



แบบแสดงรายการข้อมูลประจำปี รายงานประจำปี 2564
(แบบ 56-1 One Report)

บริษัท ทีระมงคล อุตสาหกรรม จำกัด (มหาชน)

56-1 One Report / Annual Report 2021

Teera-Mongkol Industry Public Company Limited

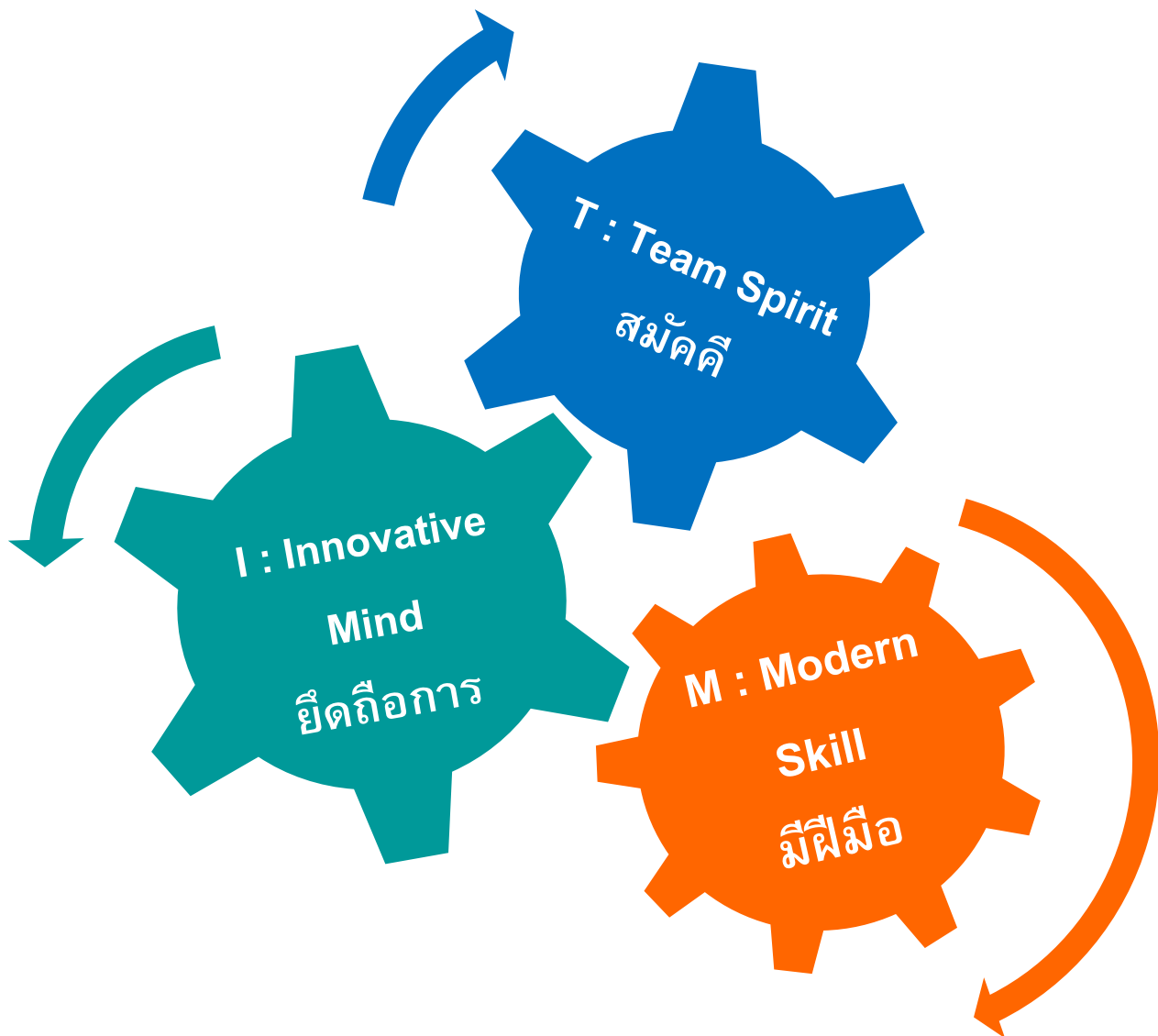


บริษัท ทีระมงคล อุตสาหกรรม จำกัด (มหาชน)
TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED

Table of Contents

	Page
Section 1 Business Operation and Performance	
1. Structure and Operation of Business Group	7
2. Risk Management	75
3. Driving of Business toward Sustainability	90
4. Management Discussion and Analysis (MD&A)	106
5. General Information and Other Key Information	130
Section 2 Corporate Governance	
6. Corporate Governance Policy	135
7. Structure of Corporate Governance and Key Information of Directors, Sub-committees, Executives, Employees and Others	159
8. Report on Corporate Governance Performance	182
9. Internal Control and Connected Transactions	203
Section 3 Financial Report	206
Section 4 Verification of Accuracy of Information	255
Enclosures	
Enclosure 1 Details of Directors, Executives with Controlling Authority and Corporate Secretary	258
Enclosure 2 Details of Directors of Subsidiaries	269
Enclosure 3 Details of Chief of Internal Audit and Compliance	271
Enclosure 4 Property for Business and Details of Property Valuation	273
Enclosure 5 Policy, Guidelines and Business Code of Conduct of Teera-Mongkol Public Company Limited	275
Enclosure 6 Questionnaire on Sufficiency of Internal Audit System	277

TMI VALUES



Significantly Financial Information of 2021

Financial Statements as at 31 st December	2021	2020	2019
Information of Common Shares			
Par Value (Baht)	0.25	0.25	0.25
Book Value per Share (Baht)	0.29	0.28	0.27
Profit per Share (Baht)	0.001	0.021	(0.013)
Performance (Thousand Baht)			
Sales Revenue	484,274	447,861	391,996
Total Revenue	486,559	449,490	394,248
Net Profit (of Parental Company)	0.553	14,390	(9.942)
Information of Balance Sheet (Thousand Baht)			
Current Asset	255,966	228,714	217,257
Total Asset	626,706	461,886	423,984
Current Liability	190,627	220,946	201,229
Total Liability	397,949	254,882	244,151
Issued and Paid-up Share	167,860	167,860	167,860
Shareholder's Equity	228,757	195,320	179,995
Financial Ratio			
Return to Equity Ratio (%)	0.28%	7.67%	(4.53%)
Return on Permanent Asset (%)	7.86%	17.65%	6.64%
Return on Asset (%)	0.10%	3.25%	(1.98%)
Gross Profit (%)	31.53%	34.37%	33.35%
Current Asset to Current Liability (Times)	1.34 เท่า	1.04 เท่า	1.08 เท่า
Quick Ratio (Times)	0.80 เท่า	0.62 เท่า	0.61 เท่า
Debt to Equity (Times)	1.74 เท่า	1.23 เท่า	1.36 เท่า

Message from the Chairperson of Board of Directors



Year 2021 is another year that the business performance of private sector has been directly affected by the spreading of COVID-19 which has affected business since 2020, together with the fluctuation of the costs of raw materials which have greatly changed in the past year, which has been a challenge concerning corporate governance during a crisis.

