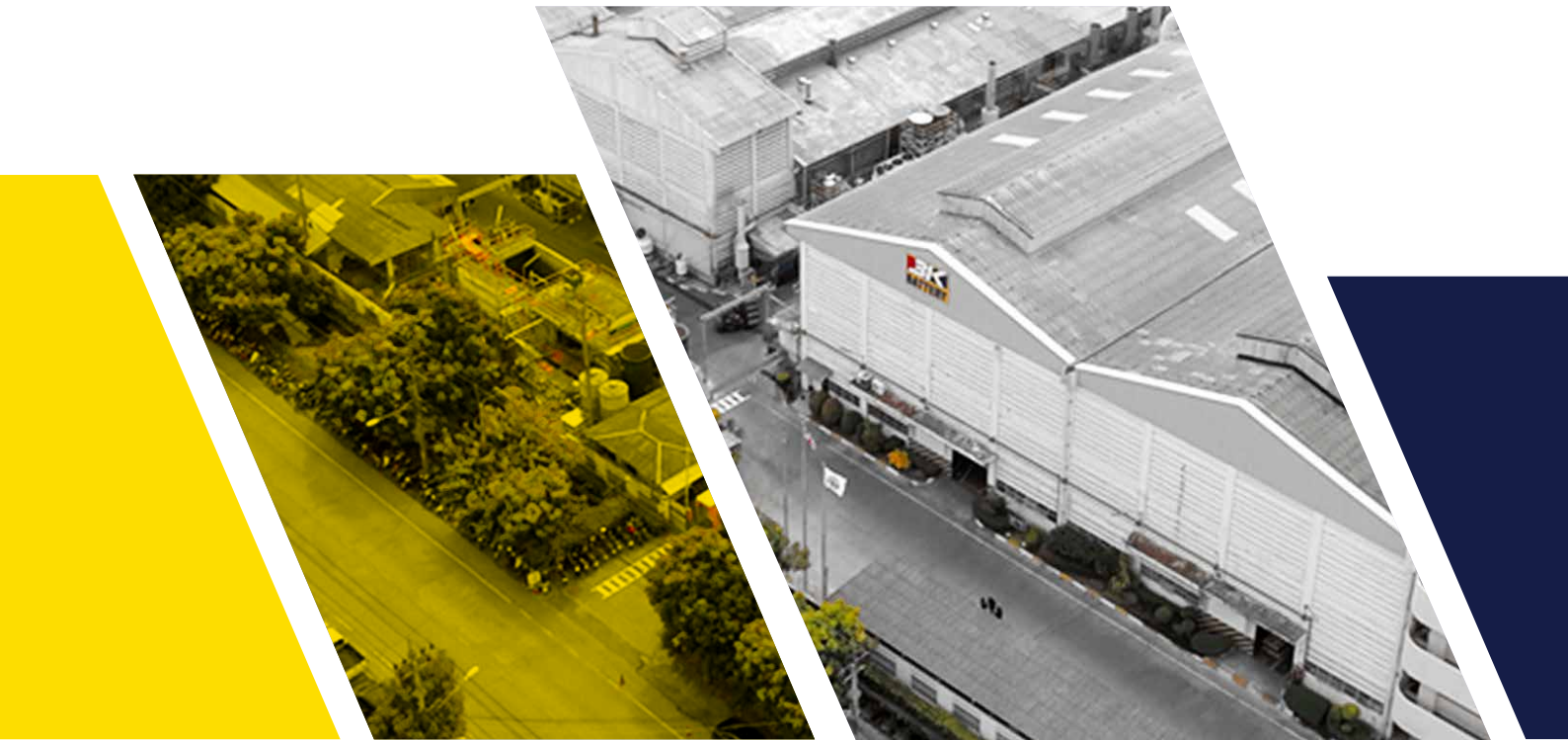




Thai Energy Storage Technology PLC.



FORM 56 - 1 ONE REPORT 2024

Annual Report 2024

“
Energy
Beyond
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Section 1

Business operation and Performance



Message from Chief Executive Officer

In 2024, it can be said that the domestic and international economy has begun to recover more, and various economic activities have returned to normal. For the automobile assembly industry, it has begun to slow down and stagnate which possibly due to increased energy and other costs/inflation rates that occur with the Thai economy, as well as support for increased use of clean energy. However, for the company it has been a very challenging year, and we must maintain and focus on efficiency in managing costs, managing sales strategies and preparing to deal with various situations. The company also attaches importance both inside and outside the company to build cooperation to maintain and growth the business sustainable together.

In 2025, the Company and its subsidiaries will continue to focus on business sustainable. By strengthening the foundation of business operations and working together oneness, along with increasing efficiency in managing capital expenses to be efficient to maintain a high level of profit to aim towards the goal.

On behalf of the executives, I would like to thank you our shareholders, customers and business partners. Financial institutions, employees, and all stakeholders who have always trusted our company. I am confident that our unity and cooperation will drive the company forward. Move forward to achieve the prosperity and better performance you have been aiming for.



Mr. Yoshitaka Nibe
Chief Executive Officer

1. Structure and Operation of the Group

1.1 Policy and Business Overview

Thai Energy Storage Technology Public Company (“3K-BAT” or the “Company”) Limited was established through an amalgamation between Hitachi Chemical Storage Battery (Thailand) Public Company Limited and Hitachi Chemical Gateway Battery (Thailand) Co., Ltd. in October 2020. The Business’s main business is the manufacturing and distribution of automotive and motorcycle batteries, forklift batteries, golf cart batteries, EB batteries, and lighting batteries for customers in the Replacement Equipment Market (REM) by distributing products through over 500 dealers of the Business in all regions in Thailand and more than 3,000 retail stores as well as customers in the domestic and international Original Equipment Market (OEM).

The Company is one of Thailand's major manufacturers and distributors of automotive and motorcycle battery products, which develops its own production technology. Battery production in Thailand is mainly used for automotive and motorcycle, which is the Conventional Type battery.

In order to reduce imports and expand domestic market, the Company has pioneered and developed other types of batteries including batteries for electric forklift (Traction Battery), batteries for golf cart batteries and solar cells power panel (Deep Cycle Battery).

1.1.1 Vision Objective Goal and Company's operating strategy

Mission

Contribute to society through the development of superior technologies and products.

Values: Founding Spirit

“Pioneering Spirit” To work creatively, using novel approaches to enter new areas. To always act as a pioneer within our areas of expertise and to have the passion to pursue higher goals beyond our capabilities.

“Sincerity” To act with a sense of ownership and honesty at all time and never pass the buck. The spirit to meet society’s expectations and generate credibility for company. “Harmony” The willingness to respect the opinions of others and discuss matters in a manner that is thorough and frank, but fair and impartial, and once a conclusion has been reached, to cooperate and work together to achieve a common goal.

Vision

With a pioneering spirit to explore uncharted areas, we develop innovative solutions beyond the boundaries of chemistry, delivering “wonders” that exceed the expectations of customers and society.

1. STRUCTURE AND OPERATION OF THE GROUP

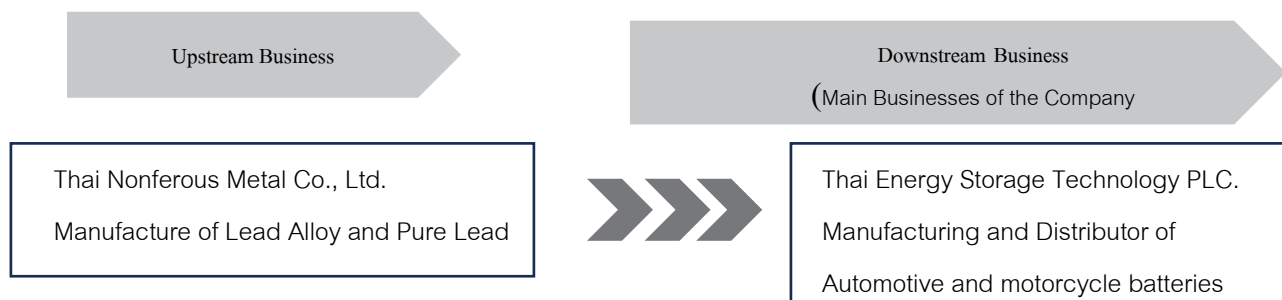
1.1.2 Significant Changes and Developments in the Past Three Years

2020	The Company was created from a merger between Hitachi Chemical Storage Battery (Thailand) Public Co., Ltd. and Hitachi Chemical Gateway (Thailand) Co., Ltd. on 1 October 2020 pursuant to the Public Limited Company Act of B.E. 2535 (1992) and revisions.
2021	<p>8 July 2021 – Sustainable Battery Solutions, Inc., the Buying Offer Preparer, entered into a Share Purchase Agreement (SPA) with Showa Denko Materials Co., Ltd. (the Seller) to purchase the energy storage business.</p> <p>29 November 2021 – Siam Magi Co., Ltd. prepared a certificate (irrevocable) of a Letter of Undertaking (LOU) for the Buying Offer Preparer who will not sell assets of 3K-BAT.</p> <p>14 December 2021 – Thai Energy Storage Technology Public Co., Ltd. (3K-BAT or the Company or the Business) received a copy of the offer to purchase securities of the Business (Form 247-4) from Sustainable Battery Solutions, Inc. (the Buying Offer Preparer or SBS).</p>
2022	<p>27 January 2022 – The Company received a copy of the report on results from purchasing securities of Thai Energy Storage Technology Public Co., Ltd. (Form 256-2) from Sustainable Battery Solutions, Inc.</p> <p>1 April 2022 – The company group changed the company group's accounting cycle from 1 January to 31 December of every year to 1 April to 31 March of the next year, beginning from 31 March 2022.</p> <p>20 October 2022 – Sustainable Battery Solutions, Inc. (SBS) changed its name to Energywith Co., Ltd.</p> <p>29 December 2022 – The Company entered into a revolving loan agreement between 3K-BAT and Energywith Co., Ltd. with a balance of 150 million baht.</p>
2023	Solar cell installation project (Solar roof top) Phase 1, capacity of electricity from solar cells 717.60 kW. This project reduces energy consumption by 25-30 % from normal.
2024	On 28 May 2024 the Board of Directors Received a letter from Energywith Co., Ltd., a major shareholder of the company. Notification of intent to make a tender offer for all securities of the Company to delist the Company's securities from being listed securities on the Stock Exchange at a price of 54.00 baht per share. On that date, the meeting of the Company's Board of Directors resolved to approve the delisting of shares. The Company's ordinary shares are listed on the Stock Exchange of Thailand.

Subsidiaries

Thai Nonferrous Metal Company Limited (“TNC”) holds the total of 2,425,000 shares, equivalent to 97.00%. It is the factory of recycled lead smelting plant by using used batteries with paid excise tax as the raw materials of the production. Most produced leads will be distributed to the Company in order to reduce the impacts of price fluctuation and shortage of raw materials from lead import.

The Company has divided its operation in the Group as follows:



1.1.3 Details of spending fundraising money

In 2021, the Company did not conduct fundraising from the offering of equities or debt securities.

1.1.4 General Information

Company Name	Thai Energy Storage Technology Public Company Limited
Head Office	387, Moo 4, Sukhumvit Rd., Phraek Sa Sub-district, Mueang Samut Prakan District, Samut Prakan Province 10280
Telephone	0-2709-3535
Facsimile	0-2393-2509
Registration	As a Listing company on October 1, 2020
Type of Business	Manufacturing and Distribution of batteries for automobiles and motorcycle
Fiscal Year	1 April – 31 March
Issued and Paid-up Capital	78,400,000 shares at the par value of 10 baht per share
Company registration No.	0107563000312
Homepage	www.3kbattery.com

1.2 Nature of Business Operations

1.2.1 Revenue structure

Detail	For the period of 3 months from 1 Jan 2022 to 31 Mar 2022 ¹		For the year 31 Mar 2022 ²		For the year 31 Mar 2023		For the year 31 Mar 2024	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from domestic sales								
Automotive batteries	550.91	38.46	2,200.20	39.71	2,285.22	43.53	2,478.30	50.26
Motorcycle batteries	20.45	1.43	87.36	1.58	66.24	1.26	57.79	1.17
Other sales	9.07	0.63	34.12	0.62	73.45	1.40	77.54	1.57
Total revenue from domestic sales	580.43	40.52	2,321.68	41.91	2,424.91	46.19	2,613.63	53.00
2. Revenue from international sales								
Automotive batteries	843.68	58.89	3,140.50	56.68	2,795.54	53.26	2,308.07	46.80
Motorcycle batteries	7.76	0.54	78.17	1.41	28.83	0.55	9.70	0.20
Other sales	0.70	0.05	0.00	0.00	0.00	0.00	0.00	0.00
Total revenue from international sales	852.14	59.48	3,218.67	58.09	2,824.37	53.81	2,317.77	47.00
Revenue from domestic and international sales								
Automotive batteries	1,394.59	97.35	5,340.70	96.39	5,080.76	96.79	4,786.37	97.06
Motorcycle batteries	28.21	1.97	165.53	2.99	95.07	1.81	67.49	1.37
Other sales	9.77	0.68	34.12	0.62	73.45	1.40	77.54	1.57
Total revenue from domestic and international sales	1,432.57	100.00	5,540.35	100.00	5,249.28	100.00	4,931.40	100.00

1/ Year 2022 is the first new accounting period that has been changed to ending on 31 March 2022, so it has a period of 3 months from 1 January 2022 to 31 March 2022.

2/It's information for a period 12 months from April 1, 2021 to March 31, 2022 prepared by the management for comparison proposes. Such information has not been reviewed or audited by an auditor in any way.

1.2.2 Characteristics of products

1.2.2.1 Product Types

The Company has batteries suitable for various types of vehicles including Japanese vehicles, European vehicles or America vehicles and for different climate conditions in order to function in hot or cold weather conditions. The Company distributes products domestically under the 3K brand and exports to more than 50 countries on every continent under the 3K, KV, TSB and TIGER brands.

The Company's products are lead-acid batteries which can be classified by usage into 6 product groups as follows:

1. Automotive Battery

1.1 Low Maintenance Battery: is a lead antimony alloy battery. Because of the use of antimony for grid structure, the battery has high rate of water loss during usage. Hence, users need to fill the battery with distilled water regularly.

1.2 Maintenance Free: Battery (MF): is an alloy battery which uses lead, calcium and tin for grid structure. As a result of using calcium and tin components, the battery has low water loss rate. This allows users to use the battery conveniently as they do not need to fill in distilled water during usage (under specified working conditions).

1.3 EFB Battery (Based on Japanese standard: ISS) It is the battery using lead with calcium, tin, and silver in its production of grid frames as the use of calcium, tin, and silver as components causes the battery's function to lose an extremely low level of distilled water. This type of battery has Polyethylene (PE) separator, which increases CCA and prolongs the service life. The battery is designed to have a double lid with CAD / CAM / CAE program which reduces the rate of distilled water loss.



2. Motorcycle Battery

2.1 Low Maintenance Battery

The same applies to low-maintenance automotive batteries, which require regular maintenance by filling distilled water. It is the battery using lead with antimony in the production of grid frames.

2.2 Valve Regulated Lead Acid Battery (VRLA) : is an alloy battery which uses lead, calcium and tin for grid structure. As a result, using calcium and tin components, the battery has low rate of water loss. The battery also has Absorptive Glass Mat (AGM) separator which prevents acid from spilling outside. The battery is designed to have secured pressure plates which increase the battery's lifetime and usage hour.



1. STRUCTURE AND OPERATION OF THE GROUP

3. Forklift Battery

Electric forklift batteries or traction batteries are the battery where the grid requires high lead with antimony. Therefore, the spine grid and tubular positive grids are used for high power and long service life. Forklift batteries help reduce engine emissions and greenhouse gases.



4. Golf Cart and Electric Vehicle Battery and Other Batteries

It is the battery containing high antimony in the production of grids. It has the deep cycle function that can be used with many types of automotive and for other purposes, such as golf cart batteries and electric vehicle batteries, etc.



5. EB Battery

EB battery is the battery with deep cycle function, compatible with the use until the power runs out and rechargeable with long service life. It can be used for multi-purposes.







6. Lighting Battery

It is the small battery that is suitable for multi-purpose use and convenient to carry, e.g. using as a power source for illuminating and catching animals, etc.

The business is one of the major manufacturers and distributors of battery products in Thailand. (for cars and motorcycles), which accounted for 96 percent and 3 percent of total revenue in 2020, respectively. The company operates at four manufacturing plants in Samut Prakan and Chachoengsao provinces.

Trademarks of the Company

The Company's main trademarks can be classified by product type as follow:

	Brand	Product
1		The Company's main trademark covers all types of products of the Company.
2		Including low maintenance and maintenance free automotive battery products
3		Including low maintenance and maintenance free automotive battery products
4		Including low maintenance and maintenance free automotive battery products

The Company's batteries production, research & development have been accredited by the following international standards.

1. JIS-Japanese Industrial Standard
2. DIN - Detutsches Institut Fur Normung
3. SAE - Society of Automotive Engineers
4. IEC (International Electro Technical Commission)
5. OHSAS 18001
6. SNI Indonesia certification

The Company has been certified by the following standards:

No.	Certificate	Detail	Expire date
1	IATF16949:2016	Quality Management for Automotive Industry Standard	2 February 2027
2	ISO 14001:2015	Environmental Management System	23 May 2025
3	ISO 9001:2015	Quality Management System	13 February 2024
4	Green Industry Level 3	Systematic Environmental Management (Green Industry)	17 July 2024
5	PS Mark certification	Quality Management System	4 October 2025

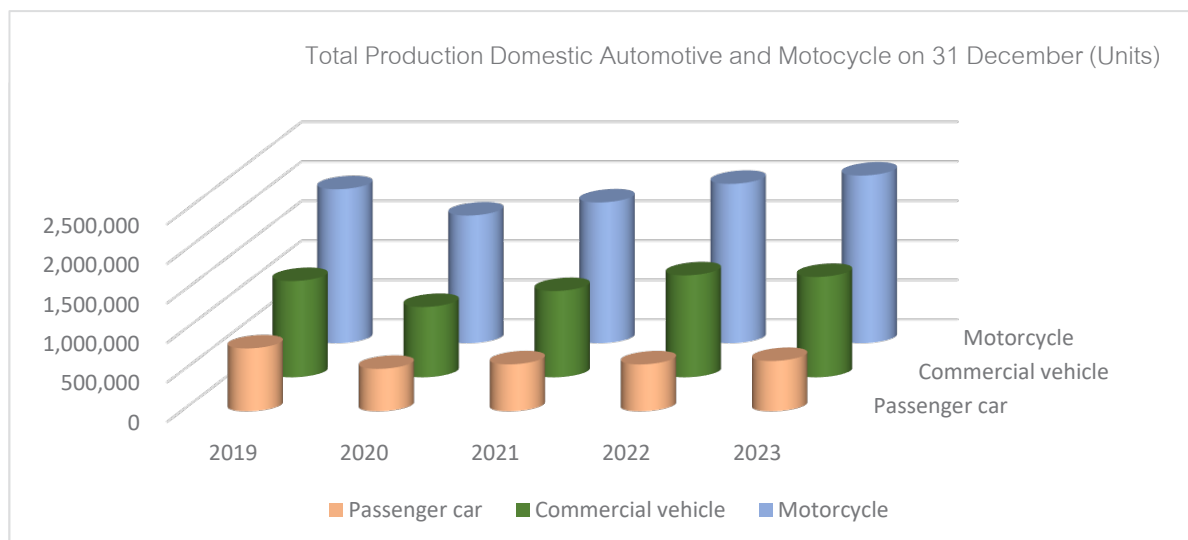
1.2.2.2 Marketing and Competition

Automotive Industry

The overall automotive industry is likely to continue growing as demand recovers and economic activity on the country. Domestic automotive production will recover to the level before COVID-19 crisis (2019) by 2024. However, we still need to monitor risks from expected the export contraction as demand from key trading partners declines most of them are on the passenger car market because it has benefited from the recovery of the labor market in terms of employment and increased income. Meanwhile, sales of commercial vehicles tend to expand more slowly than last year. This is due to having to face pressure from slowing farmer incomes. As for trucks, the number of first registrations (Red license plate) decreased slightly from last year. This is partly since the demand for land transport tends to decrease in line with the export market. although there is still support from construction investment. In addition, cross-border trade and border trade have improved. As for the number of initial registrations (red license plates) of buses, there is a trend of growth. This is in line with the recovering demand in the tourist bus segment. Moreover, there is momentum from the policy of changing from buses to electric buses. As for the motorcycle market production continues to expand slightly export sales slowed down because of European and United States markets. Meanwhile Domestic sales continue to expand from labor income in the service recovering well and farmers' incomes expanded rather slowly. Automotive industry trends in 2024.

EV car market from the data, it can be found that the first 3 brands have market share and the highest growth rate of the first registrations (red license plates) all are brands that just entered the Thai market in 2022 and offer only EV cars. The expected number of first registrations (red license plates) of personal EV car types will not exceed 7 people for 2023 is at 49,500 cars, with 80% being the market share of brands from China. As for EV car production capacity in Thailand, there is a trend of increasing from the continued investment of international automotive companies, especially China, as well as investment promotion policies from the BOI (Source: Analysis by the Economic and Business Research Center Siam Commercial Bank "SCB EIC")

For estimates from the Office of Industrial Economics Production is expected to be approximately 1,900,000 cars, an increase from the same rate as the previous year 2.70%, divided into production for domestic sales approximately 40-45% and production for export approximately 55-60%.

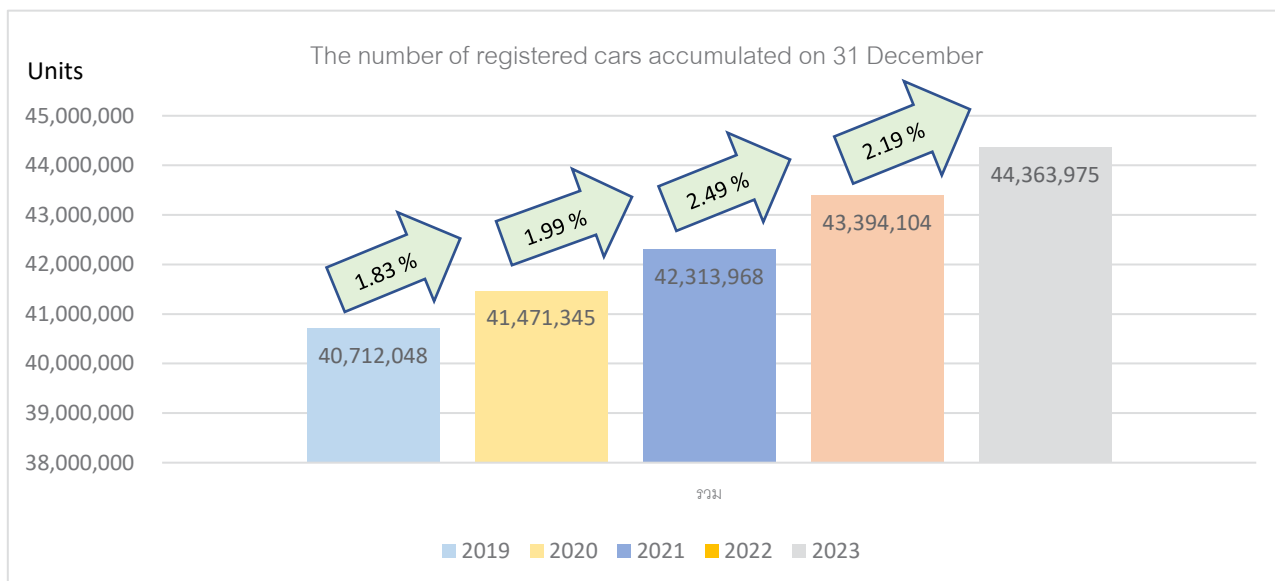


Product	2019	2020	2021	2022	2023	Jan-Mar 2024
Passenger car	796,304	537,633	594,690	594,057	637,164	152,903
Commercial vehicle	1,217,406	889,337	1,091,015	1,289,458	1,269,474	261,220
Motorcycle	1,948,047	1,615,319	1,780,654	2,015,940	2,120,738	533,398

Source: Office of Industrial Economics for 2019 - 2023 and 30 April 2024

Higher numbers of vehicles registered in Thailand, particularly automobiles and motorcycles, indicate higher purchasing power among Thais, which clearly reflects economic recovery. At the same time, the number of registered electric vehicles has risen, particularly in the category of sedans, confirm the effectiveness of the government's policy to encourage use of electric vehicles, which will lead to reductions in carbon dioxide emissions and solve the problem of global warming. For 2023, the Ministry of Industry and automobile industry operators expects the number of electric vehicles in use to increase by more than 50,000 vehicles. Moreover, tax measures aimed at promoting investments in electric cars/motorcycles are considered to be highly effective based on the consideration of Board of Investment. In the meantime, use of vehicles with internal combustion engines requiring the use of lead-acid batteries remains high.

1. STRUCTURE AND OPERATION OF THE GROUP



The number of registered cars accumulated on 31 December	2019	2020	2021	2022	2023
Passenger car more than 7 people	421,575	434,254	439,409	445,862	448,327
Passenger car up to 7 people	9,985,879	10,446,505	10,854,640	11,344,873	11,835,423
Pickup	6,775,668	6,878,050	6,984,420	7,085,910	7,106,524
Motorcycle	21,222,053	21,396,980	21,685,858	22,137,636	22,569,593
Others	991,570	989,579	1,006,919	1,020,852	1,027,169
Vehicle according to the law on land transport	1,315,303	1,325,977	1,342,722	1,358,971	1,376,939
Total	40,712,048	41,471,345	42,313,968	43,394,104	44,363,975

Source: Planning Division, Department of Land Transport for 2019 – 2023 as of 30 April 2024

Industrial Automotive Battery

Status of Manufacturer

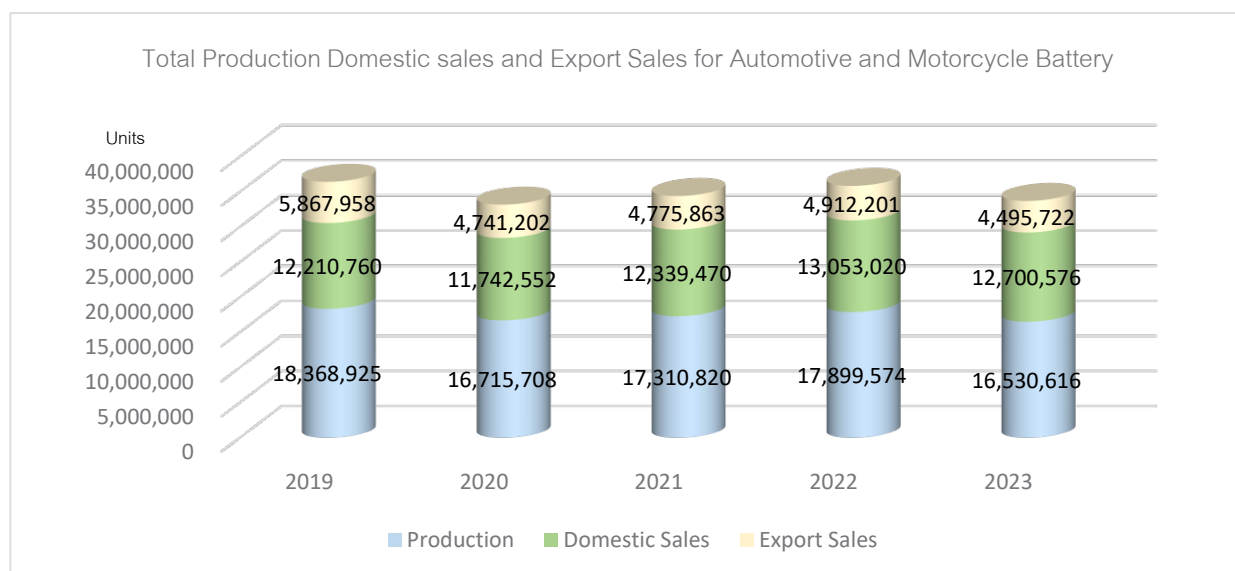
There are five major manufacturers in the Thai battery manufacturing industry:

Manufacturers	Brand
Thai Energy Storage Technology PLC.	3K
Siam GS Battery Company Limited	GS
Furukawa Battery Company Limited	FB
Yuasa Battery Public Company Limited, Thailand	YUASA

1. STRUCTURE AND OPERATION OF THE GROUP

Each battery manufacturer in Thailand is a joint venture between Thai and foreign entrepreneurs, especially Japan. These companies apply production technology that has been conveyed by its parent company in Japan. However, regarding the technology used in production, no matter how far the development is, the main raw material used in battery production remains lead. This is because it has more commercially affordable price than other raw materials, such as lithium, which has the higher price.

Table -Total Production and Domestic Automotive & Motorcycle Battery Sales (Units)



Automotive and Motorcycle Battery	2019	2020	2021	2022	2023	Jan-Mar 2024
Production	18,368,925	16,715,708	17,310,820	17,899,574	16,530,616	4,302,327
Domestic sales	12,210,760	11,742,552	12,339,470	13,053,020	12,700,576	3,162,288
Export Sales	5,867,958	4,741,202	4,775,863	4,912,201	4,495,722	1,141,902

Source: Office of Industrial Economics for 2019 – 31 March 2024 as of 30 April 2024

Domestic Market

The marketing strategies employed by the company include increasing the number of agencies, providing discounts to agencies and establishing new distribution channels, such as car care centers and modern trade service centers, building brand awareness to consumers via advertisements through media, organizing marketing activities and promotion events.

1. Original Equipment Market (OEM): is a stable market with operational standard and clear production target and delivery date. Car assembly plants are the main customers of battery manufacturers because most consumers choose to replace old batteries with the same type and brand of battery that originally came with the vehicle. Most domestic factories are Japanese auto assembly plants. Most of which have trade policies with Japanese companies or are the joint ventures with Japanese companies.
2. Replacement Equipment Market (REM): This market has large product varieties in order to meet the diversified needs of consumers in the market and replace the original batteries that are damaged or deteriorated. Presently, the REM is very competitive in terms of price, quality and product diversification offered from both domestic and overseas manufacturers.

The Company gives primary importance to the REM market, and the strategy employed is cutting costs and increasing production in order to reduce the cost per unit and other costs by employing modern production technology, thus enabling minimization of raw material used while maintaining product quality and efficiency. Regarding the auto assembly plant market, the Company focuses on researching and developing products by collaborating with customers who are automotive manufacturers to ensure the Company's quality products that meet the needs of customers and are suitable for using with automotive manufactured by customers.

Export Market

The production efficiency of the Thai battery manufacturing industry continues to improve due to the implementation of highly efficient technologies and machinery in the production process to increase battery quality and standards in order to be widely accepted in the international arena.

Currently, the Company's proportion of revenue from export accounts for 55% - 59% of the total revenues in 2020 – 2021 and for the period as from 1 January 2022 to 31 March 2022. The company emphasizes on export market because of steady growth of global economy which impose positive impact on the automobile industry. The Company focuses on expanding export market into Asia Pacific, Middle East, Africa and South America.

Pricing Strategy

Most of the operators are using advertisement and promotions, especially rebates, to compete with one another in battery market. The Company has a policy to maintain selling prices of products which are similar or equivalent to other brands. Price adjustment will be determined by the responsible Board of Directors of the Company.

Distribution and Sales Channels

Total income according to the consolidated financial statements

Detail	For the 3-month period from 1 January 2022 to 31 March 2022 ¹		For the year ended 31 March 2022 ²		For the year ended 31 March 2023		For the year ended 31 March 2024	
	Million Bath	%	Million Bath	%	Million Bath	%	Million Bath	%
Domestic Sales	580.43	40.52	2,321.68	41.91	2,424.91	46.19	2,613.63	53.00
International Distribution	852.14	59.48	3,218.67	58.09	2,824.37	53.81	2,317.77	47.00
Total	1,432.57	100.00	5,540.35	100.00	5,249.28	100.00	4,931.40	100.00

1/Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from 1 January 2022 to 31 March 2022

2/ It is information for a period of 12 months from April 1, 2021 - March 31, 2022 prepared by the management for comparison purposes. Such information has not been reviewed or audited by any auditor.

The Company sells its products to both domestic and overseas markets. Domestic sales accounted for approximately 40-53 percent of the total revenue. Regarding this, 97-99 percent are automobile batteries and 1-3 percent are other sales.

The company are also distributing products directly and through more than 500 retail stores and distributing agents. Regarding this, the company has a policy to increase more distributing agents by turning our major customers to become our agents. This strategy will stimulate the Company's sales further.

The Company's export constitutes approximately 47-59 percent of the total sales. Regarding this, 99 percent are automobile batteries. The Company is selling products through distribution agents to more than 50 countries around the world in Indochina region, East Asia, Southeast Asia, South Asia, South America, Middle East and Africa. Furthermore, the Company plans to stimulate its sales through increasing number of distributing agents in both domestic and overseas markets. In addition, the Company also has a policy to penetrate the U.S., Japan and Europe markets with its new products including Maintenance Free Battery and Traction Battery which are popular in those countries.

The company focuses on the export market because to reduce the impact of the aggressive price competition in the domestic market. Accordingly, the company's exports account for approximately 47-59 percent of the company's sales revenue. At present, the company exports products to over 50 countries in Indo-China, East Asia, South-East Asia, South Asia, South America, Middle East, and Africa.

1. STRUCTURE AND OPERATION OF THE GROUP

1.2.2.3 Provision of Product or Service

Company's Production Capacity

Capacity utilization rate (Utilization Rate) for 2019 to 2024

Production capacity and Production volume	2019	2020	2021	Apr 2021 - Mar 2022	Apr 2022 - Mar 2023	Apr 2023 - Mar 2024
Production capacity						
Automotive battery (Unit: batteries)	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Motorcycle batteries (Unit: batteries)	1,800,000	1,800,000	1,800,000	1,800,000	300,000	240,000
Forklift battery (Unit: set)	4,800	9,600	9,600	9,600	9,600	9,600
Actual Production Volume (per year)						
Automotive battery (Unit: batteries)	2,432,000	2,349,000	2,811,000	2,852,000	2,432,000	2,403,000
Motorcycle batteries (Unit: batteries)	429,000	421,000	374,000	311,000	166,000	73,000
Forklift battery (Unit: set)	7,200	6,924	8,592	9,072	8,052	6,580
Capacity utilization rate (%)						
Automotive battery	42.67%	41.21%	49.32%	50.04%	42.67%	42.16%
Motorcycle batteries	23.83%	23.39%	20.78%	103.67%	55.33%	30.42%
Forklift battery	75.00%	72.13%	89.50%	94.50%	83.88%	68.54%

Details of Factory & Location

The Company manufactures batteries under production lines in 4 factories, including the Battery Factory at Soi Phatthana 4, Battery Factory at Gateway City Industrial Estate, Battery Shell & Cover Lid Factory at Soi Phatthana 5, and Recycled Lead Smelting Factory.

1) Battery Factory at Soi Phatthana 3

The factory is located at No. 387, Moo 4, Bangpoo Industrial Estate, Sukhumvit Road. Praeksa Sub-district, Mueang District, Samut Prakan Province. It is the factory for producing automotive and motorcycle batteries and other batteries. The factory consisted of the lead powder production line used for producing plates, the battery element plate production line, the element plate charging line, and various types of battery assembly line.

2) Battery Factory at Gateway City Industrial Estate

The factory is located at No. 260, Moo 7, Gateway City Industrial Estate, Hua Samrong Sub-district, Plaeng Yao District, Chachoengsao Province. It is the factory for producing automotive.

3) Battery Shell & Cover Lid Factory at Soi Phatthana 5

The factory is located at No. 298, Moo 4, Bangpoo Industrial Estate, Sukhumvit Road, Praeksa Sub-district, Mueang District, Samut Prakan Province. It is the factory for producing battery shells and cover lids.

4) Recycled Lead Smelting Factory at Gateway City Industrial Estate

The factory is located at No. 192, Moo 7, Gateway City Industrial Estate, Sattahip-Khao Hin Son Road, Soi Gateway City Industrial Estate 10, Hua Samrong Sub-district, Plaeng Yao District, Chachoengsao Province. It is the recycled lead smelting factory of Thai Nonferrous Metal Company Limited. Batteries that have been used and paid for excise duty are used as raw materials in production. Most of the produced lead is sold to the Company.

Source of Raw Materials

Significant Purchase Value of Raw Materials

Unit: Million Baht

Detail	For the 3-month period from 1 January 2022 to 31 March 2022 ¹		For the year ended 31 March 2022 ²		For the year ended 31 March 2023		For the year ended 31 March 2024	
Domestic purchase value of raw materials								
Pure lead	415.28	40.18%	1,503.64	38.00%	1,241.11	36.74%	1,535.18	44.87%
Lead with antimony & calcium	314.79	30.46%	1,238.12	31.29%	1,108.42	32.81%	998.73	29.18%
Battery container	61.89	5.99%	64.38	1.63%	161.36	4.78%	168.45	4.92%
Battery separator	56.53	5.47%	232.25	5.87%	190.11	5.63%	174.78	5.11%
Others	48.83	4.72%	153.53	3.88%	167.60	4.96%	171.23	5.00%
Total Domestic purchase value	897.32	86.82%	3,191.92	80.67%	2,868.60	84.92%	3,048.37	89.08%
International purchase value of raw materials								
Pure lead	47.43	4.59%	222.32	5.62%	192.26	5.69%	19.33	0.56%
Lead with antimony & calcium	71.09	6.88%	274.89	6.95%	216.04	6.40%	268.19	7.84%
Battery container	0.54	0.05%	172.75	4.37%	30.85	0.91%	24.55	0.72%
Battery separator	13.03	1.26%	50.18	1.27%	47.03	1.39%	44.12	1.29%
Others	4.10	0.40%	44.84	1.13%	23.16	0.69%	17.58	0.51%
Total International purchase value	136.19	13.18%	764.98	19.33%	509.34	15.08%	373.77	10.92%

1. STRUCTURE AND OPERATION OF THE GROUP

Detail	For the 3-month period from 1 January 2022 to 31 March 2022 ¹		For the year ended 31 March 2022 ²		For the year ended 31 March 2023		For the year ended 31 March 2024	
Total purchase value of important raw materials								
Pure lead	462.71	44.77%	1,725.96	43.62%	1,433.37	42.43%	1,554.51	45.43%
Lead with antimony & calcium	385.88	37.34%	1,513.01	38.24%	1,324.46	39.21%	1,266.92	37.02%
Battery container	62.43	6.04%	237.13	5.99%	192.21	5.69%	193.00	5.64%
Battery separator	69.56	6.73%	282.43	7.14%	237.14	7.02%	218.90	6.40%
Others	52.93	5.12%	198.37	5.01%	190.76	5.65%	188.81	5.52%
Total value of purchase of important raw materials	1,033.51	100.00%	3,956.90	100.00%	3,377.94	100.00%	3,422.14	100.00%

1/Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from 1 January 2022, to 31 March 2022

2/ It is information for a period of 12 months from April 1, 2021 - March 31, 2022 prepared by the management for comparison purposes. Such information has not been reviewed or audited by any auditor.

