,487	844,643,173	989,962,272
<u>Less</u> allowance for decline in value of goods	(35,757,886)	(42,488,856)	(35,757,886)	(40,799,641)
Total inventories - net	808,885,287	949,162,631	808,885,287	949,162,631

For the year ended December 31, 2023, the Group's movement of allowance for the decline in value of goods (cost of goods exceeding net realizable value and allowance for deteriorated and obsolete goods) are as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2023	42,488,856	40,799,641
<u>Add</u> loss on devaluation of inventories	4,385,644	4,385,644
Transfer from assets	954,050	954,050
<u>Less</u> reversal of loss on devaluation of inventories form disposal	(12,058,549)	(10,369,334)
Transfer to assets	(12,115)	(12,115)
As at December 31, 2023	35,757,886	35,757,886

11. Investments in subsidiary companies - net

Investments in subsidiary companies - net as at December 31, 2023 and 2022 are as follows:

	Unit: Million Baht									
	Percentage of Shareholding		Paid-up share Capital		Separate financial statements					
					Cost method		Allowance for impairment		Net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Ekarat Solar Co., Ltd.	99.99	99.99	1,000	1,000	999.99	999.99	(999.99)	(999.99)	-	-
Ekarat Energy Co., Ltd.	51.00	51.00	2.50	2.50	1.27	1.27	-	-	1.27	1.27
Total					1,001.26	1,001.26	(999.99)	(999.99)	1.27	1.27

12. Non-current finance assets - net

Non-current finance assets - net as at December 31, 2023 and 2022 are as follows:

	Level of fair value	Unit: Baht					
		Consolidated and Separate financial statements					
		December 31, 2023			December 31, 2022		
		Fair value either through other comprehensive income			Fair value either through other comprehensive income		
		Amortized cost	Total		Amortized cost	Total	
Non-current finance assets - net							
Investments in common stock - non listed companies - net	Level 3	-	-	-	-	-	-
Deposits at financial institutions with collateral obligations	Level 1	19,650,000	19,650,000	-	19,650,000	19,650,000	-
Total		19,650,000	19,650,000	-	19,650,000	19,650,000	-

Investments in common stock - non listed companies - net as at December 31, 2023 and 2022 are as follows:

	Unit: Million Baht									
	Percentage of Shareholding		Paid-up share Capital		Consolidated and Separate financial statements					
					Cost method		Allowance for impairment		Net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
G.E.C. Engineering Co.,Ltd.	1.19	1.19	230	230	2.73	2.73	(2.73)	(2.73)	-	-
Saha Karn Engineering Co.,Ltd.	0.04	0.04	403	403	0.16	0.16	(0.16)	(0.16)	-	-
Total					2.89	2.89	(2.89)	(2.89)	-	-

As at December 31, 2023 and 2022, deposits at financial institutions with collateral obligations are used to guarantee credit and obligations with commercial banks as mentioned in Notes 19, 23 and 36.1.1

13. Investment properties - net

Investment properties - net as at December 31, 2023 and 2022 are as follows:

		Unit : Baht	
		Consolidated and Separate financial statements	
		2023	2022
Cost		12,973,886	12,973,886
<u>Less</u> allowance for impairment		(10,549,102)	(11,342,131)
Investment properties - net		2,424,784	1,631,755

For the year ended December 31, 2023, the Group's movement of allowance for impairment are as follows:

		Unit : Baht	
		Consolidated and Separate financial statements	
		2023	2022
As at January 1, 2023		11,342,131	11,342,131
<u>Less</u> reversal of loss on assets impairment		(793,029)	-
As at December 31, 2023		10,549,102	11,342,131

As at December 31, 2023 and 2022, the Company and a related company jointly registered ownership of land, valued of Baht 12.42 million, with an area of 136 rai 1 ngan and 67 square wah. (Total cost is Baht 17.92 million).

Such land is a non-operating land which has appraised by an independent appraiser using the market comparison approach in accordance with the report dated November 15, 2023 at the appraised value amount of Baht 2.42 million.

The fair value of investment property is categorized as a Level 2 of the fair value hierarchy.

14. Assets for rent - net

For the years ended December 31, 2023, the Group has a movement of assets for rent - net are as follows:

Unit: Baht				
Consolidated and Separate financial statements				
	Repurchased transformer	Transformer reserved at service center	Transformer and solar panel for borrow or rent	Total
Cost				
Balance as at January 1, 2023	21,819,866	3,829,193	5,489,532	31,138,591
Acquisition	883,000	-	-	883,000
Transfer from inventories	294,668	-	193,483	488,151
Transfer to inventories	(605,968)	-	-	(605,968)
Transfer in (transfer out)	(1,260,204)	(42,458)	1,302,662	-
Disposal	(187,150)	-	(193,482)	(380,632)
Balance as at December 31, 2023	20,944,212	3,786,735	6,792,195	31,523,142
Accumulated depreciation				
Balance as at January 1, 2023	(18,806,285)	(3,021,262)	(5,030,840)	(26,858,387)
Depreciation for the year	(875,211)	(268,452)	(225,837)	(1,369,500)
(Transfer in) transfer out	1,215,501	(74,165)	(1,141,336)	-
Disposal	187,146	-	11,132	198,278
Balance as at December 31, 2023	(18,278,849)	(3,363,879)	(6,386,881)	(28,029,609)
Accumulated allowance for impairment				
Balance as at January 1, 2023	(941,934)	-	-	(941,934)
(Increase) decrease during the year	-	-	-	-
Balance as at December 31, 2023	(941,934)	-	-	(941,934)
Net book value				
As at December 31, 2023	1,723,429	422,856	405,314	2,551,599
As at December 31, 2022	2,071,647	807,931	458,692	3,338,270

Depreciation is recognized in the statements of

comprehensive income for the years

Ended December 31, 2023	1,369,500
Ended December 31, 2022	1,524,560

ลงชื่อ.....กรรมการ
(นายตฤษา น้อยใจบุญ)

ลงชื่อ.....กรรมการ
(นางสาวร่วมพิศม์ศรี น้อยใจบุญ)

15. Property, plant and equipment - net

For the years ended December 31, 2023, the Group has a movements of property, plant and equipment - net are as follows:

	Unit: Baht						
	Consolidated financial statements						
	Land and land improvement	Building and construction	Machinery, tools and equipment	Furniture and office equipment	Vehicles	Work under construction	Total
Cost							
Balance as at January 1, 2023	104,034,296	969,006,552	1,584,949,062	83,477,329	33,966,530	27,533,143	2,802,966,912
Acquisition	27,262,016	-	19,823,859	10,623,568	1,495,327	48,217,017	107,421,787
Transfer from inventories	-	3,404,808	-	-	-	32,177,131	35,581,939
Transfer in (transfer out)	-	14,796,916	4,671,959	338,107	-	(19,806,982)	-
Disposal	-	(4,924,624)	(4,828,446)	(5,110,122)	-	-	(14,863,192)
Reclassify from right-of-use assets	-	-	1,000,000	-	10,902,706	-	11,902,706
Balance as at December 31, 2023	131,296,312	982,283,652	1,605,616,434	89,328,882	46,364,563	88,120,309	2,943,010,152
Accumulated depreciation							
Balance as at January 1, 2023	-	(528,168,942)	(987,093,105)	(74,473,610)	(33,172,319)	-	(1,622,907,976)
Depreciation for the year	-	(25,211,804)	(32,382,879)	(4,514,142)	(1,519,384)	-	(63,628,209)
Disposal	-	2,344,644	4,828,442	5,109,958	-	-	12,283,044
Reclassify from right-of-use assets	-	-	(616,938)	-	(6,725,561)	-	(7,342,499)
Balance as at December 31, 2023	-	(551,036,102)	(1,015,264,480)	(73,877,794)	(41,417,264)	-	(1,681,595,640)
Accumulated allowance for impairment:							
Balance as at January 1, 2023	-	(124,451,982)	(499,937,909)	(61,351)	-	(1,163,245)	(625,614,487)
Increase (decrease) during the year	-	1,888,928	1,297,406	(12,472)	-	-	3,173,862
Balance as at December 31, 2023	-	(122,563,054)	(498,640,503)	(73,823)	-	(1,163,245)	(622,440,625)
Net book value							
As at December 31, 2023	131,296,312	308,684,496	91,711,451	15,377,265	4,947,299	86,957,064	638,973,887
As at December 31, 2022	104,034,296	316,385,628	97,918,048	8,942,368	794,211	26,369,898	554,444,449
Depreciation is recognized in the statements of comprehensive income for the years							
Ended December 31, 2023							63,628,209
Ended December 31, 2022							62,933,588

Unit: Baht

	Separate financial statements						Total
	Land and land improvement	Building and construction	Machinery, tools and equipment	Furniture and office equipment	Vehicles	Work under construction	
Cost							
Balance as at January 1, 2023	112,075,491	800,706,868	1,125,056,258	74,466,972	34,302,530	27,701,179	2,174,309,298
Acquisition	27,262,016	-	19,823,859	10,623,568	1,495,327	48,217,017	107,421,787
Transfer from inventories	-	3,404,808	-	-	-	32,177,131	35,581,939
Transfer in (transfer out)	-	14,796,916	4,671,959	338,107	-	(19,806,982)	-
Disposal	-	(4,924,624)	(4,828,446)	(5,110,122)	-	-	(14,863,192)
Reclassify from right-of-use assets	-	-	1,000,000	-	10,902,706	-	11,902,706
Balance as at December 31, 2023	139,337,507	813,983,968	1,145,723,630	80,318,525	46,700,563	88,288,345	2,314,352,538
Accumulated depreciation							
Balance as at January 1, 2023	-	(431,902,962)	(685,559,978)	(65,072,556)	(33,540,267)	-	(1,216,075,763)
Depreciation for the year	-	(24,915,139)	(32,382,879)	(4,514,142)	(1,519,384)	-	(63,331,544)
Disposal	-	2,344,644	4,828,442	5,109,958	-	-	12,283,044
Reclassify from right-of-use assets	-	-	(616,938)	-	(6,725,561)	-	(7,342,499)
Balance as at December 31, 2023	-	(454,473,457)	(713,731,353)	(64,476,740)	(41,785,212)	-	(1,274,466,762)
Accumulated allowance for impairment:							
Balance as at January 1, 2023	-	(101,381,090)	(304,811,682)	(54,729)	-	(1,163,245)	(407,410,746)
Increase (decrease) during the year	-	1,888,928	1,297,406	(12,472)	-	-	3,173,862
Balance as at December 31, 2023	-	(99,492,162)	(303,514,276)	(67,201)	-	(1,163,245)	(404,236,884)
Net book value							
As at December 31, 2023	139,337,507	260,018,349	128,478,001	15,774,584	4,915,351	87,125,100	635,648,892
As at December 31, 2022	112,075,491	267,422,816	134,684,598	9,339,687	762,263	26,537,934	550,822,789
Depreciation is recognized in the statements of comprehensive income for the year							
Ended December 31, 2023							63,331,544
Ended December 31, 2022							62,636,922

In the 4th quarter of the year 2023, the Company's management engaged an independent appraiser to reappraise property, plant and equipment under the solar power plants (solar farms). The valuation amount were appraised using the Income Approach according to the valuation report dated December 13, 2023. The Company recognized a reversal of the impairment loss of property, plant and equipment in statement of comprehensive income for the year ended December 31, 2023 of Baht 3.17 million.

As at June 30, 2023, the Company entered into a land purchase agreement with a third-party at purchase price of Baht 27 million. The Company made the payment and received transferred of ownership of land on August 29, 2023.

As at December 31, 2023 and 2022, assets under the Solar Farm Project, with booked values of Baht 110.15 million and Baht 117.74 million, respectively, are assets under the solar power plants (solar farms) which the Company has the right to utilize in its for sale of electricity from a government agency for a 25-year term. Such project is situated on land owned by multiple parties, as discussed in Note to Financial Statements No. 16.

As at December 31, 2023 and 2022, the Group has fixed assets at cost totaling of Baht 691.79 million and Baht 605.84 million, respectively, were fully depreciated. However, most of such assets are still in use.

As at December 31, 2023 and 2022, the Company mortgaged land with constructions (including land with construction in the future) with booked values of Baht 179.58 million and Baht 161.60 million, respectively, and certain machineries with booked values of Baht 21.05 million and Baht 30.19 million, respectively, as collateral against credit facilities and obligations with commercial banks as mentioned in Notes to Financial Statements No. 19, 23 and 36.1.