Teera-Mongkol Industrial Public Company Limited has adjusted itself to cope with the COVID-19 pandemic event that has been widely spread and has taken the business and all employees through the severe pandemic situation in the past year, together with the adjustment to pass through the fluctuation of the prices of main materials, such as, iron, copper and plastic, which have been consistently increasing. Furthermore, the company has expended power plant business by increasing both number and capacity of power plants. Even though there has been some effects on coordination, we have passed through all obstacle very well.

As the Chairperson of the Board of Director, I would like to express my gratitude to all employees and executives for joining hands together to pass through all difficulties in the pass year. I also would like to extend my appreciation to all business allies and trading partners of the company for your consistent supports.

Finally, I hope to experience harmony and cooperations from team members and stakeholders of the company to push the company towards the achievement of the goals for this year, and May all the sacred deities in the universe bless all of you with happiness and prosperity.

(Dr. Thanu Kulachol)

Chairperson of the Board of Directors

Teera-Mongkol Industrial Public Company Limited

Message Chief Executive Officer and Managing Director



Concerning COVID-19 crisis in the past year, I, as the CEO and representative of the management team, would like to express my thanks to the management team and all employees for your devotion to work which has led the company pass through the crisis in 2021.

The COVID-19 pandemic event has had widely effects and impacts on administration in all respects, such as logistic, manufacture, management and marketing. All personnel has devoted heart and physiquess to lead the company past through all the problems in the past years.

I would like to give thanks to all team members for your dedication and devotion for the company. I hope that 2022 will be a good year in which the company grows and targets that we have jointly predetermined achieved.

Last but not least, I would like to extend my gratitude to all the supporters of the company for your consistent supports. I greatly hope to receive such supports always.

(Mr. Theerachai Prasitratanaorn)

Chief Executive Officer and Managing Director

Section 1

Business Performance



Structure and Business of Company Group

1.1 Policy and Overview of the Company

Businesses of the Company can be categorized as follows.

1. Businesses to design, produce and distribute lighting equipment consisting of the following products:

- 1) Electric lamps and LED lamps;
- 2) Electric lamps and equipment

2. Business to generate electricity from renewable energy:

The company has set the business objectives as follows:

- 1) To maintain and expand the customer bases in the product group of lighting equipment by focusing on procuring new products and maintaining relationships with retail customers nationwide;
- 2) To maintain important corporate customer bases such as the Metropolitan Electricity Authority and the Provincial Electricity Authority;
- 3) To increase internal efficiency by applying modern technology to the same business and using technology to improve production and the distribution of products and equipment is stable;
- 4) To sustain the capacity of the power plants under the management of the Company; and
- 5) To study and find ways to expand investment in businesses related to the original ones

(lighting equipment and renewable energy power plants).

As for the businesses of designing, producing and distributing electric lighting equipment, the company is still implementing policies to produce and distribute products With modern technology. The company will focus on producing products that require high production technology, which can create a good margin by trying to maintain the existing customer base and increase new customer bases to sell more products than before and because light is a necessary factor for human life and needs continuous improvement with the focus on the efficiency of light such as color accuracy and the brightness of the lamp compared with the level of electricity used as well as ease of installation and purchase.

As for the business to generate electricity from renewable energy, the company has currently set a goal to have a renewable energy power plant of at least 20 megawatts by 2023. The company will focus on expanding the biogas power plant and biomass power plant both in the country and abroad.

1.1.1 Background

Teera-Mongkol Industry Public Company Limited was registered on 9th November 2000 with the initial registered capital of 1,000,000 baht (one million baht only) to run the business of design, production and distribution of lighting equipment, related control equipment, including bulbs and lamps.

The company was founded by a group of Thai businessmen, led by Mr. Pravit Prasitrattanaporn as the chairman of the board at that time, with business initiatives since 1977, which began by producing ballasts for fluorescent lamps and ballast for direct current power for use on batteries of buses, boats and trolleys under the name of Theeraphon Electric, while also expanding the type of

manufactured products such as ballasts for street lights to substitute imported ones because during the said period, fluorescent ballasts market had intense competition. In addition, the company had started manufacturing other related products, including transformers for halogen lamps and starters for street lights. In 2000, Teera-Mongkol Electric Limited Partnership moved its production facility to a factory in Samut Sakhon Province, and established a new juristic person or Teera-Mongkol Industry Company Limited. In 2006, the company built the second factory to support the increased sale.

Currently, the company has the headquarters which is located at 46/67 - 69 Soi Mangmee Sub, Village 3, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000.



The Company has 2 branch offices as follows.

Branch Office 1 260/2, Charoen Nakhon Road, Sam Rae Sub-district, Thonburi District, Bangkok 10600.
This branch office is used for general management and warehousing.



Branch Office 2 9/20, Soi Mangmee Sub, Village 5, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000.
This branch office is used as manufacturing facility.



1.1.2 Vision, Commitment and Direction for Business

Vision

To become a leader in designing, production and distribution of lighting products and the become a leader in generating power from renewable energy in ASEAN.

Commitments

- To create added value and maintain benefits for shareholders and the organization sustainably;
- To aim to be an expert in the ASEAN region in every business that the Company operates;
- To develop technology, procedures and production processes, as well as quality control of products and services;
- To meet the needs of consumers at all levels, both in terms of products and services;
- To be committed to research and development of clean energy technologies and energy-saving products to reduce the use of global resources
- To promote a culture of building a good governance system risk management system and a good internal control system;
- To increase the potential and capability of personnel to be responsible to the organization and society; and
- To strictly follow the law and maintain the good traditions of Thai society.

Direction for Business

To be a leading designer, producer and distributor of lighting products and a leading generator of power from renewable energy in ASEAN.

1.1.3 Significant Change and Improvement of the Company

Significant changes and development of the Company can be concluded as follows:

2000

- November 9th, Teera-Mongkol Industry Co., Ltd. was founded with an initial registered capital of 1,000,000 baht, divided into 10,000 ordinary shares with a par value of 100 baht each, which has been fully paid up. The office and factory are located at 46/67 - 69 Soi Mangmee Sub, Village 3, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon province, 74000, the space of which is 3 ngan 38 square wa.