Almost all raw materials of the Company are purchased from domestic manufacturers, unless lead bars that are ordered directly from both domestic and international manufacturers. Regarding the domestic and international lead purchase orders, the ratio is about 89:11. There are 3 types of lead imported from foreign countries, including 99.99% pure lead, lead with antimony, and lead with calcium, which are imported from China, Canada, Australia, and Korea. However, to substitute for the import of lead, the Company has invested in a subsidiary, namely TNC, which is the mixed lead smelting factory.

Policy on Raw Material Purchase

The Company has the policy to purchase each type of main raw materials as follows:

Lead

Lead is the main raw material in the production of all types of batteries, accounting for more than 70% of the production cost. There are 3 types of lead as follows:

- Pure Lead is the main raw material for producing plates, which is the main component in the production of all types of batteries.

- Lead with antimony is the main raw material for producing grid frame in the production of low maintenance batteries. In addition, lead with antimony is also the component of other raw materials in the production of batteries, such as cut-out.
- Lead with calcium are the main raw materials for producing grid frame in the production of maintenance free batteries because it has the lower rate of water loss than the battery containing lead with antimony.

The Company purchases lead, including pure lead, lead with antimony, and lead with calcium, from domestic and international sources. It is purchased in the form of lead bars, which are based on the commodity price of the London Metal Exchange. However, the Company has its own production of some lead for using in the production of batteries through Thai Nonferrous Metal Company Limited, the subsidiary of the Company, in order to reduce the impact of price fluctuation and raw material shortage from lead imports. The lead produced consists of pure lead and lead with antimony

The Company has the policy to purchase lead in the long term by entering into a contract with each supplier to prepare the sufficient quantity of lead to cover the quantity required for the production in each year according to the Company's production plan. The term of such contract is approximately 6 - 12 months in order to reduce the risk of main raw material shortage.

The shipment of lead takes an average of 30 days from domestic suppliers and about 45 days from international suppliers. The Company purchases lead on a monthly basis and has the policy of storing raw materials for up to 30 days and must always provide sufficient reserves.

Separator

The separator serves as an insulator to separate the positive and negative plates and prevent short circuit. It is one of the important raw materials in battery production, accounting for approximately 7 percent of the cost of production. The separator has the main component which can be classified into 2 types, rubber separator and fiber glass paper separator, depending on the type and model of the battery. The separator of each type of battery has different height and shape according to each product model.

The Company purchases the separator from both domestic and international suppliers. Most purchase orders are from domestic suppliers. Only some types of separator must be imported from foreign manufacturers. The Company purchases the separator on a monthly basis and considers and reviews the prices every year, The price of the separator has not changed much over the years.

Container

Battery shell is also the important raw materials used as packing shell, accounting for approximately 5% of the cost of production. The main components are made of plastic with different shapes, depending on the usage of each type of battery.

The Company produces plastic shells for the partial production of batteries and purchases from some external suppliers, which are the models that the Company is unable to produce on its own or when the demand for the shell exceeds the Company's production capacity. However, the price of the shell changes according to the market mechanism and the fluctuation of the price of plastic pellets, which is the main raw material. The Company purchases shells from domestic manufacturers on a monthly basis so there is no large quantity of raw material inventory.

Acid Water

Acid water is a solution that reacts chemically with plates (Electrolyte) to generate energy. The Company purchases acid water from domestic distributors only. It is purchased from approximately 3 distributors on a monthly basis. The purchased acid water has the specification required by the Company. The Company reviews the price every year. The price of acid water has not changed much over the years.

Technological Changes in Raw Material Usage and Problems of Raw Material

Since the Company is currently the battery manufacturer with the top capacity of the country and its executives focus on good relationships between the Company and the raw material distributors in order to obtain mutual benefits and grow together continuously, the Company has no shortage of raw materials. Regarding the prices in the previous year, there was some fluctuation. To prevent the risk from purchasing lead raw materials from foreign countries, the Company has entered into a contract of advance purchase and delivery of raw materials contract with international distributors each year.

Effects of Technological Changes in Raw Material Usage and Problems of Raw Material

Regarding the production technology, the Company has established a research and development team who is responsible for researching the appropriateness of technologies available in foreign countries in order to apply them to the Company's production. Currently, lead raw materials are still the most suitable raw materials for battery production. The Company has a large number of domestic and international raw material suppliers. Therefore, there is no problem regarding raw material shortage.

Production Technology

Currently, the Company has the most advanced battery manufacturing machinery in Southeast Asia. The technology used in the production of the Company has been partially developed on its own and jointly developed with other foreign countries. In addition, the Company has its own research and development center to improve battery quality.

Production technological changes are relatively slow because the battery manufacturing industry still relies on lead which is the main raw material for the production. However, if there is any change in production technology, the Company is able to adapt its machineries to the changing technologies by spending less time and cost because the Company has the section that can create and modify machineries on its own.

Brief Battery Production Process

1. Grid Casting

The process of grid casting is prepared to be pasted with plates for further production of battery cells. The lead grid is made from two main raw materials, which are lead with antimony and lead with calcium.

2. Lead Powder Making

The process is to melt lead bars and transform them into smaller sizes before processing them into lead powder for using as the main raw material in the production of plates.

3. Plate Mixing

Mixing pure lead powder with chemicals, acid water, and distilled water to obtain the density in accordance with the Company's formulations for further pasting with plates

4. Pasting

Plates are pasted on the grid frame to produce the battery plate before going through the heat tunnel to dry the plate surface, which will be ready for further production process.

5. Hardening

The process is to bring the pasted plates to the humidity and heat control cabinet so that the grid structure and the plates are fully coalesced.

In the case of the production of maintenance free batteries, the hardened plates can be assembled into a ready-to-charge battery and can be used immediately, while the production of low maintenance batteries requires additional processes for charging and drying plates before assembling into a ready-to-charge battery.

Factors that will lead to the success of the battery industry.

- Quality products
- Continuous quality improvement.
- Good after-sales service
- Qualified personnel
- Ability to adapt products to meet customer needs

Threats to conducting business

1. Due to the battery industry, the raw material used is lead, which, if it enters the body in excess amounts, it poses a potential health hazard. If released into the environment without the controls that are good enough Will cause pollution and toxic problems, so there are government agencies to monitor several departments such as the Department of Industrial Works, Ministry of Industry Pollution Control Division Ministry of Natural Resources and Environment, Excise Department, Ministry of Finance and others, which the Company

1. STRUCTURE AND OPERATION OF THE GROUP

must comply with the standards set by those agencies such as waste emissions. For toxic and dangerous objects will have an impact on the product cost planning of the Company

2. The Original Equipment Market (OEM) battery market has relatively low profits, but it is important to have a continuing effect on the replacement market as consumers tend to replace the batteries according to the original trademark attached with the car. Therefore, it is an obstacle to expand the Company's profitability in this market.

3. There is a lack of labor in the country and there is a ton of capital that is rapidly rising production process that requires a lot of labor, it is necessary to develop replacement machines.

4. Concerning the problem on the rapid increase in shipping costs, the rise in freight prices is caused by two main reasons: the unbalanced transportation problem between the transport of goods from China to Europe & the US, and from Europe and the US back to China, which has caused many backlog problems in Europe and the US. When the number of containers decrease, this caused a shortage of containers, the price level consequently increased. The second reason is the cartel-like consolidation of shipping lines, causing the price level to become monopolized. This allows businesses to set higher prices and collect additional extra costs such as port congestion surcharge, green fuel surcharge, maintenance costs. For example, shipping costs from Thailand to Asian countries by ship under normal conditions which were around \$180-250 per container, were in the \$600-800 range during the COVID-19 pandemic.

Opportunity

Under the ASEAN Free Trade Area, foreign car manufacturers are more interested in investing in Thailand in order to use Thailand as an export source in Southeast Asia. Therefore, the domestic automotive industry is likely to expand in the future, as a result, the battery market will grow accordingly.

Environmental impact

Company's factory located in Bangpoo Industrial Estate which is in the control of the Industrial Estate Authority of Thailand (IEAT) and the Department of Industrial Works (GPA). In the past, the Company has complied with the requirements and regulations strictly and there is no record of any environmental offenses. Within the factory, there are environmental controls and management as follows.

Pollution

Lead-acid battery manufacturing process, most of the air pollution that occurs are as follows:

1) Dust and lead dust. Its main origin is from the manufacturing process, such as the plastering process of elemental plates. Arrange the plates and assembly of batteries, etc. In the factory to control such pollution. By installing a dust collector system for dust and lead dust (Dust Collector System) type bag filter (Bag Filter) which measures the air pollution from the vent and air pollution in the work area twice a year and submit the environmental measurement report as required by law.

2) Acid vapor is from the formation process of the plates within the factory to control such pollution. By installing a system to trap acid vapor with water droplets or scrubbers (Wet Collector or Scrubbers), which measure the air pollution from the chimney and air pollution around the work area twice a year and submit the environmental measurement report as required by law.

3) Wastewater

Wastewater discharged from the production process. It is wastewater resulting from the washing of batteries and other components that contains the main constituents of lead and sulfuric acid, the resulting wastewater has a low pH of approximately 1.0 and will flow into the side pond in the factory. There is a using a sewage pumping system treated with lime to adjust the conductivity, PH of the wastewater by using a bucket stirring with a blade to mix the wastewater to adjust the value to meet the standards of the industrial estate and let the lime precipitate and release bile flows into the central wastewater treatment system of Bangpoo Industrial Estate As for the lime, the press will be used to produce sheets and be sent for lime treatment as required by law. The clear water that has been treated by the Company will flow into the central wastewater treatment system of Bangpoo Industrial Estate to treat the wastewater again which the Company's effluent sent to meet the standards set by the Industrial Estate Authority of Thailand is the PH value in the range 5.5 - 9.0, the total suspended solids in water ≤ 50 , the temperature value ≤ 40 °C, the BOD value ≤ 20 . Mg / l, COD value ≤ 120 mg / l and dissolved lead value ≤ 0.2 mg /l.

From the measures that the Company with the environmental management as mentioned above, the company does not have any problems with government agencies that control about the aforementioned matters and no complaints from pollution from surrounding communities In addition, the Company has policy to promote environmental quality together with the Industrial Estate Authority of Thailand Bangpoo Industrial Estate And Department of Industrial Works of Thailand every year. Both projects promoting the participation of the people in supervising the factory, Industrial Estate Enhancement Project To an eco-industrial city Industrial factory project with potential implementation of the CSR -DIW standard, White factory projects and Green plant projects, etc.

In addition, the Company places great importance on the annual general health check and blood lead content of employees at least once a year to ensure that all employees are in good health. The past health examination results of employees are in the medical standard every year.

1.2.2.4 Assets for business operation

Assets of the Company as of 31 March 2024, details of important assets are as follows:

A. Land as of 31 March 2024, the Company has land for the location of factory buildings and offices in a total area of approximately 99 rai, with a book value of 299.28 million baht.

1. STRUCTURE AND OPERATION OF THE GROUP

No.	Type	Ownership	Rai	Ngan	square wah.	Book Value (million baht)	Obligation
1.	Land title deeds No. 45373, 46645, 45374 and 46646 are the location of the factory 1 and 2, No. 387 Moo 4, Bang Pu Industrial Estate, Sukhumvit Road, Phraeksa Subdistrict, Mueang District, Samut Prakan Province.	The Company	13	1	45.7	73.26	no obligation
2.	Land title deed no. 37848, located at the factory 3 and 4, No. 298 Moo 4, Bang Pu Industrial Estate, Soi 5, Sukhumvit Road, Praksa Subdistrict, Mueang District, Samut Prakan Province.	The Company	7	2	8.0	27.66	no obligation
3.	Land title deeds no. 45371, 45372, 46643 and 46644, located at 389-390 Moo 4, Bangpoo Industrial Estate, Sukhumvit Rd. Phraeksa Subdistrict, Mueang District, Samut Prakan Province	The Company	16	3	57.6	79.36	no obligation
4.	Land improvement, Soi 7 No. 37888, 37889, 37890, 45315 Bangpoo Industrial Estate, Sukhumvit Rd. Phraeksa Subdistrict, Mueang District, Samut Prakan Province	The Company		-		4.43	no obligation
5.	The land title deed no. 3244, 3245, 3246 is the factory location at 192 Moo 7 Gateway City Industrial Estate Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province	TNC	30	1	7.0	48.43	no obligation
6.	The land title deed no. 3546 and 3547 is the location of the office building and factory No. 260, Gateway City 3 Industrial Estate. Sai Sattahip-Khao Hin Son Rd. (Thor Lor. 331) Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province	The Company	31	3	18.8	66.14	no obligation
	Total		99	3	37.1	299.28	

B. Buildings and structures Total value as of March 31, 2024,





(Unit: Million Baht)	3K-BAT	TNC	Total
Asset cost	813.64	149.34	962.98
<u>Less</u> accumulated depreciation	(553.97)	(85.10)	(639.07)
<u>Less</u> allowance for impairment	(0.06)	-	(0.06)
Book Value - net	259.61	64.24	323.85

C. Machinery and equipment Total value as of March 31, 2024,

(Unit: Million Baht)	3K-BAT	TNC	Total
Asset cost	3,131.00	371.21	3,502.21
<u>Less</u> accumulated depreciation	(2,477.32)	(143.54)	(2,620.86)
<u>Less</u> allowance for impairment	(262.36)	(0.03)	(262.39)
Book Value - net	391.32	227.64	618.96

Intangible Assets

The Company's main trademarks can be classified by product type as follow:

	Brand	Registration Number	Product	Expiration Date	Registrar
1		221100167	Battery	June 2029	The Company
2		190120824	Battery	June 2029	The Company
3		221100178	Battery	June 2029	The Company
4		211104619	Battery	June 2029	The Company

The Company has registered patents which can be summarized as follows:

-None-

1. STRUCTURE AND OPERATION OF THE GROUP

The company has an insurance contract building and various assets with Sompoo Insurance (Thailand) Public Company Limited and ACE INA Overseas Insurance Company Limited with the following contents:

	Insurance Company	Policy	Insured property	Insurance period end date	Insured amount
1	Sompoo Insurance Company (Thailand) Public Company Limited	Industrial All Risks & Business Interruption Insurance	Buildings around the factory, Building 1-7 at No. 387, 389, 390, 298, 298/1 Moo 4, Soi Phatthana 3 Bangpoo Industrial Estate Sukhumvit Road, Phraeksa Subdistrict Muang District, Samut Prakan Province Buildings in the warehouse area at 470/2 Village No. 5 Soi Khlong Asia Phraeksa Road, Phraeksa Mai Subdistrict Muang District, Samut Prakan Province Buildings in the warehouse area at 88/77-78, 91-92 Moo 23 Soi Land Thai Bang Phli Yai Subdistrict, Mueang District Samut Prakan Province mold deposited at Srithai Superware at No. 610 Moo 4 Soi 8 Bangpoo Industrial Estate Phraeksa Subdistrict, Mueang District Samut Prakan Province mold deposited at Thai Sincere Plastic Company Limited at	27 April 2025	4,282 Million Baht

	Insurance Company	Policy	Insured property	Insurance period end date	Insured amount
			No. 807 Village No. 9 Hua Samrong Subdistrict Plaeng Yao District, Chachoengsao Province		
2	Sompo Insurance Company (Thailand) Public Company Limited	Insurance to protect natural gas sites	Buildings around the factory, Building 1-2, 5-7 at 387 Moo 4 Soi Phatthana 3 Bangpoo Industrial Estate Sukhumvit Road, Phraeksa Subdistrict Muang District, Samut Prakan Province	28 December 2024	1 Million Baht
3	Sompo Insurance Company (Thailand) Public Company Limited	Product liability insurance (battery)	liability protection For products (batteries) only in Thailand	1 October 2024	100 Million JP Yen
4	Dhipaya Insurance Public Company Limited	Insurance protection billboard (Neon Sign Insurance)	Neon Sign Insurance Total 170 places	14 June 2024	22 Million Baht
5	Sompo Insurance Company (Thailand) Public Company Limited	Industrial All Risks Insurance	Buildings around the factory building at 260 Village No. 7, Gateway City Industrial Estate, Hua Samrong Subdistrict Plaeng Yao District Chachoengsao Province	27 April 2024	1,224 Million Baht
6	Sompo Insurance Company (Thailand) Public Company Limited	Insurance to protect natural gas sites	Damage or loss to life and property of GWF is located at 260. Village No. 7 Industrial Nick Gateway City, Hua Samrong Subdistrict Plaeng Yao District, Chachoengsao Province	12 October 2024	1.5 million Baht

1. STRUCTURE AND OPERATION OF THE GROUP

	Insurance Company	Policy	Insured property	Insurance period end date	Insured amount
7	Sompo Insurance Company (Thailand) Public Company Limited	Insurance to protect natural gas sites	Damage or loss to life and property of TNC located at 192 Moo 7. Hua Samrong Subdistrict, Plaeng Yao District Chachoengsao Province 24190	16 March 2025	1.5 Million Baht
8	Sompo Insurance Company (Thailand) Public Company Limited	Fire Protection Insurance and business interruption insurance	Damage or loss to life, property and business interruption of TNC located at 192 Moo 7. Hua Samrong Subdistrict, Plaeng Yao District Chachoengsao Province 24190	16 March 2025	864 Million Baht
9	ACE INA Overseas Insurance Company Limited	Insurance to protect the liability of directors and officers	Liability of directors and officers of the company, No. 387 Moo 4, Soi Phatthana 3 Bangpoo Industrial Estate Sukhumvit Road, Phraeksa Subdistrict Muang District, Samut Prakan Province	1 October 2024	150 Million Baht
10	Sompo Insurance Company (Thailand) Public Company Limited	Product recall insurance (battery)	Covers costs for product recalls (batteries) only in Thailand.	1 October 2024	50 Million JP Yen

1. STRUCTURE AND OPERATION OF THE GROUP

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

Investments in subsidiaries

The Company has investments in subsidiaries as of March 31, 2024 as follows:

Company's name	Nature of business	Paid-up capital (Million Baht)	Percentage of shareholding	Cost (Million Baht)
Thai Nonferrous Metal Company Limited	Manufacturer of lead alloy and pure lead	250.00	97.00%	229.63
3K Products Company Limited*	Local distribution agency of batteries	0.00	100.00%	0.28
Power Plas Company Limited*	Manufacturer and distribution of plastic casing for batteries	65.00	100.00%	72.24
Total				302.15
Less: Allowance for impairment				(9.75)
Net investment in subsidiaries				292.40

The Company accepted the entire business transfer from Power Plas Co., Ltd. and 3K Product Co., Ltd., both of which the Company held 100.00% shares on April 1, 2019. Both companies are in the process of liquidation.

On 28 November 2022, the liquidator of 3K Products Co., Ltd. approved the partial return of assets to shareholders. The Company received the return of 60 million baht on 23 December 2022. The Company recorded reductions in investments in subsidiaries by 7.7 million baht and the Company recorded the remaining portion as shares of profits from investments in profits and losses in the amount of 52.3 million baht.

Supervision of Operations of Subsidiaries and Associated companies

The Company has the policy on investment and governance in subsidiaries and associated companies by investing in businesses that are relevant or beneficial to the Company's main businesses. They must be potential businesses that can generate long-term profits for the Company. The Company will closely supervise and monitor operations to maintain the Company's interest in investment continuously and sustainably as well as create added value and confidence among all stakeholders. The guidelines are as follows:

1. STRUCTURE AND OPERATION OF THE GROUP

1. The Company shall send the persons approved by the Board of Directors' Meeting to be the directors and executives in subsidiaries and associated companies in order to supervise and establish management policies as if they are a section of the Company. Such person must have appropriate qualifications and experience in managing affairs of the subsidiaries and associated companies. In addition, the number of persons who will be a director in such subsidiaries and associated companies must be in accordance with the Company's shareholding proportion and/or mutual agreement in the case of the associated company.

2. The Company will closely monitor the operating results and performances of its subsidiaries and associated companies to ensure that they meet the Company's goals as well as supervise the storage of data and accounting records of subsidiaries and associated companies for audit.

3. Subsidiaries and associated companies must report their business plans, investment projects, and joint ventures with other entrepreneurs to the Company. In addition, subsidiaries and associated companies must submit information or documents relating to operations to the Company upon request as appropriate.

1.3.2 Persons who may have conflicts hold shares in subsidiaries or associated companies altogether more than 10 percent of the voting shares of the Company shall specify the reason(s)

- None-

1.3.3 Relationship with business group of major shareholder

The Company is affiliated with Energywith Co., Ltd., which provides significant strategic support for the Company such as support for pricing strategies, seeking new markets for electric forklift batteries and providing sources of low-cost funding for the Company, etc.

1.3.4 Shareholders

List of the top 10 shareholders and the number of shares and the shareholding proportion as at

29 June 2023

No.	Name	nationality	Number of Shares	Percentage of total issued shares	Percentage of total voting rights
1	Energywith Co., Ltd.	Japan	40,757,484	51.99%	51.99%
2	Siam Magi Company Limited*	Thai	36,123,223	46.07%	46.07%
3	Ramkhamhaeng Hospital Public Company Limited	Thai	212,490	0.27%	0.27%
4	Mr. Somchart Pongpanakrai	Thai	90,662	0.12%	0.12%
5	Mr. Jane Vipavapanich	Thai	81,454	0.10%	0.10%
6	Mr. Jamnong Watanagase	Thai	70,830	0.09%	0.09%
7	Mrs. Fang Xie	Singapore	70,830	0.09%	0.09%
8	Mrs.Jutharat chanratsamee	Thai	53,122	0.07%	0.07%
9	Mr. Vichai Ashawakulthep	Thai	52,000	0.07%	0.07%
10	Thai NVDR Company Limited**	Thai	46,259	0.06%	0.00%
Total of top 10 shareholders			77,558,354	98.93%	
			78,400,000		

Source: Information from the company Thailand Securities Depository Co., Ltd.

* Siam Maki Company Limited is a subsidiary majority owned by Energywith Co., Ltd.

** Shareholders in the company Thai NVDR Company Limited, which holds warrants for benefits arising from Thai underlying securities (NVDR) will not have the right to vote at the shareholder meeting. Unless they vote to delist their shares from the Stock Exchange.

Major Shareholders' Agreement

The Company had no shareholder agreement between major shareholders in the matter affecting the issuance and offering of securities or the management of the Company.

1. STRUCTURE AND OPERATION OF THE GROUP

1.4 Paid up capital of the Company

As of December 31, 2020, the Company had registered capital and had paid up capital in the amount of 784,000,000 Baht consisting of common stock 78,400,000 shares at the par value of 10.00 Baht

1.5 Other issued security

The Company does not have any other types of shares. Other than just one type of common stock

1.6 Policy on Dividend Payment

The Company has the policy on dividend payment to shareholders at the rate of "not exceeding 50 % of the net profit of the separate financial statements (with additional conditions)". However, the Company's dividend payment shall be subject to Section 115 of the Public Limited Companies Act B.E. 2535 (1992).

Regarding the policy requiring subsidiaries to pay dividends to the Company, the Company will use the proportion of annual net profit of each company to compare with the amount of dividends to be paid to shareholders by the Company as a guideline.

Historical Dividend Comparison Table

Details of dividend payment	1 January 2022 - 31 March 2022	1 April 2022 - 31 March 2023	(proposed year) 1 April 2023 - 31 March 2024
Net profit according to separate financial statements (Baht)	38,862,094	124,309,613	130,531,653
Net profit after legal reserve (Baht)	36,918,989	104,374,720	124,005,070
Dividend paid per share (Baht)	0.06	0.25	0.25
Amount of dividend payment (Baht)	4,704,000	19,600,000	19,600,000
Dividend payout ratio compared to net profit after legal reserve	12.74%	18.78%	15.81%

Thai Energy Storage Technology Public Company Limited has established a risk management policy throughout the organization. Risk assessment to manage risks to an acceptable level by communicating to employees to realize the importance of risk management of the Company. There is a risk management policy as follows:

1. OBJECTIVE

To put in place an effective risk management processes, including appropriate procedures that help identify, monitor and control risk exposures to our business strategies and objectives.

2. RISK DEFINITION

- 1) A potential future event that might occur and may influence the achievement of business objectives.
- 2) That includes also the risk of missing a Business Opportunity.
- 3) Determined by impact and likelihood of the event.

3. RISK CATEGORY

1) Strategic Risk

The risk that can arise as a result of ineffective or inadequate business strategy decisions in relation to competitors, the market and consumers including the risk of inefficient and/or ineffective allocation of capital resource as part of strategy.

2) Financial Risk

The risk that a company will not have adequate cash flow to meet financial obligations which may arise from exchange rate, interest rate or liquidity.

3) Compliance Risk

The risk of a breach or violations to contract with Business Partners or applicable laws and regulations.

4) Operational Risk

The risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events e.g., natural disasters.

4. ROLES AND RESPONSIBILITIES

- 1) The Board of Director has responsibility for creating and oversight the environment structures for risk management to operate effectively.
- 2) The Audit Committee helps the Board of Director in reviewing adequacy of overall risk management process and providing advice to management on risk management.

3) Business Units is a risk owner and has primary responsibility to promoting risk awareness within their operations and effectively managing risks on a day to-day basis

4) Internal Audit has responsibility in steering internal audit works towards key risks as identified by management, performs auditing to assess effectiveness of risk mitigation actions across the group, and report the result to senior management and The Audit Committee for improvement opportunity.

In addition, internal auditors are responsible for proposing and improving risk management policies and helping to build organizational culture to be aware of risks within the organization and appropriate knowledge. In addition, internal auditors are responsible for reviewing and advising on risk management processes within the organization and prepare a risk report to the Audit Committee at least once a year or if there is a risk event that is important to the organization.

5. RISK MANAGEMENT PROCEDURE

The Minor Group recognizes that managing risk effectively is critical to achieving business objectives. Every Business and Function should review their business environment, state clear business objectives and:

- Identify risks to the achievement of those objectives
- Assess the impact and likelihood of the risks materializing
- Implement effective actions designed to:
 - achieve business objectives
 - safeguard company assets from inappropriate use, loss or fraud
 - facilitate economic, effective, efficient of operations
 - and enable compliance with company policies, procedures, and related laws and regulations

Every Business and Function should also monitor, communicate and report changes in the risk environment and the effectiveness of actions taken to manage identified risks on a quarterly basis to its senior management.

6. RISK MEASUREMENT

The Group recommends the following standard Risk Matrix to aid management in this process

Impact	Catastrophic (VH)					
	Major (H)					
	Moderate (M)					
	Minor (L)					
	Onsignificant (VL)					
		Rare (VL)	Unlikly (L)	Neutral (M)	Likely (H)	Almost Certain (VH)
		Likelihood				

	Tolerance	Management and monitoring requirements
	Potential outside Comapany Tolerance	Immediate report and manage by Department within 3 months. Risk Management to monitor the progress
	Potential outside Department Tolerance	Quarterly report and manage by Department within 6 months. Risk Management to monitor the progress
	Within Department Toletance	Monitoring by Department on quarterly basis

7. RESPOND TO RISKS

Three generic actions can be taken to manage risks:

- 1) Accept and control the risk: Accept the risk and put in place appropriate controls (preventative and detective) to manage the risk to maximize value.
- 2) Transfer and/or share risk: Some risks are transferred (for example to an insurance company) or shared (for example with contractors or joint venture partners).
- 3) Terminate or forego activity: Risks are avoided, for instance by stopping an activity or withdrawing from a country or market. Some risks are terminated in part through sale or divestment. However, it is important to establish whether all of the risk will be terminated or whether some will remain with the business.

8. Review risks at all levels with the business unit. And should prepare the minutes of the meeting. review and keep all information complete

- 1) Departments should be responsible for the review Monitor and evaluate the risk management process.

- 2) Internal auditors Participate in risk reviews at all levels with business units. And should prepare the minutes of the meeting Reviewing the overall policy and risk of the organization. And complete the collection of information

In addition, the internal auditor must review this policy annually and propose to the audit committee. And the board of directors Consider and approve if there is a change

Policy for Risk Management are approved by the Board of Directors' Meeting No. 1/2020 on October 1,2020.

Risk Factors

1. Raw Material Risk Factors

Over 60% of the raw materials used in the manufacture of Lead Acid Batteries are pure lead and lead alloy. Therefore, the fluctuations (increases or decreases) in lead prices will directly affect the operating profit. The degree of the impact depends upon the company's ability to manage costs. In order to manage this risk factor, the company has divided the raw material risk into two main factors:

1.1 Raw Material Procurement Risk Factors

Lead

Domestic production remains insufficient, and the quality is not as required by the current demands of the battery industry. Thus, there is a need to import pure lead, especially, from exporters such as China and Australia, etc.

- For pure lead, the company manages risks by seeking raw materials from foreign distributors. When raw materials have passed tests and meet the company's production standards criteria, an agreement is drafted for the purchase of pure lead to ensure sufficient supply to meet the company's demands for the whole year.

- For lead alloy, the company has managed risk by establishing Thai Nonferrous Metal Co., Ltd., a smelting plant that produces lead alloy from old batteries. The Company hopes to reduce the impacts of supply fluctuation with this risk prevention measure. The Company can also purchase lead alloy, which is equivalent in quality, from other suppliers.

Plastic

Domestic battery markets in Thailand have been growing continuously every year, resulting in the growing demand for parts used in producing batteries. The battery plastic casing considered as a crucial part of the production and if the production cannot meet the demand due to the expanded battery markets, the company, therefore, decides to prevent the risk from shortage by establishing the "Power Plas Company Limited" to manufacture and supply the battery plastic casing to the company.

1.2 Raw Material Price Fluctuation Risks

Lead prices fluctuate depending upon supply and demand of the world market. The company and its suppliers confirm prices one month preceding delivery by referring to the market price of the London Metal Exchange. Another company's main materials are battery casing which is made from polypropylene (PP), another raw material with prices tied to the price of crude oil and fluctuate according to world market prices. The company purchases the polypropylene (PP) directly from the manufacturers and delivers it to the battery casing manufacturers. This measure enables the company to negotiate for proper raw material prices and ensures sufficient raw material supplies to meet demands.

2. Marketing Risk Factors

The Company's goal is becoming a leader in all types of lead-acid batteries. The Company's ratio for domestic sales and export is approximately 50:50 as a means of dispersing the impact of marketing risks.

2.1 Domestic Market Risk Factors

The domestic automotive battery market can be classified into the following two types of market:

2.1.1 Original Equipment Market (OEM) is a stable market with operational standard and clear production target and delivery date. Car assembly plants are the main customers of battery manufacturers because most consumers choose to replace old batteries with the same type and brand of battery that originally came with the vehicle. However, most of the car assembly plants in Thailand belonged or co-owned by Japanese firms. Most of these plants would mainly purchase batteries from their joint ventures in Thailand. As a result, manufacturers would have more difficulties when dealing with Japanese assembly plants than the Europe and U.S. assembly plants.

2.1.2 Replacement Equipment Market (REM) – This market has large product varieties in order to meet the diversified needs of consumers in the market and to replace the original batteries that are damaged or deteriorated. Presently, the REM is very competitive in terms of price, quality and product diversification offered from both domestic and overseas manufacturers.

In order to manage the REM risks and increase the Company's competitiveness, the Company has a policy to enhance sales potential by developing new products, improving packages' appearances and design to be more modern and attractive. There is also the marketing promotion plan through social media advertising and television news programs.

2.2. Export Market Risk

Automotive industry has been experiencing constant growth in the global market. This leads in increasing demand for batteries, particularly in the Asia-Pacific, Middle East and Africa region, as well as

higher competition in the market. Our main competitors, in terms of price, quality, product varieties marketing strategies are manufacturers from Korea, China, India and Indonesia.

In managing export market risks, the company has diversified its products, placed more suitable and tangible product positioning in each market, selected and recruited potential new dealers in the market in order to add distribution channels, adjusted strategic plan for market expansion, prepared market surveys and research to analyze and determined more effective and competitive marketing plan.

3. Technological Risks

Despite rapid technological advances in battery manufacturing, the Company faces no risks due to technological changes in production because the primary raw material remains lead, which is more commercially suitable than other more costly materials, such as silver or cadmium. Hence, developing technology for production procedures for lower production costs per unit is essential to the Company's competitive edge in the battery manufacturing industry. For this reason, the Company maintains policy for investments in modern machinery to minimize waste and improve production efficiency.

4. Exchange Rate Risk Factors

At present, the Company imports pure lead from overseas by paying in US dollars and thereby creating potential risks due to currency fluctuations.

Hence, the Company manages the aforementioned risk by exporting its products and receives payments in foreign currency such as US dollars and pays for imported raw materials with the same currency.

5. Risk from Interest Rate

The Company and its subsidiaries have the risk from significant interest rate related to the bank deposit and long-term loan with interests and liabilities according to the financial lease. Most financial assets and liabilities carry the interest rate which is changed in accordance with the market rate or carry the fixed interest rate similar to the current market rate.

Significant financial assets and liabilities can be categorized based on the types of interest. For the assets and financial liabilities with fixed interest rate can be classified based on the maturity date or the repricing date (if this occurs before the maturity date)

6. Doubtful Debt Risk Factors

The Company is at risk in offering credit involving accounts receivable and trade debtors. However, the risk level is not high while the risk is manageable, and the debts remain collectable. The Company has a wide customer base, so a Credit Control Department has been established to approve credit and collect

debts from each customer. For these reasons, the Company does not anticipate any significant losses due to the aforementioned debts. For existing agencies, the company has shared good trade relationships for over 20 years, so existing agencies are unlikely to suspend/miss their payments to the Company.

7. Environmental Cost Management Risk Factors

Because lead is the main raw material in battery manufacturing industry, and lead is hazardous to health and environment, the Company must implement controls to prevent lead from contaminating the environment and establish measure to protect employees from exposure to the hazards of lead poisoning. In addition, the Company must operate under the supervision of various government agencies in compliance with regulations or laws enforced by these agencies. As a result, the company will inevitably incur additional costs for environmental management aimed at meeting government regulations. The aforementioned costs are incomparable to the costs for curing the environment in the event of any environmental impact for which the company is liable.

8. Risk Factors of Coronavirus COVID-19 Outbreak

Risk: The outbreak of the novel coronavirus or COVID-19 in late 2019, which is unpredictable that it will spread continuously to many countries, including Thailand, may affect the health of the Company's employees and may require the immediate suspension of performance of duties, which affect the Company's operations.

Risk Management: The Company has continuously followed the news from the Ministry of Public Health and also established strict prevention and monitoring measures against this virus infection. In March 2020, the Company established guidelines and measures to prevent the coronavirus outbreak for all employees to strictly abide by.

9. Risks from Having Major Shareholders Influencing Operations

After the amalgamation, the Company's major shareholders consist of Siam Magi Company Limited holding the total shares of 46.08% of the total issued shares and Sustainable Battery Solutions, Inc. holding the total shares of 51.99% of the total issued shares as at 31 March 2022. As a result, such shareholders may have a majority vote at the shareholders' meeting and have the rights and authority to make decisions and be able to establish guidelines for the Company's operations. In particular, nowadays there is a law stipulating that the resolution of the meeting must be supported by a majority vote, whether it is the appointment of directors or the request for a resolution on other matters which requires a majority vote of the shareholders' meeting, except any matters that the laws or the Company's Articles of Association required to be supported by the vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and entitled to

vote. As a result, it may cause the major shareholders to have the influence on the Company's operations. This makes other shareholders at risk of failing to collect votes to balance any issues at the shareholders' meeting.

However, the SEC currently requires the minority shareholders to exercise their right for objection. In addition, the Company strictly complies with the corporate governance policy in accordance with the regulations of the Stock Exchange of Thailand in order to conduct business honestly and transparently. There is the process for nominating and selecting each committee and the roles and duties of each committee are clearly defined. The Company has 2 committees: the Board of Directors and the Audit Committee. In addition, the nomination of independent directors is selected fairly. These committees will help balance the management power and supervise the Company's operations to be transparent and auditable so that all shareholders and stakeholders are treated equally and fairly.

10. Risks from Listing of the Company's Ordinary Shares on the Stock Exchange of Thailand regarding Free Float

As of 25 July 2023, the company has a total of 544 shareholders. The number of minor shareholders holding shares does not exceed 5 within 1,000 of the paid-up capital. But not less than 1 trading unit, there are 369 persons holding a total of 1,519,293 shares, or equivalent to 1.94% of the company's paid-up capital. As a result, the qualifications regarding the distribution of small shareholdings (Free Float) of the company still do not comply with the rules regarding maintaining the status of a listed company. However, on May 28., 2024, the company's Board of Directors Received a letter from Energywith Co.,Ltd., a major shareholder of the company. Notification of intent to make a tender offer for all securities of the company for delisting the company's securities from being listed securities on the Stock Exchange of Thailand at a price of 54.00 baht per share. On the date, the Board of Directors' meeting resolved to approve the delisting of the company's common shares from being listed securities on the Stock Exchange of Thailand.

3. Driving Business towards the Sustainable Development Goals

3.1 Sustainability Management Policy and Goals

Sustainability Reporting

The company is under development Sustainability Reporting to cover guidelines of responsibility, organizational direction, necessary organizational information, governance, economic and environmental scope.