As at December 31, 2023 and 2022, the Company has unused assets with booked values of Baht 69.86 million and Baht 80.74 million, respectively, consist of land, building and equipment in the production and distribution of solar cells panels Baht 64.98 million and Baht 74.88 million, respectively, and machinery, tools and equipment Baht 4.88 million and Baht 5.86 million, respectively.

As at September 27, 2022, the Company has entered into a sale and lease back machine agreement with a financial institution to pay a monthly installment of Baht 0.32 million for a period of 5 years which is presented in other financial liability in Notes to Financial Statements No. 25. As at December 31, 2023, the machine has booked values of Baht 21.80 million.

16. Right-of-use assets - net

For the years ended December 31, 2023, the Group has a movements of right-of-use assets - net are as follows:

	Unit: Baht				
	Consolidated and Separate financial statements				
	Right-of-use - land	Machinery, tools and equipment	Office equipment	Vehicles	Total
Cost					
Balance as at January 1, 2023	54,637,268	1,000,000	1,575,000	55,220,236	112,432,504
Acquisition	-	-	-	898,425	898,425
Decrease	-	-	-	(7,419,888)	(7,419,888)
Reclassify to property, plant and equipment	-	(1,000,000)	-	(10,902,706)	(11,902,706)
Balance as at December 31, 2023	54,637,268	-	1,575,000	37,796,067	94,008,335
Accumulated depreciation					
Balance as at January 1, 2023	(8,935,068)	(416,938)	(709,872)	(26,815,948)	(36,877,826)
Depreciation for the year	(2,405,661)	(200,000)	(315,000)	(9,729,008)	(12,649,669)
Decrease	-	-	-	7,419,888	7,419,888
Reclassify to property, plant and equipment	-	616,938	-	6,725,561	7,342,499
Balance as at December 31, 2023	(11,340,729)	-	(1,024,872)	(22,399,507)	(34,765,108)
Net book value					
As at December 31, 2023	43,296,539	-	550,128	15,396,560	59,243,227
As at December 31, 2022	45,702,200	583,062	865,128	28,404,288	75,554,678
Depreciation is recognized in the statements of comprehensive income for the years					
Ended December 31, 2023					12,649,669
Ended December 31, 2022					13,586,430

On August 22, 2016, the Company entered into an agreement to support a ground-based solar farm project to generate electricity for government and agricultural cooperatives. The agreement has a 25-year term, from January 1, 2017 to December 31, 2041, and carries an obligation to pay for such projects, until completion, as follows:

	Unit: Baht
Land usage fee	23,789,500
Agreement granted fee	9,025,000
Royalty for electricity sale	Percentage of sales before expenses each month (Minimum guarantee of Baht 47,906,675)

17. Intangible assets - net

For the year ended December 31, 2023, the Group has a movements of intangible assets - net are as follows:

	Unit: Baht		
	Consolidated financial statements		
	Computer software	Software during installation	Total
Cost			
Balance as at January 1, 2023	27,026,406	10,500,000	37,526,406
Acquisition	2,536,348	10,500,000	13,036,348
Transfer in (transfer out)	21,000,000	(21,000,000)	-
Disposal	(972,470)	-	(972,470)
Balance as at December 31, 2023	49,590,284	-	49,590,284
Accumulated amortization			
Balance as at January 1, 2023	(23,748,622)	-	(23,748,622)
Amotization for the year	(1,705,008)	-	(1,705,008)
Disposal	972,360	-	972,360
Balance as at December 31, 2023	(24,481,270)	-	(24,481,270)
Accumulated allowance for impairment			
Balance as at January 1, 2023	(2,427,094)	-	(2,427,094)
(Increase) decrease during the year	-	-	-
Balance as at December 31, 2023	(2,427,094)	-	(2,427,094)
Net book value			
As at December 31, 2023	22,681,920	-	22,681,920
As at December 31, 2022	850,690	10,500,000	11,350,690
Depreciation is recognized in the statements of comprehensive income for the years			
Ended December 31, 2023			1,705,008
Ended December 31, 2022			148,733

Unit: Baht			
Separate financial statements			
	Computer software	Software during installation	Total
Cost			
Balance as at January 1, 2023	19,839,293	10,500,000	30,339,293
Acquisition	2,536,348	10,500,000	13,036,348
Transfer in (transfer out)	21,000,000	(21,000,000)	-
Disposal	(972,470)	-	(972,470)
Balance as at December 31, 2023	42,403,171	-	42,403,171
Accumulated amortization			
Balance as at January 1, 2023	(18,988,603)	-	(18,988,603)
Amortization for the year	(1,705,008)	-	(1,705,008)
Disposal	972,360	-	972,360
Balance as at December 31, 2023	(19,721,251)	-	(19,721,251)
Accumulated allowance for impairment			
Balance as at January 1, 2023	-	-	-
(Increase) decrease during the year	-	-	-
Balance as at December 31, 2023	-	-	-
Net book value			
As at December 31, 2023	22,681,920	-	22,681,920
As at December 31, 2022	850,690	10,500,000	11,350,690
Depreciation is recognized in the statements of comprehensive income for the years			
Ended December 31, 2023			1,705,008
Ended December 31, 2022			148,733

As at December 31, 2023 and 2022, the intangible assets, costing Baht 17.82 million and Baht 18.75 million respectively, were fully amortized but are still in use.

18. Deferred tax assets - net

Deferred tax assets - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2023	2022
		(Restated)
Deferred tax assets	62,696,561	76,213,864
Deferred tax liabilities	(2,026,117)	(2,206,170)
Net	60,670,444	74,007,694

Movement of deferred tax assets and liabilities incurred during the years ended December 31, 2023 and 2022 are as follows:

	Unit: Baht		
	Consolidated and Separate financial statements		
	January 1, 2023	Movement increase (decrease) Profit or loss	December 31, 2023
	(Restated)	Other comprehensive income	
Deferred tax assets :			
Allowance for devaluation of inventories	8,159,928	(1,008,352)	7,151,576
Allowance for impairment of fixed assets and related depreciation	48,259,685	(8,657,263)	39,602,422
Non-current provisions for employee benefit	16,024,179	(632,526)	15,279,945
Estimated demolition	199,537	36,470	236,007
Lease agreements	334,450	92,161	426,611
Inventory	3,236,085	(3,236,085)	-
Total	76,213,864	(13,405,595)	62,696,561
Deferred tax liabilities :			
Depreciation from change in estimated useful life	(1,699,211)	134,313	(1,564,898)
Depreciation	(506,959)	45,740	(461,219)
Total	(2,206,170)	180,053	(2,026,117)
Net	74,007,694	(13,225,542)	60,670,444