2006

- On April 25th, the company began the operation of a new factory, the space of which is 5 rai, located at 9/20 Soi Mangmee Sub, Liap Khlong Si Wa Phasawat Road, Mueang District, Samut Sakhon Province.
- On December 19th, the company increased the authorized capital from the original 1,000,000 baht, divided into 10,000 ordinary shares with a par value of 100 baht to 60 million baht, divided into 600,000 ordinary shares with a par value of 100 baht, fully paid as revolving fund for the company's business operations.

2009

- September 5th, the quorum of the Extraordinary Shareholder Meeting of Shareholders 2/2552 passed a special resolution to transform the company from a limited company to a public limited company And change the par value of the ordinary shares of the company, from the par value of 100 baht per share to the par value of 0.25 baht per share, including a special resolution to increase the authorized capital from 60 million baht to 80 million baht, divided into 320 million ordinary shares, divided into called capital worth 60 million baht, for 240 million shares, and uncalled 80 million shares. As for the uncalled 80 million shares, the shareholder meeting resolved to allocate them for sale to the general public.
- September 11th, the company registered to transform from a limited company to a public company and changed the name to Teera-Mongkol Industry Public Company Limited

2010

- May 14th, the company opened the first trading of the Market for Alternative Investment and paid the price of additional shares for all the 80 million shares with a par value of 0.25 baht per share equivalent to 20 million baht. The company has called capital of 80 million baht, divided into a total of 320 million shares with a par value of 0.25 baht per share.

2011

- June, the company moved the office to 260/2 Charoen Nakorn Road, Samrae Sub-district, Thon Buri District, Bangkok 10600. This office is used as the office of general management department and a new warehouse.

2012

- May 18th, the company increased authorized capital from 80 million baht to 95,999,997 baht by allocating stock dividend at the rate of 5 existing shares per 1 stock dividend.
- October 5th, the Company issued 191,999,994 new warrants to purchase newly issued ordinary shares at the rate of 0.25 baht per share through the allocation of warrants at the rate of 2 existing shares per 1 warrant; and registered the increase of capital to support

the exercise of warrants. The uncalled capital increased from 95,999,997 baht to 143,999,995.50 baht.

2013

- November 29th, the company increased the paid-up capital from 95,999,997 baht to 98,930,347 baht from the exercise of the right to purchase 11,721,400 ordinary shares according to the warrants to purchase the company's ordinary shares (TMI-W1).

2014

- June 10th and December 3rd, the company increased the paid-up capital to 99,597,047 and 111,608,072 baht, respectively, from the exercise of rights to purchase ordinary shares in the second and the third times, for 50,710,900 shares in total, in accordance with the warrants to purchase ordinary shares of the company (TMI-W1).

2015

- June 5th and October 13th, the company increased the paid-up capital to 131,358,341 and 167,860,222.50 baht, respectively, from the 4th and 5th exercises (last time) of the right for the total amount of 128,842,605 shares in according to the warrants to purchase the company's ordinary shares (TMI-W1).

2016

- 5th October, the company received the INNOVATIVE ORGANIZATION award from the National Innovation Agency (Public Organization) and the Stock Exchange of Thailand.

2017

- April 25th, the company has registered to establish a subsidiary or Teera-Mongkol Green Energy Company Limited (TMGE), with the company holding 100% of the shares of this subsidiary, in order to generate and distribute electricity. The authorized capital was 1.00 million baht.

2018

- January 24th, 2018, the company registered to set up a subsidiary company or Teera-Mongkol Energy Company Limited (TME), with the company holding 99.98% of the shares of this subsidiary, in order to generate and distribute electricity. The authorized capital was 1.00 million baht.
- On June 15th, the meeting of the Board of Directors resolved that Teera-Mongkol Green Energy Company Limited, a 100% subsidiary, could purchase 750,000 ordinary shares of Green Saving Energy Thailand Company Limited, worth 79,997,500 baht in total, for running the business to generate and distribute electricity generation for the Provincial Electricity Authority since April 2015, with a 1.4 MW power purchase Feed-in Tariff (FIT) contract at 3.76 baht per unit and Feed-in Tariff (Premium) Contract at 0.50 baht per unit, with the terms of 20-year, starting from April 20th, 2015 and ending on April 19th, 2035. The project has received promotional privileges from the Board of Investment of Thailand (BOI).) (Currently, Green Saving Energy Thailand Co., Ltd. has a registered capital of 41,000,000 baht and Teera-Mongkol Green Energy Company Limited holds 100.00% of the shares.)

2019

- 15th March 2019, the quorum of the Board Meeting passed a resolution to allow Teera-Mongkol Energy Company Limited, a 90.90% subsidiary, to purchase 99.9996% shares of Green Earth Energy Company Limited, which generate and distribute electricity to Provincial Electricity Authority and invested 99.98 percent in Global Utility Supply Company Limited, which operates biogas production business, with a power purchase agreement of

0.99 megawatts and 2.97 megawatts, with an Adder contract for 0.50 baht and 0.30 baht per unit, respectively.

2020

- August 13th, 2020, the Board of Directors has resolved that Tera-Mongkol Energy Company Limited invests in the construction and renovation of biogas power plant with the capacity of 0.99 megawatts in Ban Phaew District, Samut Sakhorn Province.

2021

- June, 2021, the company issued long-term callable and secured debentures No.1/2021 due 2023
- November, 2021, the company issued long-term callable and secured debentures No.2/2021 due 2023.

1.1.4 Spending of Money from Fund Raising

In 2021, the Company has issued debentures twice with the following details.

1) Secured Debentures of Theera-Mongkol Industry Public Company Limited, No. 1/2564, maturity year 2023, with the issuer entitled to redeem the debentures before maturity (TMI236A), with maturity in 2 years, with fixed interest rate of 6.75 percent per year, interest payable every 3 months throughout the bond term. The offering amount is not exceeding 150,000 (one hundred and fifty thousand) units, totaling not exceeding 150,000,000 (one hundred and fifty million) baht, with a par value of 1,000 baht per unit, offering price of 1,000 baht per unit, offered to investors, institutions and/or big investors. The bond has been issued on 16th June 2021, and can be sold in the amount of 98,400,000 baht.