The Company is determined to manage and operate its business with due regard for social responsibility and stakeholders. To create sustainability in business and able to manage the business to grow stably and be accepted in society Taking into account the benefits and impacts of business operations to those involved in the Company, the Company has set the Corporate Social Responsibilities (CSR) guidelines according to the principles set by the Stock Exchange of Thailand.

Board of Directors There are policies and operations of the Company and its subsidiaries. by adhering to practices for the sustainability of the business and society as a whole, which is a part of business operations to aim for the effectiveness of social responsibility through sustainability reporting guidelines. according to the reporting framework which is accepted internationally as follows:

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business value chain

In 2022, the Company has set guidelines for business driving for sustainability by setting up a working group to plan and define important issues aimed at creating understanding of such matters. There is a step-by-step analysis, and 6 groups of stakeholders are identified as follows:

- | | |
|----------------------|---------------------------|
| - Employees | - Shareholders/ creditors |
| - Partners | - Customers |
| - Community/ society | - Supervisory authorities |

3.2.2 Stakeholder analysis in the business value chain

The management has analyzed the impact caused by the Company to the stakeholders and the impact caused by the stakeholders to the Company by considering the analysis of each stakeholder group to know the expectations of the stakeholders, which can be summarized as follows:

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

Stakeholder	Communication	Expectation
Employees	<ul style="list-style-type: none"> - Email and internal website - Various activities such as team meetings - Training seminar, satisfaction survey 	<ul style="list-style-type: none"> - have appropriate welfare, compensation according to ability - Developing personnel potential by increasing their skills, knowledge, and ability to perform tasks - Applying technology in work
Shareholders/ creditors	<ul style="list-style-type: none"> - Annual shareholders' meeting - Annual report - Various channels such as website, email, telephone, mail 	<ul style="list-style-type: none"> - Provide company information, business directions to investors, analysts - Disclosure of company information accurately, transparently and in a timely manner every quarter, including annual results
Partners	<ul style="list-style-type: none"> - Email, website, telephone - Electronic meeting - Supplier / Vendor Audit 	<ul style="list-style-type: none"> - Use quality products - Have confidence in the product - As way to promote sales
Customers	<ul style="list-style-type: none"> - Communication signs within the store - The Company's online channels such as Facebook, email, website, Official Line - Public relations through the media - Contact via phone calls and text messages (SMS) - Satisfaction survey 	<ul style="list-style-type: none"> - Increase confidence and have promotional activities - Listen to opinions and solve problems that arise from customers to create satisfaction and bring suggestions to help improve quality
Community/ Society	<ul style="list-style-type: none"> - Connecting businesses by supporting various tasks - Do activities together - Annual report 	<ul style="list-style-type: none"> - In order to live together with the community and society without conflicts and to help each other
Supervisory authorities	<ul style="list-style-type: none"> - Annual report - Operating results report - Audit and Revisit from the supervisory agency - Establishment visits/Discussion meetings 	<ul style="list-style-type: none"> - To clarify for transparency and in accordance with the law prescribed by the government - Scheduled disclosures

3.3 Social Sustainability management

3.3.1 Sustainability Management in Environmental

Thai Energy Storage Technology Public Company Limited

TES-2020-4-003 Rev.01

ประกาศ
Announcement

เรื่อง นโยบายอนุรักษ์พลังงาน
Subject Energy Conservation Policy

บริษัท ไทย เอ็นเนอร์ยี่ สโตร์ เทคโนโลยี จำกัด (มหาชน) ได้ดำเนินการผลิตแบตเตอรี่ เพื่อจำหน่าย
ทั้งภายในประเทศและต่างประเทศ โดย บริษัทฯ เล็งเห็นว่าการอนุรักษ์พลังงานเป็นสิ่งสำคัญ และเป็นหน้าที่ของ
พนักงานทุกคนที่จะต้องร่วมมือกัน ดำเนินการจัดการพลังงานอย่างมีประสิทธิภาพ บริษัทฯ จึงได้กำหนด นโยบายอนุรักษ์
พลังงาน เพื่อเป็นแนวทางในการทำงานและส่งเสริมการใช้พลังงานให้เกิดประโยชน์สูงสุด ดังต่อไปนี้

- 1) บริษัทฯ จะดำเนินการและพัฒนาระบบการจัดการพลังงานอย่างเหมาะสม โดยกำหนดให้การ
อนุรักษ์พลังงานเป็นส่วนหนึ่งของงานประจำวันของผู้บริหารสูงสุด และ ผู้บริหารขององค์กร
ต้องให้ความสำคัญในการอนุรักษ์พลังงาน
- 2) บริษัทฯ จะดำเนินการปรับปรุงประสิทธิภาพการใช้ทรัพยากรพลังงานขององค์กรอย่างต่อเนื่อง
และกำหนดนโยบายการอนุรักษ์พลังงานที่สอดคล้องกับภาระงานธุรกิจ เทคโนโลยีที่ใช้และ
ปริมาณการใช้พลังงานในองค์กร
- 3) บริษัทฯ จะปฏิบัติตามกฎหมายที่เกี่ยวข้องกับการอนุรักษ์พลังงาน การจัดการพลังงานและ
ข้อกำหนดอื่นๆ ที่เกี่ยวข้อง
- 4) บริษัทฯ ยึดว่าการอนุรักษ์พลังงานเป็นหน้าที่ความรับผิดชอบของผู้บริหารสูงสุด ผู้บริหาร และ
พนักงานของบริษัทฯ ทุกคน ที่จะให้ความสำคัญในการปฏิบัติตามมาตรฐานที่กำหนด
ติดตาม ตรวจสอบ และรายงานต่อคณะกรรมการจัดการพลังงาน
- 5) บริษัทฯ จะให้การสนับสนุน ที่จำเป็นและมีประสิทธิภาพด้านบุคลากร ด้านงบประมาณ เวลา
การทำงาน การฝึกอบรมและการมีส่วนร่วมในการนำเสนอสื่อคิดเห็น เพื่อพัฒนาทางด้านพลังงาน
ความแนวทางการจัดการทรัพยากรอย่างมีประสิทธิภาพ ในการดำเนินการด้านวิสาหกิจ
การพลังงาน
- 6) ผู้บริหารและคณะทำงาน ด้านการจัดการพลังงาน จะทบทวนและปรับปรุงนโยบาย เป้าหมาย
และแผนการดำเนินงานด้านพลังงานเป็นประจำทุกปี

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Thai Energy Storage Technology Public Company Limited

TES-2020-4-001 Rev.01

ประกาศ
Announcement

เรื่อง นโยบายสิ่งแวดล้อม
Subject Environmental Policy

บริษัท ไทย เอ็นเนอร์ยี่ สโตร์ เทคโนโลยี จำกัด (มหาชน) มุ่งมั่นที่จะดำเนินการปรับปรุง และพัฒนา
ด้านสิ่งแวดล้อมอย่างต่อเนื่อง ตลอดจนป้องกันและพิทักษ์รักษาสิ่งแวดล้อม การบริการ และกิจกรรมต่างๆ
ในการผลิตแบตเตอรี่ของ บริษัทฯ โดยผู้บริหารและพนักงานทุกคนมีความมุ่งมั่นที่จะดำเนินการ ดังต่อไปนี้

1. มุ่งมั่นในการดำเนินการด้านสิ่งแวดล้อม ให้สูงตามมาตรฐานที่กฎหมาย กฎระเบียบ ตลอดจน
ข้อกำหนดต่างๆ ด้านสิ่งแวดล้อมที่เกี่ยวข้องกับบริษัทฯ และปฏิบัติตามอย่างเคร่งครัด
2. มุ่งมั่นในการปรับปรุงและพัฒนาระบบการบริหารงานด้านสิ่งแวดล้อมอย่างต่อเนื่อง เพื่อให้มีระบบ
การจัดการด้านสิ่งแวดล้อมของบริษัทฯ สูงกว่ามาตรฐาน เพื่อการควบคุมและป้องกัน ผลกระทบต่อ
สิ่งแวดล้อม ที่ทำให้เกิดผลกระทบต่อสิ่งแวดล้อมด้าน อากาศ น้ำ และดิน อย่างมีประสิทธิภาพ ตลอดจนการอนุรักษ์
การใช้พลังงานและทรัพยากรอย่างมีประสิทธิภาพสูงสุด
3. มุ่งมั่นในการปรับปรุงระบบบริหารงานด้านสิ่งแวดล้อม โดยกำหนดเป็น วัตถุประสงค์และเป้าหมายใน
การดำเนินงานอย่างชัดเจน และดำเนินการปรับปรุงตามวัตถุประสงค์และเป้าหมายด้านสิ่งแวดล้อมที่
กำหนด โดยทบทวนวัตถุประสงค์และเป้าหมายด้านสิ่งแวดล้อมเป็นประจำทุกปี
4. ส่งเสริมความเข้าใจและปลูกฝังสำนึกด้านสิ่งแวดล้อมให้กับพนักงานทุกคนภายในบริษัทฯ โดยการ
สื่อสารและฝึกอบรมด้านสิ่งแวดล้อม
5. เปิดแผนนโยบายและข้อมูลต่างๆ ทางด้านสิ่งแวดล้อมต่อสาธารณชน และร่วมพัฒนาปรับปรุงการ
แวดล้อมกับชุมชน

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Environmental management

The company has a management system. Environmental management ISO 14001:2015 with a policy to strive to continuously improve the environment. as well as preventing pollution that may occur from products, services and activities in battery production. The Company's management and all employees are committed to the following actions:

Guidelines for environmental management

- Committed to environmental performance that exceeds the standards required by laws, regulations, and various environmental requirements related to the Company and strictly follow them.
- Committed to continuous improvement and development of the environmental management system so that the Company's environmental management performance exceeds the standard for the control and prevention of environmental impacts that cause air, water, and soil environmental pollution efficiently as well as to conserve energy and resources in the most efficient way.

- Committed to improve the environmental management system by clearly defining objectives and targets in operations and achieving the environmental objectives and targets set by annually reviewing the environmental objectives and targets.
- Promote understanding and raise environmental awareness among all internal employees.
- The Company - by communication and environmental training.
- Disclosure of environmental policies and information to the public and contribute to improve the environment with the community.

Innovation and dissemination of innovations that come from operating with responsibility to society, environment and stakeholders.

The Company has the ability to design and produce products with responsibility to stakeholders and society in order to create added value for the organization in the long run.

Practice guidelines

- The Company has the ability to design and manufacture products that are environmentally friendly to reduce oil consumption and reduce global warming problems from greenhouse gas emissions such as
 - Batteries for battery-powered electric forklift trucks
 - Batteries for solar panels to support clean energy
 - Maintenance-free batteries to eliminate the need to add distilled water
 - Maintenance-free VRLA batteries to eliminate the need to add distilled water
- Our Company has invested in expanding production capacity for batteries for electric forklift trucks. This can help reduce greenhouse gas emissions and maintain clean air in the work area. We have also developed batteries for extended lifespan to reduce material and production waste.
- Our company has developed long-lasting maintenance free batteries. We have also developed new active materials that can reduce the consumption of electricity during charging. Thus, we can reduce greenhouse gas emissions and waste materials.
- Our Company is working to increase efficiency, reduce material wastage, and continuous improvement to make resources more cost-effective with a strong focus on 3 R activities (Reduce, Reuse, Recycle).
- Our company chooses energy-efficient technology and machines to save energy and reduce material waste for increased automation.

3.3.2 Environmental performance

The Company has systematically managed environmental management in accordance with the environmental management standard ISO 14001:2015 by establishing the environmental management committee and preparing a systematic work manual for all parties to be able to participate in the investigation and assessment of environmental issues that arise in the agency/ on site. The assessment is done by using standard criteria according to the work manual and is recognized internationally to know the environmental issues that exist in the agency and identifying environmental significant aspect. In addition, the Company has developed a plan to control significant issues and clearly define the goals of the organization in controlling and reducing impacts of environmental issues. There is a work plan to control important environmental issues as follows:

1. EMP-01: Project name: Electricity usage reduction, B.E. 2565
Control target: Electricity consumption (kWh) compared to product ≤ 15.36 kWh / Battery
2. EMP-02: Project name: Water usage reduction, B.E. 2565
Control target: water consumption rate (m^3) compared to product ≤ 0.08 m3/ Battery
3. EMP-03: Project name: Natural gas usage reduction, B.E. 2565
Control Target: Natural Gas Utilization Rate (MMBtu) compared to product ≤ 0.03 MMBtu / Battery
4. EMP-04: Project name: Controlling air pollution to be within the limits prescribed by law, B.E.2565
Control goal: Air quality meets the standards set by law 100%
5. EMP-05: Project name: Waste separation, B.E.2565
Control goal: 100% correct waste separation

In addition, the organization conducts audit of the implementation of the above work plan and summarized the results of all projects and reports to the Environmental Management Committee on the agenda of the Environmental Management Review Meeting.

The Company places importance on the efficient use of resources with the highest efficiency by complying with the Energy Conservation Promotion Act (No. 2) B.E. 2550 in a concrete manner. In the year 2024, the Company has the following actions:

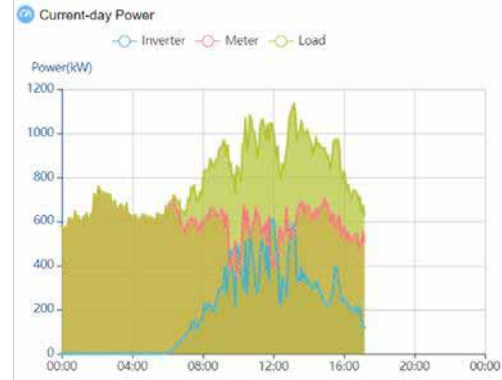
1. Energy conservation measures for the year 2024

The company has created energy conservation measures. To reduce production costs Dramatically reduce energy use and track energy use and compare energy use to output. By tracking the

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

significant energy consumption values and Energy consumption per unit of output (Specific Energy Consumption)

The energy conservation project for the year 2023 is the project to install solar cells (Solar roof top) Phase 1 on the roof of the SMF factory building. The capacity to produce electricity from solar cells is 717.76 kW. This project can help reduce the use of wasted energy.



SMF Building, solar cell installation project System for tracking electricity production from solar cells

Moreover, the company by the security department Environment and energy conservation Energy use is also closely monitored. To track energy use efficiently and compare energy use versus output.

Layout installation Solar cell TES BPF



TES-BPF



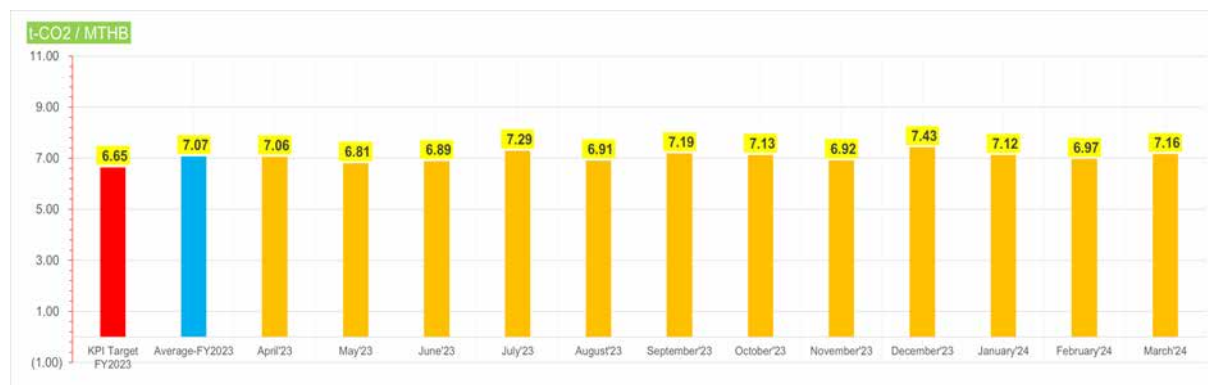
TES-GWF



TNC

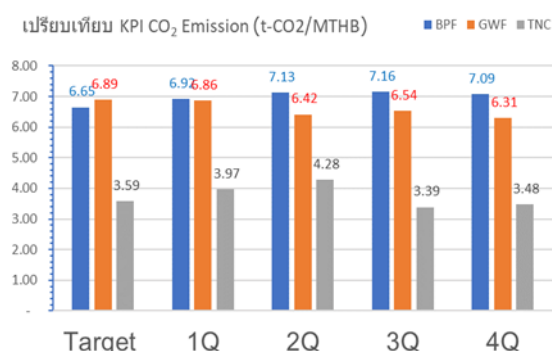
2. In terms of emissions of greenhouse gases

The Company is aware of the environmental issues concerning greenhouse gas emissions and global warming. The organization monitors and tests the amount of greenhouse gas (CO₂) emissions on a monthly basis. Goals were also set to control and reduce greenhouse gas emissions for both the organization and its affiliates. The Company has goal of reducing greenhouse gas emissions every year to reduce environmental problems and problems caused by global warming.



3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

The Company has arranged for concrete monitoring and control of greenhouse gas emissions, including those of the three affiliated companies.



CO₂-EMISSION FOLLOW UP

SITE	Target	1Q	2Q	3Q	4Q
BPF	6.65	6.92	7.13	7.16	7.09
GWF	6.89	6.86	6.42	6.54	6.31
TNC	3.59	3.97	4.28	3.39	3.48

Source: Department of Safety and Environment, Thai Energy Storage Technology Public Company Limited..

- The Company has appointed the Energy Committee to control environmental management with the following plans:

- Control the use of electricity
- Control the use of tap water
- Control the use of natural gas
- Control of air pollution emissions to be 100 % within standards
- 100% waste sorting

In order for the Company's energy management operations to be continual, efficient, effective, and in accordance with the Ministry of Energy's Notification Re: Criteria and Methods for Energy Management in Designated Factories and Designated Buildings, 2009. An energy management audit committee has been appointed by the Company to review and assess energy management methods within the organization, conduct review of documents and evidence related to energy management to be complete, and systematically prepare a summary of results of the energy management operations monitoring, and prepare an annual energy management summary report for review by auditors and submit a report to the Department of Alternative Energy Development and Efficiency every year.

No.	Consumption - Fuel and Electricity	Unit	2022	2023	2024
1	Gasoline	liter	11,200.00	8,801.00	4,000.00
2	Diesel fuel	liter	38,600.00	31,400.00	25,400.00
3	Natural gas	Cubic meter	2,572,125.00	2,362,120.00	2,220,146.00
4	Electric power	kWh	43,605,000.00	42,557,000.00	38,520,000.00
8	Water consumption	Cubic meter	235,360.00	221,333.00	191,780.00
6	Industrial waste is harmless	Kilogram	311,243.20	307,604.15	277,202.76
7	Industrial waste dangerous	Kilogram	6,806,241.83	5,516,332.43	4,365,726.36

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

Source: Safety and Environment department / Annual data from January - December of each year

Pollution Prevention and Monitoring of Environmental Impacts Through Ongoing Environmental Quality Measurement

Air Quality

The Company has been using natural gas as a fuel for the production process to reduce amounts of air pollutions, such as Nitrogen (NOx), Sulfur dioxide (Sox), etc. There is high performance air pollution treatment system installed at all production areas, such as dust collectors, wet scrubbers, etc. before the air being released into the environment. There is regular maintenance of equipment and machineries performed by the experts to ensure the effective operations. Air quality is measured and analyzed on a regular basis at the workplace and ventilators. In addition, the Company also strictly complies with the laws.

Water Quality

The Company installed water quality control system for water released from the production process by using chemical treatment to accelerate the precipitation and monitoring the effluent quality at the risky areas in the daily, weekly, and monthly production process. The Company also collected effluent samples to strictly measure and analyze the parameter as stipulated by laws at wastewater discharge points outside the factory. Wastewater measurement and analysis results are according to standard stipulated by laws.

Industrial Wastes

The Company had a systematic industrial waste management and assigned specialists for industrial waste management to perform the duty of controlling and eliminating industrial waste in accordance with the requirements on environmental management and as required by laws.

Waste bank

The Company has organized project to promote participation in environmental conservation by establishing a waste bank project which is a project to encourage each department to separate waste in each department and the Company will sell the recyclable waste and bring proceeds from the said project back to the various departments as an incentive/ morale for all employees to participate in the implementation of the project. The above project will help reduce waste disposal costs in factories, the amount of waste daily. This also indirectly allow all employees to create love and unity within the organization as well as being a good image for the organization in terms of environmental protection in the factory area and environmental conservation.

Summary of environmental measurement results for the year 2024

In addition, the Company conducts environmental impact measurements and assessments in its work, which include air quality, water quality, soil, groundwater, noise, lighting, heat, dust/lead, and chemicals to be within safe levels as required by law (Department of Labor Protection and Welfare). The Company has hired Health and Envitech Co., Ltd. to inspect, measure, and evaluate, as well as prepare report on air quality measurements, noise levels, heat levels, dust and chemicals levels, and water quality in all 3 factories of the Company at least once a year. Results of the measurements in 2024 found that the Company's working environment was within safe levels according to the specified standards.

The Company encourages the transfer of knowledge on the environment among employees in order to create understanding and instill it into the organization's culture to lead to sustainable practices as follows:

1. Environmental course training for employees, from new employees
2. Training on environmental requirements
3. Workplace safety training
4. EMR ISO 14001 course training
5. INTERNAL AUDIT ISO 14001 course training
6. Electrical safety course training
7. Initial firefighting training and fire evacuation drills
8. Annual training for the Chief Executive Officer and the Chief Executive Officer

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policy and Practice

The Company has its policies and practices consistent with the laws, rules, and regulations relating to social management in business processes. This includes respecting human rights throughout the value chain, as well as having good governance as a guideline for the Company and its subsidiaries to operate with honesty, transparency, and fairness based on ethics and good governance principles.

1. Fair Business Operation

The Company adheres to the fair and equitable treatment of business partners with integrity and respect for intellectual property rights as follows:

Fair Competition:

- The Company will not have any relationship with any antisocial forces in the world and resolutely deny any involvement in inappropriate or antisocial transactions.



3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

- The Company does not trade shares using non-disclosed information about the Company Group, business partners, or customers that may affect the decision of investors (inside information).
- The Company strictly prohibits and will not involve in bribery and other corrupt business practices. The Company will not give or receive gifts or extend or accept invitations for business entertainment that exceed the socially acceptable extent as the Company realizes that such actions can trigger corruption. When working with political entities, the Company will build and maintain good and transparent relationships.
- The Company will help maintain international peace and security by complying with all applicable laws and regulations regarding import and export and will take appropriate action in accordance with the Company's internal rules and policies.
- The Company will comply with applicable laws, respect for culture, society, and practices, and take sincere and fair action in countries and regions in which we operate business. In addition, we will implement standards and international standards even in areas where the law is not adequately enforced.

Relationship with Business Partners:

- With a global vision and long-term perspective, the Company will seek for quality suppliers and build fair and equitable cooperation with them in order to work together and build mutual understanding and trust.
- To select suppliers, the Company will carefully inspect the quality, reliability, delivery time, and price of supplied materials as well as their business stability and technological capabilities. The Company will carefully consider the acceptance of corporate social responsibility practices, including other aspects, such as the elimination of unfair discrimination, the elimination of child labor and forced labor, and environmental conservation.
- The Company will not accept any personal benefits from suppliers in procurement transactions.

Relationship with Customers:

- The Company will provide products and services that meet the needs and requirements of customers, comply with relevant laws and standards, and create confidence in quality and safety by setting its own additional standards if necessary.
- The Company will communicate with customers sincerely, quickly and honestly correct defects and complaints of customers, and attempt to find the cause of problems in order to eliminate them and prevent the recurrence.

Intellectual Property and Brand Protection:

- The Company will protect its intellectual property, respect the intellectual property of third parties, and use its intellectual property and the intellectual property of third parties effectively for smooth business operations.
- The Company will manage its confidential information and that of third parties by giving priority and properly handling with information in accordance with this ranking.
- The Company will protect and improve the value of the Hitachi Chemical brand by realizing that it is an important management asset.

2. Anti-Corruption

The company has the following practices and anti-corruption policy.

Practices

- Employees are prohibited from accepting items or other benefits from individuals and companies that conduct businesses relating to the Company.
- In the case where business partners are involved in fraudulent activity, the Company reserves the right to suspend the business made with such company immediately.

Anti-Corruption Policy

Directors, executives, and employees of the Company must not accept corruption in any form, either directly or indirectly, such as offering a commission or gift to raw material or product suppliers, the public sector or government agencies, or related persons and vice versa. However, this prohibition does not include giving appropriate festive or traditional gift that the recipient deserves to be received as appropriate.

3. Respect for Human Rights

The Company respects human rights and the human dignity of all employees, which is the foundation of the business operation.

Practices

- Managing work environment and system to ensure employees' safety of life, property, and good health
- Provide a health insurance system for employees. Get the flu vaccine

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS



- Establishing Provident Fund for employees

In addition, in 2024, the Company provided the health check-ups for employees and executives. Milk was distributed to all employees and executives on a daily basis.



4. Fair Treatment of Labor

The Company treats employees fairly according to the principles of universal human rights and good ethics to lead a peaceful society.

Practices

- Encouraging employees to regularly develop their skills and enhance knowledge

Year	Male		Female		Total	
	No. of people	%	No. of people	%	No. of people	%
2022	1,126	75.22	371	24.78	1,497	100
2023	952	73.8	338	26.2	1,290	100
2024	931	73.54	335	26.46	1,266	100

Employment of people with disabilities	2022	2023	2024
Employed as a permanent employee under section 33	10	12	11

Source: Human Resources, Thai Energy Storage Technology Public Company Limited

[illegible]

Details of Employee

Employee training and development	2022	2023	2024
Average number of training hours of employee (hours/person/year)	2	2	2
Safety, Occupational Health and Working Environment	2022	2023	2024
Number of injury incidents from work of employees to the point of absenteeism (times)	3	1	1

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

- Providing fair employment terms and conditions including reasonable compensations in the form of wages, salaries, bonuses, and welfares based on their competency
- Appointing and transferring employees honestly and based on their knowledge, ability, and suitability
- Strictly complying with laws and regulations on employees
- Hiring employees in the area where the head office is located.

Year	Samut Prakan area		Outside Samut Prakan area		Total	
	No. of people	%	No. of people	%	No. of people	%
2022	1,103	73.68	394	26.32	1,497	100
2023	910	70.54	380	29.46	1,290	100
2024	938	74.09	328	25.91	1,266	100

Source: Human Resources, Thai Energy Storage Technology Public Company Limited

5. Consumer Responsibility

The Company provides the ISO / TS 16949 quality management system with the quality policy of "Producing quality products and creating satisfaction for customers along with an ongoing quality improvement" so purchasers can be assured that, in addition to receiving quality products at fair prices, the Company is also aware of the safety that may affect the environment.

Practices

- Rights of Trade Confidentiality: The Company has taken measures to maintain the confidentiality of customers and will not use customers' data for its own benefits or for others' benefits.
- Rights to Express Opinions: The Company has the process for customer to make complaints regarding the quality, quantity, and safety of products as well as rapid response.
- Rights to Receive Compensations: Customers are treated fairly in the case of receiving products that do not meet the standards. The product warranty is provided under reasonable terms and periods. The Company also comply with the Consumer Protection Act.
- Rights to Information: The Company provides information and advices regarding products to customers accurately, sufficiently, and timely.

2021 Automotive Customer Satisfaction Survey Results of BAT-3K

Traction Battery		Satification	Automotive (REM)		Satification
		%			%
Product Quality	Performance	73.33	Product Quality	Performance	84.40
	Appearance	80.00		Appearance	80.00
Service	Responsiveness	86.67	Service	Responsiveness	84.00
	Technical Support	73.33		Technical Support	72.00
	Competitiveness	60.00		Competitiveness	72.00
Delivery	Delivery on Time	93.33	Delivery	Delivery on Time	88.00
Total average %		80.87	Total average %		83.16

6. Community or Social Development

The Company is committed to developing and promoting its personnel, including the surrounding community and society to flourish alongside with its business operation in order to grow together sustainably.

Practices

- Opening of the factory as a learning center for any agencies to visit factory: To promote learning with the Company and government agencies and educational institute, the Company has the policy to open the factory to interested parties to learn the production management and product quality control systems.
- The Company encourages employees to be good people of society through any activities on a regular basis.

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

3.4.2 Social Performance

In 2024, the company had a joint blood donation activity with the Bang Pu Industrial Estate Office.



Employee Information

3.5 Sustainable Development Goals: SDGs

People (มิติด้านสังคม):	
Prosperity (มิติด้านเศรษฐกิจ):	
Planet (มิติด้านสิ่งแวดล้อม):	
Peace (มิติด้านสันติภาพและสถาบัน):	
Partnership (มิติด้านหุ้นส่วนการพัฒนา):	

3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals		Actions in Support of Goals	Reference
Goal 1	No Poverty	Local employment.	Page 51
Goal 2	Zero Hunger	Provide lunch benefits and boxed milk for employees.	Page 49
Goal 3	Good Health and Well-Being	Provide health insurance benefits and influenza vaccinations for employees.	Page 49
Goal 4	Quality Education	Provide employee training in the field of work every year.	Page 50-51
Goal 5	Gender Equality	Human rights management and employment of women in appropriate work positions.	Page 50
Goal 6	Clean Water and Sanitation	Water management.	Page 45
Goal 7	Affordable and Clean Energy	Improvements in use of renewable energy every year.	Page 43-44
Goal 8	Decent Work and Economic Growth	Promotion of safe workplace environments and procurement of appropriate safety equipment for points of work.	Page 46
Goal 9	Industry, Innovation and Infrastructure	Design and produce environmentally-friendly products to reduce oil consumption and global warming caused by greenhouse gas emissions.	Page 43
Goal 10	Reduced Inequalities	Hire disabled persons and employ workers without discrimination based on ethnicity and religion.	Page 50
Goal 11	Sustainable Cities and Communities	Support for social activities in communities.	Page 51
Goal 12	Responsible Consumption and Production	Waste bank project.	Page 46



3. DRIVING BUSINESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals		Actions in Support of Goals	Reference
Goal 13	Climate Action	Support and improve use of clean energy every year such as use of solar energy, changing light bulbs to save energy and reducing gas consumption.	Page 45
Goal 14	Life Below Water	Wastewater management before release into the environment.	Page 45
Goal 15	Life on Land	Waste management according to environmental specifications, management and according to legal requirements.	Page 46
Goal 16	Peace, Justice and Strong	The Company has guidelines and anti-corruption policies.	Page 48
Goal 17	Partnerships for the Goals	Host seminars and information exchanges with international customers every year.	Page 48

4.1 Management Discussion and Analysis and Financial Performance

The Company's auditors were appointed by the joint shareholders' meeting held on 25 July 2023 with approval of appointment:

1. Mrs. Wilai Sunthornwanee, C.P.A. (Thailand) No. 7356 or
2. Mr. Vorapoj Amnauypanit, C.P.A. (Thailand) No. 4640 or
3. Miss Manee Rattanabunnakit, C.P.A. (Thailand) No. 5313 from EY Office Limited, any

one of the above persons acts as an auditor for the period as at 31 March 2024.

Audit Report Summary

Financial Statement	Auditor
Consolidated statements of financial Position for the period from 1 January 2022 to 31 March 2022 and for the year end 31 March 2023	Miss Vilailak Laohasrisakul C.P.A. Registration No. 6140
Consolidated statements of financial Position for the year end 31 March 2024	Mrs. Wilai Sunthornwanee, C.P.A Registration No. 7356

The auditor commented that the above financial statements representing the financial position as of 31 March 2022, 31 March 2023 and 31 March 2024 the operating results and cash flows for the year period 1 January 2022 to 31 March 2022, for the period year ended 31 March 2023 and for the period year ended 31 March 2024 of Thai Energy Storage Technology Public Company Limited and its subsidiaries and only of Thai Energy Storage Technology Public Company Limited were in accordance with financial reporting standards.

Business Overview

In 2024, the Thai economy began to recover but was much lower than expected, with GDP growing at only 1.90%, lower than the market expected at 2.00-2.20%, as well as a continued decline in the export sector. Including a decrease in government spending and public investment. In addition, the price of lead, which is the main raw material, fluctuates greatly and the exchange rate has depreciated. It has a direct impact on the company's foreign sales, causing its value to decrease. Therefore, in 2024, the company will focus more on promotional activities within the country. to compensate for the decreased foreign sales value This will result in higher domestic competition, resulting in more expenses for promotion within the country.

Because the Company group change the company group's fiscal cycle from 1 January to 31 December of every year to a cycle from 1 April to 31 March of the next year, beginning from the fiscal year ended on 31 March 2022, the consolidated profit-loss statement and the cash flow statement for the fiscal period ended on 31 March 2022 shown as comparison is data for a period of three months.

To benefit financial statement users in analyzing and comparing financial data including explaining causes of changes, increases or reductions appropriately, the management has prepared additional data to compare performance for the year ended on 31 March 2023 and the period of 12 months in the previous year.

Operating Results

Total Income

For the years ending 31 March 2024 and 2023, the Company Group's sales revenue totals were 4,931.40 million baht and 5,249.28 million baht, respectively, a decrease of 317.88 million baht or 6.06% due to a decrease in demand for distilled water batteries. Furthermore, the Company Group raised sales prices for lead-acid hybrid batteries, which further reduced sales values for exporting batteries to customers in Myanmar due to the impacts of Myanmar's unrest.

Cost Sales and Gross Profit

For the years ending 31 March 2024 and 2023, the Company Group's sales cost amounted to 4,098.75 million baht and 4,333.72 million baht, respectively, a decrease of 234.97 million baht or 5.42%, while the Company's gross profit margins for 2024 and 2023 were 16.88% and 17.44%, respectively, due to the depreciation of the Thai baht to approximately 33-37 baht per US dollar. As a result, the price of imported lead increased from the previous year and the gross profit margin decreased by 0.56%.

Selling and Administrative Expenses

For the years ending 31 March 2024 and 2023, the Company Group had sales and administrative expenses amounting to 805.54 million baht, or 16.33% of sales revenue when compared to the previous year, which amounted to 808.33 million baht or 15.39% of sales revenue. Sales and administrative expenses decreased from the same period during the previous year at 2.79 million baht due to a decrease of 7.65 million baht in sales expenses due to a decrease in foreign transportation expenses compared to the previous year in relation to a decrease in foreign sales value and an increase in administrative expenses of 4.86 million baht due to IT expenses and impairment of assets compared to the previous year.

Net Profit

For the years ending 31 March 2024 and 2023, the Company Group had a net profit for shareholder equity at 145.26 million baht and 124.52 million baht, respectively. Net profit increased by 20.74 million baht with a net profit per share of 1.85 baht and 1.59 baht per share, respectively, as a result of profit from asset sale at 59.83 million baht and foreign exchange gains increased from the previous year by 14.33 million baht.

Financial Status

Assets

As of 31 March 2024, the Company Group had total assets of 3,736.47 million baht, a decrease from assets as of 31 March 2023 by 107.52 million baht or 2.8%. The changes in main items were mainly due to decreases in deferred VAT, prepaid expenses, and other current assets.

Liabilities

As of 31 March 2024, the Company Group had total liabilities amounting to 1,250.97 million baht, a decrease of 232.73 million baht, or 15.69% in liabilities as of 31 March 2023. The change in liabilities was mainly due to long-term loan payments of 356.81 million baht.

Shareholders' Equity

As of 31 March 2024, the Company Group's shareholders' equity was 2,485.50 million baht, an increase from the Company's shareholders' equity as of 31 March 2023 by 125.22 million baht or 5.31%. The change in shareholders' equity was mainly due to net profit in 2023.

Liquidity and Suitability of Capital Structure

As of 31 March 2024, the Company Group had cash at 704.36 million baht, an increase compared to 610.06 million baht as of 31 March 2023. The Company's current assets to current liabilities ratio were 2.52 and 2.29 times. The change in this item was mainly due to a reduction in long-term loans.

As of 31 March 2024, the Company has trade accounts receivable and other accounts at 552.87 million baht, an increase of 52.17 million baht compared to 31 March 2023 due to an increase in outstanding accounts receivable from foreign sales compared to the previous year.

As of 31 March 2024, and 31 March 2023, the Company had a debt-to-equity ratio of 0.50 and 0.63, respectively.

4.2 Factors or Events with Potential Effects on Financial Status

For the outlook for 2025, the Office of the National Economic and Social Development Council reduced the Thai GDP target to growth of 2.20-2.30% from the original expectation of 2.70-3.70% after the overall economic outlook last year was not as bright as expected. Total war within Myanmar and the Russian-Ukrainian war It is still an obstacle affecting the operation plan to expand export value and the company's financial statements do not meet the goals that the company has set. The company has increased efficiency in controlling regular expenses. Reduce administrative costs to support Competition in the domestic market has become more intense. and the situation of the world economic slowdown

4.3 Information from financial statements and key financial ratios

Investors should consider the financial statements and notes to the financial statements for the period as from 1 January 2022 to 31 March 2022 and for the year ended on 31 March 2023 appearing in the attachments of this document for explanation and analysis of the operating results and financial position. In addition, the total values shown in the table may not correspond to the totals calculated from the table numbers as a result of rounding to the decimal point. Unless otherwise stated, the calculation of key financial ratios is calculated according to the formula for calculating the financial ratios of companies in the industries and services specified in the Form 56-1 and 69-1 Registration Statement prepared by the SEC.