Unit: Baht				
Consolidated and Separate financial statements				
	January 1, 2022 (Restated)	Movement increase (decrease)		December 31, 2022 (Restated)
		Profit or loss	Other comprehensive income	
Deferred tax assets :				
Allowance for devaluation of inventories	7,796,649	363,279	-	8,159,928
Allowance for impairment of fixed assets and related depreciation	55,893,838	(7,634,153)	-	48,259,685
Non-current provisions for employee benefit	15,649,729	374,450	-	16,024,179
Estimated demolition	163,067	36,470	-	199,537
Lease agreements	234,575	99,875	-	334,450
Inventory	2,970,015	266,070	-	3,236,085
Total	82,707,873	(6,494,009)	-	76,213,864
Deferred tax liabilities :				
Depreciation from change in estimated useful life	(1,833,523)	134,312	-	(1,699,211)
Depreciation	(357,483)	(149,476)	-	(506,959)
Total	(2,191,006)	(15,164)	-	(2,206,170)
Net	80,516,867	(6,509,173)	-	74,007,694

Income tax expenses for the years ended December 31, 2023 and 2022 are as follows:

Unit: Baht		
Consolidated and Separate financial statements		
	2023	2022 (Restated)
Current tax expense		
Current years	47,559,008	33,077,391
Deferred tax expense		
Movement in temporary differences	13,225,542	6,509,173
Total income tax expenses	60,784,550	39,586,564

Reconciliation of effective tax rate

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(Restated)		(Restated)
Profit before tax expenses	281,461,955	199,014,360	281,412,441	194,891,369
Tax rate	20%	20%	20%	20%
Current tax expense as tax rate	56,292,391	39,802,872	56,282,488	38,978,274
Tax effects on:				
Benefit of non-taxable				
promoted operation (BOI)	(2,076,836)	(2,634,392)	(2,076,836)	(2,634,392)
Net loss in current year,				
not recognized as deferred tax	338,881	12,836	-	-
Net loss in past event,				
not recognized as deferred tax	(70,283)	(931,308)	-	-
Income tax on inter-company profit	59,333	59,333	-	-
Non-deductible expenses by the Revenue Code	7,665,785	4,658,018	8,003,619	4,623,477
Non-taxable income/deductible expense	(1,424,721)	(1,380,795)	(1,424,721)	(1,380,795)
Tax expense	60,784,550	39,586,564	60,784,550	39,586,564
The average effective tax rate	22%	20%	22%	20%

Income tax rate

The Group used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2023 and 2022.

19. Short-term loans from financial institutions

Short-term loans from financial institutions as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated and Separate financial statements			
	2023	Interest rate	2022	Interest rate
Promissory notes	40,000,000	4.77% - 5.15%, MLR-0.5% MLR-2.15%	-	MLR-0.5%, MLR-1.5%, MLR-2.15%
Trust receipts payable	179,678,475	Market rate	210,794,404	Market rate
Total	219,678,475		210,794,404	

As at December 31, 2023 and 2022, the Company has overdrafts and short-term loans limits from four local banks totaling Baht 1,499.98 million. These loans are guaranteed by bank deposits in Note to Financial Statements No.12, and part of land with constructions and machineries in Note to Financial Statements No.15.

20. Trade and other current payables

Trade and other current payables as at December 31, 2023 and 2022 are as follows:

		Unit: Baht	
		Consolidated and Separate financial statements	
		2023	2022
Trade payables			
Other parties		154,658,089	230,491,970
Total trade payables		154,658,089	230,491,970
Other current payables			
Other parties		8,990,473	11,806,417
Assets payables		6,243,837	4,765,257
Others		1,326,770	564,884
Total other current payables		16,561,080	17,136,558
Total trade and other payables		171,219,169	247,628,528

21. Accrued expenses

Accrued expenses as at December 31, 2023 and 2022 are as follows:

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Accrued bonus		57,902,478	37,613,888	57,902,478	37,613,888
Accrued commission		11,878,435	14,914,999	11,878,435	14,914,999
Other accrued expenses		18,215,827	11,680,749	18,170,682	11,635,604
Total		87,996,740	64,209,636	87,951,595	64,164,491

22. Advances received for goods and services

Advances received for goods and services as at December 31, 2023 and 2022 are as follows:

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Deposit received in advance		760,800	701,800	760,800	701,800
Advance received for goods		27,431,443	27,835,030	27,431,443	27,835,030
Advance received from					
maintenance service contracts		9,863,773	23,446,629	9,863,773	23,446,629
Contract liabilities		13,873,078	16,370,611	8,876,937	16,370,611
Total		51,929,094	68,354,070	46,932,953	68,354,070

As at December 31, 2023 and 2022, contract assets and liabilities are as follows:

	Unit: Baht	
	Consolidated financial statements	
	2023	2022
Contract assets		
Value of contracts	159,628,364	18,550,010
Revenue recognized		
- Services revenue recognized from beginning of the years	10,339,703	10,715,810
- Services revenue recognized during the years	112,279,944	2,797,050
Revenue recognized on percentage of completion basis	122,619,647	13,512,860
<u>Less</u> value of progress billed (installment)	(67,269,364)	(12,520,510)
Contract assets (included in trade and other current receivables - net)	55,350,283	992,350
Contract liabilities		
Value of contracts	366,464,548	330,804,631
Revenue recognized		
- Services revenue recognized from beginning of the years	(298,622,177)	(64,661,866)
- Services revenue recognized during the years	(33,525,293)	(236,241,154)
Revenue recognized on percentage of completion basis	(332,147,470)	(300,903,020)
<u>Less</u> value of progress billed (installment)	346,020,548	317,273,631
Contract liabilities (included in advances received for goods and services)	13,873,078	16,370,611