2) Secured Debentures of Teera-Mongkol Industry Public Company Limited, No. 2/2021, maturity year 2023, with the issuer entitled to redeem the debentures before maturity (TMI238A), with maturity in 1 year 9 months, with fixed interest rate of 6.75 percent per year, interest payable every 3 months throughout the bond term. The offering amount is not exceeding 100,000 (one hundred thousand) units, totaling not exceeding 100,000,000 (one hundred million) baht, with a par value of 1,000 baht per unit, offering price of 1,000 baht per unit, offered to institutional investors and/or big investors. The bond has been issued on 5th November 2021, and can be sold in the amount of 100,000,000 baht.

The two issuances of debentures in 2021 (TMI236A and TMI238A) are subjected to the terms of rights and applicable laws in accordance with Thai law. The use of the money from the issued 2 debentures is as follows:

TMI236A Debenture

Expense	Spent Amount (Million Baht)	Period	Details/Progress/Rationale and Measures of Operation in Case of the Expense Non- compliant to Objective
To raise funds for Green Earth Energy Company Limited (GEE), a subsidiary,	3.55	Within July 2021	Payment of the Fee for Issuance of TMI236A Debenture
For the construction of a biogas power plant project in Dan Chang District, Suphanburi Province	94.85	Within 2021	Payment of Machineries and Construction of the biogas power plant project in Dan Chang District, Suphanburi Province

TMI258A Debenture

Expense	Spent Amount (Million Baht)	Period	Details/Progress/Rationale and Measures of Operation in Case of the Expense Non-compliant to Objective
1) To raise funds for Green Earth Energy Company Limited (GEE), a subsidiary, for the construction of a biogas power plant project in Dan Chang District, Suphanburi Province, for no more than 50 million baht	3.55	Within December 2021	Payment of the Fee for Issuance of TMI238A Debenture
2) To be spent as revolving fund in the company for no more than 50 million baht	96.45	Within March 2022	Payment of Machineries and Construction of the biogas power plant project in Dan Chang District, Suphanburi Province



1.2 Business Operation

1.2.1 Structure of Company Revenue

The Company has revenues sorted by product types as follows.

Product Type	2019 (BOI)		2019 (NON-BOI)		2020 (BOI)		2020 (NON-BOI)		2021 (BOI)		2021 (NON-BOI)		2021 (Total)	
Sales Revenue	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%
1. Lighting Business	11.73	20.83	335.76	99.36	5.48	13.34	406.78	99.60	1.52	4.74	450.05	98.93	451.57	92.81
1.1 Light Bulbs and Components	0.00	0.00	178.39	52.79	0.00	0.00	182.92	44.79	0.00	0.00	191.04	42.00	191.04	39.26
1.2 Lamps	12.38	21.99	141.76	41.95	5.91	14.40	215.61	52.79	1.85	5.77	254.62	55.97	256.47	52.71
1.3 Facility Products	0.00	0.00	28.28	8.37	0.00	0.00	28.02	6.86	0.00	0.00	31.89	7.01	31.89	6.55
Discount Payable	-0.65	-1.16	-12.67	-3.75	-0.43	-1.05	-19.77	-4.84	-0.33	-1.03	-27.50	-6.04	-27.83	-5.72
2. Power Plant from Renewable Energy Business	44.50	79.03	-	-	35.59	86.66	0.00	0.00	30.40	94.89	2.30	0.51	32.70	6.72
Sales Revenue-Net	56.23	99.86	335.76	99.36	41.07	100.00	406.78	99.60	31.92	99.63	452.35	99.44	484.27	99.53
Other Revenues*	0.08	0.14	2.17	0.64	0.00	0.01	1.62	0.40	0.12	0.37	2.17	0.48	2.29	0.47
Total Revenue	56.31	100.00	337.93	100.00	41.07	100.00	408.40	100.00	32.04	100.00	454.90	100.00	486.94	100.00

Note: *Other Revenues include revenues from the sale of scrap of material, return from export - cash/interest from income-deposit receivable

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

The Company has revenues sorted by sale types as follows.

Sale Type	2019 (BOI)		2019 (NON-BOI)		2020 (BOI)		2020 (NON-BOI)		2021 (BOI)		2021 (NON-BOI)		2021 (Total)	
	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%
Domestic Revenue	56.23	100.00	331.09	98.61	41.07	100.00	392.59	96.51	31.92	100.00	436.56	96.51	468.48	96.74
Foreign Revenue	0.00	0.00	4.67	1.39	0.00	0.00	14.19	3.49	0.00	0.00	15.79	3.49	15.79	3.26
Total Revenue	56.23	100.00	335.76	100.00	41.07	100.00	406.78	100.00	31.92	100.00	452.35	100.00	484.27	100.00

The Company has revenues sorted by customer groups as follows.

Customer Groups	2019 (BOI)		2019 (NON-BOI)		2020 (BOI)		2020 (NON-BOI)		2021 (BOI)		2021 (NON-BOI)		2021 (รวม)	
	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%	M. Baht	%
Governmental Customers	44.50	79.14	5.63	1.68	35.59	86.65	5.11	1.26	30.40	95.23	4.22	0.93	34.62	7.15
Public Customers	11.72	20.86	330.14	98.32	5.48	13.35	401.67	98.74	1.52	4.77	448.13	99.07	449.65	92.85
- Electrical Appliance Shops	1.95	3.48	279.39	83.21	0.48	1.17	313.21	77.00	0.56	1.76	355.05	78.49	355.61	73.43
- Big Size Appliance Shops	9.77	17.38	50.75	15.11	5.00	12.18	88.46	21.75	0.96	3.01	93.08	20.58	94.04	19.42
Total Sales Value	56.23	100.00	335.76	100.00	41.07	100.00	406.78	100.00	31.92	100.00	452.35	100.00	484.27	100.00

1.2.2 Product Information

Natures of Products and Services

The business operations of Teera-Mongkol Industry Public Company Limited can be classified into 2 groups, namely, the business of lighting and the electricity generation from renewable energy business focusing on the generation of electricity from all types of renewable energy.

1) Lighting Business

The Company designs, manufactures and distributes lighting equipment and related control devices including light bulbs and lamps for both domestic and international customers. Most of the customers are domestic customers. The main customer groups are divided into electrical appliance stores, general wholesale market and project customers. The products consist of 3 main groups as follows.

1.1) Light Bulbs and Components

The Company manufactures and distributes light bulbs and components (Control Gear) of the lighting circuit, consists of several main products as follows.

(A) High Intensity Discharge (HID) Lamp

The company is the only manufacturer of high intensity discharge lamp (HID) in Thailand.