Financial data in the company group's financial statement for the period from 1 January 2022 to 31 March 2022 and for the year ended on 31 March 2023 checked by EY Office Limited were summarized as follows:

Statement of Financial Position (Unit: Million Baht)	For the 3-month period ended 31 March 2022 ¹	For the year ended 31 March 2023	For the year ended 31 March 2024
Asset			
Current assets			
Cash and cash equivalents	392.96	610.06	704.36
Trade and other receivables	602.52	500.71	552.87
Inventories	952.54	700.74	842.36
VAT refund pending	147.6	261.59	105.94
Advance payment	18.07	44.25	12.29
Other current assets	20.74	25.94	13.36
Total current assets	2,134.43	2,143.29	2,231.18
Non-Current Assets			
Investment property	96.95	96.76	47.66
Property, plant and equipment	1,460.99	1,471.77	1,343.60
Other intangible assets	36.46	30.72	25.39
Deferred tax assets	86.25	81.83	77.19
Other Non-Current Assets	141.84	19.62	11.45
Total Non-Current Assets	1,822.49	1,700.70	1,505.29
Total assets	3,956.92	3,843.99	3,736.47

1/ Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from January 1, 2022 to March 31, 2022

4. MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Financial Position (Unit: Million Baht)	For the 3-month period ended 31 March 2022 ¹	For the year ended 31 March 2023	For the year ended 31 March 2024
Liabilities and Equity			
Current liabilities			
Trade and other payables	635.61	467.64	528.39
Long-term loans from related parties due within one year	110.55	242.74	97.73
The portion of lease liabilities due within 1 year	24.16	20.36	24.81
Estimated cost of product warranty	199.59	196.05	194.72
Income tax payable	44.89	3.63	33.64
Other current liabilities	6.7	7.41	5.87
Total current liabilities	1021.5	937.83	885.16
Total Non-Current Liabilities	676.73	545.88	365.81
Total Liabilities	1,698.23	1,483.71	1,250.97
Equity			
78,400,000 ordinary shares, par value of 10 baht per share	784	784	784
Issued and fully paid-up capital	784	784	784
Share premium	389.5	389.5	389.5
Deficit from changes in shareholding proportions in subsidiaries	(1.64)	(1.64)	(1.64)
Deficit from business combination under common control	(92.72)	(92.72)	(92.72)
Retained earnings			
Appropriated - statutory reserve	24.51	44.44	50.97
Unallocated	1,148.02	1,228.34	1,346.35
Equity of the Company's shareholders	2,251.67	2,351.92	2,476.46
Non-controlling interests of the subsidiaries	7.02	8.36	9.04
Total Equity	2,258.69	2,360.28	2,485.50
Total Liabilities and Equity	3,956.92	3,843.99	3,736.47

1/ Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from January 1, 2022 to March 31, 2022



4. MANAGEMENT DISCUSSION AND ANALYSIS

Income Statement (Unit: Million Baht)	For the 3-month period ended 31 March 2022**	For the year ended 31 March 2022*	For the year ended 31 March 2023	For the year ended 31 March 2024
Income	1,432.57	5,540.35	5,249.28	4,931.40
Other income	50.63	115.36	82.5	177.55
Total income	1,483.20	5,655.71	5,331.78	5,108.95
Cost of sales	1,172.19	4,540.88	4,333.72	4,098.75
Selling and distribution expenses	100.19	417.18	446.92	439.27
Administrative Expenses	125.8	451.8	361.40	366.27
Total expenses	1,398.18	5,409.86	5,142.04	4,904.29
Profit before finance costs and income tax	85.02	245.85	189.74	204.66
Financial income	0.12	0.68	0.04	0.79
Financial cost	4.66	12.67	16.63	16.38
Income tax	39.75	72.07	47.3	43.12
Net Profit	40.73	161.79	125.85	145.95

Cash Flow Statement (Unit: Million Baht)	For the 3-month period ended 31 March 2022**	For the year ended 31 March 2022*	For the year ended 31 March 2023	For the year ended 31 March 2024
Net cash provided by (used in) operating activities	(51.14)	102.12	374.18	365.54
Net cash provided by (used in) investing activities	(74.19)	(128.29)	(134.63)	96.55
Net cash (used in) financing activities	(39.17)	(133.80)	(22.45)	(367.80)
Cash and cash equivalents net increase (decrease)	(164.51)	(159.97)	217.10	94.29

1/ Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from January 1, 2022 to March 31, 2022.

2/ It's information for a period 12 months from April 1, 2021 to March 31, 2022 prepared by the management for comparison proposes. Such information has not been reviewed or audited by an auditor in any way.

Financial ratio	For the 3-month period ending March 31, 2022**	For the year ends March 31, 2022*	For the year ends March 31, 2023	For the year ends March 31, 2024
Liquidity ratio (times)	2.09	2.09	2.29	2.52
Quick ratio (times)	0.97	0.97	1.18	1.42
Gross Profit Margin (%)	18.18	18.04	17.44	16.88
Operating profit margin (%)	2.84	2.86	2.37	2.95
Net Profit Margin (%)	2.75	2.80	2.34	2.84
Return on Equity (%)	1.83	7.26	5.41	6.02
Return on assets (%)	1.03	4.06	3.19	3.83
Return on fixed assets (%)	5.39	21.12	19.24	22.26
Asset turnover (times)	0.37	1.45	1.37	1.35
Debt to equity ratio (times)	0.75	0.75	0.63	0.51
Interest coverage ratio (times)	18.25	19.40	11.41	12.50

*It's information for a period 12 months from April 1, 2021 to March 31, 2022 prepared by the management for comparison proposes. Such information has not been reviewed or audited by an auditor in any way.

**Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from January 1, 2022 to March 31, 2022.

Financial Ratios

The Company Group's current capital ratio for the year ending 31 March 2024 was 2.52 times, an increase from the previous year's rate of 2.29 times due to a decrease in current liabilities of 52.66 million baht.

For the year ending 31 March 2024, the debt-to-equity ratio was 0.51 times, a decrease from the rate for the year ending 31 March 2023, when the amount was 0.63 due to a decrease in debt burdens while shareholders' equity increased due to operating profits.

The gross profit ratio for the year ending 31 March 2024 was 16.88%, a decrease compared to 17.44 percent in the previous year, mainly due to the increase in the price of lead, which is a main raw material.

The net profit ratio for the year ending 31 March 2024 was 2.84%. When compared to the previous year's net profit margin of 2.34%, the Company is shown to have lower sales and distribution expenses than the previous year. Furthermore, net profit increased as a result of profit from asset disposal at 59.83 million baht and profit from exchange rates increased from the previous year by 14.33 million baht.

4. MANAGEMENT DISCUSSION AND ANALYSIS

The Company's return on equity for the year ending 31 March 2024 was 6.02%. When compared to 5.41% in the previous year, this is a slight increase due to higher profit from asset disposal and higher profit from exchange rates in the previous year.

The Company's interest solvency ratio for the year ending 31 March 2024 was 12.50 times. When compared to the previous year's ratio of 11.41 times, the Company is shown to have increased ability to pay interest.

5. General Information and other significant information

5.1 General Information

Company Profile

Company Name	Thai Energy Storage Technology Public Company Limited
Head Office	387, Moo 4, Sukhumvit Rd., Phraek Sa Sub-district, Mueang Samut Prakan District, Samut Prakan Province 10280
Telephone	0-2709-3535
Facsimile	0-2393-2509 / 0-2709-4965
Registration	As a Listing company on October 1, 2020
Type of Business	Manufacturing and Distribution of batteries for automobiles and motorcycle
Distribution of Dividend	According to the annual general meeting of shareholders
Fiscal Year	1 April - 31 March
As of 31 March 2024	
Registered Capital of Ordinary Shares	78,400,000 shares at the par value of 10 baht per share
Issued and Paid-up Capital	78,400,000 shares at the par value of 10 baht per share

Subsidiaries

Thai Nonferrous Metal Company Limited

Company Name	Thai Nonferrous Metal Company Limited
Factory	192, Moo 7, Gateway City Industrial Estate, Hua Samrong Subdistrict, Plaengyao District, Chachoengsao Province 24190
Telephone	0-3857-5368-9, 0-3857-5381-6
Facsimile	0-3857-5373
Registration	As a limited company on March 28, 1997
Type of Business	Lead Alloy and Pure Lead
Distribution of Dividend	According to the annual general meeting of shareholders
Fiscal Year	1 April - 31 March
Auditor	Mrs. Wilai Sunthornwanee, C.P.A. (Thailand) No. 7356 or Mr. Vorapoj Amnauypanit, C.P.A. (Thailand) No. 4640 or Miss Manee Rattanabunnakit, C.P.A. (Thailand) No. 5313

As of 31 March 2024

Registered Capital of Ordinary Shares	2,500,000 shares at the par value of 100 baht per share
Issued and Paid-up Capital	2,500,000 shares at the par value of 100 baht per share
Number of Shareholders	3 shareholders

Board of Directors as of 31 March 2024

1. Mr. Akihiko Emori

On process of liquidation

3K Products Company Limited

Company Profile

Company Name	3K Products Company Limited
Head Office	396 Sukhumvit Road, Soi 103 Bang Na, Bangkok 10260
Telephone	0-2393-3333
Facsimile	0-2749-4153
Registration	As a limited company on September 10, 1987
Type of Business	Distribution of batteries for automobiles, golf cars and general lighting
Distribution of Dividend	According to the annual general meeting of shareholders
Fiscal Year	20 April - 19 April
Auditor	Mr. Pichai Piyapiwat Certified Public Account No. 10450

As of 31 March 2024

Registered Capital of Ordinary Shares	80,000 shares at the par value of 100 baht per share
Issued and Paid-up Capital	80,000 shares at the par value of 100 baht per share
Number of Shareholders	3 shareholders
Liquidator	Mr. Akihiko Emori

Power Plas Company Limited

Company Profile

Company Name	Power Plas Company Limited
Head Office	298, Moo 4, Soi 5, Sukhumvit Road, Phraek Sa Subdistrict, Mueang District, Samut Prakan Province 10280
Telephone	0-2709-4095
Facsimile	0-2709-4093
Registration	As a limited company on August 26, 2010
Type of Business	Manufacture and distribution of plastic casing for batteries
Distribution of Dividend	According to annual general meetings of shareholders
Fiscal Year	20 April - 19 April
Auditor	Mr. Pichai Piyapiwat Certified Public Account No. 10450

As of 31 March 2024

Registered Capital of Ordinary Shares	10,000,000 shares at the par value of 10 baht per share
Issued and Paid-up Capital	5,000,000 shares at the par value of 10 baht per share 5,000,000 shares at the par value of 3 baht per share
Number of Shareholders	3 shareholders
Liquidator	Mr. Akihiko Emori

Other reference persons

Share Registrar	Thailand Securities Depository Co., Ltd. 62, The Stock Exchange of Thailand Building, 4 th Floor, 6 - 7 Ratchadaphisek Road, Klong Toei, Bangkok 10110 Telephone +66 - 2229 – 2800
Auditor	Miss Wilai Sunthornwanee, C.P.A. (Thailand) No. 7356 or Mr. Vorapoj Amnauypanit, C.P.A. (Thailand) No. 4640 or Miss Manee Rattanabunnakit, C.P.A. (Thailand) No. 5313 EY Office Company Limited Lake Ratchada Office Complex, 33 th Floor 193/136-137 Ratchadaphisek Road, Klong Toei, Bangkok 10110 Telephone +66-2264-9090 Facsimile +66-2264-0789-90
Legal Advisor	Bunchong and Vidhaya Law office Co., Ltd 33/35, Wall Street Tower Building, 9 th Floor, Surawongse Road, Bang Rak, Bangkok 10500 Telephone +66 - 2236 - 2334

5.2 Legal Disputes

5.2.1 In 2018, the Group of Companies received a summons together with a copy of an ordinary civil lawsuit filed by a former employee who filed a petition with the court for the Group to pay damages for breach of contract arising from termination of employment totaling 181 million baht including interest before and after the trial. In March 2021, the Court of First Instance ordered the Group to pay damages from termination totaling 29.7 million baht and interest at the rate of 7.5% per annum from the date of default until the payment is complete. The Group has deposited amount of 37.85 million baht as collateral for suspension of execution and recorded all liabilities in this case in the current year. The Court has allowed an extension of the appeal

period. The former employee has filed an appeal and the Group filed an appeal in November 2021. The outcome of the lawsuit will depend on future court decision-making.

On 9 August 2022, the Court of Appeal revised its ruling for the Company to pay 8.1 million with interest at a rate of 7.5% per annum of the principal amount from 26 February 2018 onward until 10 April 2021, and at a rate of 5% per annum from 11 April 2021 onward until payment has been made in full.

A former employee petitioned for the Supreme Court's permission on 10 January 2023, and the Court granted the former employee's petition on 1 December 2023. The Company subsequently filed a request to amend the petition on 8 March 2024, which is currently under consideration by the Supreme Court

5.2.2 On January 4, 2013, the Company received the No. 1 import duty assessment, value-added tax (VAT) and surcharge. ("Evaluation Notification Form") from the Customs Department, totaling 135 copies. The assessment report stated that the tax and duty from the import of raw materials and machinery for the years 2007 to 2010 paid by the Company was not proper and complete. The Customs Department therefore collects import duties and VAT of 9.92 million baht and 89.57 million baht, respectively, totaling 99.49 million baht. There is also an additional amount of 60.12 million baht, totaling 159.61 million baht.

On 3 November 2017, the Revenue Department and the Customs Department filed a lawsuit against the Company claiming unpaid duties and VAT in the amount of approximately 48 million baht. Subsequently, on 5 January 2018, the Company filed a lawsuit against the Customs Department and Revenue Department asking the court to revoke the taxation assessment and requesting to revoke the decision of the Appeal Committee only in the respect of the issue ruling to dismiss the Company's appeal which was of total capital about 206 million baht.

In 2017, the Company's management recorded additional tax liabilities from those previously recorded as tax liabilities according to the first assessment of 159.61 million baht of an additional amount of 39.37 million baht. In 2018, the Company recorded an additional amount of 2.61 million baht, totaling 201.59 million baht. Subsequently, on 25 October 2018, the Company paid VAT and surcharges of 152.24 million baht to the Revenue Department according to the appraisal form No. 1 from the Customs Department. On 18 March 2019, the Company paid the remaining VAT and surcharges to the Revenue Department in the amount of 49.65 million baht, plus an additional 0.30 million baht.

Subsequently, the Company filed for an appeal of the petition on 22 March 2021. The Appeal Court has ruled that the Company cannot appeal the petition, resulting in the termination of the case. As for the Revenue Department and the Customs Department which filed for an appeal of the petition, on 19 April 2021, the Court of Appeal issued a verdict allowing the Customs Department and Revenue Department to appeal the petition.

On 8 August 2022, the Central Tax Court held a hearing on the Supreme Court's ruling, stating, "Therefore, Plaintiff No. 1 has the right to calculate and collect additional import duties in excess of the import

duties until 12 November 2017. As for the additional import duties collected from 13 November 2017 onward, Plaintiff No. 1 does not have the right to calculate and collect the import duties as stipulated in Article 22. Based on the details on calculating taxes and additional funds in Document Appended to Plaintiff No. 20, calculations are shown to have counted up to the date of the plaintiff on 3 November 2017. Plaintiff No. 1 calculated and collected additional import duties according to each import bill of lading. The import duties requiring payment had been collected. Thus, Plaintiff No. 1 had the right to continue to calculate and collect import duties until 12 November 2017 while the old law was effective. Although neither party has appealed to the Supreme Court on this issue, this is a law related to public order. The Supreme Court has the authority to unilaterally raise the matter for judgment pursuant to Article 142 (5) of the Civil Procedure Code. The law involved was Article 26 of the Act on the Establishment of Tax Courts. On the matter of the Central Tax Court's ruling for the Defendant to pay an additional import duty at the rate of 1% per month, or a fraction of a month, from each outstanding import duty until payment has been made in full, the Supreme Court, Tax Case Division, disagrees.

The Court's ruling is reversed for the case to be enforced according to the ruling of the Central Tax Court, except for additional import duties. The Defendant shall be responsible for payment of additional import duties Plaintiff No. 1 until 12 November 2017. The court fees of all three courts shall be waived."

In this regard, the Company expects that the aforementioned tax lawsuit will not have any negative impact on the Company's operations or business since the Company has already paid VAT and penalties.

5.2.3 On 24 April 2019, the Company found abnormality in the balance of the Company's account that did not reflect the truth. Therefore, it was inquired from an employee in the position of Assistant Manager of the Finance Department, who later admitted that he was dishonestly defrauding the Company by falsifying documents in the total amount of 38,073,024.40 baht. The Company, by the Disciplinary Investigation Committee, has resolved that the employee has committed a serious disciplinary offense and considered punishing such employee by immediate termination without paying any compensation, referring to the rules and regulations of work of the Company and the Labor Protection Act B.E. 2541, Section 119 (1), effective from 15 August 2019 onwards.

On September 16, 2019, the company filed a complaint to prosecute Bangna Police Station investigative officers and the prosecutor filed a criminal complaint with the Phra Khanong Criminal Court on April 30, 2022.

On 24 May 2022, Phrakhanong Criminal Court found the Defendant guilty under Articles 264, 265, 268 accompanied by Articles 264 and 265, and Article 352 of the Criminal Code. The Defendant's actions were offenses against several different laws, all of which are punishable offenses under Article 91 of the Criminal Code. The offenses of embezzlement, forgery of documents, forgery of title documents, and use of forged documents are acts of the same nature against several laws. The Court rules for the Defendant to be punished for the use of forged documents, which carries the highest penalty pursuant to Article 90 of the Criminal Code

5. GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

by imprisonment for 2 years per count for 121 counts, which is a total of 242 years of imprisonment. The Defendant's confession is considered beneficial for consideration and counted as grounds for leniency under Article 78 of the Criminal Code. The Court reduces the sentence by half to 121 years of imprisonment. However, when the penalties for every count are combined, the Defendant may be sentenced to only 20 years of imprisonment under Article 91(2) of the Criminal Code. The Court directed the Defendant to pay compensation in the amount of 28,618,310.23 baht to the injured party.



Section 2

Corporate Governance

Corporate Governance

The Board of Directors emphasizes on the Code of Best Practices for directors of listed companies and focuses on good corporate governance in accordance with the 2017 Corporate Governance Code for Listed Companies under the guidelines of the Stock Exchange of Thailand.

Policy on Corporate Governance

The Board of Directors is aware of the roles and responsibilities of directors of listed companies by strengthening the good corporate governance to enhance the competitiveness of the business and increase confidence among shareholders, investors, and related parties. The Company provides efficient and transparent management and establishes the policy to disclose important information of the Company accurately, completely, and timely in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Company's directors are encouraged to perform operations in accordance with the "Code of Best Practices for Directors of Listed Companies" and "Best Practices of the Audit Committee" provided by the Stock Exchange of Thailand.

The Company pays attention to the rights of shareholders and responsibilities for shareholders and stakeholders of the Company, equitable treatment of shareholders, consideration of roles of stakeholders, information disclosure and transparency based on the principles and practices under the SEC's 2017 Corporate Governance Code for Listed Companies, which are used as a guideline on organization management, to ensure that the Company's operations are fair and take into account the best interests of all shareholders and stakeholders. The substances of the policy can be divided into 8 principles as follows:

Principle 1 Awareness of roles and responsibilities of the Board of Directors as a leader in an organization creating sustainable value for the Company

The Board of Directors understands the roles and recognizes the responsibilities as a leader to supervise the organization's good management, which includes the establishment of objectives and goals, the establishment of strategies and operating policy and important resources allocation to achieve its objectives and goals, and the monitoring, evaluation, and supervision of performance reporting.

The Board of Directors will supervise the Company to lead to the Good Governance Outcome, which results in the competitiveness of the Company and good operating results by considering long-term impacts. The Company conducts its business ethically, respects the rights, and has responsibilities for shareholders and stakeholders by focusing on benefits for the society and developing or mitigating negative impacts on the environment. Plus, the Company is able to adapt under changing factors. The Board of Directors will supervise communications to provide better understandings to all directors, executives, and employees. There are sufficient mechanisms to facilitate the implementation of the above policies. The Company will follow up the performances and review policies and practices on a regular basis.

The Board of Directors will ensure that all directors and executives perform their duties with duty of care and duty of loyalty and supervise the operations to be in compliance with the laws, regulations, and resolutions of the Shareholders' Meeting as well as the policies or specified guidelines. The Company also establishes approval processes for important operations, such as investment, transactions having a significant impact on the Company, transactions with connected persons, acquisition/disposal of assets, and dividend payment, etc.

In addition, the Board of Directors will understand the scope of duties and responsibilities of the Board of Directors and clearly define the scope of the assignment of duties and responsibilities to the Chief Executive Officer and the Management as well as monitor and supervise the Chief Executive Officer and the Management to perform assigned duties.

However, matters that the Board of Directors should supervise to be conducted or the Board of Directors shall collaborate with the Management are as follows:

- a. Defining objective and main goals of business operations
- b. Creating an ethical organizational culture and behaving as a role model
- c. Supervising the Board of Directors' structure and operations appropriately to effectively achieve the objectives and main goals of business operations
- d. Nominating, developing, and determining remuneration and evaluating the performances of the Chief Executive Officer
- e. Formulating and reviewing strategies, goals, and annual action plans
- f. Supervising the adequacy of risk management and internal control systems
- g. Delegating appropriate operating authority and responsibilities of the Management
- h. Establishing the frame of resource allocation, development, and budgeting, such as human resource management policy and plans, and information technology policy
- i. Monitoring and evaluating performances
- j. Supervising the disclosure of reliable financial and non-financial information

Principle 2 Determination of the Company's objectives and main goals for sustainability

The Board of Directors determines or supervises the Company's objectives and main goals for sustainability. It is the objective and goal that is consistent with creating value for the Company, customers, stakeholders, and society. The Company's objectives or goals are clear and appropriate, which can be used as a main concept to define a business model and communicate to everyone in the organization to move forwards to the same direction by creating the corporate vision and values or principles and purposes or other similar matters.

The Company's objectives or main goals will be determined by considering the important factors, such as;

- (1) Environment and changing factors, including the appropriate application of technologies
- (2) Demand of customers and stakeholders
- (3) Availability, expertise, and competitiveness of the Company
- (4) Objectives of the establishment of the Company
- (5) Company's main customer group
- (6) Profitability or competitiveness by creating value proposition for the Company and customers
- (7) Company's long-term existence under factors of opportunity and risk affecting the Company and its stakeholders

In addition, the Board of Directors will supervise the objectives and goals, including strategies of the Company in accordance with the Company's objectives and main goals by applying technologies appropriately and safely. The Board of Directors will supervise the preparation of strategies and annual action plans that are in line with the Company's objectives and main goals by taking into account the Company's current environmental factors as well as opportunities and acceptable risks. The Board of Directors also promotes the preparation or review of objectives, goals, and strategies to ensure that the impacts in a longer period are considered in such strategies and annual plans and are reasonably predictable.

To formulate strategies and annual action plans, the Board of Directors will supervise to ensure that the environment, factors, and risks possibly affecting relevant stakeholders throughout the value chain are analyzed, including factors possibly affecting the Company's main goals. There is a mechanism for truly understanding the needs of stakeholders. The Board of Directors will supervise the convey of objectives and goals through strategies and action plans throughout the organization.

Principle 3 Strengthening the effective Board

The Board of Directors consists of persons with knowledge, skills, expertise, and experiences who can perform their duties for the benefits of the Company. Directors must possess the qualifications and must not be subject to the prohibited characteristics stipulated by laws. The Board of Directors is responsible for determining and reviewing the Board's structure.

The Board of Directors comprises at least one-third of all independent directors and not less than 3 independent directors of the Company must possess the qualifications and must not be subject to the prohibited characteristics stipulated by the Board of Directors, which are more stringent than the qualifications set forth by the Capital Market Supervisory Board. Currently, the Board of Directors consists of 2 non-executive directors and 3 of them are independent directors in order to balance their powers appropriately. In addition, the sub-committee is also appointed to assist the Management Committee to the extent specified in the charter of each committee to promote efficiency and effectiveness of the Board of Directors' performance.

The Board of Directors will appoint a qualified person to be the Chairman of the Board and ensure that the composition and operation of the Board of Directors is conducive to the exercise of discretion to make independent decisions, for example, the Chairman of the Board and the Chief Executive Officer is not the same person, etc. However,

In the event that the chairman of the Board is not an independent director, the Board of Directors shall appoint one independent director to participate in the consideration and determination of the Board of Directors' meeting agenda in order to promote the balance of power between the Board of Directors and the Management and comply with Code of Good Corporate Governance for Listed Companies.

To allow important matters to be carefully considered, the Board of Directors will consider the appointment of sub-committees to consider specific issues, screen information, and propose approaches for consideration before presenting them to the Board of Directors for further approval.

The Board of Directors will supervise all directors to be responsible for their duties and allocating sufficient time. Plus, the Board of Directors will supervise the disclosure of the roles and duties of the Board of Directors and sub-committees, the number of meetings, and the number of meeting attendance of each director in the previous year and report the performances of all sub-committees.

The Board of Directors will determine the rules for holding the position of directors in other companies of the Company's directors by considering the performances of the directors holding the position in several companies to ensure that the directors can devote sufficient time to perform their duties in the Company. The number of listed companies that each director will hold the position will be determined appropriately based on the nature or business condition of the Company and will be disclosed for acknowledgement. In the event that a director holds a position of a director or an executive or has a direct or indirect interest in other businesses that have conflicts or exploit the Company's opportunities or information for his or her own benefit, the Board of Directors must ensure that the Company has adequate preventive measures and informs the shareholders as deemed appropriate.

The Board of Directors shall supervise the framework and mechanisms for overseeing the policies and operations of the subsidiaries and other businesses in which the Company invests significantly. The Company establishes the investment policy and supervise operations of subsidiaries and associated companies to support any potential opportunities in the future.

In addition, the Company assigns the Company Secretary to support the operations of the Board of Directors, provide coordination to ensure the compliance with resolutions of the Board of Directors, and supervise the Board of Directors' meetings and the shareholders' meetings.

Principle 4 Nomination and development of senior executives and human resource management

The Board of Directors will ensure that there is the nomination and development of the Chief Executive Officer and senior executives who have knowledge, skills, experiences, and qualifications necessary to drive the organization towards its goals. The Board of Directors will consider or assign the Committee to consider the rules and procedures for the nomination of qualified persons to hold the position of the Chief Executive Officer and monitor the Chief Executive Officer to ensure that he/she arranges for appropriate senior executive. The Board of Directors shall at least cooperate with the Chief Executive Officer to jointly consider the rules and procedures for the nomination, appointment, and approval of persons nominated by the Chairman of the Board of Directors to be the Chief Executive Officer.

To ensure the ongoing business operations, the Board of Directors shall supervise the succession plan in order to prepare the succession of the position of senior executives.

The Board of Directors will supervise and determine the appropriate remuneration structure and evaluation and promote and encourage the Chief Executive Officer, senior executives as well as personnel of the Company to be trained and developed in order to enhance their knowledge and experiences that are beneficial to the operations. In addition, The Board of Directors will clearly establish the policies and practices for directorship in other companies of the Chief Executive Officer and senior executives, including the type of director position and the number of companies in which a person can hold the position.

In addition, The Board of Directors understand the structure and the relationship of shareholders that may affect the management and operations of the Company to ensure that such relationship will not hinder the duty performance of the Board of Directors, such as disclosure of information in accordance with any agreements affecting the Company's control.

Principle 5 Responsible business operations

The Board of Directors focuses on and supports the creation of innovations creating values to the business and benefits to customers or related parties and the social and environmental responsibility. The Board of Directors will focus on creating an organizational culture and supervise the Management to use it as a part of the review of strategies, planning of operation improvement, and monitoring of performances. In addition, the Board of Directors will promote the operations to add values for the Company based on the changing factors. It may cover the business model, perspectives and concept of product and service design and development, research, improvement of production processes and work processes as well as cooperation with business partners.

However, the above operations must be in the manner that creates mutual benefits for the Company, customers, business partners, society, and environment and do not encourage inappropriate behaviors and illegal or unethical activities.

The Board of Directors will monitor the Management to conduct business with social and environmental responsibility and reflect in the operational plan to ensure that all parties of the organization perform operations in accordance with the Company's objectives, main goals, and strategies. The Board of Directors will supervise the mechanism to ensure that the Company conducts its business ethically, is responsible for the society and the environment, and does not violate the rights of stakeholders in order to guide all parts of the organization to achieve the objectives and main goal of sustainability. The policy on business ethics is established which covers the following matters:

- (1) Responsibility for employees and workers by complying with related laws and standards and treating employees and workers fairly and respecting human rights, such as determining fair remuneration and other benefits, managing welfares that are not less than those required by laws or more as deemed appropriate, overseeing occupational health and safety, providing educational trainings, developing competencies, promoting progresses, and offering the opportunity to employees to develop their work skills in other areas
- (2) Responsibility for customers by complying with relating laws and standards and taking into account health, safety, fairness, retention of customer data, after-sales service throughout the lifespan of products and services, customer satisfaction measurement and follow-up for the development of products and services as well as advertising and sale promotions, which must be carried out responsibly, do not mislead, or exploit customers' misunderstandings
- (3) Responsibility for suppliers by providing the fair procurement process and terms of contract or agreement, providing knowledge, developing competencies and enhancing productivity, provide services meeting the standards, clarifying and supervising business partners to respect human rights and treat their own workers fairly, being responsible for the society and the environment as well as monitoring and evaluating business partners for sustainable business development
- (4) Responsibility for communities by applying business knowledge and experiences to develop projects that can benefit the community concretely, providing long-term monitoring and measurement of progress and success
- (5) Responsibility for environment by preventing, reducing, managing, and ensuring that the Company does not create or cause negative impacts on the environment, which include the use of raw materials, energy consumption, water consumption, renewable resource

consumption, release and management of waste generated by business operations, greenhouse gas emissions, etc.

- (6) Fair competition by conducting business openly and transparently and not creating an unfair competitive advantage
- (7) Anti-corruption by complying with relating laws and standards and requiring the Company to announce the anti-corruption policy to the public; the Company may consider participating in the Collective Action Coalition Against Corruption and encourage other companies and business partners to provide and announce anti-corruption policies as well as join the Collective Action Coalition Against Corruption.

Additionally, to achieve the objectives and main goals of the Company, the Board of Directors will supervise to ensure that the Company allocates and manages information technology resources, which include the allocation of sufficient resources for business operations and the establishment of guidelines to support any events that resources cannot be allocated sufficiently as specified. The Board of Directors will oversee the risk management of the organization, including information technology risk management and security of information systems.

Principle 6 Supervision of appropriate risk management and internal control systems

The Board of Directors will supervise to ensure that the Company provides risk management and internal control systems to achieve its objectives effectively and complies with relating laws and standards. The Board of Directors will establish an Audit Committee which all members must be an independent director and must not be subject to prohibited characteristics according to relevant laws and must have qualifications and duties in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in order to perform its duties effectively and independently and perform any actions as assigned by the Board of Directors. The duties include the review of financial reports, internal control system, compliance with laws, consideration and selection of auditors, the Company's information disclosure, and preparation of reports of the Audit Committee, etc. The Board of Directors will monitor and manage potential conflicts of interest and prevent the undue exploitation of the Company's assets and information.

In addition, the Board of Directors is responsible for supervising the risk management system as specified in the Risk Management Policy. The Board of Directors will consider and approve the risk management policy, which is in line with the Company's objectives, main goals, strategies, and acceptable risks in order to be the framework of the risk management process so that all persons in the organization can perform operation in the same direction. The Board of Directors will also supervise to ensure that the Company evaluates the

impact and probability of the risk identified in order to prioritize the risks and provide appropriate risk management methods and regularly monitor and evaluate the effectiveness of risk management.

To ensure that the Board of Directors can effectively and effectively supervise the risk management and internal control systems, The Board establishes various relevant policies to manage the governance as follows:

1. Code of Conduct and Business Ethics
2. Risk Management Policy
3. Conflict of Interest Policy
4. Policy on Securities Holding Reporting and Insider Trading
5. Anti-Corruption Policy
6. Whistle Blower Policy
7. Policy on Investment and Governance of Operations of Subsidiaries and Associated Companies
8. Policy on Connected Transactions or Related Transactions
9. Handbook on Delegation of Authority

The Board of Directors establishes the clear anti-corruption policy and includes it in the charter and the anti-corruption policy and communicates it to all levels of the organization and any third parties in order to achieve the practical actions. The Board of Directors will supervise the Company to provide a mechanism for receiving complaints and handling with cases with whistleblowing and establish clear guidelines on the policy of receiving complaints of corruption and misconduct. Requirements on reporting, investigation, ethical violation, investigation, and receipt of complaints on corruption and misconduct. In the event that stakeholders have observations regarding the operations of the Company and its subsidiaries, they can ask for details, report complaints or whistleblowing about illegal acts, inaccuracy of financial report, defective internal control system, or violation of the code of conduct through independent directors or the Audit Committee of the Company. Complaints and clues reported to the Company will be kept confidential. The independent director or the Audit Committee will assign the Compliance Officer to review information and find solutions (if any) and further report it to the Chairman of the Board of Directors and/or the Board of Directors. The Company provides channels for receiving complaints and/or comments and adds channels for sending an e-mail to senior executives directly at the contacting channel of the Company.

Stakeholders can express their opinions through communication channels with the Company as follows:

1. Po. Box 17, Sathorn Post Office, Bangkok, 10341
2. E-mail: report@TESHotline.com

3. Hot Line TES: 1800-010-314
4. Feedback / comment / complaint box within the Company

Principle 7 Maintaining financial credibility and information disclosure

The Company is aware of the importance of correct and complete information disclosure. The Board of Directors will be responsible for supervising the system of financial report preparation and disclosure of important information to be accurate, sufficient, and timely in accordance with relevant rules, standards, and practices. Such disclosed information includes the financial statements, the annual report, and Form 56-1, which sufficiently reflect the financial position and operating results. The Board of Directors also encourages the Company to prepare the Management Discussion and Analysis (MD&A) to support the disclosure of the financial statements quarterly. This is to allow investors to be informed and have the better understanding on the changes occurring to the Company's financial position and operating results in each quarter in addition to the numerical data in the financial statements.

In addition to the above information disclosure, the Board of Directors will monitor and evaluate the Company's financial position. The Board of Directors and the Management will jointly find a solution rapidly if there is a sign indicating problems on financial liquidity and solvency or in the case that the Company encounters with financial difficulties or is likely to face with problems, the Board of Directors will consider matters to ensure that the Company has a plan to solve problems or other mechanisms to solve financial problems. However, it shall be under the consideration of the rights of stakeholders.

In addition, the Board of Directors will supervise the Management to assign a department or a person responsible for the investor relations to communicate with shareholders and other stakeholders, such as investors, analysts, appropriately, fairly, and timely, through appropriate channels, such as channels of SET or the Company's website, etc.

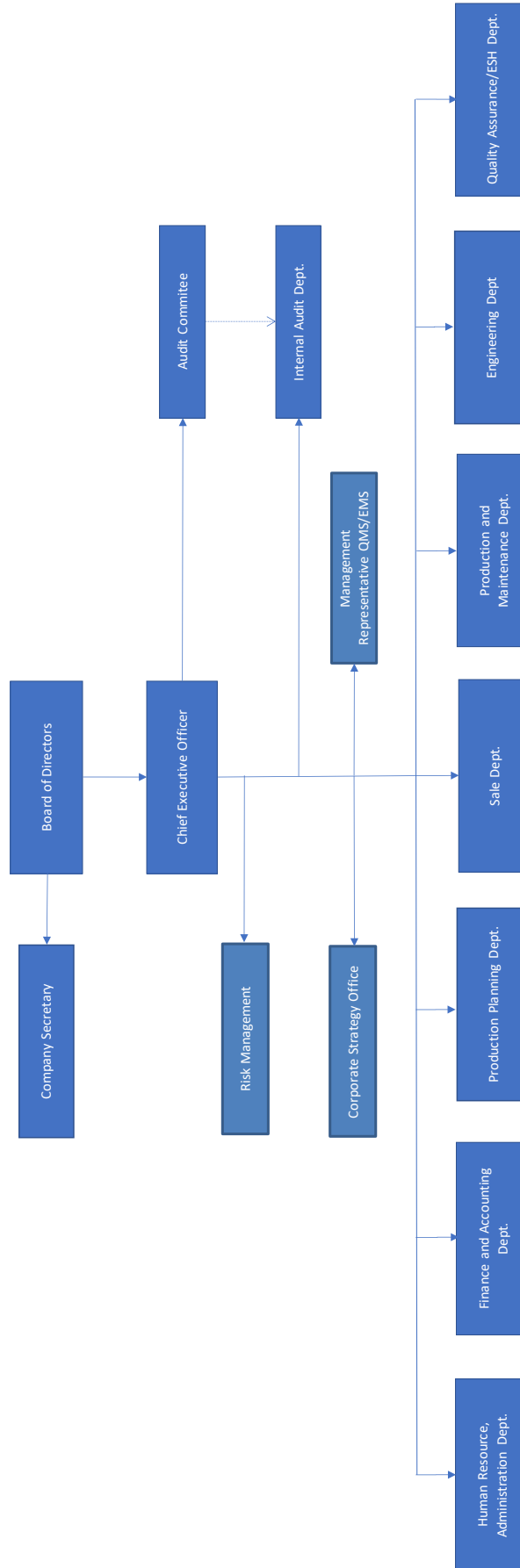
Principle 8 Promotion of engagement and communication with shareholders

The Board of Directors emphasizes on the Company's shareholders by ensuring that shareholders are treated equally and can fully exercise their basic rights as shareholders, such as (1) Right to trade or transfer shares, (2) Right to share profits of the Company, (3) Right to obtain sufficient relevant information through the Company's website or SET's website or by any other means, (4) Right to attend the meeting and cast a vote at the shareholders' meeting independently in order to appoint or remove directors and consider remuneration of directors, appointment of auditors, dividend payment, capital increase and issuance of new shares, including the right to question the Board of Directors about the Board of Directors' report and any other matters presented to the Meeting for consideration and approval, the right to propose agenda items in advance and nominate candidates to be elected as directors, and the right to participate in making decisions on important matters of

the Company. All shareholders shall have voting rights based on the number of shares held. One share equals to one vote.

In addition, the Board of Directors shall supervise to ensure that the implementation on the date of the Shareholders' Meeting is conducted properly, transparently, and efficiently, and allows shareholders to exercise their rights. The Board of Directors also supervises to ensure that the disclosure of the resolutions of the meeting and the preparation of the minutes of the Shareholders' Meeting are accurate and complete.

7.1 Corporate governance structure
As of 31 March 2024



7.2 Information about Board of Directors

1. Board of Directors

The Board of Directors has knowledge, ability, and experiences in the business relating to the Company in order to establish policies and directions as well as supervise the Management to perform operations in accordance with the specified policies with responsibility and integrity, including good corporate governance principles for the benefits of the Company and its shareholders.