	Unit: Baht	
	Separate financial statements	
	2023	2022
Contract assets		
Value of contracts	159,628,364	18,550,010
Revenue recognized		
- Services revenue recognized from beginning of the years	10,339,703	10,715,810
- Services revenue recognized during the years	112,185,944	2,797,050
Revenue recognized on percentage of completion basis	122,525,647	13,512,860
<u>Less</u> value of progress billed (installment)	(67,175,364)	(12,520,510)
Contract assets (included in trade and other current receivables - net)	55,350,283	992,350
Contract liabilities		
Value of contracts	349,843,743	330,804,631
Revenue recognized		
- Services revenue recognized from beginning of the years	(298,622,177)	(64,661,866)
- Services revenue recognized during the years	(30,076,629)	(236,241,154)
Revenue recognized on percentage of completion basis	(328,698,806)	(300,903,020)
<u>Less</u> value of progress billed (installment)	337,575,743	317,273,631
Contract liabilities (included in advances received for goods and services)	8,876,937	16,370,611

23. Long-term loans from a financial institution - net

Long-term loans from a financial institution - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2023	2022
Long-term loans from financial institution	34,705,000	38,390,000
<u>Less</u> deferred front end fee	(159,094)	(304,904)
Total	34,545,906	38,085,096
<u>Less</u> current portion of long-term loans	(22,941,390)	(21,873,727)
Long-term loans from financial institution - net	11,604,516	16,211,369

The movements of long-term loans from a financial institution for the year ended December 31, 2023 are as follows:

	Unit: Baht
	Consolidated and Separate financial statements
As at January 1, 2023	38,390,000
<u>Add</u> additional borrowings during the year	20,000,000
<u>Less</u> loan repayment during the year	(23,685,000)
As at December 31, 2023	34,705,000

As at December 31, 2023 and 2022, long-term loans from financial institutions are as follows:

Unit: (Million Baht)				((%)/ annum)		
Credit Line		Outstanding balance		Interest rate		
2023	2022	2023	2022	2023	2022	Repayment of principal and interest rate
120.00	120.00	14.37	30.09	MLR-1.50%	MLR-1.50%	- Loan for the purpose of investing in a government authorised ground-based solar farm project. The repayment is a total of 84 installments at the rate of Baht 1.31 million per installment and must be settled by November 2024.
-	19.50	-	3.90	3.50%	3.50%	- Interest is paid monthly from the date of first withdrawal.
12.00	12.00	2.00	4.40	3.50%	3.50%	- Loan for the purpose of investment and operation of energy reduction. The repayment is a total of 60 installments at the rate of Baht 0.325 million per installment and must be settled by December 2023.
						- Interest is paid monthly from the date of first withdrawal.
12.00	12.00	2.00	4.40	3.50%	3.50%	- Loan for the purpose of investment and operation of energy reduction. The repayment is a total of 60 installments at the rate of Baht 0.2 million per installment and must be settled by October 2024.
						- Interest is paid monthly from the date of first withdrawal.
20.00	-	18.34	-	MLR-1.50%	-	- Loan for the purchase land with constructions. The repayment is a total of 36 installments at the rate of Baht 0.56 million per installment and must be settled by September 2026.
						- Interest is paid monthly from the date of first withdrawal.
152.00	151.50	34.71	38.39			

As at September 20, 2023, the Company entered into the loan agreement for purchase land with constructions with a financial institution which the facility is Baht 20 million. The interest rate is at MLR-1.50% per annum. The repayment of principal and its interest is made on monthly basis, totaling 36 installments. The loan repayment is started from the date of the first drawdown and repayment must be settled by September 2026.

Collaterals

As at December 31, 2023 and 2022, the Company has bank deposits, as mentioned in Note to Financial Statements No. 12, and land with constructions and certain machines, as mentioned in Note to Financial Statements No. 15, as collateral.

The Company has purchased an insurance policy for machines and equipment for the highest insurable amount allowable by insurance company. The benefit derivable from such policy is to be given to the lending financial institution. The Company must comply with material loan provisions, for example, maintain a debt to equity ratio (D/E) and debt repayment capacity ratio as stated in the contracts until the completion of the repayment.

24. Lease liabilities - net

Lease liabilities - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2023	2022
Due not later than one year		
Minimum payments	12,008,589	14,878,501
Deferred interest	(2,830,104)	(3,433,289)
Lease liabilities - net	9,178,485	11,445,212
Due later than one year but not later than five years		
Minimum payments	24,070,233	31,998,296
Deferred interest	(7,356,926)	(8,780,753)
Lease liabilities - net	16,713,307	23,217,543
Due later than five years		
Minimum payments	36,092,465	38,982,020
Deferred interest	(8,675,467)	(9,945,417)
Lease liabilities - net	27,416,998	29,036,603

Lease liabilities consist of machinery, tools and equipment lease agreements, office equipment lease agreements, vehicle lease agreements and an agreement to support a ground-based solar farm to generate electricity to government and agricultural cooperatives with a 25-year term, as mentioned in Note to Financial Statement No. 16.

25. Other financial liabilities - net

Other financial liabilities - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2023	2022
Due not later than one year		
Minimum payments	3,792,600	3,792,600
Deferred interest	(490,823)	(627,025)
Lease liabilities - net	3,301,777	3,165,575
Due later than one year but not later than five years		
Minimum payments	10,429,650	14,222,250
Deferred interest	(598,745)	(1,089,568)
Lease liabilities - net	9,830,905	13,132,682

On September 27, 2022, the Company entered into a sale and leaseback machine agreement contract with a financial institution, to pay a monthly installment of Baht 0.32 million for a period of 5 years. Sale and leaseback agreement transactions is considered as a transfer of asset which is not a sale in accordance with TFRS 15 "Revenue from Contracts with Customers". Therefore, the Company continue recognizes such transfer assets as fixed assets in the financial statement and recognizes liabilities from sale and leaseback as other financial liabilities equal to the transfer proceeds of assets.

As at December 31, 2023, the machines have a booked value of Baht 21.80 million as mentioned in Note to Financial Statement No. 15.