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

High Pressured Mercury Vapor Lamp

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

Demonstration Image of the Product



High Pressured Mercury Vapor Lamp

Demonstration Image of the Product



High Pressure Sodium Lamp

High Pressure Sodium Lamp

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

Metal Halide Bulb

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

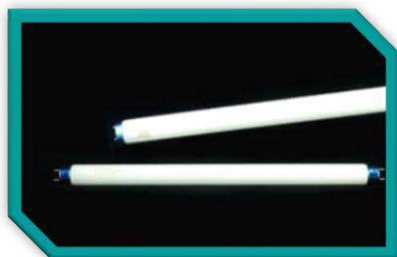
Demonstration Image of the Product



Metal Halide Bulb

(B) Indoor Light Bulb Products

Demonstration Image of the Product



Fluorescent Lamp

Fluorescent Lamp Products (Fluorescent Bulbs)

Fluorescent lamp is another product that the company has imported for distribution and is a light bulb that provides a lot of light and has good color values, both Daylight (Warm White) and Yellow (Warm White).

LED Light Bulb

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

LED bulbs are made from the use of light-emitting diodes to be used in general lamps. Nowadays, LED bulbs are used for replacing various types of bulbs such as incandescent bulbs, compact fluorescent lamps or energy saving chopsticks bulbs. Fluorescent lamps or fluorescent lamps or even the replacement of some types of street lamps. LED bulbs are being developed continuously. LED bulbs are currently on sale. The brightness is usually around 100 Lumen / Watt, which is brighter than the lamp that is on the market in general. LED lamps are therefore classified as having high efficiency lamps compared to conventional lamps, that is, LED lamps are more energy efficient than conventional lamps in the market. In addition to saving electricity, LED lamps have a longer life than most lamps. The lifespan of the LED is 15,000-50,000 hours compared with incandescent lamps. LED lamps have a lifespan of up to 8 times more (incandescent bulbs have a lifespan of just 2,000-4,000 hours) and have a longer life than a compact fluorescent lamp or Chopsticks tubes save more than 3-4 times more energy (generally chopsticks tubes have a lifetime of 6,000-8,000 hours).

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

- Eco-friendly LED tubes because the LED lamp does not contain mercury

(the majority in the market);

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

Demonstration Image of the Product



LED Light Bulb

*Data of high brightness blue LED are retrieved from https://en.wikipedia.org/wiki/Light-emitting_diode on 27th February 2021. Thus, data may be unstable and can be changed.

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

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

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

Since the Company is one of the few manufacturers of street light ballasts in the country with a variety of models and types of ballasts in Thailand. Therefore, there are many projects requiring the Company to produce ballasts or transformers

Demonstration Image of the Product**Ballast for Street Lamp**

specifically for projects such as reducing the power level ballasts for the Department of Highways, and ballasts for special lamps used at various junctions that require special lighting. In addition, the Company has a lot of experience in solving lighting problems, causing customers to request the Company to solve problems in the system and order the products of the Company to use in the project. The Company has a guarantee of product quality to differentiate itself from its competitors. The products of the Company will have a quality guarantee period from 1 year to 5 years.

(D) Electric Component (Control Gear) Product

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

Ignitor Products

Ignitor is the starter for a street lights.

The Company has been the one of the few manufacturers in Thailand for over 20 years (the Company's product is the first that has passed the industry standard certification). Many models of ignitors have come to be trusted in the world market until it is a product that can replace imported ones.

Demonstration Image of the Product**Ignitor****1.2) Electric Lighting Product Group**

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

(A) Industrial Electric Lighting and Street Lighting Products

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

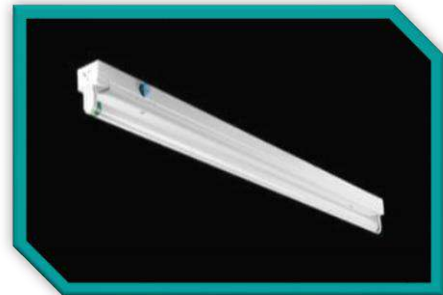
- Flood light is a general type of electric lamp used for illuminating large signs and for looking at a wide angle.

Demonstration Image of the Product**Flood Light****Demonstration Image of the Product****High Bay Lamp**

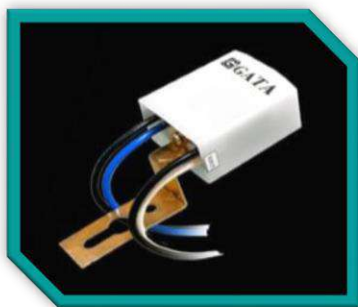
- High bay lamps or factory lamps is a lamp used in buildings with high roofs, such as warehouses, industrial plants and stadium

(B) Neon Rail Product

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

Demonstration Image of the Product**Neon Rail****1.3) Household Utensil Product**

Household utensils are products that the Company invented to meet the lifestyles of modern consumers. They are devices that facilitate users and are suitable for modern households and condominiums.

Demonstration Image of the Product**Sunlight Switch****(A) Sunlight Switch**

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

(B) Heat and Motion Switch

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

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

Demonstration Image of the Product**Heat and Motion Switch**

The production capacities for lighting products of the Company are as follows.

Product	Production Capacity (Piece/Year)
1) Light Bulbs and Components	
HID	
• High Pressured Mercury Vapor Lamp	120,000
• High Pressure Sodium Lamp	120,000
• Metal Halide Bulb	360,000
Ballast	
• For High Pressure Sodium Lamp	480,000
• For Metal Halide Bulb	480,000
Control Gear	
• Ignitor	360,000
2) Electric Lighting Products	
• Electric Lighting and Street Lighting Bulbs	600,000
• Neon Rail	300,000
3) Household Utensil Products	
• Sunlight Switch	300,000
• Heat and Motion Switch	100,000

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

“GATA” is used as a trademark for lamps, ballast lamps, electric starters, igniters, capacitors (or condenser) and sunlight switch: “GATA” is the brand for products that the company has manufactured. The brand is recognized in the market as a brand of quality product that can compete in the world market. The product quality is guaranteed for up to 5 years. There are many products under that brand which have passed the only standard quality certification in Thailand.

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

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

Images of “GATA” and “CROSS” Brands



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

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

- **Industrial Standards:** Industrial standard means technical specifications set by the Thai Industrial Standards Institute (TISI) to provide guidelines for manufacturers to produce quality products, at the level that is most suitable for use, with the contents relevant to the production of that product, such as technical criteria, key features efficiency of implementation, and quality of material used

The Company has been certified by the Thai Industrial Standards Institute with the following standards:

- TIS. 1955-2551 Illumination and similar equipment: Radio interference limits: This type of standard is a Safety EMC standard of equipment that can operate under any environment with that has electromagnetic waves without causing disturbances beyond acceptable levels;

- TIS. 344-2549 (2006) Fluorescent lamp holders and starter holders;
- TIS. 2234-2557 Lamps with built-in ballasts for general lighting;
- TIS. 956-2557 Safety Fluorescent Tubes and
- TIS. 183-2547 (2004) Glow starters for fluorescent lamps.