In addition, the Company focuses on the internal control system and internal audit to be carried out effectively and provides the review system to comply with the legal requirements as well as the good control. The Company also establishes rules that employees must follow and set regulations as the practices

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As at March 31, 2024, the Company's Board of Directors consisted of 7 members as follows:

No.	Name	Position
1	Mr. Masakatsu Suzuki	Chairman of the Board of Directors
2	Mr. Akihiko Emori	Vice Chairman of the Board of Directors/Chief Executive Officer
3	Mr. Tamotsu Sakata	Director
4	Mr. Yoshitaka Nibe	Director
5	Mr. Nontaphon Nimsomboon	Independent Director/Chairman of Audit Committee
6	Mr. Apichai Chvajarernpun	Independent Director/ Audit Committee
7	Mr. Suchart Chanlawong	Independent Director/ Audit Committee

Authorized Director to Sign on behalf of the Company

Mr. Akihiko Emori affix their signatures and seal of the Company.

Scope of authorities and duties of the Board of Directors as shown in the Charter of the Board of Directors

- Supervising and managing the Company and performing duties in accordance with the laws, objectives, and articles of association of the Company as well as the resolutions of the shareholders' meeting with integrity and duty of care in order to maintain the Company's interests and have accountability to shareholders
- Determining the payment of gratuity, rewards, or other types of benefits to employees or workers of the Company or any person who works for the Company on a regular or non-regular basis, except the Board of Directors
- Supervising the Management to treat all stakeholders ethically and equally
- Each director is responsible for reporting his or her interests or those of related parties that relate to the management of the Company or its subsidiaries, to the Company, which can be verified, in order to ensure the transparency of operations.

5. Determining vision, mission, objectives, goals, strategies, action plans, and annual budgets for the Company's business operations, reviewing them to be consistent with changes of any factors affecting the business, supervising the Management, and allocating important resources to ensure the effective implementation of the specified policies, objectives, and goals
6. Monitoring and supervising the reporting of performance progress according to goals, indicators and strategic plans under the budget approved by the Board of Directors, and establishing the policy to improve and develop competitiveness
7. Establishing the good corporate governance policy, Code of Ethics, and Code of Conduct for employees, such as treatment of stakeholders, anti-Corruption, anti-money laundering, prevention and management of conflicts of interest, insider trading and confidentiality, and whistleblowing or complaint receipt, and reviewing the corporate governance policy, Code of Ethics, and Code of Conduct for employees annually
8. Providing appropriate and adequate internal control systems and monitoring the effectiveness of internal control systems to meet the recognized standards by disclosing the adequacy of internal control and review report in the annual report
9. Establishing the appropriate risk management policy and risk management frameworks and monitoring the effectiveness of risk management regularly by disclosing the adequacy of the risk management system in the annual report
10. Carefully considering conflicts of interest and setting a clear guideline for the benefit of the Company and shareholders and avoiding stakeholders to take part in decision-making
11. Considering and approving the Company's annual performances and operating results by comparing with the plan, budget, and trends of the following year
12. Considering and approving any transactions or actions that have a significant impact on the financial position, liabilities, business operations, and reputation of the Company, and monitoring the adequacy of financial liquidity and solvency
13. Establishing the framework of information technology management policy and security measures of the information technology system to meet the recognized standards and monitoring, reviewing, and updating them accordingly and appropriately based on information technology risks
14. Supporting and promoting innovation and applying innovation and technology to add value to the business as well as supervising the information technology management in accordance with the Company's requirements
15. Supervising the Company's operations to ensure the financial stability in order to conduct businesses continuously

16. Provide the reliable accounting system, the financial reporting, and the audit to ensure that financial information, including annual reports and annual registration statements (Form 56-1) are disclosed accurately, completely, and timely, which reflect performances and financial position in accordance with accounting standards set forth in the accounting laws, and also disclosing important information of the organization accurately and completely in accordance with relevant rules and practices
17. Establishing the policy on information disclosure and confidential information management to prevent data leakage and keep confidential information and information that may affect the price of securities
18. Establishing transparent and clear rules and procedures for nomination of senior executives and determining remuneration and evaluating performances annually as well as monitoring the process of preparing personnel to replace or take over the position of senior executive (Succession Plan) annually
19. Considering, appointing, and assigning authority and duties to any sub-committees, such as the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Executive Committee for efficient operation and benefits to shareholders
20. In the event that the Company has not fully appointed the sub-committee in accordance with the management structure, the Board of Directors shall consider assigning the duties of such sub-committee to the Executive Committee or any appropriate group of persons as well as monitoring the performances and reporting to the Board of Directors or shareholders.
21. Considering the appointment of the Chairman of the Executive Committee, Managing Director, and Company Secretary as well as delegating authority to the Chairman of the Executive Committee and Managing Director and considering amendments to such authority as deemed appropriate
22. Providing channels to communicate properly with shareholders and stakeholders and ensuring that shareholders are involved in making decisions on important matters of the Company
23. Providing clear guidelines for those who wish to make a whistleblowing report or stakeholders through the Website or report directly to the Company by establishing a whistleblowing channel through the Board of Directors, the Executive Committee, and the Audit Committee of the Company and inspecting information in accordance with the procedures specified by the Company and reporting it to the Board of Directors
24. Considering and approving and/or considering and giving opinions to propose to the shareholders' meeting for considering and approving transactions that are significant to the Company and connected transactions in accordance with the rules, conditions, and procedures

prescribed by the laws and related rules and / or the Company's Articles of Association and / or the resolution of the shareholders' meeting

25. Having any other authorities, duties, and responsibilities as required by laws and related rules, the Company's Articles of Association, and resolutions of the shareholders' meeting

7.3 Sub-committee

1. Audit Committee

As at March 31, 2024, the Company's Audit Committee consisted of 3 members as follows:

No.	Name	Position
1	Mr. Nontaphon Nimsomboon ^{1/}	Chairman of the Audit Committee
2	Mr. Apichai Chvajarenpun	Audit Committee
3	Mr. Suchat Chanlawong	Audit Committee

Remark: 1/ the director who has knowledge and experience in verifying the accountability of the Company's financial statements.

Ms. Kittiphan Suksawasdi is the secretary of the Audit Committee. As appointed by the Audit Committee Meeting No. 4/2021 on August 3, 2021

Scope of authorities and duties of the Audit Committee as shown in the Charter of the Audit Committee

1. Reviewing the internal performances, providing suggestion to the Board of Directors and / or the Management in the event that the Audit Committee deems that it is beneficial for supervising the efficient operation of any departments in order to achieve the objectives in accordance with the principles of good governance
2. Reviewing the Company's internal control system and internal audit to be appropriate and effective, considering the independence of the internal audit department, approving the appointment, transfer, and removal of the head of the internal audit department or any other departments responsible for the internal audit, suggesting the review or audit of any necessary and important transactions, proposing suggestions on important and necessary improvement of the internal control system to the Board of Directors by jointly reviewing with external auditors and the head of the internal audit department
3. Reviewing the Company's operations to be in accordance with the policies, plans, rules, regulations, relevant laws, and ethical requirements
4. Reviewing the accuracy and appropriateness of the accounting policies applied and reviewing the accurate and reliable financial reports of the Company and its subsidiaries as proposed by the auditor to the Audit Committee and disclose information adequately in accordance with generally certified accounting standards

5. Recruiting and nominating a qualified candidate to be appointed as the Company's auditor and determining appropriate audit fees so that the Board of Directors and shareholders can approve them accordingly under the framework of relevant laws and regulations
6. Promoting the independence of external auditors and supporting the operation of internal auditors to be independent, accurate, and in accordance with generally accepted standards, including promoting proper and adequate coordination among the Company's Management, external auditors, and internal auditors
7. Studying the letter that external auditors provide to the Company's executives for informing observations and suggestions on weaknesses, irregular transactions, or significant defects found in the audit, considering and giving opinions to the Board of Directors by asking and requesting for additional information from the auditor first to make correct understanding of such letter and follow up to ensure that useful observations and suggestions are considered by the Board of Directors and lead to the practical action; In the event that any observations and suggestion are not considered or implemented for no reasonable reason, discuss with the Management and present it to the Board of Directors for reconsidering.
8. Providing suggestions for determining the annual excellence of internal auditors' employees at the executive level to the Chief Executive Officer (CEO)
9. Supervising, suggesting, and supporting the independent operations of internal auditors, reviewing the audit reports of internal auditors to ensure the quality and useful audit reports that can be used to improve the operations of any departments in the Company, applying useful suggestions to practices that contribute to reducing the risk levels of the Company to an acceptable level as well as reviewing the Company's appropriate and effective risk management system
10. Approving the plan and audit plan, manpower plan, and knowledge, skills, and specific characteristics development plan of internal audit personnel to ensure that the audit is comprehensive in finance, accounting, and other operations of the Company as well as following up the performance of those plans
11. Reviewing the Company's rules, regulations, and practices on the delegation of authority of internal auditors at intervals at least every year to ensure that it remains appropriate and up-to-date and allows internal auditors to maintain sufficient independence to perform operations effectively; In this regard, the Audit Committee will present any potential limitations and weaknesses to the Board of Directors for consideration and improvement.
12. Considering connected transactions or conflicts of interest as presented by the auditor or internal auditor to the Audit Committee in accordance with the laws and regulations of the SEC and SET

7. CORPORATE GOVERNANCE STRUCTURE

as well as information disclosure of the Company to ensure such accurate and complete matters and reasonable transactions for the best interests of the Company

13. Performing other duties assigned by the Board of Directors

2. Sustainability Committee

-None-

3. Nomination and Remuneration Committee

-None-

4. Risk Committee

As of March 31, 2024, the Company has 6 members of the Risk Management Committee as follows:

No.	Name	Position	Risk Management Committee
1	Mr. Akihiko Emori	Chief Executive Officer	Chief of Risk Management
2	Mr. Wirachai Bunchuchuen	General Manager-Accounting and Finance	Secretary
3	Mr. Chakkapan Sangkaew	General Manager-Production	Member
4	Mr. Suwittawat kaewwichian	General Manager-International Sales	Member
5	Miss Vipha Muttisan	General Manager-TNC	Member

Thai Energy Storage Technology Public Company Limited has established a risk management policy throughout the organization. risk assessment To manage risks to an acceptable level by communicating workshops to employees to realize the importance of risk management (See Section 2) for more information.

7.4 Information about Executives

As at 31 March 2024, the Company had 7 executives as follows:

Name	Position
1. Mr. Akihiko Emori	Chief Executive Officer
2. Mr. Tsutomu Hitooka	Corporate Officer
3. Mr. Muneyoshi Noda	Technical Officer
4. Mr. Chakkapan Sangkaew	Growth Officer
5. Mr. Suwittawat Kaewwichian	Sales Officer
6. Mr. Wirachai Bunchuchuen	Finance Officer
7. Mrs. Vipra Muttisan	General Manager Thai Non Ferrous Metal co.,Ltd.

Remuneration of Executives

Remuneration of executive consists of salaries, bonuses, and other returns (fuel fee, telephone fee, meal fee, etc.) based on the Company's operating results as well as the performance evaluation result of each executive each year.

For the year ended December 31, 2020 and 2021, for the period from January 1, 2022 to March 31, 2022 and for the year ended March 31, 2023, the Company has paid remuneration to management as follows:

Compensation Type	ค่าตอบแทนผู้บริหาร (พันบาท)			
	For the period from 1 January to 31 March 2022 ¹	For the year 31 March 2022 ²	For the year 31 March 2023	For the year 31 March 2024
Salary and Bonus	12,964	56,064	51,464	48,277
Contributions to Provident Funds	265	762	917	746
Total	13,229	56,826	52,381	49,023

¹/Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from January 1, 2022 to March 31, 2022.

²/It's information for a period 12 months from April 1, 2021 to March 31, 2022 prepared by the management for comparison proposes. Such information has not been reviewed or audited by an auditor in any way.

7.5 Information about employees

7.5.1 Personnel

As of March 31, 2024, the company group has a total of 1,266 employees, the company has paid remuneration in the form of salary, bonus, provident fund contributions, etc.

Type of Employee	Employees (person)		
	31 December 2022	31 March 2023	31 March 2024
Office	287	252	267
Factory	1,210	1,038	999
Total	1,497	1,290	1,266

7.5.2 Significant change of employee amount during the past 3 years

-None-

7.5.3 Employee Compensation

Employee Compensation	Salary, Wage and Other Benefits (Thousand Baht)			
	For the period from 1 January to 31 March 2022 ¹	For the period from 1 January to 31 March 2022 ²	For the year 31 March 2023	For the year 31 March 2024
Total	178,560	691,780	624,003	577,552

¹/Year 2022 is the first new accounting period that has been changed to end on March 31, so there is a period of 3 months from January 1, 2022 to March 31, 2022.

²/It's information for a period 12 months from April 1, 2021 to March 31, 2022 prepared by the management for comparison proposes. Such information has not been reviewed or audited by an auditor in any way.

7.5.4 Provident Fund

The Company established the UOB Master Fund Provident Fund, which was registered under the management of UOB Asset Management (Thailand) Company Limited. Its objective is to create morale to employees of the Company and motivate employees to work with the Company in the long run.

Year experience	Contribution rate(% of employee)
Less than 3 years	3
More than 3 years but less than 6 years	4
From 6 years old and up	5

As of March 31, 2024, there are 653 employees who are members of the provident fund, representing 58.76 percent of the total number of employees.

7.5.5 Policy on Human Resource Development

The Company pays attention to its personnel and establishes the policy on human resource development at all levels to be more efficient. The Company aims to encourage personnel to develop knowledge and skills as well as to have work behaviors that are suitable for assigned works. The Company has always encouraged personnel in each department to receive appropriate trainings based on field of work throughout the year, for example,

- Trainings for the Production Department focuses on production developments, such as error prevention, effective production planning, development of machine operability, or machine maintenance planning, etc.
- Trainings for the Strategy Department and the Management focuses on administrative developments, such as effective production planning development, warehouse system planning, procurement planning, etc.
- Trainings for the Accounting and Finance Department focuses on developing knowledge for the preparation of financial statements, training on new accounting standards, etc.

7.6 Other important information

7.6.1 List of persons assigned to be responsible for the following

1. Company Secretary

The Board of Directors passed the resolution to approve the appointment of Mr. Wirachai Bunchuchuen to be a Company Secretary from October 1, 2020.

The Company Secretary has the authority and duties as specified in the Securities and Exchange Act B.E. 2535 (1992) (and its amendment) to be responsible for holding the Board of Directors' meetings and shareholders' meetings, preparing and storing director registration documents, letter of invitation to the Board of Directors' Meeting, minutes of the Board of Directors' Meeting, letter of invitation to the shareholders' meeting, minutes of the shareholders' meeting, and annual report of the Company, reports on interests reported by directors or executives, and performing other actions as announced and specified by the SEC, the Capital Market Supervisory Board, and SET.

2. **Duties and Responsibilities of Company Secretary**

Company Secretary shall perform duties with responsibility, prudence, and integrity, including comply with the laws, objectives, regulations of the Company, resolutions of the Board of Directors, and resolutions of shareholder. The Securities and Exchange Act B.E. 2535 stipulates specific roles, duties, and responsibilities of the Company Secretary as follows;

2.1 Preparing and storing the following important documents;

1. register of directors

2. notice summoning the Board of Directors' Meeting, minutes of the Board of Directors' Meeting and an annual report of the Company
3. notice summoning a Shareholders' Meeting and minutes of a Shareholders' Meeting
- 2.2 Storing a report on interest reported by a director or an executive
- 2.3 Submitting a report on interest under Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date on which the Company has received such report. The Company shall arrange a system for safekeeping of documents or evidence in relation to disclosure of information and monitor safekeeping of such documents or evidence for its accuracy and completion as well as availability for audit for the period of not less than 10 years from the date of preparing such documents or information.
- 2.4 Performing any other acts as announced and prescribed by the Capital Market Supervisory Board

In addition, the Company Secretary also has the following duties.

- a) Providing basic advices on legal issues and regulations of the Company that the Board of Directors needs to know and follow up to ensure the correct and constant compliance, including reporting any changes of regulations and/or laws that are significant to the Company's business operations to the Board of Directors for acknowledgment
- b) Organizing the Shareholders' Meeting and the Board of Directors' Meeting according to laws, Company's regulations, and related practices
- c) Recording the minutes of the Shareholders' Meeting and the Board of Directors' Meeting, including following up the compliance with the resolutions of the Shareholders' Meeting and the Board of Directors' Meeting
- d) Supervising the disclosure of information and information reports under his/her responsibility to relevant agencies according to the rules and regulations of such agencies

- e) Supervising activities of the Board of Directors and other operations to be in accordance with the laws and/or as specified by the Capital Market Supervisory Board and/or as assigned by the Board of Directors

Those assigned to the highest responsibility in accounting and finance

The Board of Directors passed the resolution to approve the appointment of Mr. Wirachai Bunchuchuen to be a General Manager-Accounting and Finance of Thai Energy Storage Technology Public Company Limited (For more details about the General Manager-Accounting and Finance, refer to Attachment 1 Number 14)

Head of Internal Audit

The Company has established the internal audit department and Ms. Kittiphan Suksawasdi is the secretary of the Audit Committee. As appointed by the Audit Committee Meeting No. 4/2021 on August 3, 2021.

This is because Ms. Kittiphan Suksawasdi has knowledge and understanding of the Company's activities and operations. Therefore, the Audit Committee is of the opinion that Ms. Kittiphan Suksawasdi is qualified to perform the duties appropriately and sufficiently (For more details about the head of internal audit of the company, refer to Attachment 3).

In this regard, the Audit Committee and the Chief Executive Officer are responsible for approving and considering the appointment, transfer, dismissal of the head of internal audit of the Company.

Head of Compliance

The Company assigns Mr. Masamichi Saito to take the position of the Compliance Manager of the Company to coordinate compliance activities of the Thai Energy Storage Technology Public Company Limited group and to supervise the compliance with rules and regulations of public agencies that oversee the Company's business operations, with qualifications of the Company's Chief Compliance Officer (see more details about the Company's Chief Compliance Officer in Attachment 3).

7.6.2 Head of Investor Relations

The Company has assigned Mr. Wirachai Bunchuchuen as Head of Investor Relations to be responsible for providing information and listen to the opinions of shareholders, analysts and investors

Telephone: 02-709-3535 Ext. 1501

Email address: wirachai.bunchuchuen.xibku@3kbattery.com

Post: Investor Relations

387, Moo 4, Sukhumvit Rd., Phraek Sa Sub-district, Mueang Samut Prakan
District, Samut Prakan Province 10280

7.6.3 Remuneration of Auditor

1.) audit fee

The Shareholders' Meeting on 25 July 2023 approved the audit fee to the audit office that the auditor is affiliated with for the year 2024 in the total amount of 2.50 million Baht and audit fee of the group Company in the total amount 3.30 million Baht

2.) non-audit fee

The Company and its subsidiaries did not pay remuneration for any other services to the auditor or the audit office that the auditor is affiliated with and there was no agreement on any other services that had not been completed in the last fiscal year.

Remuneration	Year 2023 (from 1 April 2022 to 31 March 2023) (Baht)	Year 2024 (from 1 April 2023 to 31 March 2024) (Baht)	(proposed year) Year 2025 (from 1 April 2024 to 31 March 2025) (Baht)
Auditing fee	2,500,000	2,500,000	2,500,000
Auditing fee of subsidiary	800,000	800,000	800,000
Auditing fee of reporting package	550,000	720,000	-propose to the Company by mid- 2024-
Other charges	-None-	-None-	-None-

7.6.4 Report of securities holding and changes in securities holding of directors and executives

From 1 October 2020 to 31 March 2024, all directors and executives does not hold securities of 3K-BAT

8.1 Summary of performance of the Board of Directors for the past year

In 2022, the Board of Directors held four meetings to formulate important policies and strategies to enhance the Company's capabilities and to monitor performance and status. In addition, the Company maintained the efficiency of supervision and sufficiency of an internal control system and corporate risk management by organizing six Audit Committee meetings.

8.1.1 Development and Assessment of the Board of Directors' Performance

1. Nomination of Independent Director

The Company has defined the definition of "Independent Director" in accordance with good corporate governance principles and guidelines of the Office of the Securities and Exchange Commission to reassure investors and maintain the balance of the good management. The Company defined the term of "Independent Director" as a director who does not perform management duties of the Company, the affiliated company, and the associated company. He/she is a director who is independent from the management and controlling shareholders and has no business relationship with the Company in such a way that there will be limitations in expressing independent opinions. The qualifications of directors are as follows:

1. Holding shares not more than 1% of the total voting shares of the Company or its subsidiaries, associated companies, major shareholders, or controlling persons of the Company, including the shareholding of related parties of such independent director
2. Not being or having been a director who was involved in the administration, workers, employees, advisors who receive regular salaries, or controlling persons of the Company, its parent company, subsidiaries, subsidiaries, and associated companies, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of holding the position
3. Not being a person with a blood relationship or legal registration in the manner of a parent, spouse, siblings, and children, including the spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as an executive or a controlling person of the Company or its subsidiaries
4. Not having or never had a business relationship with the Company, its subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may impede the use of its independent discretion, including not being or never been a significant shareholder or a controlling person of a person having a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of holding the position

5. Not being or never been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, a controlling person, or a partner of the audit office for which the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company works, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of holding the position
6. Not being or never been a professional service provider, including a legal advisor or a financial advisor which receives service fees of exceeding 2 million Baht per year from the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, a controlling person, or a partner of the professional service provider, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of holding the position
7. Not being a director appointed to represent the Company's directors, major shareholders, or shareholders related to major shareholders
8. Not conducting business of the same nature as the Company or its subsidiaries and being a significant competition with the Company or its subsidiaries or not being a significant partner in partnerships or being a director involved in the administration, workers, employees, advisors who receive regular salaries or holding share more than 1% of the number of shares with voting rights of other companies, which operate businesses in the same nature and are a significant competitor with the Company or its subsidiaries
9. There is no other manners that prevents them from giving independent opinions on the Company's operations.

Term of Office of Directors and Independent Directors

The tenure of directorship of the Company is in accordance with the Public Company Limited Act B.E. 2535 (1992). At each Annual General Meeting of Shareholders, one-third of the total number of directors shall retire by rotation. If the number of directors is not a multiple of three, then the number nearest to one-third shall vacate office. The directors to be retired by rotation are considered from the longest-serving directors. However, the directors who vacate office may be re-elected

2. Nomination of Directors and Executives

The Board of Directors consists of at least 5 directors and no less than half of the total number of directors must have a domicile in Thailand. The selection of persons to be appointed as directors is not carried out through the Nominating Committee because the structure of the Board of Directors does not consist of such

committee. The appointment of the Board of Directors shall be elected by the Shareholders' Meeting, which has the following criteria:

1. One shareholder shall have 1 share per 1 vote.
2. In the election of the Company's directors, it may be voted to elect one or more persons to be a director or directors as the Shareholders' Meeting deems appropriate. However, to cast each vote, shareholders must cast the votes according to the total number of shares held. They cannot allot their votes to any person in any number.
3. The person who receives the highest votes in the respective order are elected as directors in accordance with the number of directors to be elected at that time. In the case where any persons so elected in the last rank have equal votes, then the Chairman of the Meeting shall exercise the casting vote.

Removal of the Board of Directors

The Shareholders' Meeting may pass a resolution to remove any director from office prior to the end of the term of office by the votes of not less than three-fourths of the number of the shareholders attending the meeting and entitled to vote and having shares in aggregate no less than half of the shares held by the shareholders attending the meeting and entitled to vote. The determination of the proportion of directors representing each group of shareholders and the right of minority shareholders to appoint directors is not specified.

Balance of Non-executive Directors

Currently, the Company's structure consists of one Board of Directors comprising 7 directors as follows:

- | | |
|---------------------------|-----------|
| a. Executive Director | 1 Persons |
| b. Non-executive Director | 3 Persons |
| c. Independent Director | 3 Persons |

In summary, the Board of Directors consists of 3 independent directors, representing one-third of the entire Board of Directors.

Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Directors to be responsible for the Company's normal course of business by managing operations

Duties and Responsibilities of Chief Executive Officer

- Jointly considering and establishing business plans and business strategies of the Company
- Managing the Company according to the business plans and business strategies as approved by the Board of Directors

- Managing human resources, finance, financial transactions with financial institutions, general administration, purchase and sales and registration of land ownership, implementation of projects approved by the Board of Directors or the Board of Executives, and any other acts according to the objectives for the benefit of the Company's operations under the manual on authority and scope of authority approved by the Board of Directors
- Making decisions on important matters of the Company, determining missions, objectives, guidelines, and policies of the Company, including supervising the management in various fields
- Having authority in supervising, coordinating, directing, and signing any legal acts, contracts, documents, directives, and notices specified in the manual on authority
- Having authority to enter into an employment contract, appoint and transfer personnel as deemed appropriate, including determine scope of authority, duties and appropriate remuneration and having authority to remove or dismiss personnel based on appropriateness of employees at any levels as specified in the manual on authority
- Being the representative of the Company to coordinate with third parties
- Having authority to determine trading terms for the benefits of the Company
- Considering investment in new businesses or dissolution of businesses for proposal to the Board of Directors
- Preparing and presenting the report on Company's operating results on important matters to the Board of Directors on a regular basis, including the reports on other matters as required by the Board of Directors
- Providing sub-delegation of authority and/or assign other persons to perform specific tasks on his/her behalf within the scope under the regulations, requirements, or directives assigned by the Board of Directors and/or the Board of Executive
- Performing other duties assigned by the Board of Directors.

The assignment of authorities, duties and responsibilities of the Managing Director mentioned above shall not include the authority and/or sub-delegation of authority to approve any items that the Managing Director or a sub-attorney or a person that may have conflicts (as defined in the Notification of the Capital Market Supervisory Board) has interests or benefits in a manner that conflicts with the Company. Such approval must be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting (as the case may be) to consider and approve such transaction as stipulated by Articles of Association or relevant laws.

SUCCESSION PLAN

Objectives

1. To plan the recruitment and nomination of personnel in the organization or outsourced personnel to hold the positions of executive level and head of department or higher positions in advance
2. To regularly assess the preparedness of the organization whether it has manpower with qualifications, competencies and experiences
3. To plan the replacement and succession of important positions with retirement and the management of knowledgeable and capable personnel or positions highly required by the market / competitors
4. To reduce the turnover rate of personnel with knowledge, skills, competencies, and experiences
5. To motivate and retain employees with skills and competencies in order to make a replacement and succession plan and also receive the opportunity to develop and promote adjust the higher position

The Company has established rules and regulations on personnel recruitment to be responsible for important management positions of the Company appropriately and transparently to ensure that the Company has executives with qualifications, skills, experiences, and professionalism as follows;

The Board of Executives will prepare a succession plan at the level of Chief Executive Officer and Chairman of the Board of Executives to propose it to the Board of Directors for consideration

When the position of Chairman of the Board of Executives / Chief Executive Officer is vacant or those holding such position are unable to perform their duties, there will be a system allowing executives holding the similar position or secondary level of position to take charge of such position until the recruitment and nomination of qualified personnel according to the criteria set by the Company is completed. Such person shall have vision, knowledge, ability, experience and suitability for the organizational culture based on the consideration of the Board of Executives. Such person shall be nominated to the Board of Directors and / or the Shareholders' Meeting for further consideration and approval for the appointment of qualified persons to hold the position

The basic qualifications of the Chief Executive Officer and the Board of Executives are as follows;

1. Educational level of not lower than Bachelor's degree
2. Having experiences in management in the position of line manager or higher
3. Having leadership and broad visions
4. Having ability in strategic planning and organization management
5. Able to provide prudent and sensible decisions-making and solutions by taking the best interests of the organization into account

Committees Self-Assessment

In 2024, the Audit Committee has provided the annual self-assessment for the directors to jointly consider their work and problems for further improvements. The performance appraisal will be based on the assessment guidelines recommended by the Stock Exchange of Thailand and further improvements were carried out in order to be suitable for the Company's business operations. In 2023, the committee evaluation score was 3.49 from 5.00

8. REPORT ON KEY PERFORMANCE OF CORPORATE GOVERNANCE

8.1.2 Meeting Attendance and Remuneration for Individual Director

Board of Directors Meeting and subcommittees from 1 April 2023 to 31 March 2024 are as follows:

Board of Directors meeting 6 Times

Audit Committee Meeting 6 Times

No.	Director's Name	Position	Meeting Meeting/Amount of Meeting per year (Time)		
			Shareholder	Board of Directors	Audit Committee
1	Mr. Masakatsu Suzuki	Chairman of the Board of Directors	1/1	6/6	-
2	Mr. Akihiko Emori	Vice Chairman of the Board of Directors	1/1	6/6	-
3	Mr. Tamotsu Sakata	Director	1/1	6/6	-
4	Mr. Yoshitaka Nibe	Director	0/1	6/6	-
5	Mr. Nontaphon Nimsomboon	Independent Director /Chairman of Audit Committee	1/1	6/6	6/6
6	Mr. Apichai Chvajarenpun	Independent Director/ Audit Committee	1/1	6/6	6/6
7	Mr. Suchat Chanlawong	Independent Director/ Audit Committee	1/1	6/6	6/6

*Director resigned on 1 April 2023

No.	Director's Name	Position	Meeting Meeting/Amount of Meeting per year (Time)		
			Shareholder	Board of Directors	Audit Committee
1	Mr. Masato Yoshida*	Chairman of the Board of Directors	0/0	0/0	-

Remuneration of Directors

The Shareholders' Meeting on 25 July 2023, approved the remuneration of directors which was classified as follows:

- 1) Remuneration in the form of meeting allowance
- 2) Remuneration in the form of bonus
- 3) Other's remuneration/ -None-

It must be within the limit of not exceeding 2 million Baht and shall be effective forever until there is any change approved by the Shareholders' Meeting. Currently, the Company does not have a remuneration sub-

8. REPORT ON KEY PERFORMANCE OF CORPORATE GOVERNANCE

committee, but there is the appropriate procedure based on the Company's data in the same industry with similar size. In addition, the Company's operating results were be used for consideration in 2021

Directors who are employees of the Company and the parent company are requested for the omission from receiving such meeting allowances and bonuses for directors

From 1 April 2022 to 31 March 2023 the remuneration of the Board of Directors consisted of meeting allowances and bonuses for directors as follows (Baht):

No.	Director's Name	Position	Remuneration		
			Board of Directors	Audit Committee	Total
1	Mr. Masakatsu Suzuki	Chairman of the Board of Directors	-	-	-
2	Mr. Akihiko Emori	Vice Chairman of the Board of Directors	-	-	-
3	Mr. Tamotsu Sakata	Director	-	-	-
4	Mr. Yoshitaka Nibe	Director	-	-	-
6	Mr. Nontaphon Nimsomboon	Independent Director /Chairman of Audit Committee	360,000	120,000	480,000
6	Mr. Apichai Chvajarernpun	Independent Director/ Audit Committee	360,000	72,000	432,000
7	Mr. Suchat Chanlawong	Independent Director/ Audit Committee	360,000	72,000	432,000
		Total	1,080,000	254,000	1,344,000

*Director resigned on 1 April 2023

No.	Director's Name	Position	Remuneration		
			Board of Directors	Audit Committee	Total
1	Mr. Masato Yoshida *	Chairman of the Board of Directors	-	-	-

8.1.3 Supervision of Subsidiaries and Associates

Investment and supervision of operations of Subsidiaries and Associated companies

The Company has the policy on investment and governance in subsidiaries and associated companies by investing in businesses that are relevant or beneficial to the Company's main businesses. They must be potential businesses that can generate long-term profits for the Company. The Company will closely supervise and monitor operations to maintain the Company's interest in investment continuously and sustainably as well as create added value and confidence among all stakeholders. The guidelines are as follows:

1. The Company shall send the persons approved by the Board of Directors' Meeting to be the directors and executives in subsidiaries and associated companies in order to supervise and establish management policies as if they are a section of the Company. Such person must have appropriate qualifications and experience in managing affairs of the subsidiaries and associated companies. In addition, the number of persons who will be a director in such subsidiaries and associated companies must be in accordance with the Company's shareholding proportion and/or mutual agreement in the case of the associated company.
2. The Company will closely monitor the operating results and performances of its subsidiaries and associated companies to ensure that they meet the Company's goals as well as supervise the storage of data and accounting records of subsidiaries and associated companies for audit.
3. Subsidiaries and associated companies must report their business plans, investment projects, and joint ventures with other entrepreneurs to the Company. In addition, subsidiaries and associated companies must submit information or documents relating to operations to the Company upon request as appropriate.

8.1.4 Monitoring of Compliance with Corporate Governance Policies and Practices

(1) Prevention of Conflicts of Interest

The Company had business transactions with its related parties, which had relationship through same shareholders and/or joint directors and management. Such transactions related to the purchase and sale of products, which were in accordance with conditions agreed between the Company and related companies and in line with the normal course of business. The Company establishes measures and procedures for approving related transactions, including policies or trends of related transactions in the future as follows:

1. Measures and Procedures for Approval of Related Transactions

The Company establishes the measures for controlling related transactions of the Company, its subsidiaries, associated companies, and subsidiaries at the similar level with any persons possibly having conflicts of interest or interests or future conflicts of interest according to the Notifications of the SEC and SET. The Audit Committee shall consider and give opinions on the necessity and rationale of transactions and the appropriateness

of prices and conditions of transactions based on the normal course of business in the industry. There is the comparison of price and conditions of transactions if they are made with any third parties or market prices before presenting it to the Board of Directors or the Company's Shareholders' Meeting for consideration, as the case may be. In the case that the Audit Committee does not have the expertise to determine potential related transactions, the Audit Committee will assign a person with specific knowledge and expertise, such as independent auditors or appraisers, to provide opinions on such related transactions in order to support the consideration and/or decisions of the Audit Committee, the Board of Directors and/or the Shareholders' Meeting, as the case may be. Stakeholders shall have no right of voting for such transaction to ensure that such transaction will not be the transfer or assignment of the Company's interests, but it is the transaction that mainly takes into account the highest interests of the Company and all shareholders.

2. Policies or Trends of Related Transactions in the Future

In the future, if there is any related transactions, the Company shall comply with the rules stipulated in the Securities and Exchange Act and the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, including relevant rules. Such transaction shall not be construed as the transfer or assignment of interests between the Company's or the Company's shareholders, but it is the transaction that mainly takes into account the highest interests of the Company and all shareholders.

In the event of a connected transaction, which is a normal business transaction or a normal business supporting transaction of the Company and/or its subsidiaries in which the transaction is a trade agreement in the same manner as an ordinary person would agree with any general counterparty under similar circumstances with trade bargaining power without the interference power resulted from the status of directors, executives, or related persons and does not cause the transfer of interests and/or can show that such transactions have reasonable or fair pricing or conditions, the Company establishes the framework of such related transactions which must be considered and approved by the Audit Committee before presenting it to the Board of Directors for consideration and approval and allows the Management to make such transactions. The Company shall prepare the summary of related transactions in order to report it to the Audit Committee's Meeting and the Board of Directors' Meeting every quarter. However, in the event that the Audit Committee and the Board of Directors found that there were any operations that were not in accordance with the specified policy set, the Audit Committee and the Board of Directors will jointly consider and take appropriate actions.

In 2023, the Company did not find directors and executives. There are cases that may cause conflicts of interest.

(2) Use of Inside Information for Profit

Policy on Reporting of Securities Holding and Insider Trading of Company

To ensure the effective and transparent corporate governance of Thai Energy Storage Technology Public Company Limited which will build confidence to all related parties and the sustainable growth to the businesses for creating fairness to all stakeholders, the policy on reporting of securities holding and insider trading has been established as follows.

Policy on Reporting of Securities Holding

Directors, executives, and auditors of the Company shall be responsible for reporting to the Office of the Securities and Exchange Commission their own shareholding, convertible securities or derivatives (collectively referred to as the "Securities") and those of their (1) spouses or cohabiting partners, (2) minor child, and (3) persons wherein oneself and the person under (1) and (2) holds shares at an aggregate amount of exceeding 30% of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof, pursuant to the Notification of the Office of the Securities and Exchange Commission No. SorChor. 38/2561, every time when securities are purchased, disposed, or transferred under Section 59 of the Act Securities and Exchange Commission B.E. 2535.

When holding the position of director or executive, such person shall notify all securities held to the SEC in accordance with Form 59 (together with a copy to notify the Company Secretary) within the following period;

1. Within seven working days from the date of purchase, disposal; transfer or acceptance of transfer of securities in the case where the person with the reporting duty is a director or executive of a company, and in accordance with all of the following regulations:
 - 1.1 the company shall report the names of the directors and executives through the Directors and Executives Information System of the company issuing securities according to the methods specified in the Notification of the Office of the Securities and Exchange Commission concerning Forms and Methods for Reporting or Changing the Information of Company Directors and Executives;
 - 1.2 the persons with the reporting duty shall report purchase, disposal, transfer or acceptance of transfer of securities before having their names listed in the Directors and Executives Information System of the company issuing securities under Item 1.1.
2. within three working days from the date of purchase, disposal, transfer or acceptance of transfer of securities in any case other than Item 1

8. REPORT ON KEY PERFORMANCE OF CORPORATE GOVERNANCE

Directors or executives are not allowed to purchase and dispose, directly or indirectly, securities for 1 month before and 3 business days after the date of submission of the quarterly and annual financial statements to the Stock Exchange of Thailand.

All directors and executives who purchase and dispose securities of the Company shall;

(A) Report Form 59 to the SEC Office, and submit a copy of such report to the Company Secretary within 3 working days or 7 working days (as the case may be) from the date of trading and.