26. Non-current provisions for employee benefits

Movement of the present value of non-current provisions for employee benefits and employee benefits expenses in the statements of comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	Post - employment benefit plan	
	2023	2022
Non-current provisions for employee benefit		
as at beginning of the years	80,120,896	78,248,645
Included in profit or loss:		
Current service cost	4,152,231	4,237,511
Interest cost	1,555,949	1,538,506
Included in other comprehensive income:		
Gains on re-measurements of defined benefit plans		
Demographic assumptions changes	338,099	-
Financial assumptions changes	(11,573,929)	-
Experience adjustments	10,677,292	-
Benefit paid during the years	(8,870,813)	(3,903,766)
Non-current provisions for employee benefit		
at end of the years	76,399,725	80,120,896

Expenses are recognized in profit or loss and other comprehensive income for the years ended December 31, 2023 and 2022, as follows:

	Unit: Baht	
	Consolidated and Separate financial Statements	
	2023	2022
Included in profit or loss:		
Cost of sales	3,740,917	3,766,426
Administrative expenses	1,967,263	2,009,591
Total	5,708,180	5,776,017
Included in other comprehensive income:		
Gains on re-measurements of defined benefit plans	558,538	-

Principal actuarial assumptions as at December 31, 2023 and 2022 (represented by the weighted-average) are as follows:

	(Percentage (%)/annum)	
	Consolidated and Separate financial statements	
	2023	2022
Discount rate	2.85%	1.73%
Future salary increase rate	4.98%	5.65%
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017
Turnover rate		
Under 20 years old	25%	14%
20 - 29 years old	19%	20%
30 - 39 years old	10%	12%
40 - 59 years old	5%	5%
Above 60 years old	0%	0%
Retired age	60 years	60 years

Changes in the actuarial assumption will affect employee benefit obligation for the years ended December 31, 2023 and 2022 as follows:

	Unit: Baht			
	Consolidated and Separate financial statements			
	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(3,002,346)	3,205,237	(3,543,305)	3,792,858
Future salary increases rate (0.50% movement)	2,634,835	(3,155,584)	4,352,708	(4,090,695)
Employee turnover (1.00% movement)	(3,282,807)	3,488,918	(4,704,254)	5,044,028

The Group has a defined benefits plan, in accordance with severance payment provisions under labor law, for eligible retired employees according to their work service periods at various rates.

The actuarial assumption of the discount rate is estimated from the weighted average of yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from the mortality table from the Office of Insurance Commission.

The actuarial assumption of resignation rate is estimated based on an historical data base on employee age ranges.

27. Share capital

According to the Ordinary Shareholder's Meeting for the year 2023, held on April 27, 2023, resolved to approve an increase in registered capital from the existing Baht 1,177,226,285 to Baht 1,412,671,542, by issuing 294,306,571 new ordinary shares at the par value of Baht 0.80, totaling Baht 235,445,257 to accommodate the exercise price of a warrant to purchase the Company's Ordinary Shares No.2 (AKR-W2) amounting to 294,305,502 units. The Company registered such share capital increase with the Department of Business Development, Ministry of Commerce on May 9, 2023.

28. Legal reserve

Pursuant to the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income, after deduction of expenses, as legal reserve until the reserve equals 10% of its authorized share capital. The reserve is not available for dividend distribution.

29. Dividend payment

According to the Ordinary Shareholder's Meeting for the year 2023, held on April 27, 2023, resolved to approve to pay a dividend from the operating results for the year 2022, to shareholders of the Company at the rate of Baht 0.060 per share. The Company made the payment of interim dividend of Baht 0.015 per share. The payment of remaining dividend of Baht 0.045 per share for 1,471.53 million shares, totaling of Baht 66.22 million. The dividend was paid on May 26, 2023.

According to the Board of Directors' Meeting No.10/2023, held on November 13, 2023, the meeting resolved to approve to pay an interim dividend from the operating results for the nine-month period ended September 30, 2023, to shareholders of the Company at the rate of Baht 0.015 per share for 1,471.53 million shares, totaling Baht 22.07 million. The dividend was paid on December 8, 2023.

According to the Ordinary Shareholder's Meeting for the year 2022, held on April 29, 2022, the meeting passed the resolution to pay dividend from net profit of the year 2021 to shareholders of the Company at the rate of Baht 0.03 per share for 1,471.53 million shares, totaling of Baht 44.15 million. The dividend was paid on May 27, 2022.

According to the Board of Directors' Meeting No.9/2022, held on October 20, 2022, the meeting resolved to approve to pay an interim dividend from the operating results for the six-month period ended June 30, 2022, to shareholders of the Company at the rate of Baht 0.015 per share for 1,471.53 million shares, totaling Baht 22.07 million. The dividend was paid on November 17, 2022.

30. Warrant

According to the Ordinary Shareholder's Meeting for the year 2023, held on April 27, 2023, resolved to approve issue the warrant to purchase the Company's Ordinary Shares No.2 (AKR-W2) allocated to existing shareholders, in proportion to the number of shares held by each, but not exceeding of 294,305,502 units, with free of charge, at the ratio of five ordinary shares to one unit, at the exercise price of Baht 1.00 per share. Such warrant will be valid for one years from its issuance date.

As at December 31, 2023, such warrant was not been exercised.

The exercise price of the warrants (AKR-W2) are higher than the average market price of the Company's ordinary shares for the year ended December 31, 2023. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the year ended December 31, 2023.

31. Operating segment

The operating segment information in the consolidated financial statement for the years ended December 31, 2023 and 2022 are as follows:

Unit: Million Baht									
	Manufacture and distribution		Services		Installation of a solar panel		Electricity		Consolidated financial statements
	2023	2022	2023	2022	2023	2022	2023	2022	
		(Restated)							(Restated)
Total revenues	1,829.25	1,604.89	273.76	225.23	145.81	239.04	35.26	35.49	2,284.08
Total costs	(1,380.20)	(1,256.58)	(172.89)	(122.41)	(126.80)	(230.76)	(20.64)	(19.32)	(1,700.53)
Gross profit	449.05	348.31	100.87	102.82	19.01	8.28	14.62	16.17	583.55
Distribution costs and administrative expenses									(294.29)
Profit from operation									289.26
Other income									16.88
Reversal of (loss on) impairment of assets									3.62
Finance costs									(28.31)
Income tax expenses									(60.78)
Profit for the year									220.67
Other comprehensive income (loss) for the year:									
<i>Components of other comprehensive income that will not be reclassified to profit or loss:</i>									
Gains on re-measurements of defined benefit plans									0.56
Income tax of other comprehensive income that will not be reclassified to profit or loss									(0.11)
Other comprehensive income for the year, net of tax									0.45
Total comprehensive income for the year									221.12

Details of the sectorial business assets as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht					
	Manufacture, services and installation a solar panel business		Electricity distribution business		Consolidated financial statements
	2023	2022	2023	2022	
					(Restated)
Property, plant and equipment - net	464.89	379.31	174.08	175.13	638.97
Other assets					1,608.16
Total assets					2,247.13

For the year ended December 31, 2023 and 2022, the Group had revenues from a major customer, representing approximately 18.23% and 14.63% of total revenues from operations, respectively.