In addition to the aforementioned standards, the company has also developed and researched on many products such as street lamp products., ballasts that reduce power levels, including many products

for production and testing methods.

- **Safety S:** Safety S is a standard that controls the safety of products that are at risk of potential hazards to users.

Most of the products are related to consumers' daily life, including the prevention for the access to parts with electric power and current, the heating, the current leakage and the electrical endurance at operating temperatures, the moisture resistance and the protection against overload of transformers.

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

that the company has designed, researched, developed, and are in the process of waiting for production and sale to the market such as germ killing lamps and ozone gas generators.

2) Electricity Generation from Renewable Energy Business

The Company generates electricity from renewable energy of all types, with the aim of generation of power from biomass and biogas inside and outside the country.

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

2.1) Green Saving Energy Thailand Company Limited

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

- Production Capacity: 1.4 MW
- Project Location: Tha Sae District, Chumphon Province
- Raw Material: Waste water from palm oil plants in the area
- Distribute Electricity to: Provincial Electricity Authority
- Commercial Operation Date: April 2015
- Ending of Energy Sale Contract: 19th April 2035.
- Current status: It has been commercially operating

Images of Biogas Power Plant of Green Saving Energy Thailand Compay Limited, Tha Sae District, Chumphon Province





2.2) Green Earth Energy Company Limited

Teera-Mingkol Energy Company Limited (a subsidiary that the company holds 65.0% of the authorized capital) has acquired shares of Green Earth Energy Company Limited which holds a power plant license. As the following details:

(1) Power Plant in Ban Paeo District, Samut Sakhon Province

- Production Capacity: 0.99 MW
- Project Location: Ban Paeo District, Samut Sakhon Province
- Raw Material: Distillery slop from local factories
- Distribute Electricity to: Provincial Electricity Authority
- Commercial Operation Date: 28th November 2014.

Green Earth Energy Company Limited (GEE) has invested in a biogas power plant project. It is located in Ban Phaeo District. Samut Sakhon Province. It has a power capacity of 0.99 megawatts, the generation of electricity from which use raw distillery slope from materials from factories in the area nearby the power plant location, about 20 - 70 kilometers away. Green Earth Energy Company Co., Ltd. (GEE) entered into a power purchase agreement with the Provincial Electricity Authority (PEA) on 28th November 2012 for a 5 year contract

period and automatically renewed for 5 years each time. Currently, Green Earth Energy Company Limited Co., Ltd. (GEE) has completed the renovation of the said power plant and resumed commercial operation (COD) in September 2021.

**Images of Power Plant of Green Earth Energy Company Limited,
Ban Paeo District, Samut Sakhon Province**



(2) Power Plant in Dan Chang District, Suphanburi Province – under construction

- Production Capacity: 2.97 MW
- Project Location: Dan Chang District, Suphanburi Province
- Raw Material: Distillery slop from local factories
- Distribute Electricity to: Provincial Electricity Authority
- Progress of Construction as at 31st December 2021: 79.59%
- Expected Commercial Operation Date: 2nd quarter of 2022

(2.1) Details of Power Plant in Dan Chang District, Suphanburi Province

Biogas Power Generation Project of Green Earth Energy Co., Ltd. uses biogas from wastewater to produce electricity of 2.97 megawatts, which uses wastewater from the ethanol plant as fuel. The electricity produced will be sent to the Provincial Electricity Authority transmission network while promoting the efficient use of natural resources in the country and reducing the pollution problem of wastewater caused by the ethanol industry. The power plant is located on a land of approximately 28 rai and will have green area within the project approximately 28% of the land plot that has been applied for permission.

(2.2) Progress of Power Plant in Dan Chang District, Suphanburi Province

After the company raised money through the issuance and offering of secured debentures of Theera-Mongkol Industry Public Company Limited No. 1/2021 and No. 2/2021, the maturity date of which is in 2023, redeemable before maturity, the Company has started the process of signing the contracts to order machineries and to order the production of biogas production equipment. This includes signing a document to develop the area and construction. The construction status as of 31st December 2021, the Company has already commenced the contracting process with a biogas system design company; and the Company has started construction in the 3rd quarter of 2021, and the construction will be completed within the 1st quarter of 2022.

(2.3) Technology for the Power Plant Construction

2.3.1 As the preparation of construction sites and building structures, the Company has to develop the area for the construction of gas wells and buildings for power generation machines.





2.3.2 Water Pumps

The reaction requires agitation and transfer of bacteria in the system to enhance the efficiency of biogas production. By using a pump that can pump water with solids in high quantity, all system operations are equipped with an on-line form of bacterial monitoring and measurement and data are stored in the computer.



2.3.3 Biogas Wells

The well system consists of large wells covered with PVC sheet for use in the production and storage of biogas. The work is planned and controlled by a computer system.



2.3.4 Scrubber

Biogas created from the ferment pond in the amount of 35,000 - 36,000 cubic meters per day will be treated with scrubber to eliminate Hydrogen Sulfide Gas.



2.3.5 Biogas Generator

The project uses the produced biogas to generate electricity.



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน



2.3.6 System Run and Sample Analysis



1.2.3 Marketing and Competition

1) Business of Designing, Production and Distribution of Lighting Products

1.1) Marketing for Key Products and Services

(1) Product & Service

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

Electric lamp products are the main products of the company. The company is still developing more products, currently there are more than a hundred ballast products that the company produces to meet the needs of consumers and also produce new products to meet the needs of new groups of customers, especially specialized products in order to expand the customer base to specific groups, such as sports stadiums or fishing boats. The new products that have been expanded but still in the category of lighting system include Electric lamps and bulbs. In 2021, the company has added products such as energy-saving products which are LED bulbs for more than 81 new products and LED lamps for over 175 new products.

For the products, in addition to the lamp, ballast and ballast products, the company also sells products that help with lighting systems. For this increased product line, the company has distributed

and expanded channels, mainly focusing on Modern Trade and Retail groups. The production of control devices related to lighting systems is a product that meets the needs of consumers who emphasize on convenience. These convenience products help meet end users' needs well. This consumer group mainly purchases products through Modern Trade market.

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

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

(2) Pricing

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

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

the market, which are factors that determine the price.