(B) Submit all details of securities trading reports of the company to the Company Secretary on a quarterly basis, which such information is kept for internal use only in order to comply with the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552, Re: Reporting of Interests of Directors, Executives and Related Persons

Policy on Insider Trading

1. Directors, executives, and employees shall not trade in company securities by using confidential information and/or internal information and/or engage in any other legal acts causing damage to the Company, directly or indirectly
2. Directors, executives, and employees who are in the department receiving internal information of the Company shall not use such information before disclosing it to the public
3. Employees involving with internal information are not allowed to trade the Company's securities by oneself, their spouse, and minor child, either direct or indirect trading, (such as Nominee through private funds), during the period of 1 month before and 3 working days after the date of submission of quarterly and annual financial statements to the Stock Exchange of Thailand.
4. Directors, executives, and employees are not allowed to use information in the computer system, exploit and abuse information for their personal benefits or the benefit of others
5. Employees who neglect to comply with the rules set forth above will be subject to disciplinary actions according to the regulations of the Company as the case may be

The policy on reporting of securities holding and insider trading was approved by the Board of Directors' Meeting No. 1/2020 on October 1, 2020

In 2022, the Company did not find any directors and executives using inside information for gains.

(3) Anti-Corruption

The Company established a written anti-corruption policy and process as a clear guideline and raise awareness and communicate are as follows:

1) The Company communicates to its directors, executives and employees by requiring that every process operation is strictly within the scope of the law, due to negligence or unawareness.

2) The Company provides a reporting channel if any violations of the policies or corruption acts are found by Red box and Whistleblowing

3) Anti-Corruption

Poster Company and put up such posters in various areas that can be clearly seen in the company to campaign and raise people's awareness of corruption

4) Whistleblowing

The Company places importance on good corporate governance by providing opportunities for its employees and stakeholders to report if found a violation or abnormal operation, such as corruption, noncompliance with rules, conflict of interest, financial statements fraud, unethical behavior or regulations stipulated by law

Whistle Blowing Chanel

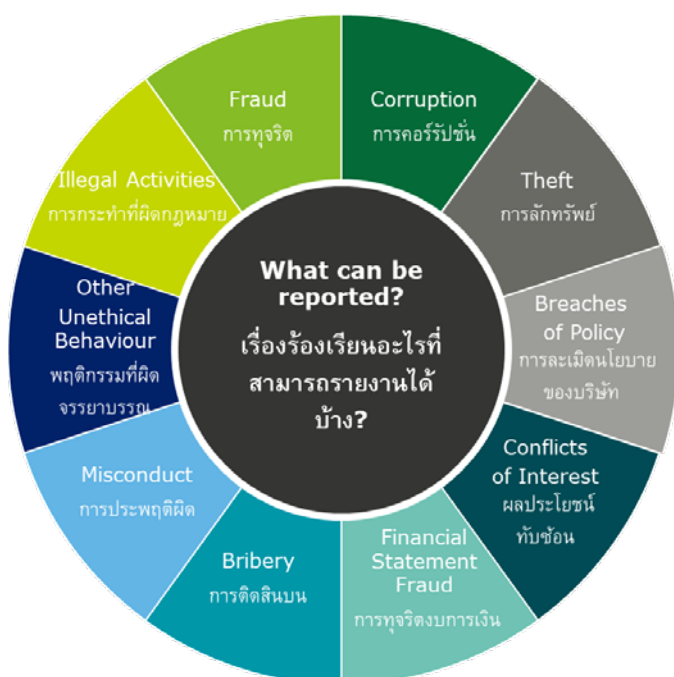
Whistle-Blowing channel

- Generally, the alleged incident includes a violation of law, rule, regulation, and/or a direct threat to public interest such as fraud, health, safety violations or corruption.
- Whistleblowers report all kinds of misconduct, and many are based on quite minor allegations of misconduct but are nevertheless of importance to the person making the call.

The Important of Whistle Blowing

- Good corporate governance
- Regulatory compliance
- Fraud prevention
- Internal controls compliance
- Risk mitigation
- Demonstrates a commitment to ethical business conduct and best practices.
- Allows employees to be active in protecting the organization's assets, people and reputation.
- Help the organization to detect fraud or other misconduct.
- Allows employees to have a channel to report wrongful practices and behaviors.

Reports can be received for the following scope



Note: For Hotline, Email and Post box channels, WB will not get the password to access website for follow up the status. WB has to call or email to ask for the status update.



Make a report - Hotline

1. Call us at **TES: 1800-010-314** (between 8:30 AM – 5:30 PM, Bangkok time)
2. Provide details of the incident to Deloitte Analyst and get the unique incident ID for reference.
3. After 7 days, users can check feedback by contact us.

Make a report – Email

1. Email us at report@TESHotline.com
2. Provide details of the incident in the email and get the unique incident ID for reference.
3. After 7-10 days, check feedback and communicate us via email or hotline.

Make a report - Post Box

1. Send a letter to Attn: P.O. Box 17, Sathorn Post Office, Bangkok 10341
2. Download the Cover Sheet and incident submission form at: <https://TESHotline.com/>

Make a report - Website

1. Record the event at: <https://TESHotline.com/>
2. 2.1 Choose whether full disclosure or confidential, partial disclosure. or completely anonymous If you choose to disclose information Please specify the details as follows:
 - 1) Name - Surname
 - 2) Department
 - 3) E-mail address
 - 4) Telephone Number
 - 5) Others information
- 2.2 Specify the location of the incident.
- 2.3 Select the topic of the complaint such as violation of the Company's policy/operations, conflicts of interest, corruption in financial statements, corruption, bribery and corruption,

illegal actions, inappropriate behaviors, unethical behaviors, embezzlement of the Company's property, theft and sexual harassment (for more information, please click "Things That Have to be Reported").

2.4 Identify the persons involved, the date of the aforementioned incident, incident details, the site of the incident, names of witnesses and documents or evidence of the incident (the complainant only has to report what the complainant wants to know most.)

- 3 Attached evidence (if any) and set a password before clicking to send.
- 4 The complainant will receive an incident number and password. Please keep the incident number and password for entering into a system for monitoring status and for providing more information.

Status Check/Provide More Information

Step 1 – To check status or add information, enter the system with incident numbers and enter the password received by the complainant.

Step 2 – Add more information and/or attach additional documents before clicking to send.

Recommendations or questions (if any) will be shown here.

8.2 Summary of the performance of the Board

Report on the performance of the Board of Directors for the period from 1 April 2023 to 31 March 2024

The Board of Directors of Thai Energy Storage Technology Public Company Limited believes that the Company must operate in accordance with the law, good corporate governance, and with social responsibility. This will result in the Company achieving the visions of the Company and creating maximum benefit to shareholders and stakeholders.

The Board of Directors consists of 7 members as follows:

No.	Name	Position
1	Mr. Masakatsu Suzuki	Chairman of the Board of Directors
2	Mr. Akihiko Emori	Vice Chairman of the Board of Directors
3	Mr. Tamotsu Sakata	Director
4	Mr. Yoshitaka Nibe	Director
5	Mr. Nontaphon Nimsomboon	Independent Director
6	Mr. Apichai Chvajarenpun	Independent Director
7	Mr. Suchat Chanlawong	Independent Director

In the performance of duties for the period from 1 April 2023 to 31 March 2024, the Board of Directors have held a total of 6 meetings to supervise the management to operate in accordance with the vision, mission, policies, strategies, goals, and in accordance with the objectives and regulations prescribed by law, as well as the resolutions of the shareholders' meeting. The important things can be summarized as follows:

1. Considered and approved the financial statements for the quarter and consider approval of the annual financial statements before presenting them to the shareholders for consideration, including overseeing the preparation of accounting and keeping accounts and related documents, including the appropriate disclosure of information to shareholders and the general public.
2. Considered and approved the dividend payment from the operating results for the period from 1 April 2022 to 31 March 2023.
3. Considered the selection of auditors and determine the auditor's remuneration for the period from 1 April 2023 to 31 March 2024.
4. Considered and supervised the internal control that is appropriate & sufficient, and monitor efficiency of the internal control system to meet the accepted standards through the Audit Committee and the Internal Audit Department.
5. Consider opening and closing bank accounts for the operation of the company.
6. Consider investing in new machines to increase production capacity and increase efficiency.

Chairman of the Board of Directors

Mr. Masakatsu Suzuki

Internal Control and Internal Audit Systems

The Board of Directors is aware of the importance of having a good internal control system. It is the important duty that must be performed to ensure that the Company has an appropriate and adequate internal control system for supervising its operations to meet the goals, objectives, laws, and relevant requirements effectively. The Audit Committee is assigned to be responsible for reviewing the Company's proper and effective internal control systems and presenting important and necessary suggestions on the improvement of the internal control system to the Board of Directors by jointly reviewing with external auditors and the head of the internal audit department as well as the Company's appropriate and effective risk management system.

Regarding the risk management, the Company appoints the Risk Steering Committee to review the overall operation of risk management of the Company and assign internal auditors to evaluate the efficiency and effectiveness of the above operations of the Company and present the evaluation results to the Audit Committee.

Internal Control

As at 31 March 2023 the chief of the internal audit department was Ms. Kittiphan Suksawasdi, the Head of Internal Audit Department. The Audit Committee was of the opinion that internal auditors were able to perform their duties effectively and suggest the Company's executives to develop knowledge and skills of internal auditors because a good internal auditor will provide benefits to the Company in the future

Related Transactions

The Company had business transactions with its related parties, which had relationship through same shareholders and/or joint directors and management. Such transactions related to the purchase and sale of products, which were in accordance with conditions agreed between the Company and related companies and in line with the normal course of business. The Company establishes measures and procedures for approving related transactions, including policies or trends of related transactions in the future as follows:

1. Measures and Procedures for Approval of Related Transactions

The Company establishes the measures for controlling related transactions of the Company, its subsidiaries, associated companies, and subsidiaries at the similar level with any persons possibly having conflicts of interest or interests or future conflicts of interest according to the Notifications of the SEC and SET. The Audit Committee shall consider and give opinions on the necessity and rationale of transactions and the appropriateness of prices and conditions of transactions based on the normal course of business in the industry. There is the comparison of price and conditions of transactions if they are made with any third parties or market prices before

presenting it to the Board of Directors or the Company's Shareholders' Meeting for consideration, as the case may be. In the case that the Audit Committee does not have the expertise to determine potential related transactions, the Audit Committee will assign a person with specific knowledge and expertise, such as independent auditors or appraisers, to provide opinions on such related transactions in order to support the consideration and/or decisions of the Audit Committee, the Board of Directors and/or the Shareholders' Meeting, as the case may be. Stakeholders shall have no right of voting for such transaction to ensure that such transaction will not be the transfer or assignment of the Company's interests, but it is the transaction that mainly takes into account the highest interests of the Company and all shareholders.

2. Policies or Trends of Related Transactions in the Future

In the future, if there is any related transactions, the Company shall comply with the rules stipulated in the Securities and Exchange Act and the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, including relevant rules. Such transaction shall not be construed as the transfer or assignment of interests between the Company's or the Company's shareholders, but it is the transaction that mainly takes into account the highest interests of the Company and all shareholders.

In the event of a connected transaction, which is a normal business transaction or a normal business supporting transaction of the Company and/or its subsidiaries in which the transaction is a trade agreement in the same manner as an ordinary person would agree with any general counterparty under similar circumstances with trade bargaining power without the interference power resulted from the status of directors, executives, or related persons and does not cause the transfer of interests and/or can show that such transactions have reasonable or fair pricing or conditions, the Company establishes the framework of such related transactions which must be considered and approved by the Audit Committee before presenting it to the Board of Directors for consideration and approval and allows the Management to make such transactions. The Company shall prepare the summary of related transactions in order to report it to the Audit Committee's Meeting and the Board of Directors' Meeting every quarter. However, in the event that the Audit Committee and the Board of Directors found that there were any operations that were not in accordance with the specified policy set, the Audit Committee and the Board of Directors will jointly consider and take appropriate actions.

The Company had related transactions with related companies according to the pro forma consolidated financial information for the year 31 December 2021, for the period from 1 January 2022 to 31 March 2022, for the year 31 December 2022 and for the year 31 December 2023 which was reviewed and assured by the auditor. However, the Audit Committee was of the opinion that related transactions were treated in accordance with prices and normal business conditions. The auditor reviewed the transactions shown in Note 6 to the financial statements. The Company made the related transactions with related parties, which can be summarized as follows:

Related Parties	Nature of Transaction	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	For the Year Ended 31 March 2024 (Unit: Million Baht)	Necessity and Rationale of Transactions
1 Showa Denko Materials Co.,Ltd.	The Company has been granted the right to use the trademark.	32.29	-	-	-	For using in the normal course of business of the Company; Pricing is based on the contractual value and it is subject to normal business conditions.
	The Company receives technical assistance fees.					For using in the normal course of business of the Company; Pricing is based on the contractual value and it is subject to normal business conditions.
	- Fees	10.08	-	-	-	
	The Company purchases raw materials, battery					It is a normal trade transaction of the Company. The trading pricing is based on the market price. The

Related Parties	Nature of Transaction	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	For the Year Ended 31 March 2024 (Unit: Million Baht)	Necessity and Rationale of Transactions
	components for tractors, and machineries. - Purchase of raw materials and components	10.59	-	-	-	transaction has general trading conditions with fair prices and conditions.
2 Showa Denko Materials (Asia-Pacific) Pte.Ltd.	The Company sells automotive batteries. - Sales of products	442.03	-	-	-	It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.
3 Showa Denko International (Taiwan) Co.,Ltd.	The Company sells automotive batteries. - Sales of products	18.64	-	-	-	It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.



Related Parties	Nature of Transaction	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	For the Year Ended 31 March 2024 (Unit: Million Baht)	Necessity and Rationale of Transactions
4	Sustainable Battery Solutions Inc. (Energywith)					For using in the normal business operations of the Company
	The Company has long-term loans	738	666	661	304	
	- Long Term Loan					
	-Interest	-	4	15	13	
	-Withholding Tax	-	0.60	-	-	
5	Energy with	0.20	-	2.71	-	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.
	- Accrued Interest Expense					
	The Company pay for IT System Use Charge		2	7	15	
	- Service fees	-				
	The Company pay for technical assistance fees.					
	- Fees	-	3	13	11	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.
	- Others Account Receivables	-	0.20	0.20	0.20	
	-Others Account Payable	-	9.90	8.61	11.75	

Related Parties	Nature of Transaction	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	For the Year Ended 31 March 2024 (Unit: Million Baht)	Necessity and Rationale of Transactions
	- Trade payables -Purchase Finished Goods	-	*	-	8.428	
6 Energy with (NABARI)	The Company pay for Service Expenses-Maintenance-Factory - Service fees	-	17	-	-	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.

Section 3

Financial statements





Thai Energy Storage Technology Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 March 2024



Independent Auditor's Report

To the Shareholders of Thai Energy Storage Technology Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Energy Storage Technology Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 March 2024, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Energy Storage Technology Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Energy Storage Technology Public Company Limited and its subsidiaries and of Thai Energy Storage Technology Public Company Limited as at 31 March 2024, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *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.

Emphasis of Matter

I draw attention to Note 26.5 to the consolidated financial statements regarding the lawsuit lodged by former employees against the Group over the termination of their employment. During the year 2021, the Court of First Instance ordered the Group to pay a certain compensation, and therefore the Group recorded expenses arising from this litigation in the financial statements for the year 2021. However, the former employees and the Group filed an appeal against the judgment to the Court of Appeal in November 2021. In September 2022, the Court of Appeal upheld the ruling handed down by the Court of First Instance, ordering the Group to pay a reduced amount of compensation. In December 2023, the Group received a refund, which was the remaining amount out of collateral for compensation related to the termination of employment according to the Court of Appeal's judgment. The Group recorded this refund as other income in the financial statements of the current year. However, the former employees lodged a further appeal with the Supreme Court and the Court accepted the appeal for further consideration. In response, the Group filed a counterappeal with the Supreme Court in March 2024. Currently, both appeals are under consideration of the Supreme Court. Thus far, the lawsuit has yet to be final and conclusive, depending on future judicial decisions. My opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is those matters that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter is described below.

Allowance for diminution in value of inventory

The Group had a significant net outstanding balance of inventory in manufacture and distribution of batteries as at 31 March 2024 amounting to Baht 842 million since prices of lead as raw material for batteries fluctuated in line with changing supply and demand in the global market, leading to effect on battery production costs. The Group was limited in its ability to increase the selling prices of batteries. As a result, estimating the net realisable value of inventory as disclosed

in Note 9 to the financial statements requires detailed analysis of the product life cycle, the competitive environment, economic circumstances, situations within the industry and basis applied in estimating prices of batteries. There is thus a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the internal controls of the Group relevant to the determination of provision for diminution in the value of inventory. I also evaluated the method and the assumptions applied by the management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis.
- Analysing the inventory holding periods and inventory movements to identify products with indicators of lower than normal inventory turnover.
- Comparing details of sales contract occurring after the date of the financial statements with the cost of inventory for each product line.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 matter communicated with those charged with governance, I determine this matter that was of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. I describe these matter 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.

I am responsible for the audit resulting in this independent auditor's report.



Wilai Sunthornwanee

Certified Public Accountant (Thailand) No. 7356

EY Office Limited

Bangkok: 28 May 2024

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Assets					
Current assets					
Cash and cash equivalents	7	704,356,600	610,064,228	454,090,085	441,244,972
Trade and other receivables	8	552,870,694	500,704,235	568,273,891	504,736,654
Short-term loan to a related party	6	-	-	400,000,000	400,000,000
Inventories	9	842,358,640	700,742,014	738,662,505	598,294,039
VAT refundable		105,939,777	261,585,114	105,939,777	261,585,114
Prepaid expenses		12,293,217	44,251,622	11,312,182	41,077,639
Other current assets		13,357,906	25,939,481	9,082,572	25,202,971
Total current assets		2,231,176,834	2,143,286,694	2,287,361,012	2,272,141,389
Non-current assets					
Investments in subsidiaries	10	-	-	292,400,861	292,400,861
Investment properties	11	47,662,681	96,763,332	47,662,681	96,763,332
Property, plant and equipment	12	1,343,599,749	1,471,766,747	982,287,940	1,069,074,750
Other intangible assets	13	25,386,818	30,715,837	25,385,395	30,702,314
Deferred tax assets	19	77,191,559	81,829,959	78,882,838	83,486,172
Other non-current assets		11,452,462	19,624,616	9,580,188	17,387,842
Total non-current assets		1,505,293,269	1,700,700,491	1,436,199,903	1,589,815,271
Total assets		3,736,470,103	3,843,987,185	3,723,560,915	3,861,956,660

The accompanying notes are an integral part of the financial statements.

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	528,389,382	467,641,938	609,735,586	558,362,754
Current portion of long-term loan from a related party	6	97,732,800	242,741,125	97,732,800	242,741,125
Current portion of lease liabilities	15	24,810,812	20,353,370	20,000,445	14,060,955
Provision for product warranty	16	194,723,272	196,052,032	194,723,272	196,052,032
Income tax payable		33,637,268	3,629,277	28,195,420	3,629,277
Other current liabilities		5,870,827	7,405,775	5,663,508	3,532,765
Total current liabilities		885,164,361	937,823,517	956,051,031	1,018,378,908
Non-current liabilities					
Long-term loan from a related party, net of current portion	6	206,582,706	418,375,676	206,582,706	418,375,676
Lease liabilities, net of current portion	15	51,478,195	23,916,656	38,716,699	15,717,213
Provision for long-term employee benefits	17	107,745,522	103,588,897	96,148,816	93,527,567
Total non-current liabilities		365,806,423	545,881,229	341,448,221	527,620,456
Total liabilities		1,250,970,784	1,483,704,746	1,297,499,252	1,545,999,364

The accompanying notes are an integral part of the financial statements.



Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Shareholders' equity					
Share capital					
Registered					
78,400,000 ordinary shares of Baht 10 each		784,000,000	784,000,000	784,000,000	784,000,000
Issued and fully paid up					
78,400,000 ordinary shares of Baht 10 each		784,000,000	784,000,000	784,000,000	784,000,000
Share premium		389,501,173	389,501,173	389,501,173	389,501,173
Deficits from changes in ownership interests in a subsidiary		(1,643,687)	(1,643,687)	-	-
Deficits from business combinations under common control		(92,719,572)	(92,719,572)	(92,719,572)	(92,719,572)
Retained earnings					
Appropriated - statutory reserve	20	50,969,766	44,443,183	50,969,766	44,443,183
Unappropriated		1,346,352,561	1,228,337,007	1,294,310,296	1,190,732,512
Equity attributable to owners of the Company		2,476,460,241	2,351,918,104	2,426,061,663	2,315,957,296
Non-controlling interests of the subsidiaries		9,039,078	8,364,335	-	-
Total shareholders' equity		2,485,499,319	2,360,282,439	2,426,061,663	2,315,957,296
Total liabilities and shareholders' equity		3,736,470,103	3,843,987,185	3,723,560,915	3,861,956,660
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 March 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Profit or loss:					
Revenues					
Revenue	24	4,931,403,963	5,249,284,928	4,853,856,784	5,175,828,410
Other income					
Gain on exchange		75,263,694	60,934,646	75,263,694	60,934,646
Gain on disposal of assets		59,829,148	-	60,194,887	-
Share of profit from investment	10.1	-	-	-	52,272,316
Others		42,450,655	21,570,767	108,004,457	91,398,356
Total revenues		5,108,947,460	5,331,790,341	5,097,319,822	5,380,433,728
Expenses					
Cost of sales		4,098,751,548	4,333,720,027	4,146,112,520	4,438,843,305
Selling and distribution expenses		439,266,029	446,923,108	438,057,085	445,103,135
Administrative expenses		366,275,076	361,408,214	341,814,103	334,950,492
Total expenses		4,904,292,653	5,142,051,349	4,925,983,708	5,218,896,932
Operating profit		204,654,807	189,738,992	171,336,114	161,536,796
Finance income		791,076	44,868	11,929,204	11,667,888
Finance cost	21	(16,376,413)	(16,633,463)	(15,385,557)	(16,094,946)
Profit before income tax expenses		189,069,470	173,150,397	167,879,761	157,109,738
Income tax expenses	19	(43,124,093)	(47,298,545)	(37,348,108)	(32,800,125)
Profit for the year		145,945,377	125,851,852	130,531,653	124,309,613
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss) - net of income tax		(1,128,497)	38,618	(827,286)	(265,004)
Other comprehensive income for the year		(1,128,497)	38,618	(827,286)	(265,004)
Total comprehensive income for the year		144,816,880	125,890,470	129,704,367	124,044,609
Profit attributable to:					
Equity holders of the Company		145,261,597	124,520,868	130,531,653	124,309,613
Non-controlling interests of the subsidiaries		683,780	1,330,984		
		145,945,377	125,851,852		
Total comprehensive income attributable to:					
Equity holders of the Company		144,142,137	124,550,377	129,704,367	124,044,609
Non-controlling interests of the subsidiaries		674,743	1,340,093		
		144,816,880	125,890,470		
Basic earnings per share					
Profit attributable to equity holders of the Company	23	1.85	1.59	1.66	1.59

The accompanying notes are an integral part of the financial statements.

The accompanying notes are an integral part of the financial statements.

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 March 2024

	Separate financial statements					(Unit: Baht)
	Deficits		Retained earnings		Total shareholders' equity	
	Issued and fully paid-up share capital	Share premium	from business combinations under common control	Appropriated - statutory reserve		
Balance as at 1 April 2022	784,000,000	389,501,173	(92,719,572)	24,508,290	1,110,926,796	2,216,216,687
Profit for the year	-	-	-	-	124,309,613	124,309,613
Other comprehensive income for the year	-	-	-	-	(265,004)	(265,004)
Total comprehensive income for the year	-	-	-	-	124,044,609	124,044,609
Dividend paid (Note 18)	-	-	-	-	(24,304,000)	(24,304,000)
Transfer to statutory reserve (Note 20)	-	-	-	19,934,893	(19,934,893)	-
Balance as at 31 March 2023	784,000,000	389,501,173	(92,719,572)	44,443,183	1,190,732,512	2,315,957,296
Balance as at 1 April 2023	784,000,000	389,501,173	(92,719,572)	44,443,183	1,190,732,512	2,315,957,296
Profit for the year	-	-	-	-	130,531,653	130,531,653
Other comprehensive income for the year	-	-	-	-	(827,286)	(827,286)
Total comprehensive income for the year	-	-	-	-	129,704,367	129,704,367
Dividend paid (Note 18)	-	-	-	-	(19,600,000)	(19,600,000)
Transfer to statutory reserve (Note 20)	-	-	-	6,526,583	(6,526,583)	-
Balance as at 31 March 2024	784,000,000	389,501,173	(92,719,572)	50,969,766	1,294,310,296	2,426,061,663

The accompanying notes are an integral part of the financial statements.



Thai Energy Storage Technology Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 March 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before tax	189,069,470	173,150,397	167,879,761	157,109,738
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	217,677,403	208,414,799	165,860,643	166,448,410
Reversal of allowance for expected credit losses	(5,177,197)	(1,717,951)	(5,177,197)	(1,717,951)
Reduction of inventory to net realisable value (reversal)	(5,172,833)	1,890,736	(5,065,381)	2,103,755
Reversal of allowance for impairment loss of assets	(33,344)	(5,175)	-	(5,175)
Gain on exchange of equipments	(1,521,114)	-	(1,521,114)	-
Gain on disposal of investment properties	(55,391,980)	-	(55,391,980)	-
Loss (gain) on disposal/write-off of property, plant and equipment	(4,437,168)	2,132,695	(4,802,907)	537,385
Provision for product warranty	11,524,929	7,306,299	11,524,929	7,306,299
Long-term employee benefits expenses	14,498,314	12,526,105	13,176,345	11,525,589
Unrealised gain on exchange	(50,637,172)	(37,761,974)	(50,637,172)	(37,761,974)
Share of profit from investment	-	-	-	(52,272,316)
Interest income	(791,076)	(44,868)	(11,929,204)	(11,667,888)
Interest expenses	16,376,413	16,633,463	15,385,557	16,094,946
Profit from operating activities before changes in operating assets and liabilities	325,984,645	382,524,526	239,302,280	257,700,818
Operating assets (increase) decrease				
Trade and other receivables	(33,941,598)	105,268,065	(45,314,976)	139,785,613
Inventories	(136,443,793)	249,907,628	(135,303,085)	207,075,748
VAT refundable	(82,000,357)	(113,986,208)	(82,000,357)	(113,986,208)
Prepaid expenses	31,958,405	(26,181,757)	29,765,457	(25,673,826)
Other current assets	12,581,575	(5,234,841)	16,120,399	(5,547,332)
Other non-current assets	(16,561,354)	(8,425,794)	(16,561,354)	30,391,607
Operating liabilities increase (decrease)				
Trade and other payables	76,650,389	(178,669,870)	55,253,854	(228,381,078)
Other current liabilities	(1,534,948)	707,146	2,130,743	(2,603,471)
Cash flows from operating activities	176,692,964	405,908,895	63,392,961	258,761,871
Cash paid for long-term employee benefits	(11,752,312)	(5,913,591)	(11,589,203)	(4,796,614)
Cash paid for product warranty	(12,853,689)	(10,846,263)	(12,853,689)	(10,846,263)
Cash paid for interest expenses	(16,001,802)	(12,495,245)	(16,001,802)	(12,495,245)
Cash paid for income tax	(8,195,577)	(84,116,606)	(7,971,809)	(40,267,323)
Cash received from VAT refundable	237,645,694	81,640,710	237,645,694	81,640,710
Net cash flows from operating activities	365,535,278	374,177,900	252,622,152	271,997,136

The accompanying notes are an integral part of the financial statements.

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 March 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flows from investing activities				
Decrease in short-term loan to a related party	-	-	-	50,000,000
Acquisition of property, plant and equipment	(42,781,272)	(135,626,059)	(29,496,952)	(93,226,549)
Proceeds from disposal of investment properties	104,307,980	-	104,307,980	-
Proceeds from disposal of property, plant and equipment	34,250,000	472,528	34,250,000	145,425
Acquisition of other intangible assets	-	(20,802)	-	(20,802)
Proceeds from return of amount of assets from a subsidiary	-	-	-	59,995,500
Cash received from interest income	778,806	545,044	11,919,533	12,286,969
Net cash flows from (used in) investing activities	96,555,514	(134,629,289)	120,980,561	29,180,543
Cash flows from financing activities				
Increase (decrease) in long-term loan from a related party	(318,206,801)	29,803,032	(318,206,801)	29,803,032
Dividend paid	(19,600,000)	(24,304,000)	(19,600,000)	(24,304,000)
Cash paid for lease liabilities	(29,991,619)	(27,949,129)	(22,950,799)	(21,693,528)
Net cash flows used in financing activities	(367,798,420)	(22,450,097)	(360,757,600)	(16,194,496)
Net increase in cash and cash equivalents	94,292,372	217,098,514	12,845,113	284,983,183
Cash and cash equivalents at beginning of year	610,064,228	392,965,714	441,244,972	156,261,789
Cash and cash equivalents at end of year	704,356,600	610,064,228	454,090,085	441,244,972
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in accounts payable				
for purchases of assets	(14,226,505)	9,192,898	(2,204,583)	(2,101,683)
Transfer deposit from purchase assets to				
property, plant and equipment	24,733,508	49,003,416	24,369,008	36,628,866
Transfer property, plant and equipment to other intangible assets	-	93,500	-	93,500
Transfer property, plant and equipment to right of use assets	126,742	-	126,742	-
Increase in equipment from exchanged	1,889,043	-	1,889,043	-
Increase in right of use assets and lease liabilities	58,966,835	-	49,836,867	-

The accompanying notes are an integral part of the financial statements.

Thai Energy Storage Technology Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 March 2024

1. General information

Thai Energy Storage Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Siam Magi Co., Ltd. and Energywith Co., Ltd. which were incorporated in Thailand and Japan, respectively. The Company is principally engaged in the manufacture and distribution of batteries. The registered office of the Company is at 387 Moo 4, Sukhumvit Road, Praeksa Sub-district, Muang District, Samutprakarn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Energy Storage Technology Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2024	2023
			(%)	(%)
Held by the Company				
Thai Nonferrous Metal Company Limited	Manufacturer of lead alloy and pure lead	Thailand	97	97
Power Plas Company Limited*	Manufacturer and distribution of plastic casing for batteries	Thailand	100	100
3K Products Company Limited*	Local distribution agency of batteries	Thailand	100	100

*Registered the dissolution in the year 2019 and currently in the liquidation process

- 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 it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being 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.

2.3 The separate financial statements present investments in subsidiaries under 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 which are effective for fiscal years beginning on or after 1 January 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 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of an asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Some contracts with customers have performance benefits to customers on achievement of specified sales volume. The Group uses the most likely amount method in estimating the amount of variable consideration, and presented as net of revenue from contracts with customers.

Assurance-type warranty to customers are accounted as provision for product warranty.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of average cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Condominium units	30	years
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Depreciation of the investment properties is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment are calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Buildings	30	years
Buildings improvements	5 - 20	years
Machinery and equipment	3 - 10	years
Furniture and office equipment	4 and 5	years
Vehicles	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets and amortisation

Computer software is carried at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Computer software with finite useful lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The estimated useful lives of computer software are 10 years.

4.8 Leases

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

Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred and lease payments made at or before the commencement date of the lease.

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.

Buildings	3	years
Machinery and equipment	1 - 10	years
Furniture and office equipment	4	years
Vehicles	3 - 6	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

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

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

4.9 Related party transactions

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

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

4.10 Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities are directly recognised in shareholders' equity (and if the pooled entities have profit or loss transactions directly recognised in the shareholders' equity, the financial statements after business combination present the transaction as if the business combination occurred at the earliest reporting date). The remaining difference between the cost of the business combination under common control and the acquirer's proportionate interest in the book value the pooled entities, after recognising the profit or loss transactions directly in shareholders' equity, is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs annual impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

4.14 Provisions

Provisions are recognised 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.

4.15 Income tax

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

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

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

4.16 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are past due and considers a financial asset as credit impaired or default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.17 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 their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group 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.

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

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

Allowance for diminution in value of inventory

In determining an allowance for diminution in value of inventory, the management makes judgement and estimates net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from obsolete and slow-moving inventories based upon aging profile of inventories and the prevailing economic condition.

Assurance-type warranty to customers

The management estimates the warranty expenses for product return and repair of which sales are incurred during the year and are under warranty policy. The estimation is based on past experience and the history of actual claim.

Post-employment benefits under defined benefit plans

The obligations under the defined benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigations

The Group has contingent liabilities as a result of litigations. The Group's management has used judgement to assess the results of the litigations and consider these provisions for the loss that may caused.

6. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2024	2023	2024	2023	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	11	12	2.80% p.a.
Other income	-	-	67	86	Contract price
Purchase of raw materials	-	-	1,315	1,163	Agree upon basis
<u>Transactions with related parties</u>					
Technical assistance fee	11	13	11	13	Contract price
System maintenance fee	15	7	15	7	Agree upon basis
Interest expense	13	15	13	15	2.50% and 2.93% p.a.
Purchase of finished goods	8	-	8	-	Agree upon basis

The balances of the accounts between the Company and those related parties as at 31 March 2024 and 2023 are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade and other receivables - related parties (Note 8)				
Subsidiary	-	-	32,788	30,462
Parent company	183	15	183	15
Total	183	15	32,971	30,477
Trade and other payables - related parties (Note 14)				
Subsidiary	-	-	122,620	133,984
Parent company	20,175	11,321	20,175	11,321
Total	20,175	11,321	142,795	145,305

Loan to related party and loan from related party

The balances of loans between the Company and those related parties as at 31 March 2024 and 2023, and the movement are as follows.

(Unit: Thousand Baht)

Short-term loan	Separate financial statements			
	Balance as at 31 March 2023	Increase during the year	Decrease during the year	Balance as at 31 March 2024
Subsidiary	400,000	-	-	400,000

(Unit: Thousand Baht)

Long-term loan	Consolidated/Separate financial statements				
	Balance as at 31 March 2023	Additional borrowing during the year	Repayment during the year	Unrealised gain from exchange rate	Balance as at 31 March 2024
Parent company	661,117	-	(318,207)	(38,594)	304,316

The short-term loan and long-term loan from a related party carry interest at the rates stipulated in the agreements.

Directors and management's benefits

During the years ended 31 March 2024 and 2023, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Short-term employee benefits	48,277	51,464	45,944	48,898
Post-employment benefits	746	917	699	870
Total	49,023	52,381	46,643	49,768

Guarantee obligations with related party

The Company has outstanding guarantee obligations with its related party, as described in Note 26.3 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Cash	551	616	481	566
Bank deposits	703,346	609,128	453,149	440,359
Cheque on hand	460	320	460	320
Total	704,357	610,064	454,090	441,245

As at 31 March 2024, bank deposits in savings accounts of the Group carried interest at the rates between 0.00% and 0.55% per annum (2023: between 0.00% and 0.40% per annum) (the Company only: between 0.00% and 0.55% per annum (2023: between 0.00% and 0.40% per annum)).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	322,583	329,113	305,325	307,198
Past due				
Up to 3 months	110,373	61,988	110,373	58,154
3 - 6 months	110	223	110	223
6 - 12 months	188	805	188	805
Over 12 months	158,926	154,895	158,926	154,895
Total	592,180	547,024	574,922	521,275
Less: Allowance for expected credit losses	(43,097)	(48,274)	(43,097)	(48,274)
Total trade receivables - unrelated parties, net	549,083	498,750	531,825	473,001
<u>Other receivables</u>				
Advances - unrelated parties	3,430	1,211	3,430	1,211
Others receivable - related parties (Note 6)	183	15	32,971	30,477
Others receivable - unrelated parties	152	717	25	37
Others	23	11	23	11
Total other receivables	3,788	1,954	36,449	31,736
Total trade and other receivables - net	552,871	500,704	568,274	504,737

The normal credit term is 7 to 120 days.

Movements in the allowance for expected credit losses of trade receivables account are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2024	2023
Balance as at beginning of year	48,274	49,992
Reversal of allowance for expected credit losses	(5,177)	(1,718)
Balance as at end of year	43,097	48,274

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	216,448	229,823	(1,308)	(4,050)	215,140	225,773
Work in process	245,948	214,569	(694)	(1,269)	245,254	213,300
Raw materials	313,680	204,132	(3,039)	(4,705)	310,641	199,427
Spare parts and factory supplies	53,328	54,856	(2,309)	(2,499)	51,019	52,357
Goods in transit	20,305	9,885	-	-	20,305	9,885
Total	849,709	713,265	(7,350)	(12,523)	842,359	700,742

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	197,057	208,971	(1,308)	(4,050)	195,749	204,921
Work in process	223,664	185,374	(694)	(1,269)	222,970	184,105
Raw materials	250,054	149,922	(841)	(2,477)	249,213	147,445
Spare parts and factory supplies	51,634	53,259	(1,209)	(1,321)	50,425	51,938
Goods in transit	20,305	9,885	-	-	20,305	9,885
Total	742,714	607,411	(4,052)	(9,117)	738,662	598,294

Movements in the allowance for reduction of inventories to net realisable value account are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Balance as at beginning of year	12,523	10,634	9,117	7,013
Add: Reduction of inventories to net realisable value	1,342	10,154	96	7,848
Less: Reversal of reduction of inventories to net realisable value	(6,515)	(8,265)	(5,161)	(5,744)
Balance as at end of year	<u>7,350</u>	<u>12,523</u>	<u>4,052</u>	<u>9,117</u>

The reduction of inventories to net realisable value was included in cost of sales. The reversal of reduction of inventories to net realisable value reduced the amount of inventories recognised as expenses during the year.

10. Investments in subsidiaries

10.1 Details of investments in subsidiaries as presented in the separate financial statements.

Company	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	2024	2023	2024	2023	2024	2023
	(Million Baht)	(Million Baht)	(%)	(%)		
Thai Nonferrous Metal Company Limited	250	250	97	97	229,632	229,632
Power Plas Company Limited	65	65	100	100	72,242	72,242
3K Products Company Limited	-	-	100	100	277	277
Total					302,151	302,151
Less: Allowance for impairment					(9,750)	(9,750)
Net investment in subsidiaries					<u>292,401</u>	<u>292,401</u>

On 28 November 2022, a liquidator of 3K Products Company Limited consented to the return of a partial amount of assets to shareholders. The Company received the assets totaling Baht 60 million on 23 December 2022. The Company made a reduction of Baht 7.7 million in the investment in this subsidiary and recorded the remaining amount as share of profit from investment in profit or loss for the year 2023 totaling Baht 52.3 million.