32. Capital management

The objective of financial management of the Group is to maintain the continuity of operational capability and capital structure to be duly appropriated.

33. Financial Instruments

Financial risk management policy

The Group bears risk due to interest rate fluctuations and from non-performance of contractual obligations by contractual parties. The Group will consider using the appropriate financial instruments when it deems it is necessary to manage such risks. However, the Group does not have a policy to hold or issue any financial instruments for speculation or for trading.

Credit risk

Credit risk refers to the risk if the other parties fail to perform their obligations, resulting in a financial loss to the Group. However, there is no significant concentration of credit risk for the Group. If the other parties fail to perform their contracts, the Group provides as allowance for expected credit loss in the full amount.

In the case of financial assets, the carrying amount of the assets recorded in the statement of finance position, net of provision for allowance for expected credit losses, represents the Group's maximum exposure to credit risk.

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.

Interest rates risk

The Group bears significant risk over interest rates on financial instruments, which includes loans from financial institutions. Therefore, it is subject to risk in relation to floating interest rates which may fluctuate in the future, possibly affecting the operating results and cash flows.

As at December 31, 2023 and 2022, significant financial instruments have the following details: (with respect to interest rates, they are already shown in related Notes to Financial Statements).

	Unit: Million Baht					
	Consolidated financial statements					
	December 31, 2023					
	Fixed interest rate					
	Within 1 year	more than 1 year to 5 years	more than 5 years	Floating Interest rate	Non Interest bearing	Total
Financial assets						
Cash and cash equivalents	-	-	-	131	130	261
Trade and orther current receivables - net	-	-	-	-	358	358
Non-current financial assets - net	-	-	-	20	-	20
Total	-	-	-	151	488	639
Financial liabilities						
Short-term loans from financial institutions	40	-	-	180	-	220
Trade and other current payables	-	-	-	-	171	171
Lease liabilities	9	17	27	-	-	53
Other financial liabilities	3	10	-	-	-	13
Long-term loans from financial institutions	2	-	-	33	-	35
Total	54	27	27	213	171	492

	Unit: Million Baht					
	Consolidated financial statements					
	December 31, 2022					
	Fixed interest rate					
	Within 1 year	more than 1 year to 5 years	more than 5 years	Floating Interest rate	Non Interest bearing	Total
Financial assets						
Cash and cash equivalents	-	-	-	81	8	89
Trade and orther current receivables - net	-	-	-	-	395	395
Non-current financial assets - net	-	-	-	20	-	20
Total	-	-	-	101	403	504
Financial liabilities						
Short-term loans from financial institutions	-	-	-	211	-	211
Trade and other current payables	-	-	-	-	248	248
Lease liabilities	12	23	29	-	-	64
Other financial liabilities	3	13	-	-	-	16
Long-term loans from financial institutions	6	2	-	30	-	38
Total	21	38	29	241	248	577

Risk on exchange rates

The Group is exposed to foreign currency risk relating to sales which are denominated in foreign currency. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge the foreign currency risk on collections.

As at December 31, 2023 and 2022, the Group did not enter into forward exchange contracts for the following:

Currency	Unit: foreign currencies			
	Consolidated and Separate financial statements			
	Trade receivables		Trust receipts/Trade payables	
	2023	2022	2023	2022
US Dollar	-	5,250	1,218,109	4,061,625
Euro	-	-	316,627	551,531
SGD Dollar	-	191,500	-	-
Ringgit Malaysia	2,006,676	287,630	-	-
Australian Dollar	45,030	-	-	-
Japanese Yen	-	-	753,600	-

Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other current receivables, non-current financial assets, trade and other current payables, lease liabilities and other financial liabilities, their carrying amounts in the statements of financial position approximate their fair values.
- For loans from carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair values.
- Fair value of foreign currency buying forward contracts is shown as follows:

As at December 31, 2023 and 2022, the Group has outstanding balance of derivative liabilities for buying forward contracts are as follows:

Currency	Consolidated and Separate financial statements					
	Foreign currency		Contract amount (Baht)		Fair value of liabilities (Baht)	
	2023	2022	2023	2022	2023	2022
US Dollar	1,500,000	1,032,701	51,030,000	36,404,687	(253,437)	(1,203,157)

34. Expenses by nature

The Company has significant expenses by nature for the years ended December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Changes in finished goods and work in progress (increase) decrease	(57,233,438)	15,615,645	(58,922,653)	15,615,645
Raw material and supplies used	1,204,747,564	1,088,185,961	1,204,747,564	1,088,185,961
(Reversal of) loss on devaluation of inventories	(7,672,907)	1,816,396	(5,983,690)	1,816,396
(Reversal of) loss on impairment of assets	(3,621,299)	128,628	(3,621,299)	128,628
Employee expense	323,750,899	285,354,572	323,750,899	285,354,572
Directors' remuneration	16,385,068	15,215,847	16,385,068	15,215,847
Depreciation and amortization	79,352,386	78,193,310	79,055,721	77,896,644
Management consulting fee	1,540,800	3,345,000	1,540,800	3,345,000
Commission and consultation	35,371,706	38,831,595	35,371,706	38,831,595

35. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and its employees contribute to the fund, on a monthly basis, at rates that depend on the work period of the particular employee. A local financial institution is managing the provident fund. The provident fund will pay out to the particular employee upon termination in accordance with the fund rules. For the years ended December 31, 2023 and 2022, in the consolidated financial statements, the Group's contributions amounted to approximately Baht 5.81 million and Baht 5.46 million, respectively.

36. Commitment and contingent liabilities

36.1 As at December 31, 2023 and 2022, the Group has the following credit facilities with financial institutions

	Unit: Million Baht						
	Consolidated and Separate financial statements						
	December 31, 2023			December 31, 2022			
	Credit			Credit			
	facilities	Utilized	Available	facilities	Utilized	Available	Interest rate
Letters of guarantee		294.32			262.06		1.00% - 1.75%
Promissory note		40.00			-		4.77% - 5.15%, MLR-0.5%, MLR-1.5%, MLR-2.15%
Letter of credit, trust receipt	1,299.98		785.98	1,299.98		827.13	
and packing credit		179.68			210.79		Market Rate
Bank overdraft		-			-		MOR
Local factoring	200.00	-	200.00	200.00	-	200.00	MOR-0.75%
Long-term loans	152.00	152.00	-	151.50	151.50	-	3.50%, MLR-1.5%

On October 1, 2021, the Company entered into an agreement with a company to provide the credit line to issue a letter of guarantee with a commercial bank amount of Baht 50 million for bid bonds which agrees to purchase products from the Company and is responsible for fees, interest, and other expenses arising from using of such credit line.