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

(3) Distribution Channels (Place)

Currently, the company has expanded its market share by reaching all customer groups, including direct users because the company has the ideas of Demand-pulled marketing whereby the customers want to get products directly, and Demand-pushed marketing whereby the emphasis is put on the traditional distribution of products that the company manufactures. In the past, the company's products were industrial ones which will require an expert seller to explain the characteristics of the devices, such as ballasts or high pressure starters, to the end customers again. Nowadays, the behavior of consumers has changed in terms of buying more finished products. The company has also responded to the needs of consumers in that way as well. By selling products through modern trade or retail sales channels which are the growing trend, the company has an idea to distribute products to all groups. At

the same time, the company has not neglected the distribution of products in the same way through sales channels through retailers or general wholesalers who are dealers or who have been dealing with the company for a long time. The company has attempted to arrange the proportion to be appropriate, with the focus on 4 main consumer groups as follows:

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

3.2) Consumers in the type of project bidders, project contractors, consumers using the said products in their own houses or in a project, building and industrial factory or building owner: in the past, the company had a small proportion of sales to project customers. The company has therefore tried to increase the proportion of sales of products to the project customer group, both public and private ones. In this regard, if this group of consumers is more likely to respond to the company's products the company is more likely to distribute products better, and to create more brand awareness and to expand more new products

3.3) Lamp Manufacturers: currently, there

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

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

(4) Control and Credit for Customers

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

The company will consider giving credit terms to customers from the day of the complete delivery of the products for the period of 60 days to a maximum of 120 days, with most customers being considered credit terms during the 60 days to 90 days. Recently, the company has encountered very

few problems of bad debts, with the form of payment being on checks rather than cash. As for those foreign customers, most of them will pay with L/C at Sight payment terms. In addition, it will be L/C term or cash payment for term credit or advance payment in cash.

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

1.2) Overview of Industry and Overall Competitiveness of the Industry

Lighting is an industry with business growth rate in line with the economic conditions and the rate of real estate expansion in the country. In 2021, the company still estimates the total value of the lighting business at 28,000 - 30 billion baht*, increasing compared with the market in 2020. The value of imported lighting products in 2021 has a total value greater than 2020 for 3,000 million baht. The increasing value is from lamps because of the installation of new lamps and bulbs as basic utilities both inside and outside the buildings and from installing lamps and bulbs to replace the old products that are damaged or that have expired. In addition, the installation of some organizations or agencies may be the replacement for the old products for saving energy by installing new products, including products LED bulbs and LED lamps that provide better light efficiency and enable organizations to save electricity which is in accordance with the energy saving policy that the government has continuously promoted.

*Data are based on Thailand's import and export data of lighting products. Numbers are obtained from the website <<http://www.moc.go.th/>> of the Ministry of Commerce as of 19th February 2022, which may be uncertain, and may be changed as announced by the Ministry of Commerce.

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

Light Bulb and Component Industry and Competitiveness

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

Concerning the data of Thailand's import and export of electric lamps classified by product (*), in 2021, Thailand has exported 10.47 million fluorescent lamps abroad, with value of 211.3 million baht, which has increased from 2020. From all the exported lamps, 6.99 million fluorescent lamps are exported to the United States, valued at 142.1 million baht. Export sales of fluorescent lamps will amount to 3.48 million lamps, valued 69.2 million baht, decreasing from 2020 when exports were at 3.80 million lamps, with value of 83 million baht, and decreased from Year 2019, with sales of fluorescent lamps at 6.51 million lamps with value of 109.2 million baht. The decrease is a result of competition from competitors from China who can produce products at cheaper prices. Also, it is a result of the technology change to LED lamps. China is the world leader in the LED bulb market. As a result, domestic

manufacturers are unable to compete in price with Chinese manufacturers, causing some operators to shut down and unable to compete in the global lamp market.

As for information on importing fluorescent lamp products and compact fluorescent tubes, in 2021, the number of fluorescent lamps (energy-saving lamps) has decreased from 2020. In 2021, the amount of fluorescent lamps imported was 15.31 million, a slight decrease from 15.69 million lamps in 2020, with reduced value, from 2020 at 464.3 million baht to 452.7 million baht in 2021, while the number of LED bulbs has decreased from 230.18 million pieces in 2020 to 183.63 million pieces in 2021, but the value increased slightly from 3,199.3 million baht in 2020 to 3,372.8 million baht in 2021. The main reason for the decrease in imported LED light bulbs. However, the value of LED lamps has increased due to a much higher product price in 2021 for the lamp product category, including ready-made lamps, LED lamps, street lamps and solar lamps. There was a marked increase from 20.26 million pieces in 2020 to 24.1 million pieces in 2021, and the value increased from 6,756 million baht to 8,747 million baht in 2021 or 29.47 percent compared with 2020

However, as for the details of country-specific numbers, it is found out that all types of lamps are imported together from China for more than 85.61%(*) of the import value of all types of lamp products. This is because China is the world's number one manufacturer and exporter of electric lamps. The main reason for importing lamps from China is from a trade agreement between ASEAN and China with the import tax rate from China of 0%, and there are more than 500 registered importers of incandescent lamp products, causing a large number of entrepreneurs who import products from China to compete.

Currently, the major importers of Thailand are as follows.

- Philips Electronics (Thailand) Co., Ltd., produces and distributes all types of lighting equipment under the brand "Philips", which is the number one brand in the world that is very popular and well known in the lighting industry with sales of over 50% of the lighting electricity market.

- Lighting and Equipment Public Company Limited operates a fully integrated lighting business. It is the only company in the lighting business that has registered in the Stock Exchange of Thailand (SET), manufacturing and distributing electric lamps under the brands "L&E" and "Lumax".

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

*Data are based on Thailand's import and export data of lighting products. Numbers are obtained from the website <<http://www.moc.go.th/>> of the Ministry of Commerce as of 19th February 2022, which may be uncertain, and may be changed as announced by the Ministry of Commerce.

Electric Lamp Industry and Competitiveness

Electric lamp industry is a part of the lighting equipment or circuit. The electric lamp industry market is highly competitive. There are many manufacturers and importers of products in the country. The company began researching and developing electric lamp products. To expand the

ballast business and responding to consumers who need lamps to be used with LED bulbs, the company has distributed electric lamps, in addition to directly increasing the sales of electric lamp products. The company therefore has the advantage of incorporating electric lamps into pre-assembled circuits before distribution (bring the electric lamp together with the electric lamp and various fittings), allowing direct access to consumers who like to buy finished products.

1.3) Target Customers

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

Customer groups classified by product type are:

- Lamps and components,
- Electric lamp group, and
- Household products.