10.2 Details of subsidiary that has material non-controlling interests

Company	(Unit: Million Baht)					
	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year	
	2024	2023	2024	2023	2024	2023
	(%)	(%)				
Thai Nonferrous Metal Company Limited	3	3	9.0	8.4	0.7	1.3

10.3 Summarised financial information that based on amounts before inter-company elimination of subsidiary that has material non-controlling interests

Summarised information about financial position as at 31 March 2024 and 2023.

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Thai Nonferrous Metal								
Company Limited	429	358	363	405	(467)	(467)	(24)	(18)

Summarised information about comprehensive income for the years ended 31 March 2024 and 2023.

(Unit: Million Baht)

Company	Revenue		Profit or loss		Other comprehensive income		Total comprehensive income	
	2024	2023	2024	2023	2024	2023	2024	2023
Thai Nonferrous Metal								
Company Limited	1,393	1,240	22	44	-	-	22	44

Summarised information about cash flows for the years ended 31 March 2024 and 2023.

(Unit: Million Baht)

Company	Cash flows from operating activities		Cash flows used in investing activities		Cash flows used in financing activities		Net increase (decrease) in cash and cash equivalents	
	2024	2023	2024	2023	2024	2023	2024	2023
Thai Nonferrous Metal								
Company Limited	112	137	(13)	(95)	(18)	(49)	81	(7)

11. Investment properties

The net book value of investment properties as at 31 March 2024 and 2023 is presented below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Condominium		
	Land	units	Total
As at 31 March 2024			
Cost	46,300	7,400	53,700
Less: Accumulated depreciation	-	(6,037)	(6,037)
Net book value	46,300	1,363	47,663
As at 31 March 2023			
Cost	95,216	7,400	102,616
Less: Accumulated depreciation	-	(5,853)	(5,853)
Net book value	95,216	1,547	96,763

Movements in the investment properties account for the years ended 31 March 2024 and 2023 are presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2024	2023
Net book value at beginning of year	96,763	96,947
Disposals during year	(48,916)	-
Depreciation charged	(184)	(184)
Net book value at end of year	47,663	96,763

The fair value of the investment properties as at 31 March 2024 and 2023 stated below:

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2024	2023
Land	216,790	249,190
Condominium units	12,480	11,050

The fair value of the above investment properties has been determined based on market price with reference to trading information of nearby land and condominium units, which coincided with the appraisal, performed by an accredited independent valuer.

12. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<u>Net book value</u>				
Property, plant and equipment	1,269,040	1,428,359	924,555	1,039,755
Right-of-use assets (Note 15 a)	74,560	43,408	57,733	29,320
Total	1,343,600	1,471,767	982,288	1,069,075

Movements of property, plant and equipment exclude right-of-use assets for the years ended 31 March 2024 and 2023 are summarised below.

	Consolidated financial statements					(Unit: Thousand Baht)	
	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Cost							
1 April 2022	315,652	948,428	3,401,809	129,668	27,183	47,702	4,870,442
Acquisitions	-	6,342	101,608	2,149	7	83,717	193,823
Disposals/write-off	-	(337)	(134,242)	(259)	(11)	(53)	(134,902)
Transfer in (out)	787	20,354	97,442	2,107	-	(120,783)	(93)
31 March 2023	316,439	974,787	3,466,617	133,665	27,179	10,583	4,929,270
Acquisitions	-	-	5,701	504	22	50,471	56,698
Disposals/write-off	(17,162)	(12,697)	(6,225)	(144)	-	(7,421)	(43,649)
Transfer in (out)	-	898	36,121	2,279	4	(39,429)	(127)
31 March 2024	299,277	962,988	3,502,214	136,304	27,205	14,204	4,942,192
Accumulated depreciation							
1 April 2022	-	578,330	2,480,723	113,045	22,417	-	3,194,515
Depreciation for the year	-	34,092	133,959	6,933	1,192	-	176,176
Depreciation on disposals/write-off	-	(192)	(131,843)	(252)	(9)	-	(132,296)
31 March 2023	-	612,230	2,482,839	119,726	23,600	-	3,238,395
Depreciation for the year	-	34,362	142,320	6,359	1,181	-	184,222
Depreciation on disposals/write-off	-	(7,517)	(4,291)	(140)	-	-	(11,948)
31 March 2024	-	639,075	2,620,868	125,945	24,781	-	3,410,669

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Allowance for impairment loss							
1 April 2022	-	59	262,389	73	-	-	262,521
Reversal due to write-off assets	-	-	(5)	-	-	-	(5)
31 March 2023	-	59	262,384	73	-	-	262,516
Reversal due to write-off assets	-	-	-	(33)	-	-	(33)
31 March 2024	-	59	262,384	40	-	-	262,483
Net book value							
31 March 2023	316,439	362,498	721,394	13,866	3,579	10,583	1,428,359
31 March 2024	299,277	323,854	618,962	10,319	2,424	14,204	1,269,040
Depreciation for the year							
2023 (Baht 158 million included in manufacturing cost, and the balance in administrative expenses)							176,176
2024 (Baht 165 million included in manufacturing cost, and the balance in administrative expenses)							184,222

(Unit: Thousand Baht)

Separate financial statements

	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Cost							
1 April 2022	267,223	719,560	2,254,611	110,369	11,436	31,617	3,394,816
Acquisitions	-	-	5,372	2,029	7	83,717	91,125
Disposals/write-off	-	-	(49,532)	(259)	(11)	(53)	(49,855)
Transfer in (out)	787	17,426	84,286	2,107	-	(104,699)	(93)
31 March 2023	268,010	736,986	2,294,737	114,246	11,432	10,582	3,435,993
Acquisitions	-	-	5,615	460	22	48,975	55,072
Disposals/write-off	(17,161)	(12,244)	(6,063)	(144)	-	(7,421)	(43,033)
Transfer in (out)	-	898	34,624	2,279	4	(37,932)	(127)
31 March 2024	250,849	725,640	2,328,913	116,841	11,458	14,204	3,447,905
Accumulated depreciation							
1 April 2022	-	418,226	1,772,854	94,961	10,278	-	2,296,319
Depreciation for the year	-	27,709	106,076	5,883	394	-	140,062
Depreciation on disposals/write-off	-	-	(48,911)	(252)	(9)	-	(49,172)
31 March 2023	-	445,935	1,830,019	100,592	10,663	-	2,387,209
Depreciation for the year	-	27,417	105,620	5,390	382	-	138,809
Depreciation on disposals/write-off	-	(7,382)	(4,221)	(94)	-	-	(11,697)
31 March 2024	-	465,970	1,931,418	105,888	11,045	-	2,514,321



(Unit: Thousand Baht)

	Separate financial statements				
	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Assets under construction and installation
					Total
Allowance for impairment loss					
1 April 2022	-	59	8,935	40	-
Reversal due to write-off assets	-	-	(5)	-	-
31 March 2023	-	59	8,930	40	-
31 March 2024	-	59	8,930	40	-
Net book value					
31 March 2023	268,010	290,992	455,788	13,614	769
31 March 2024	250,849	259,611	388,565	10,913	413
Depreciation for the year					
2023 (Baht 124 million included in manufacturing cost, and the balance in administrative expenses)					140,062
2024 (Baht 122 million included in manufacturing cost, and the balance in administrative expenses)					138,809

As at 31 March 2024, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 1,714 million (2023: Baht 1,770 million) (the Company only: Baht 1,648 million (2023: Baht 1,704 million)).

13. Other intangible assets

The net book value of other intangible assets as at 31 March 2024 and 2023 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Computer software		
As at 31 March 2024		
Cost	91,612	90,259
Less: Accumulated amortisation	(65,190)	(63,839)
Less: Allowance for impairment loss	(1,035)	(1,035)
Net book value	25,387	25,385
As at 31 March 2023		
Cost	91,612	90,259
Less: Accumulated amortisation	(59,861)	(58,522)
Less: Allowance for impairment loss	(1,035)	(1,035)
Net book value	30,716	30,702

Movements in the intangible assets account for the years ended 31 March 2024 and 2023 is summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Net book value at beginning of year	30,716	36,463	30,702	36,430
Acquisitions	-	21	-	21
Amortisation	(5,329)	(5,861)	(5,317)	(5,842)
Transfers	-	93	-	93
Net book value at end of year	25,387	30,716	25,385	30,702

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade payables	212,900	201,004	182,646	181,500
Trade payables - related parties (Note 6)	8,421	-	131,041	133,984
Other payables	51,326	39,902	43,732	35,867
Other payables - related parties (Note 6)	11,754	11,321	11,754	11,321
Payables for purchase of assets	1,538	15,765	1,491	3,696
Accrued sales incentives	48,908	53,476	48,908	53,476
Advance received from customers	108,805	29,226	108,805	29,226
Excise tax payable	22,587	31,438	22,587	31,438
Accrued expenses	62,150	85,510	58,772	77,855
Total	528,389	467,642	609,736	558,363

15. Leases

The Group as a lease

The Group entered into lease agreements for assets used in its operations, whereby the condition of certain agreements disallowed the Group to sublease or transfer the right to use the underlying assets to others without lessors' consent.

a) Right-of-use assets

Movements in the right-of-use assets account for the years ended 31 March 2024 and 2023 are summarised below.

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Building	Machinery and equipment	Furniture and office equipment	Vehicles	Total
As at 1 April 2022	11,528	27,533	121	8,400	47,582
Additions	9,845	12,174	-	-	22,019
Depreciation for the year	(6,702)	(12,173)	(81)	(7,237)	(26,193)
As at 31 March 2023	14,671	27,534	40	1,163	43,408
Additions	16,407	16,511	411	25,191	58,520
Transfer in	-	127	-	-	127
Difference from lease modification	-	447	-	-	447
Depreciation for the year	(8,837)	(13,299)	(47)	(5,759)	(27,942)
As at 31 March 2024	22,241	31,320	404	20,595	74,560

(Unit: Thousand Baht)

	Separate financial statements			
	Machinery and equipment			Total
	Building		Vehicles	
As at 1 April 2022	11,528	8,906	8,400	28,834
Additions	9,845	11,001	-	20,846
Depreciation for the year	(6,702)	(6,421)	(7,237)	(20,360)
As at 31 March 2023	14,671	13,486	1,163	29,320
Additions	16,407	8,239	25,191	49,837
Transfer in	-	127	-	127
Depreciation for the year	(8,837)	(6,955)	(5,759)	(21,551)
As at 31 March 2024	22,241	14,897	20,595	57,733

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Lease payments	83,032	46,788	62,348	31,230
Less: Deferred interest expenses	(6,743)	(2,518)	(3,631)	(1,452)
Total	76,289	44,270	58,717	29,778
Less: Portion due within one year	(24,811)	(20,353)	(20,000)	(14,061)
Portion due more than one year	51,478	23,917	38,717	15,717

Movements in the lease liability account for the years ended 31 March 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Balance at beginning of year	44,270	48,773	29,778	29,736
Additions	58,967	22,019	49,837	20,846
Accretion of interest	3,043	1,427	2,053	889
Repayments	(29,991)	(27,949)	(22,951)	(21,693)
Balance at end of year	76,289	44,270	58,717	29,778

A maturity analysis of lease payments is disclosed in Note 28.1 under the liquidity risk.



c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Depreciation expense of right-of-use assets	27,942	26,193	21,551	20,360
Interest expense on lease liabilities	3,043	1,427	2,053	889
Expense relating to short-term leases and leases of low-value assets	3,782	3,795	3,616	3,323

d) Others

The Group had total cash outflows for leases for the year ended 31 March 2024 of Baht 33.8 million (2023: Baht 31.7 million) (the Company only: Baht 26.7 million (2023: Baht 25.0 million)), including the cash outflow related to short-term lease and low-value assets.

16. Provision for product warranty

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2024	2023
Net book value at beginning of year	196,052	199,592
Increase during the year	11,987	10,721
Utilisation	(12,854)	(10,846)
Reversal	(462)	(3,415)
Net book value at end of year	194,723	196,052

The Group recognises a provision for expected warranty claims on products sold and are under warranty policy. In addition, the Company recognised liabilities related to product warranty for products sold to a foreign customer as follows.

In December 2016, the Company received a claim from a foreign customer for the product damages under warranty policy approximately EUR 28.50 million regarding the goods sold during the years 2013 - 2016. In 2018, the Company received a debit note issued for such claim amounting to EUR 13 million. The management of the Company has requested necessary information from its customer to investigate the cause of such damages whether they were caused by the production process of the Company. However, the management determines that the product claim is depend on the outcome of negotiations and investigation in the future. In this respect, the management has estimated the provision for product claim under this matter of Baht 185 million and expects that claim would not exceed the provision reserved.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Balance at beginning of year	103,589	97,025	93,528	86,467
Included in profit or loss:				
Current service cost	12,660	10,775	11,526	9,936
Interest cost	1,838	1,751	1,650	1,591
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	119	1,611	15	1,611
Financial assumptions changes	(2,531)	(7,708)	(2,804)	(7,329)
Experience adjustments	3,823	6,049	3,823	6,049
Benefits paid during the year	(11,752)	(5,914)	(11,589)	(4,797)
Balance at end of year	107,746	103,589	96,149	93,528

The Group expects to pay Baht 6 million of long-term employee benefits during the next year (2023: Baht 13 million) (the Company only: Baht 5 million (2023: Baht 12 million)).

As at 31 March 2024, the weighted average duration of the liabilities for long-term employee benefits is 7 and 9 years (2023: 6 and 8 years) (the Company only: 7 years (2023: 6 years)).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Discount rate	2.3 - 2.5	2.1 - 2.3	2.3	2.1
Salary increase rate	4.0 - 5.5	3.0 - 5.0	4.0 - 5.0	4.0 - 5.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2024 and 2023 are summarised below:

(Unit: Million Baht)

	2024			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(3.8)	4.1	(3.3)	3.5
Salary increase rate	3.9	(3.8)	3.4	(3.3)

(Unit: Million Baht)

	2023			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(3.0)	3.1	(2.6)	2.8
Salary increase rate	3.5	(3.4)	3.1	(3.0)

18. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders of the Company on 28 April 2022	19.6	0.25
Final dividends for the period as from 1 January 2022 to 31 March 2022	Annual General Meeting of the shareholders of the Company on 21 July 2022	4.7	0.06
Total dividends for the year 2022		24.3	0.31
Final dividends for 2022	Annual General Meeting of the shareholders of the Company on 25 July 2023	19.6	0.25
Total dividends for the year 2023		19.6	0.25

19. Income tax

Income tax expenses for the years ended 31 March 2024 and 2023 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Current income tax:				
Current income tax charge for the year	38,204	42,893	32,538	31,874
Deferred tax:				
Relating to origination and reversal of temporary differences	4,920	4,406	4,810	926
Income tax expenses reported in profit or loss	43,124	47,299	37,348	32,800

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Deferred tax on actuarial loss (gain)	282	(10)	207	66

The reconciliation between accounting profit and income tax expenses are shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Accounting profit before tax	189,069	173,150	167,880	157,110
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	37,814	34,630	33,576	31,422
Written-off previous deferred tax assets relating to temporary differences	1,058	-	1,058	-
Effects of:				
- Non-deductible expenses and eliminations	4,252	12,669	2,714	1,378
Income tax expenses reported in profit of loss	43,124	47,299	37,348	32,800

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Deferred tax assets				
Allowance for expected credit losses	14,416	15,451	14,416	15,451
Allowance for diminution in value of inventories	1,470	2,504	810	1,823
Allowance for asset impairment	4,732	4,972	6,682	6,915
Provision for product warranty	38,945	39,210	38,945	39,210
Provision for long-term employee benefits	21,549	20,718	19,230	18,705
Lease	15,258	8,854	11,743	5,956
Reserve for litigation	2,607	5,383	924	3,700
Total	98,977	97,092	92,750	91,760
Deferred tax liabilities				
Accumulated depreciation - building and equipment	6,873	6,581	2,320	2,410
Right-of-use assets	14,912	8,681	11,547	5,864
Total	21,785	15,262	13,867	8,274
Net	77,192	81,830	78,883	83,486

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

21. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Interest expense on borrowings	13,333	15,206	13,333	15,206
Interest expense on lease liabilities	3,043	1,427	2,053	889
Total	16,376	16,633	15,386	16,095

22. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Salaries, wages and other employee benefits	577,552	624,003	534,881	575,846
Depreciation and amortisation	217,677	208,414	165,861	166,448
Sales promotion expenses	19,077	16,104	19,077	16,104
Excise tax expenses	311,345	304,299	311,345	304,299
Repair and maintenance expenses	110,761	93,236	89,157	81,690
Electricity expenses	208,247	220,822	195,106	209,280
Shipping expenses	75,981	95,502	74,772	93,682
Raw materials and consumables used and purchase of finished goods	3,213,819	3,384,763	3,428,965	3,619,684
Changes in inventories of finished goods and work in process	(18,004)	64,955	(26,376)	56,927

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issue during the year.

24. Segment information

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

The Group is principally engaged in the manufacture and distribution of batteries. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

The Group's geographical segment information based on location of customers for the years ended 31 March 2024 and 2023 were as follows:

	(Unit: Million Baht)	
	Revenue	
	2024	2023
Thailand	2,613	2,425
Other countries	2,318	2,824
Total	4,931	5,249

For the years 2024 and 2023, the Group has no major customer with revenue of 10% or more of an entity's revenues.

25. Provident fund

The Company and certain subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and certain subsidiaries contribute to the funds monthly at rates of 2% - 5% of basic salary. The funds, which are managed by UOB Asset Management (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2024 amounting to Baht 10 million (2023: Baht 11 million) (the Company only: amounting to Baht 9 million (2023: Baht 10 million)) were recognised as expenses.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 March 2024 and 2023, the Group had capital commitments relating to the acquisition of machinery and equipment from unrelated parties as follows.

Currency	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Baht	1	5	1	3
YEN	-	13	-	13

26.2 Service commitments

The Group has entered into several service agreements. The terms of the agreements are generally in up to 1 year. As at 31 March 2024 and 2023, the Group had future minimum lease and service payments required under these non-cancellable service agreements as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
In up to 1 year	8	10	7	8

26.3 Guarantees

- a) As at 31 March 2024 and 2023, there were outstanding bank guarantees issued by the banks on behalf of the Group as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Bank guarantee for performance bonds	6	6	6	6
Bank guarantee for electricity use	19	19	17	17

- b) As at 31 March 2024, the Group has been granted various types of credit facilities, by several financial institutions of which Baht 9 million (2023: Baht 9 million), has not been utilised. Most of the facilities have been cross-guaranteed among the Group.

26.4 Technical assistance agreement

The Company entered into a technical assistance agreement with a related company in Japan, whereby the latter agreed to grant rights and furnish certain technological know-how and assistance for the production of products as specified in the agreement. Under the terms of the agreement, the Company is to pay technical assistance fees at rates as stipulated in the agreement, based on values of product sales. The agreement is effective for a period of 2 years and will be automatically renewed for another one year unless terminated.

26.5 Contingent liabilities from litigation

In 2018, the Group received a summons and copies of complaints filed by its former employees in a civil lawsuit. The former employees petitioned Thai court to order the Group to pay a compensation of Baht 181 million for alleged breaches of contract arising from the termination of their employment, plus pre- and post-trial interest. In March 2021, the Court of First Instance ordered the Group to pay a compensation totaling Baht 29.7 million and interest at a rate of 7.5% per annum from the date of default to the date the complete payment was made. The Group placed Baht 37.85 million as collateral for a stay of execution and recorded expenses arising from this litigation in the year 2021. However, the Court of Appeal granted a deadline extension for filing an appeal, and the former employees filed an appeal. The Group filed an appeal against the judgment to the Court of Appeal in November 2021.

In September 2022, the Court of Appeal upheld the ruling handed down by the Court of First Instance, ordering the Group to pay a compensation totaling Baht 8.1 million, plus interest at a rate of 7.5% per annum and 5% per annum from the date of default to the date the complete payment was made. The compensation amount was reduced from the initial decision by the Court of First Instance. As a result, in December 2023, the Group received a refund of Baht 26.5 million, which was the remaining amount out of collateral for compensation related to the termination of employment according to the Court of Appeal's judgment. The Group recorded this refund as other income in the financial statements of the current year.

However, the former employees lodged a further appeal with the Supreme Court and the Court accepted the appeal for further consideration in December 2023. In response, the Group filed a counterappeal with the Supreme Court on 8 March 2024. Currently, both appeals are under consideration of the Supreme Court. Thus far, the lawsuit has yet to be final and conclusive, depending on future judicial decisions.

27. Fair value hierarchy

As at 31 March 2024 and 2023, the Group had significant assets that were disclosed at fair value using levels of inputs as follows:

(Unit: Million Baht)								
Consolidated/Separate financial statements								
2024				2023				
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Assets for which fair value are disclosed								
Investment properties	-	-	229	229	-	-	260	260

28. Financial instruments

28.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans, investments and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans, other receivables and deposits with banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large and unrelated customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography of customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are three types of market risk comprising foreign currency risk, interest rate risk and commodity price risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and purchase equipment and loans that are denominated in foreign currencies.

As at 31 March 2024 and 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2024	2023	2024	2023	2024	2023
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	11	11	1	-	36.42	34.21
YEN	25	40	1,313	2,561	0.24	0.26

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar and YEN exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of the trade receivable, trade payable and loans that are the main items in foreign currency as at 31 March 2024 and 2023. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2024		2023	
	Increase/Decrease	Effect on profit	Increase/Decrease	Effect on profit
		before tax (Million Baht)		before tax (Million Baht)
US dollar	+1 Baht/US dollar	10	+1 Baht/US dollar	10
	- 1 Baht/US dollar	(10)	- 1 Baht/US dollar	(10)
YEN	+1 Baht/100 YEN	(13)	+1 Baht/100 YEN	(25)
	-1 Baht/100 YEN	13	-1 Baht/100 YEN	25

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans and borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As at 31 March 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	2024						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 to	Over	interest	interest	Total	interest rate
	1 year	5 years	5 years	rate	bearing		(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	409	295	704	0.00 - 0.55
Trade and other receivables	-	-	-	-	553	553	-
	-	-	-	409	848	1,257	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	528	528	-
Long-term loan from a related party	98	206	-	-	-	304	2.50
	98	206	-	-	528	832	

(Unit: Million Baht)

	Consolidated financial statements						
	2023						
	Fixed interest rates			Floating	Non-		
	Within	1 to	Over	interest	interest		Effective
	1 year	5 years	5 years	rate	bearing	Total	interest rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	323	287	610	0.00 - 0.40
Trade and other receivables	-	-	-	-	501	501	-
	-	-	-	323	788	1,111	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	468	468	-
Long-term loan from a related party	243	416	2	-	-	661	2.50 and 2.93
	243	416	2	-	468	1,129	

(Unit: Million Baht)

	Separate financial statements						
	2024						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 to	Over	interest	interest		interest rate
	1 year	5 years	5 years	rate	bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	407	47	454	0.00 - 0.55
Trade and other receivables	-	-	-	-	568	568	-
Short-term loan to a related party	400	-	-	-	-	400	2.80
	400	-	-	407	615	1,422	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	610	610	-
Long-term loan from a related party	98	206	-	-	-	304	2.50
	98	206	-	-	610	914	

(Unit: Million Baht)

	Separate financial statements						
	2023						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 to	Over	interest	interest		interest rate
	1 year	5 years	5 years	rate	bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	305	136	441	0.00 - 0.40
Trade and other receivables	-	-	-	-	505	505	-
Short-term loan to a related party	400	-	-	-	-	400	2.80
	400	-	-	305	641	1,346	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	558	558	-
Long-term loan from a related party	243	416	2	-	-	661	2.50 and 2.93
	243	416	2	-	558	1,219	

Analysis of the sensitivity of bank deposits with floating interest rate to a reasonably possible change in interest rates shows that the impact on the Group's pre-tax profit and shareholder's equity of a 1% increase or decrease in interest rates, with other variables constant, would not be material.

Commodity price risk

The Group is affected by the price volatility of lead price which is the major raw materials for production process. The Group has policy to purchase raw materials from several suppliers to reduce the risk of shortage. Moreover the policy includes the procurement and inventory management that are managed by considering planned production volume and the fluctuation of raw material prices.

Liquidity risk

This is the risks that the Group will be unable to pay debts and meet obligations when due, because of inability to timely convert assets into cash when settlement is due, obtain sufficient funds to meet the funding needs, or is able to obtain funds but at the cost that is beyond an acceptable level. These risks may affect the Group's income and financial position.

The Group has established a policy for management of liquidity, control of liquidity risk ceilings at acceptable levels, which stipulates the tools to be used for monitoring and controlling liquidity risk by the management. The tools used for liquidity risk management include estimation of the cash inflows and outflows to assess the liquidity gap for various periods of time and analysis of key financial ratios.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 March 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 March 2024			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	528,389	-	-	528,389
Long-term loan from a related party	104,773	213,390	-	318,163
Lease liabilities	27,366	48,823	6,843	83,032
Total	660,528	262,213	6,843	929,584

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 March 2023			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	467,642	-	-	467,642
Long-term loan from a related party	259,933	439,863	2,413	702,209
Lease liabilities	21,547	25,241	-	46,788
Total	749,122	465,104	2,413	1,216,639

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 March 2024			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	609,736	-	-	609,736
Long-term loan from a related party	104,773	213,390	-	318,163
Lease liabilities	21,863	40,485	-	62,348
Total	736,372	253,875	-	990,247

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 March 2023			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	558,363	-	-	558,363
Long-term loan from a related party	259,933	439,863	2,413	702,209
Lease liabilities	14,876	16,354	-	31,230
Total	833,172	456,217	2,413	1,291,802

28.2 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 is not expected to be materially different from the amounts presented in the statement of financial position.

29. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 March 2024, the Group's debt-to-equity ratio was 0.50:1 (2023: 0.63:1) and the Company's debt-to-equity ratio was 0.53:1 (2023: 0.67:1).

30. Event after the reporting period

On 28 May 2024, a meeting of the Company's Board of Directors passed the resolutions approving on significant matters as follows;

1. Approving a dividend payment from the Company's operating results of fiscal year ended 31 March 2024 at Baht 0.25 per share for 78,400,000 ordinary shares, amounting to Baht 19.60 million.
2. Approving the delisting of the Company's common shares from the Stock Exchange of Thailand.

However, the approval for the above matters shall be proposed to the 2024 Annual General Meeting of the Company's shareholders for further consideration and approval.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 May 2024.

Section 4

Certification of Information Accuracy



Part 4

Information Certification for 56-1 One Report Submissions

To certify accuracy of information in the annual registration statement/ annual report, the authorized director shall sign and affix the company seal (if any) in the annual registration statement / annual report and authorize any person to also sign the document in the annual registration statement, using the text and format as follows:

“The Company has reviewed the information in this annual registration statement / annual report with care. The Company certifies that such information is correct, complete, not false or misleading to others, or lacks information that should be notified in important matters. In addition, the Company certifies that”

(1) The financial statements and financial information summarized in the annual registration statement /annual report have completely and accurately presented information on the financial position, operating results, and cash flows of the Company and its subsidiaries;

(2) The Company has established a good information disclosure system to ensure that the Company has disclosed the material information of both the Company and its subsidiaries correctly and completely, as well as supervising to ensure compliance with such system;

(3) The Company has established good internal control system and supervised to ensure compliance of such system. The Company has informed about the assessment of the internal control system as of the latest date to the auditor and the Company's Audit Committee. This covers deficiencies and significant changes in the internal control system, including malpractices that may affect the Company's and its subsidiaries' financial reporting.

In this regard, as evidence that all documents are the same set of documents that the Company has certified, the Company has assigned Mr. Wirachai Bunchuchuen to sign this document on every page. If any document does not have the signature of Mr. Wirachai Bunchuchuen, the Company will assume that it is not the information that the Company has certified of accuracy of the information mentioned above.

Name	Position	Signature **
1. Mr. Yoshitaka Nibe	Chief Executive OfficerMr. Yoshitaka Nibe.....

Name	Position	Signature **
Authorized person Mr. Wirachai Bunchuchuen	General Manager-Accounting and FinanceWirachai Bunchuchuen.....

In this regard, Section 89/20 *** of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 stipulates that directors and executives must jointly be liable to persons who trade in the Company's securities for any damages arising from disclosure of information to shareholders or the general public by expressing materially false statements or concealing facts that should have been disclosed in material respects in the case of financial statements and reports on the Company's financial position and results of operations or any other reports which must be disclosed in accordance with Section 56 without limiting the liability to only the directors and executives who have signed to certify the accuracy of the information in such documents. However, directors or executives who can prove that by their position they are unable to know the truthfulness or the lack of the information that should be reported are not liable under Section 89/20.

Note *** Only applies to companies that are subject to Chapter 3/1 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551.

APPENDIX



Thai Energy Storage Technology Public Company Limited

APPENDIX1

Details of Directors, Executives, Controlling Person, The highest responsibility in accounting and finance, The person who directly responsible for accounting supervision and Company Secretary.

Board of Directors and Management Team

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
1. Mr. Masakatsu Suzuki Position Director Age 60 Years Working 3 Year and 6 Months	None	Gunma University, Faculty of Engineering	<ul style="list-style-type: none"> • 2020 – Present Director, Thai Energy Storage Technology PLC. • 2017 – Present General Manager, Automotive System Business Sector, Energy Storage Business Headquarters • 2017 – 2019 General Manager, Industrial Battery System Business Sector, Energy Storage Business Headquarters • 2015 – 2017 President, Hitachi Chemical Asia (Thailand) Co., Ltd. • 2010 – 2015 Manager, Thai Project Group, Corporate Business Strategy Headquarter 	None
2. Mr. Akihiko Emori Position Vice Chairman of Board of Directors Chief Executive Officer Age 56 Years Working 2 year 4 Month	None	<ul style="list-style-type: none"> • Bachelor of Engineering, Shinshu University, Japan • Master of Engineering, Shinshu University, Japan • Doctor of Engineering, Shinshu University, Japan • Executive Development Program of The Wharton School, University of Pennsylvania, USA 	<ul style="list-style-type: none"> • 2021 – Present Vice Chairman of Board of Directors, Thai Energy Storage Technology PLC. • 2021 – Present Executive Officer, Energywith Co., Ltd. • 2020 – 2021 General Manager, Nabari works, Showa Denko Materials Co., Ltd. • 2019 – 2020 General Manager, Nabari works, Hitachi Chemical Co., Ltd. • 2015 – 2019 Senior Manager, Energy Storage Business Headquarters, Hitachi Chemical Co., Ltd. • 2013 – 2014 Senior Manager, Shin-Kobe Electric Machinery Co., Ltd and Hitachi Chemical Co., Ltd. • 2011 – 2013 Senior Manager, Hitachi Research Laboratory, Hitachi Co., Ltd. • 1987 Joined Hitachi Co., Ltd. 	None

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
3. Mr. Tamotsu Sakata Position Director Age 56 Years Working 2 Year 4 Month	None	<ul style="list-style-type: none"> • Tokyo Accounting Vocational school 	<ul style="list-style-type: none"> • 2021 – Present Director, Thai Energy Storage Technology PLC. • 2021 – Present Executive Officer, Chief Financial Officer, General Manager, Finance and Accounting Sector, Energywith Co., Ltd. • 2020 – 2021 Manager Business Performance Management Group, Finance and Accounting Dept., Showa Denko Materials Co., Ltd. • 2015 – 2020 Manager Business Performance Management Group, Finance and Accounting Dept., Hitachi Chemical Co., Ltd. 	None
4. Mr. Yoshitaka Nibe Position Director Age 56 Years Working 2 year 4 Month	None	<ul style="list-style-type: none"> • Seikei University, Faculty of Literature • Bond University, Global Leadership MBA 	<ul style="list-style-type: none"> • 2021 – Present Director, Thai Energy Storage Technology PLC. • 2021 – Present Senior Executive Officer General Manager, Marketing & Sales Headquarters, Energywith Co., Ltd. • 2019 – 2021 Vice President, CSB Energy Technology Co., Ltd. 	None
5. Dr. Nontaphon Nimsomboon Position Independent Director and Chairman of the Audit Committee Age 80 Years Working 3 year 6 Month	<div> <div></div> <div>ร้อยละ 0.00</div> </div>	<ul style="list-style-type: none"> • B.A. in Accountancy & B.B.A. (with Hons.) - Thammasat University, Thailand • M.B.A.- The University of Iowa, USA (under Royal Thai Government Scholarship) • Ph.D. in Accountancy (Honorary) –Thammasat University • Advanced Degree from Thai National Defense College, Class # 35 • C.P.A. (Thailand) • CCAF Fellow - Canadian Comprehensive Auditing Foundation (Under CIDA Fellowship) 	<ul style="list-style-type: none"> • 2020 – Present Independent Director & Chairman of the Audit Committee, บมจ. ไทย เอ็นเนอร์จี้ สโตร์ เทคโนโลยี • 2005 - Present Chairman of the Board of Directors, AMC International Consulting Co., Ltd. • 2006 – Present Director, Royal Thai Government scholars' foundation • 2007 – Present Invited Lecturer of Accountancy and Internal Auditing, Faculty of Commerce & Accountancy, Thammasat University • 2019 - Present Director, Than Thao Mahaprom Foundation Erawan Hotel • 2022 - Present Director, Member of Audit Committee, Member of Risk Management Committee, Sukhothai Thammathirat Open University, Nonthaburi 	None

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
		<ul style="list-style-type: none"> • Certificate in Advanced Management for Senior Government Executives (class #10 - Civil Service Commission) • Training Courses offered by the Institute of Directors (IOD) <ul style="list-style-type: none"> Director Accreditation Program (DAP) Director Certification Program (DCP) Monitoring Fraud Risk Management Monitoring the Internal Audit Function Monitoring the Quality of Financial Reporting Monitoring the System of Internal Control and Risk Management 	<ul style="list-style-type: none"> • 2022 - Present Member of Audit Committee, Member of Risk Management Committee & Member of Appeal Committee, Suranaree University of Technology Nakorn Ratchasima • 2022 - Present Member of Audit Committee, Naresuan University, Phitsanulok • 1997 – 2001 Auditor General of Thailand • 1997 – 2001 President, Thai Federation of the Accounting Professions • 1998 – 2020 Independent Director & Audit Committee Chairman, Hitachi Chemical Storage Batteries (Thailand) Plc. • 1999 – 2013 Independent Director, BigC Super Center Plc. • 2022 - 2005 Director & Vice Chairman of the Executive Board, Saha Union Plc. • 2005 - 2014 Director & Audit Committee Chairman, The Bank of Thailand • 2006 – 2008 Independent Director & Audit Committee Chairman, Airports of Thailand Plc. • 2006 – 2014 Director & Audit Committee Member, Securities and Exchange Commission (SEC) • 2011 - 2021 Member of Audit Committee, Mae Fah Luang University, Chiang Rai • 2017 - 2021 Director & Audit Committee Chairman, Thaksin University, Songkhla 	

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
6. Mr. Suchat Chanlawong Position Independent Director and Audit Committee Age 77 Years Working 3 Year and 6 Months	None	<ul style="list-style-type: none"> ● Bachelor of Civil Engineering, Kasetsart University ● Master of Science in Civil Engineer University of Missouri, USA. ● Director Accreditation Program Class 19/2004 (IOD) 	<ul style="list-style-type: none"> ● 2020 – Present Independent Director and Audit Committee, Thai Energy Storage Technology PLC. ● 1997 – 2020 Independent Director and Audit Committee, Hitachi Chemical Storage Battery (Thailand) PLC. ● 1997 – 2017 Director, 3K Products Co., Ltd. ● 1997 – 2017 Director, Thai Nonferrous Metal Co., Ltd. ● 2004 – 2008 Inspector General, Ministry of Energy ● 2003 – 2004 Deputy Director General Department of Mineral Fuels ● 2001 – 2003 Deputy Director General Department of Industrial Works. / Deputy Director General Department of Mineral Resources 	None
7. Mr. Apichai Chvajarenpun Position Independent Director and Audit Committee Age 75 Years Working 3 Year and 6 Months	None	<ul style="list-style-type: none"> ● Bachelor of Engineering (Industrial Chemical), Chulalongkorn University ● Master of Engineering (Nuclear Technology), Chulalongkorn University ● Graduate Diploma in Mini MBA Class 5, University of the Thai Chamber of Commerce ● Graduate Diploma in Senior Executive Class 26, Office of The Civil Service Commission ● Graduate Diploma in Information Technology Management, Office of The Civil Service Commission ● Certified of National Defence College Class 13 ● Graduate Diploma in Government in democratic for Senior Executive Class 9, King Prajadhipok's Institute 	<ul style="list-style-type: none"> ● 2020 – Present Independent Director, Thai Energy Storage Technology PLC. ● 2009 – 2020 Independent Director, Hitachi Chemical Storage Battery (Thailand) PLC. ● 2009 – 2017 Director 3K Products Co., Ltd. ● 2009 – 2017 Director 3K Products Co., Ltd. ● 2008 – 2009 Deputy Permanent, Ministry of Natural Resources and Environment ● 2006 – 2008 Director General, Department of Mineral Resources ● 2003 – 2006 Director General, Pollution Control Department 	None

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
		<ul style="list-style-type: none"> Graduate Diploma in Directors Certification Program (DCP) Class 91/2007 (IOD) 		
8. Mr. Muneyoshi Noda Position Technical Officer Age 63 Years Working 11 month	๕๖๔๔๐.๐๐	<ul style="list-style-type: none"> Graduate from Mie university, Faculty of Engineering Graduate School of Engineering 	<ul style="list-style-type: none"> 2023- Present Joined Thai Energy Storage Technology PLC. Technical Officer. 2014-2023 Director of Panasonic Energy (Thailand) Co., Ltd. 1986-2014 Joined Panasonic Corporation, Storage battery division 	None
9.Mr. Tsutomu Hirooka Position Corporate Officer Age 54 years Working 1 year 8 month	๕๖๔๔๐.๐๐	<ul style="list-style-type: none"> Okoshi Technical High School 	<ul style="list-style-type: none"> 2024 – Present Corporate Officer, Thai Energy Storage Technology 2021 – 2023 Business Development Officer, Thai Energy Storage Technology 2021 – 2022 Director, FICT VIETNAM Co., Ltd. 2020 - 2021 General Manager-FCV, FICT Limited. 2019 - 2020 General Manager, NIDEC SANKYO ELECTRONICS DONGUAN CORPORATION 2018 - 2019 Chief Executive Director, NIDEC SANKYO VIETNAM HANOI CORPORATION 	None
10. Mr. Chakkapan Sangkaew Position Growth Officer Age 51 Yeas Working 3 Year and 6 Months	None	<ul style="list-style-type: none"> Bachelor of Science in Electrical Engineering, Kasem Bundit University Master of Business Administration Courses (MBA), Bangkok University 	<ul style="list-style-type: none"> 2024 – Present Growth Officer, Thai Energy Storage Technology PLC. 2020 – 2023 General Manager- Production, Thai Energy Storage Technology PLC. 2019 – 2020 General Manager- Production, Hitachi Chemical Storage Battery (Thailand) PLC. 2009 – 2014 Manufacturing Factory Manager , Thai Storage Battery PLC. 2008 – 2008 Assistant Production Factory Manager, Thai Storage Battery PLC. 2007 – 2007 Senior Formation Production Manager, Thai Storage Battery PLC. 2000 – 2006 Battery Plate Production Manager, Thai Storage Battery PLC. 1998 – 1999 Assistant Battery Plate Production Manager, Thai Storage Battery PLC 	None

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
11. Mr. Suwittawat Kaewwichian Position Sales Officer Age 55 Years Working 3 Year and 6 Months	None	<ul style="list-style-type: none"> • Bachelor of Science, Khonkaen University • Master of Business Administration, Ramkhamhaeng University 	<ul style="list-style-type: none"> • 2024 – Present Sales Officer, Thai Energy Storage Technology PLC. • 2020 – 2023 General Manager-International Sales, Thai Energy Storage Technology PLC. • 2015 – 2020 General Manager-International Sales, Hitachi Chemical Storage Battery (Thailand) PLC. • 2010 – 2015 Business Development Division Senior Manager, Thai Storage Battery PLC. • 2009 – 2009 Business Development Manager, Thai Storage Battery PLC. • 2008 – 2008 Domestic Sales Manager (SLD), Thai Storage Battery PLC. • 2006 – 2007 Assistant Manager of Domestic Sales, Department Thai Storage Battery PLC. • 2001 – 2005 Chief Domestic Sales Department, Thai Storage Battery PLC. 	None
12. Mr. Wirachai Bunchuchuen Position Finance Officer / Company Secretary Age 55 Years, Working 3 Year and 6 Months	None	<ul style="list-style-type: none"> • B.Acc : Faculty of Economics and Business Administration, Kasetsart University • Master of Accountancy, Faculty of Management and Tourism Burapha University 	<ul style="list-style-type: none"> • 2024 – Present Finance Officer, Thai Energy Storage Technology PLC. • 2020 – 2023 General Manager-Accounting and Finance, Thai Energy Storage Technology PLC. • 2015 – 2020 General Manager-Accounting and Finance, Hitachi Chemical Storage Battery (Thailand) PLC. • 2006 – 2015 Senior Accounting Manager, Thai Storage Battery PLC. • 2003 – 2005 Accounting Manager, Thai Storage Battery PLC. • 2000 – 2002 Assistant Accounting Manager, Thai Storage Battery PLC. 	None

Company Secretary

The Board of Directors has resolved to appoint Mr. Wirachai Bunchuchuen to be the Company's secretary since 1 October 2020 ([see profile of the Company's management, item 14](#)).