Commitment and contingent liabilities are guaranteed by deposits at financial institutions in Note to Financial Statements No. 12, and by mortgage of the Company's land with constructions in Note to Financial Statements No. 15.

36.2 As at December 31, 2023 and 2022, the Company has commitments on future asset rental and other service agreements in the amounts of Baht 5.99 million and Baht 5.56 million, respectively.

36.3 The Company has a commitment under five construction and architectural design contracts to which the Company entered into in the amount of Baht 16.55 million. As at December 31, 2023, the Company has outstanding commitment under such contracts of Baht 1.55 million.

36.4 The Company has a commitment under eight construction and installation contracts to which the Company entered into in the amount of Baht 93.72 million. As at December 31, 2023, the Company has outstanding commitment under such contracts of Baht 38.73 million.

36.5 A subsidiary has a commitment under two construction and installation contracts to which the subsidiary entered into in the amount of Baht 26.55 million. As at December 31, 2023, the subsidiary has outstanding commitment under such contract of Baht 15.40 million.

37. Investment promotion privileges

As at December 31, 2023 and 2022, the Board of Investment, under the Investment Promotion Act B.E.2520, granted the Company the following promotional privileges:

37.1 The Company is promoted to generate electricity from solar cells, a Type 7.1 Activity: Utilities and Basic Services No.1105 (1)/2010, dated February 5, 2010, effective on December 14, 2009, and No. 1297(1)/2013, dated March 7, 2013, effective on October 3, 2012. The Company enjoys the following rights and privileges:

- Exemption from corporate income tax on net profit derived from the promoted activity for 8 years, commencing from the date of income is earned from that activity. Where a loss has been incurred during corporate income tax exemption period, the promoted Company is granted permission to deduct such annual loss from net profits accrued for a maximum of 5 years after expiration of the corporate income tax period.
- Exemption for dividends derived from the promoted activity throughout the period the promoted company receives the corporate income tax exemption privilege.
- Fifty percent corporate income tax reduction (from the prevailing rate) on profits earned from the promoted activity for a maximum of 5 years after the expiration of the corporate income tax exemption period.
- Double deduction from taxable income from transportation, electricity and water costs for the period of 10 years after the expiry of the exemption period.
- Twenty-five percent reduction allowed for project infrastructure installation or construction cost in addition to the normal depreciation.

During the year 2023, promotion privileges No.1105 (1)/2010 has ended its rights and privileges.

37.2 The Company is promoted to generate electricity from solar cells, a Type 7.1.1.2 Activity: Utilities and Basic Services No. 60-0018-1-00-1-0, dated January 11, 2017, effective on November 7, 2016. The Company enjoys the following rights and privileges:

- Exemption from corporate income tax on net profit derived from the promoted activity for 8 years, commencing from the date of income is earned from that activity. Where a loss has been incurred during corporate income tax exemption period, the promoted Company is granted permission to deduct such annual loss from net profits accrued for a maximum of 5 years after expiration of the corporate income tax period.
- Exemption for dividends derived from the promoted activity throughout the period the promoted company receives the corporate income tax exemption privilege

The Company has income and expenses for the years ended December 31, 2023 and 2022, from the promoted activity as follows:

Unit: Baht			
Separate financial statements			
For the year ended December 31, 2023			
	Promoted	Non-promoted	Total
Revenue from operations	23,990,657	2,256,538,086	2,280,528,743
Other income	334,038	16,561,780	16,895,818
Total revenue	24,324,695	2,273,099,866	2,297,424,561
Operating cost	(12,892,147)	(1,690,183,234)	(1,703,075,381)
Reversal of loss on devaluation of goods	-	5,983,690	5,983,690
Distribution costs and administrative expenses	(1,869,598)	(292,364,592)	(294,234,190)
Reversal of loss on assets impairment	-	3,621,299	3,621,299
Finance costs	-	(28,307,538)	(28,307,538)
Total expenses	(14,761,745)	(2,001,250,375)	(2,016,012,120)
Profit before income tax expenses	9,562,950	271,849,491	281,412,441

Unit: Baht			
Separate financial statements			
For the year ended December 31, 2022			
	Promoted	Non-promoted	Total
		(Restated)	(Restated)
Revenue from operations	28,843,128	2,075,826,992	2,104,670,120
Other income	158,771	11,652,877	11,811,648
Total revenue	29,001,899	2,087,479,869	2,116,481,768
Operating cost	(13,918,804)	(1,613,038,408)	(1,626,957,212)
Loss on devaluation of goods	-	(1,816,396)	(1,816,396)
Distribution costs and administrative expenses	(2,175,597)	(267,996,676)	(270,172,273)
Loss on assets impairment	-	(128,628)	(128,628)
Finance costs	-	(22,515,890)	(22,515,890)
Total expenses	(16,094,401)	(1,905,495,998)	(1,921,590,399)
Profit before income tax expenses	12,907,498	181,983,871	194,891,369

38. Subsequent event after reporting date

According to the Board of Directors' Meeting No.2/2024, held on February 28, 2024, the meeting resolved to approve to pay a dividend from net profit of the year 2023, to shareholders of the Company at the rate of Baht 0.08 per share. The Company made the payment of interim dividend of Baht 0.015 per share. The payment of remaining dividend of Baht 0.065 per share, will be paid on May 24, 2024. The annual dividend payment is subject to approval by the Ordinary Shareholder's Meeting.

39. Approval of financial statements

These financial statements have been approved by the Company's Board of Directors on February 28, 2024.



Attachment

on the website

Attachment 1

Information of Directors, Executives, Chief Financial Officer
and Company Secretary

Attachment 2

Information on Directors of Subsidiaries

Attachment 3

Information of the Head of Audit

Attachment 4

Assets for business undertaking and detail of property assessment

Attachment 5

Corporate Governance Policy and Code of Business Ethics

Attachment 6

Report of Audit Committee

Attachment 7

Report of Board Committees





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