The Company's secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 which came into force on 31 August 2008 with responsibility, caution, and integrity as well as to comply with the law, objectives, regulations, resolutions of the board and also shareholders' meeting. The legal duties of the Company Secretary are as follows

1. Prepare and keep the following documents:
 - 1.1 Register of Directors
 - 1.2 Notice of the Board of Directors' meeting, Minutes of the Board of Directors' meeting, and the Company's Annual Report
 - 1.3 Notice of the shareholders' meeting and minutes of the shareholders' meeting
2. Keep the stakeholder report reported by the director or executive and send a copy of the stakeholder report under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee for acknowledgment within 7 working days from the date the Company receives the report.
3. Perform other tasks as announced by the Capital Market Supervisory Board.

In addition, the Company Secretary has other duties as assigned by the Company (or the Board of Directors) as follows:

- To provide advice on the relevant laws and regulations and the best practices for governance in the implementation of the Board's activities in accordance with the law.
- Responsible for arranging meetings of the Board of Directors and shareholders' meetings.
- Liaise with departments within the Company to comply with the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
- Liaise with regulatory agencies such as the Office of the Stock Exchange of Thailand and supervise the disclosure and reporting of information to the regulatory agencies and the public to be correct and complete according to the law.

Thai Energy Storage Technology Public Company Limited

APPENDIX 2

Details of the Directors of the Subsidiary

Table showing the name of the Board of Directors of the Subsidiary

Name	Subsidiaries		
	Thai Nonferrous Metal Co.Ltd.	Power Plas Co.Ltd.	3K Product Co.Ltd.
1. Mr. Akihiko Emori	A, B	C	C

Remark

A = Chairman of Board of Directors

B = Chief Executive Officer

C = Liquidator

Thai Energy Storage Technology Public Company Limited

APPENDIX 3

Details about Head of Internal Audit and Head of Operations (Compliance)

Detail of Head of Internal Audit Department

Ms. Kittiphan Suksawasdi

Internal Audit Manager

Education:

- Master's Degree: Faculty of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor's Degree: Faculty of Liberal Arts, Thammasat University

Working Experience:

- July 2021 – Present: Internal Audit Manager, Thai Energy Storage Technology PLC.
- July 2017 – July 2021: Manager of Export Department and Export Control Center, Hitachi Chemical Storage Battery (Thailand) PLC.
- July 2008 – July 2017: Export Department Manager, Thai Storage Battery PLC.

Detail of Head of Compliance

Mr. Wirachai Bunchuchuen

Finance Officer

Education:

- B.Acc : Faculty of Economics and Business Administration, Kasetsart University
- Master of Accountancy, Faculty of Management and Tourism Burapha University

Working Experience

- 2024 – Present Finance Officer, Thai Energy Storage Technology PLC.
- 2020 – 2023 General Manager-Accounting and Finance, Thai Energy Storage Technology PLC.
- 2015 – 2020 General Manager-Accounting and Finance, Hitachi Chemical Storage Battery (Thailand) PLC.
- 2006 – 2015 Senior Accounting Manager, Thai Storage Battery PLC.
- 2003 – 2005 Accounting Manager, Thai Storage Battery PLC.
- 2000 – 2002 Assistant Accounting Manager, Thai Storage Battery PLC.

Thai Energy Storage Technology Public Company Limited

APPENDIX 4

Assets for business operation and Details about the appraisal items

March 31, 2024 The Company hired an independent appraiser to assess the Group's property. It was found that the appraisal price of the land was as follows.

Assets	Approach	Unit: THB million		
		Book value as of March 31, 2024	Fair Value	Increase (decrease) of asset value
Investment properties	Market Approach	47.66	229.27	181.61
Lands	Market Approach	299.28	582.60	283.32
Building and building improvement	Cost Approach	323.85	435.88	112.03
Machinery and equipment	Cost Approach	616.20	1,068.77	452.57
Total		1,286.99	2,316.52	1,029.53

Thai Energy Storage Technology Public Company Limited

APPENDIX5

Policy and practice of corporate governance and business ethics Full version
that the company has made

Policy on Corporate Governance

The Board of Directors is aware of the role, duties and responsibilities as a director of a listed company by creating good corporate governance to enhance the competitiveness of the business and increase confidence for shareholders, investors and all relevant parties. The Company has effective and transparent management and policies to ensure that the Company has disclosed its important information correctly, completely, and timely in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Company encourages the directors to perform operations by adhering to the "Best Practices for Directors of Listed Companies" and "Good Practices of the Audit Committee" provided by the Stock Exchange of Thailand.

The Company pays attention to the rights of shareholders and responsibilities to shareholders and stakeholders of the Company continuously, equitable treatment of shareholders, the roles of stakeholders, information disclosure and transparency. The principles and guidelines based on principles of good corporate governance for listed companies 2017 of the SEC Office are applied as the guidelines for organization management in order to create confidence that the Company's operations are fair and taken the highest interests of the shareholders and all stakeholders into account. The substances of the policy can be divided into 8 principles as follows;

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance and management, including defining objectives and goals, determining strategies, policies, and resource allocation to attain the objectives and goals, and monitoring, evaluating, and reporting performances.

The Board will supervise the Company and pursue the governance outcomes, resulting in competitiveness and performance with long-term perspective. The Company will operate ethical and responsible business, respect rights and responsibility to shareholders and stakeholders, and conduct businesses by focusing on benefits for society and develop or minimize negative impacts on the environment. In addition, the Company has corporate resilience under factors of changes. The Board will oversee communication so that all directors, executives and employees will understand it and provide sufficient mechanisms to facilitate the implementation of the abovementioned policies, follow up the results, and regularly review policies and practices.

The Board should ensure that all directors and executives perform their duties with duty of care and duty of loyalty and all operations should be in accordance with laws, regulations, and resolutions of the shareholders' meeting as

well as set forth policies or guidelines. In addition, the process of approving important operations is provided, such as investment, transactions affecting the Company significantly, transactions with related parties, acquisition/disposal of assets, dividend payment, etc.

In addition, the Board will acknowledge the scope of duties and responsibilities of the Board and clearly define scope of duties and responsibilities of the Chairman of the Board of Executives (or Chief Executive Officer) and the Management as well as follow up and supervise the Chairman of the Board of Executives Officer (or Chief Executive Officer) and the Management to perform assigned duties.

However, matters that the Board should supervise to be implemented or the Board will cooperate with the Management include;

- A. Defining objectives and major goals in business operation
- B. Creating the organizational culture adhering to ethics, and behaving as a model
- C. Supervising the structure and the practices of the Board to be appropriate for efficiently achieving objectives and major goals in business operation
- D. Recruiting, developing, determining remuneration, and evaluating performances of the Chairman of the Board of Executives (or Chief Executive Officer)
- E. Establishing and reviewing strategies, goals, and annual plans
- F. Overseeing the appropriateness and adequacy of the risk management and internal control systems
- G. Determining the authority that is appropriate for the Management's responsibilities
- H. Defining the framework for resource allocation, development, and budget, such as human resource management policy and plan, and information technology policy
- I. Monitoring and evaluating performances
- J. Supervising the reliable disclosure of financial and non-financial information

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board will define or oversee the Company's objectives and major goals that promote sustainability. It should be objectives and goals that are consistent with the creation of value for the Company, customers, stakeholders, and the society. Such objectives or major goals of the Company shall be clear and appropriate and can be used as the main concept in determining a business model and communicated to everyone in the organization to move

forward to the same direction. Vision and values of the organization or principles and purposes or others in the similar manner shall be prepared.

Objectives and major goals of the Company will be defined by considering important factors, such as;

- (1) Environment and changes in various factors, including the appropriate application of technology
- (2) Needs of customers and stakeholders
- (3) Readiness, expertise, and competitiveness of the Company
- (4) Objectives of Company's establishment
- (5) Main customers of the Company
- (6) Profitability or competitiveness with value proposition for the Company and customers
- (7) Long-term existence of the Company under factors of opportunity and risks affecting the Company and stakeholders

In addition, the Board will supervise to ensure that the objectives and goals as well as the strategies of the Company are consistent with the achievement of objectives and major goals of the Company by applying technologies appropriately and safely. The Board will also oversee the formulation of strategies and annual plans that are consistent with the objectives and major goals of the Company by taking into consideration the current surrounding factors of the Company as well as the opportunities and acceptable risks and support the preparation or revision of objectives, goals, and strategies to ensure that strategies and the annual plans take into account the impact in a longer term and still can be predicted as appropriate.

Regarding the formulation of strategies and annual plans, the Board will oversee the analysis of the environment, factors and risks that may affect the relevant stakeholders throughout the value chain, including any factors possibly affecting the achievement of the Company's major goals. The mechanism for creating true understanding of the needs of the stakeholders is provided. The Board will supervise the communication of objectives and goals through strategies and plans throughout the organization.

Principle 3 Strengthen Board Effectiveness

The Board of directors consists of persons with knowledge, ability, expertise, and experiences who can perform duties for the benefit of the Company. However, the directors shall have qualifications and have no prohibited characteristics as specified by laws. The Board of Directors has the duty and responsibility in determining and reviewing the board structure.

The Board of Directors consists of independent directors at least one-third of the total number of directors and must not be less than 3 directors. Independent directors of the Company shall have qualifications and have no prohibited characteristics as specified by the Board of Directors, which are stricter than the qualifications stipulated by the Capital Market Supervisory Board and the Stock Exchange of Thailand. Currently, the Board of Directors comprises of 3 non-executive directors who are 3 independent directors in order to balance the power appropriately. Sub-committees are also appointed to provide management assistance to the Board to the extent specified in the charter of each group in order to enhance efficiency and effectiveness of the Board's operations.

The Board of Directors will appoint an appropriate person to be the Chairman of the Board and ensure that the board composition and operations contribute to the discretion of independent decisions, for example, the Chairman of the Board is an independent director or the Chairman of the Board and the Chief Executive Officer is not the same person, etc. In the case that the Chairman of the Board is not an independent director, the Board of Directors will appoint one independent director to participate in determining the meeting agenda of the Board in order to promote the balance of power between the Board and the Management and to be in accordance with the principles of good corporate governance for listed companies.

For carefully considering important matters, the Board of Directors will appoint a sub-committee to consider specific issues, screen data, and suggest guidelines for consideration before proposing to the Board for approval.

The Board will supervise to ensure that all directors are properly accountable for their duties and responsibilities and allocate sufficient time. In addition, the Board of Directors supervise the disclosure of roles and duties of the Board and sub-committees, the number of meetings, as well as the number of meeting attendances of each director in the previous year and report the performances of all sub-committees.

The Board will determine the rules for holding positions in other companies of directors by considering the work efficiency of directors holding positions in several companies in order to ensure that such directors are able to devote their time to performing duties in the Company sufficiently. The number of listed companies that each director will hold positions shall be specified which will be suitable for the nature or type of business of the Company and disclosed for acknowledgment. In the case that a director holds the position of director or executive or has direct or indirect interests in other businesses having conflicts or can use the opportunity or information of the Company for his/her own benefit, the Board will supervise to ensure that the Company has adequate preventive measures and will notify shareholders as appropriate.

The Board will provide the framework and mechanisms for governing policies and operations of subsidiaries and other businesses in which the Company has a significant investment. The Company has established the policy on

investment and corporate governance in subsidiaries and associates in order to support the opportunity that may occur in the future

In addition, the Company has appointed a company secretary to support the Board's operations as well as provide coordination for the compliance with the board's resolutions, including arrange the Board of Directors' meeting and the shareholders' meeting.

Principle 4 Ensure Effective CEO and People Management

The Board will perform operations to ensure that there is the nomination and development of the Chief Executive Officer and senior executives so that they possess knowledge, skills, experience, and characteristics necessary for the Company to achieve its goals. The Board will consider or assign the committee to consider the rules and methods for recruiting qualified personnel to hold the position of Chief Executive Officer and monitor the Chief Executive Officer to ensure that there are suitable senior executives. The Board will at least cooperate with the Chief Executive Officer to consider the rules and methods for nomination and appoint and approve personnel nominated by the Chief Executive Officer to be a senior executive.

To ensure ongoing business operations, the Board will provide a succession plan to prepare the succession of senior executive position.

The Board will oversee to ensure that the appropriate remuneration structure and performance evaluation are in place. The Board will promote and encourage the Chief Executive Officer and senior executives, including the Company's personnel, to be trained and developed in order to enhance knowledge and experiences that are beneficial to the operations. In addition, policies and procedures for holding a position of director in other companies of the Chief Executive Officer and senior executives are clearly set out, including the type of director position and the number of companies that are able to hold such position.

In addition, the Board must understand the structure and the relationships of shareholders that may affect the management and operations of the Company. The Board will oversee to ensure that such relationship is not an obstacle to the performance of duty of the Board, for example, the Board will provide the disclosure of information according to any agreements that affect the control of the Company.

Principle 5 Nurture Innovation and Responsible Business

The Board pays attention to and promotes operations that create value for the business and benefits for its customers or related parties, including social and environmental responsibility. The Board will emphasize on creating an organizational culture and oversee the Management to ensure that it is used to be a part in reviewing strategies, planning the development and improvement of operations, and following up performances. The Board

will also promote operations to add value to the Company according to the changing surrounding factors, which may include the formulation of the business model (Business Model), the concept and perspectives of product and service design and development, research, improvement of production processes and work process, and cooperation with business partners.

The abovementioned operations will be in a manner of creating common benefits for the Company, customers, business partners, society and environment. The Board will not support inappropriate behavior, illegal or unethical activities.

The Board will monitor the Management to operate businesses with social and environmental responsibility and incorporate them into the Company's operations plan. This is to ensure that all departments of the organization comply with the Company's objectives, major goals, and strategies. In addition, the Board will provide the mechanism to ensure that the Company operates business with ethics and social and environmental responsibility and without violating the rights of stakeholders. This is to be the guidelines for all sections of the organization to achieve sustainable objectives and major objectives by establishing the policy on code of conduct to cover the following matters;

(1) Responsibility to employees and workers by complying with the laws and related standards and treating employees and workers fairly and respecting for human rights, such as determining fair remuneration and other benefits, providing welfare that is not less than what is required by laws or more as appropriate, health care and safety at work, training for knowledge, capability development and promotion of progress, including offering employees the opportunity to improve their working skills in other areas

(2) Responsibility to customers by complying with the laws and related standards and taking into account health, safety, fairness, data retention of customers, after-sales service throughout the lifespan of products and service, monitoring of customer satisfaction for products and services improvement, including advertising, public relations, and sales promotion, which must be operated responsibly and does not cause misunderstandings or take advantage of customers' misunderstandings

(3) Responsibility to business partners by providing the procurement process and fair terms of contracts or agreements, offering knowledge, developing competency, and improving productivity and standardized services, clarifying and supervising business partners to respect for human rights, and treating their labor fairly, having social and environmental responsibility, including following up and evaluating business partners for sustainable business development

(4) Responsibility to the community by applying business knowledge and experiences to develop projects that can benefit the community concretely, monitoring and evaluating the progress and long-term achievement

(5) Environmental responsibility by preventing, reducing, managing and ensuring that the Company will not create or cause a negative impact on the environment, which covers the use of raw materials, energy consumption, water consumption, renewable resource consumption, release and management of waste arising from business operations, greenhouse gas emissions, etc.

(6) Fair competition by conducting business openly and transparently and not creating unfair competitive advantages

(7) Anti-corruption by complying with the laws and related standards and requiring the Company to prepare and announce the anti-corruption policy to the public, which the Company may consider to join Thailand's Private Sector Collective Action Coalition Against Corruption, including encourage other companies and business partners to prepare and announce the anti-corruption policy and join such coalition as well.

In addition, to allow the Company to achieve its main objectives and goals, the Board will supervise to ensure that the Company allocates and manages information technology resources, which covers the allocation of resources, sufficiently for business operations, and establishes guidelines to support in the event that the resources cannot be allocated sufficiently as required, including supervises the organization's risk management as well as the management of risk from information technology and the security of information systems.

Principle 6 Strengthen Effective Risk Management and internal Control

The Board will supervise to ensure that the Company has effective and appropriate risk management and internal control systems to effectively achieve its objectives and abides by relevant laws and standards. The Board has established the Audit Committee consisting of an independent director without prohibited characteristics according to relevant laws, who also has the qualifications and duties in accordance with the regulations of the Office of the SEC and the Stock Exchange of Thailand, in order to perform duties efficiently and independently, perform any duties as assigned by the Board of Directors, including the duty to review financial reports, internal control system, legal compliance, consideration of auditor nomination, disclosure of Company's information, and preparation of the report of the Audit Committee, etc. The Board will monitor and manage the conflicts of interest incurred and also prevent the abuse of Company's property and insider trading.

In addition, the Board is responsible for supervising the risk management system as specified in the risk management policy. The Board will consider and approve the risk management policy that is inconsistent with the objectives, major goals, strategies, and acceptable risks of the Company in order to set a framework for risk management of all persons in the organization to be in the same direction. In the meantime, the Board also ensures that the Company has assessed the impacts and opportunities of the identified risks in order to prioritize the risks

and provided appropriate risk management methods as well as regularly monitored and evaluated the effectiveness of risk management.

To ensure that the Board can supervise the risk management and internal control systems efficiently and effectively, the Board has established policies for managing the supervision as follows;

1. Ethics and Code of Conduct
2. Risk management policy
3. Policy on conflicts of interest
4. Policy on reporting of securities holding and insider trading
5. Anti-Corruption Policy
6. Whistle Blower Policy
7. Policy on investment and corporate governance in subsidiaries and associates
8. Policy on connected transaction or related parties transaction
9. Handbook on Delegation of Authority

The Board establishes a clear anti-corruption policy in the charter and the anti-corruption policy, which is communicated to personnel at all levels of the organization and third parties for implementation. The Board supervises the mechanism for receiving complaints and taking actions in the case of whistleblowing and establishes clear guidelines for accepting complaints about corruption and wrongdoing with regulations regarding reporting, investigations, ethics violations, and acceptance of complaints regarding corruption and wrongdoing. In the event that stakeholders have an observation about the operations of the Company and its subsidiaries, they can ask for details, report a complaint or whistle-blow illegal acts, inaccuracy of financial reports, defective internal control system, or violation of Code of Conduct through independent directors or the member of the Audit Committee of the Company. Complaints and whistleblowing matters provided to the Company will be kept confidential. The independent directors or the member of the Audit Committee will assign the compliance officer to inspect information and find corrective measures (if any) and further report it to the Chairman of the Board and/or the Board of Directors. The Company provides channels for receiving complaints and/or comments and increases more channels to send an email directly to the senior executives at

Channels for communicating with the Company

Stakeholders are able to express their opinions through communication channels with the Company as follows;

1. Attn: P.O. Box 17, Sathorn Post Office, Bangkok 10341
2. By email: report@TESHotline.com
3. Call us at HCBT: 1800-010-314
4. Suggestion / comment / complaint box within the Company

Principle 7 Ensure Disclosure and Financial Integrity

The Company is aware of the importance of accurate and complete information disclosure. The Board is responsible for the financial reporting system and the disclosure of material information that is accurate, sufficient, timely, and in accordance with relevant rules, standards and guidelines. Such disclosed information, including the financial statements, annual Report, and Form 56-1, reflects financial position and operating results sufficiently and also support the Company to provide the Management Discussion and Analysis or MD&A for the purpose of disclosing financial statements every quarter so that investors acknowledge and understand the changes of the Company's financial position and operating results in each quarter better other than the figure data in the financial statements only.

In addition to the above information disclosure, the Board will monitor and assess the financial position of the Company. The Board and the Management will cooperate to find a solution quickly if there is a sign of financial liquidity and debt service coverage problems. In the case that the Company encounters with financial difficulties or likely to face with problems, the Board will consider to ensure that the Company has a plan for solving problems or other mechanisms that can solve financial problems under the consideration of the rights of stakeholders.

In addition, the Board will supervise the Management to establish a department or a responsible person of investor relations responsible for appropriate, fair, and timely communication with shareholders and other stakeholders, such as investors, analysts, through proper channels, such as channels of the Stock Exchange of Thailand or the Company's website, etc.

Principle 8 Ensure Engagement and Communication with Shareholders

The Board pays attention to the shareholders of the Company by ensuring that the shareholders receive fair treatment and the shareholders can fully exercise their basic rights as shareholders, such as (1) the right to purchase, dispose or transfer shares, (2) the right to a share of profits of the Company, (3) the right to receive relevant and sufficient information through the Company's website or the SET's website or by any other means, (4) the right to participate in the meeting to exercise the voting right at the shareholders' meeting independently to

appoint or remove directors, consideration of the remuneration of directors, appointment of auditors, dividend payment, capital increase and issuance of new shares, including the right to ask questions to the Board of Directors regarding the report of the Board of Directors and any other matters proposed to the meeting for consideration and approval, the right to propose meeting agendas and nominate persons for director election, and participation in decisions on important matters of the Company. All shareholders shall have the voting right according to the number of shares held and each share has one vote.

In addition, the Board will ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and facilitate shareholders to exercise their rights. The Board will also ensure accurate and complete disclosure of shareholders' resolutions and preparation of the minutes of the shareholders' meetings.

Policy on Corporate Governance were approved by the Board of Directors' Meeting No. 1/2020 on October 1, 2020.

Thai Energy Storage Technology Public Company Limited Group Codes of Conduct

Our Mission is to “contribute to society through the development of outstanding technology and products.” In striving to accomplish this, we embrace the values of the Company, Pioneering Spirit, Sincerity and Harmony. Our Vision was created based on our Mission and Values to express what the Company aims to become in the future.

The Company Identity is a simple concept designed to share our Mission, Values, and Vision.

The Thai Energy Storage Technology Group Codes of Conduct consist of rules and principles intended to assist officers and employees in making decisions and taking actions in accord with the Showa Denko Materials Group Identity. All officers and employees of Thai Energy Storage Technology Group companies shall understand and follow this Codes of Conduct and act with sincerity and fairness in a highly ethical manner.

1. Toward a Sustainable Society

- (1) We will contribute to resolving social issues by promoting innovative solutions, accelerating collaborative creation with partners and stakeholders, and further integrating social and environmental responsibility into our business activities.
- (2) We will strive to develop technologies that contribute to social development and use them with due consideration of their impact on society.
- (3) We envision a low-carbon society, a resource efficient society, and a harmonized society with nature. To this end, we will endeavor to reduce CO2 emissions, use water and other resources efficiently, and minimize impacts on natural capital throughout our value chain.
- (4) As a corporate citizen, we will make efforts to build rapport with communities and contribute to their development by working together to resolve social issues.

2. Sincere and Fair Business Activities

2.1 Fair Trading

- (1) To ensure fair and open competition, we will observe the fundamental rules of trade, including domestic and overseas competition laws and regulations, and act in compliance with legislation and sound corporate ethics.
- (2) We will have no relationship whatsoever with antisocial forces anywhere in the world, and resolutely reject involvement in improper or antisocial transactions.
- (3) We will not trade shares using undisclosed information regarding the group, affiliated companies, business partners, or customers that could affect the judgment of investors (insider information).
- (4) We strictly prohibit and will have no involvement in bribery and other corrupt business practices. We will neither give or receive gifts nor extend or accept invitations to business entertainment beyond socially accepted limits, as we recognize that such practices can foster corruption. When working with political entities, we will build and maintain sound and transparent relationships.
- (5) We will help maintain international peace and security through compliance with all applicable laws and regulations concerning import and export and will operate appropriately according to our internal rules and policies.

(6) We will comply with applicable laws, respect social cultures and practices, and act sincerely and fairly in countries and regions where we have operations. Furthermore, we will do so guided by international norms and standards even in areas where legislation is not adequately enforced.

2.2 Relationships with Suppliers

(1) With a global vision, and mindful of the long-term perspective, we will find qualified suppliers and build fair and equal partnerships with them, working together to build mutual understanding and trust.

(2) In selecting suppliers, we will thoroughly review the quality, reliability, delivery time, and price of the materials they provide as well as their business stability and technological capability. We will give due consideration to their adoption of social responsibility practices, including areas such as the abolition of unfair discrimination, the elimination of child labor and forced labor, and environmental conservation.

(3) We will not accept any personal benefits from suppliers in procurement transactions.

2.3 Relationships with Customers

(1) We will provide products and services that meet the needs and requirements of our customers, complying with relevant laws and standards and ensuring quality and safety by setting additional standards of our own where necessary.

(2) We will communicate with customers sincerely, address defects and customer complaints quickly and in good faith, and strive to determine causes in order to eliminate them and prevent recurrence.

3. Respect for Human Rights

(1) We will promote our understanding of internationally recognized human rights and will respect and not infringe on the human rights of all those involved in our business activities.

(2) We will implement human rights due diligence appropriate to the social circumstances of the countries and regions where we have operations and the nature of our businesses, products, and services there.

(3) We will assess and prevent potential violations of human rights. In the event of such a violation, we will promptly take internal and external actions to correct and remedy the situation.

(4) We will respect individual human rights in the recruitment and treatment of employees and during all other company activities. We will not engage in any acts that may impair individual dignity or discriminate on bases such as sex, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, disability.

(5) We will hire employees in compliance with the relevant laws and regulations in each country and region, and in accordance with international norms and standards. We will not use child labor that employs children below the minimum working age or forced labor that is against the will of employees.

(6) We will strive to resolve issues through sincere and constructive discussion between management and employees, in compliance with the laws, regulations, and labor practices of each country and region, and in accordance with international norms and standards.

4. Building a Work Environment That Brings Out Employee Strengths

(1) Prioritizing health and safety above all else, we will strive to ensure the safety of employees and the workplace. In addition, we will promote the physical and mental health of employees and their families.

(2) We will support flexible work styles and respect diverse values, creating workplaces that provide employees with a sense of accomplishment and personal growth, and we will promote the sustainable growth of the organization and individuals.

(3) We will invest in educational programs to help employees expand their capabilities and exercise their strengths. Supervisors will fairly and appropriately support, guide, and educate their employees to develop their abilities.

5. Information Management and Communication

(1) We will promote the ethical handling of information, so as to ensure respect for human rights and security, through the proper management of personal information based on our Personal Information Protection Policy.

(2) We will properly manage and protect confidential information related to our business activities in compliance with domestic and international laws and regulations as well as our internal rules and policies.

(3) In order to maintain and expand our trusting relationship with the Hitachi Chemical Group's diverse stakeholders, we will disclose information openly and transparently, and respond to stakeholders responsibly through dialogue and other means of communication.

6. Protection of Intellectual Property and Brand

(1) We will protect our own intellectual property, respect third-party intellectual property, and use both effectively for smooth business operations.

(2) We will manage our own and third-party confidential information by importance and manage and handle it appropriately based on this ranking.

(3) We will protect and enhance the value of the Showa Denko Materials Brand, recognizing it as an important management asset.

7. Securing Corporate Assets

We will use all our corporate assets only for business activities and other appropriate purposes and manage them properly to protect their value.

8. Crisis Management

We will make concerted efforts throughout the Showa Denko Materials Group to secure employee safety and business continuity in case of disasters and threats such as earthquakes, tsunamis and floods, cyberattacks, and terrorism.

9. Responsibilities of Employees

Employees shall pledge to comply with the Codes of Conduct. If they become aware of any non-compliant activity, they shall immediately report to their manager or via the internal reporting system.

10. Responsibilities of Top Management

Top managers shall take the initiative in complying with the Codes of Conduct and make their best efforts to conduct business based on corporate ethics and the law. In the event of violation of the Codes of Conduct, top managers shall swiftly take corrective measures and actions to prevent the recurrence of similar incidents, while at the same time strictly disciplining themselves as well as those involved in the violation.

Announced on October 1, 2020

Thai Energy Storage Technology Public Company Limited

APPENDIX 6

The Audit Committee Report

The Audit Committee Report

To Shareholders

Thai Energy Storage Technology (Public) Company Limited

The Audit Committee (hereinafter referred to as the "Committee") of Thai Energy Storage Technology Public Company Limited (hereinafter referred to as the "Company") was appointed by the Company's Committee on 9 August 2023 with a 3-year term of office per time. The current term will end on 30 September 2026.

The Committee consists of 3 independent non-executive directors of the Company. All three Audit Committee members including the Chairman have sufficient administrative knowledge and experience. Of this number, one person has knowledge and experience in accounting and finance. The other two have knowledge about engineering. The internal auditor acts as the secretary. The Committee performs duties in accordance with the Charter of the Audit Committee approved by the Committee.

Tthe period from 1 April 2023 to 31 March 2024, the Committee held 6 meetings. The Chairman and all Audit Directors attended all 6 meetings, and regularly invited the Company's executives and external auditors to attend the meetings.

Two of the six meetings were specific meetings between the Committee and the Company's executives to jointly discuss structural improvements. One of these meetings was to promote the efficiency of the Internal Audit Department. The other meeting was a meeting between the Committee and the Company's auditors without executives in attendance.

The Committee has acknowledged the auditors' observations and/or opinions from the report on the audit of the financial statement for the period from 1 April 2023 to 31 March 2024. The Committee assigned the auditors to give importance to examining and making suggestions for improving the system and internal control activities, including cost-cutting measures the auditor discovered. The Committee monitored, consulted and questioned the auditors at the meeting together until they had

no further questions. The Committee gives importance to supporting auditors and internal auditors in performing their duties independently for the quality of audit results.

The Committee has performed its duties as stated in the Charter of the Audit Committee by focusing on always hearing the opinions of executives as well as other relevant personnel of the Company in taking issues under consideration as deemed necessary and fitting.

During the period from 1 April 2023 to 31 March 2024, the main activities carried out by the Committee are as follows:

Preparation of Financial Statements

1. Consideration of results from the review and audit of the Company's financial statement and the consolidated financial statements of the Company and its subsidiaries for the period from 1 April 2023 to 31 March 2024. The auditors presented the results of the audit in the meeting of the Committee and discussed the additional explanations from the auditors, staff, and executives of the Company when there were questions. In this matter, the Committee offered additional opinions to accompany revisions to information shown in the Company's financial statement and the consolidated financial statements of the Company and its subsidiaries to be materially accurate in accordance with the accounting principles and standards enforced in Thailand while providing adequate disclosure of supporting information to various stakeholders.

2. The review of the disclosure of information accompanying the financial statements includes consideration of both verbal and written information reported by the auditors to the Committee regarding connected transactions between the Company, its subsidiaries and its executives, as well as the review of potentially significant fraud in order to be reasonably assured that the auditors have performed their duty in properly investigating these issues.

Internal Control and Internal Audits

1. The Committee reviews the Company's internal audit system in terms of appropriateness and efficiency based on the independence and manpower of the Internal Audit Department. The

Committee assigned internal auditors to review internal controls applied to various aspects of the work system by regularly submitting reports on the results of the audit and evaluation of internal controls or the progress of the inspection work to the management and the Committee on a regular basis.

2. The Committee also approves the internal audit plan by coordinating to know the needs of the Company's executives, so internal auditing work is carried out with maximum benefit to management. In supervising internal audit work, the Committee provides advice and suggestions to the internal auditors to improve efficiency and effectiveness in making the best use of available auditing resources.

3. Matters that are weaknesses or significant defects discovered by the internal auditors and acknowledged by the Committee are analyzed, summarized and presented to the Committee at regular meetings of the Committee along with additional suggestions by the Committee for the Board of Directors and the Company's senior executives to jointly consider and apply in corrections and improvements.

4. The Committee encourages internal auditors to coordinate with the Company's auditors regularly in order to exchange mutually beneficial information for the performance of duties by both parties.

Connected Transactions

In addition to providing policies for auditors to focus on auditing connected transactions, the Committee reviewed connected transactions potentially causing additional conflicts of interest in accordance with their duties. The Committee reviewed to determine whether the connected transactions were treated in accordance with normal business conditions and whether the accounts or information were recorded or disclosed in accordance with the rules set forth in accounting standards in order to comply with the requirements of public company regulatory agencies. In this, the Committee has conducted proper reviews with the auditors. The Committee considered the audit report and asked questions to obtain more details from the auditors. In addition, the Committee

requested information from the Company's executives and key personnel. The examination found no significant transactions that could be classified as connected transactions with conflicts of interest.

Selection of Auditors

The Committee has considered and proposed the appointment of persons with appropriate knowledge and abilities to act as auditors of the Company and its subsidiaries. The Committee holds the opinion that Mrs. Wilai Sunthornwanee, Certified Public Accountant License No. 7356, and/or Miss Manee Rattanabannakit, Certified Public Accountant License No. 5313 and/or Mr. Worapoj Amnuaypanit, Certified Public Accountant License No. 4640, all of whom are affiliated with EY Office Co., Ltd. The auditors are independent and have sufficient knowledge and experience to perform their duties as the Company's auditors for the period from 1 April 2024 to 31 March 2025. The professional fees proposed are commensurate with their responsibilities. Therefore, a resolution was passed to present to the Company's Board of directors for approval and to request approval from the Annual General Meeting of Shareholders for the appointment of the Company's auditors for the period from 1 April 2024 to 31 March 2025. The professional audit fees for auditing the Company's financial statements for the period of one year from 1 April 2024 to 31 March 2025 not more than 2,500,000.00 baht (two million and five hundred thousand baht only).

Compliance with Relevant Laws and Regulations.

The Committee has considered the results of the review of compliance with the laws governing securities and exchanges, the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as other laws related to the Company's business operations. As far as the Committee has relevant duties, the Committee has acted in compliance with relevant laws and government regulations.

Concluding Remarks

The Company, through governance bodies, namely the Committee and the Management headed by the Managing Director, have always complied with good corporate governance practices. The internal control system is sufficiently effective to prevent significant errors from occurring easily or, if

errors occurred, the internal control system is sufficiently effective to quickly identify errors so corrective action can be taken in a timely manner.

The Company's auditors appointed by the Annual General Meeting of Shareholders performed their duties with complete independence. The Internal Audit Department is subject to the Audit Committee with the support of the management and independence from the audited parties. Connected transactions potentially causing conflicts of interest are commercial transactions that are normal business and have been executed reasonably to provide appropriate benefits for the Company.

The Committee coordinates closely with the Company's auditors and has not discovered any material irregularities, complying with relevant government laws and regulations as accurately as possible. The auditors have reported that the Company's financial statements and consolidated financial statements of the Company and its subsidiaries for the period from 1 April 2023 to 31 March 2024 have been prepared accurately and materially in compliance with financial reporting standards, including adequate disclosure of financially significant information for the understanding of various stakeholders. There are no entries that indicate problems or transactions with potentially significant impact on the financial statements other than those already disclosed.



(Mr. Nontaphon Nimsomboon)

Chairman of the Audit Committee



(Mr. Suchat Chanlawong)

Member of the Audit Committee



(Mr. Apichai Chvajarempun)

Member of the Audit Committee

10 June 2024

ENERGY BEYOND



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