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

2) Business of Electricity Generation from Renewable Energy

2.1) Marketing for Key Products and Services

At present, the company has a project to generate electricity from renewable energy that operating, for 2 projects with power capacities of 1.4 megawatts and 0.99 megawatts, with the following details.

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

Power purchase agreement: Size 1.4 MW

Contract parties: Provincial Electricity Authority

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

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

- (2) Biogas power plant, Green Earth Energy Thailand Co., Ltd.

Power purchase agreement: Size 0.99 MW

Contract parties: Provincial Electricity Authority

Power Purchase Rate: The biogas power plant project of Green Earth Energy Company Limited (GEE) entered into a power purchase agreement with the Provincial Electricity Authority (PEA) on 28th November 2012 for a contract term of 5 years and renewed for 5 years automatically

This project has received an investment promotion certificate from the Board of Investment with exemption from corporate income tax on net profit derived from business operations for a period of 8 years from the date of commercial trade (September 2021).

2.2) Industrial Trend and Competition

Renewable Energy Business Overview
tends to grow steadily. The key factors supporting the growth are government support and a decrease in the cost of electricity from renewable energy, especially solar energy, making the renewable

energy industry as a whole has the tendency to expand. This is in line with the development and growth trend of clean energy around the world in an effort to reduce the use of electricity produced from fossil fuels such as oil, coal and natural gas, which

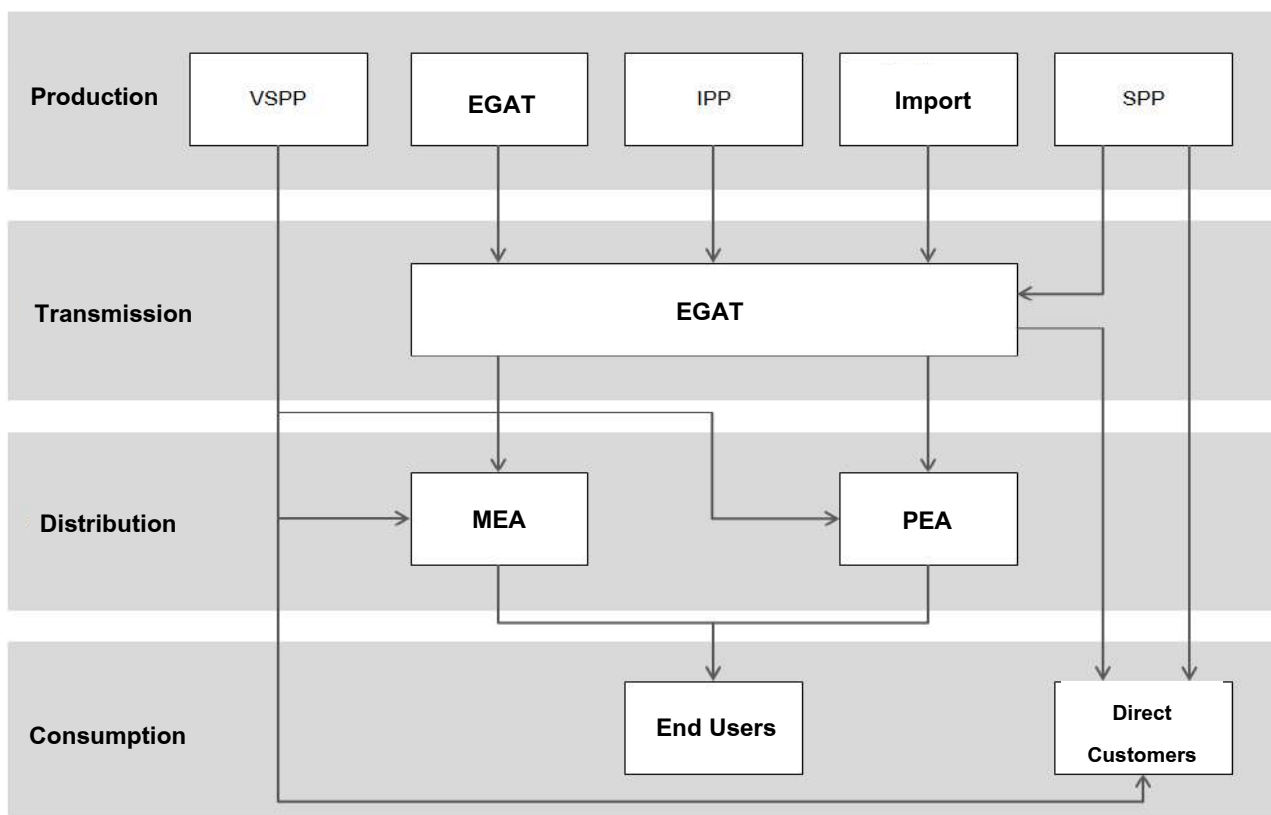
are limited natural resources, and to reduce pollution problems that may arise from burning fossil energy as well. The details are as follows.

(1) Status of Electricity Industry in Thailand

(1.1) Structure of Electricity Industry in Thailand

Structure of the electricity industry in Thailand is comprised of the production, transmission, distribution and consumption of electricity. The details are as shown in the diagram below.

Diagram of Structure of Electricity Industry in Thailand



Electricity Generation System

Power producers in Thailand are the Electricity Generating Authority of Thailand (EGAT) and private power producers. EGAT sells almost all of the electricity produced and purchased from private power producers and neighboring countries to two state enterprises, namely, Metropolitan Electricity Authority (MEA) and Provincial Electricity

Authority (PEA) for distribution to retail users, business customers, industrial customers nationwide, and neighboring countries such as the Lao People's Democratic Republic and Malaysia. The Independent Power Producer (IPP) will sell electricity to EGAT only, while some of the electricity generated from the Small Power Producer (SPP) and the Very Small Power

Producer (VSPP) can sell electricity directly to industrial customers. In 2021, EGAT has a total contracted power generation capacity of 50,833 megawatts, excluding information of self-use power producers (IPS). The details are as follows:

(1) Electricity Generating Authority of Thailand (EGAT)

EGAT's power plants are thermal power plants, combined-cycle power plants and hydro power plants mainly. In 2021, EGAT's power plants have a capacity of 16,082 megawatts, representing 32 percent of the total capacity in the power system.

(2) Independent Power Producer (IPP)

Independent power producers are producers that develop large-scale power plant projects for commercial power generation, with generating capacity of at least 90 megawatts of electricity sold into the system, with EGAT being the purchaser of all the electricity generated under a 25-year long-term power purchase agreement. Total capacity of IPP is 15,499 megawatts, accounting for 31 percent of the total power system capacity.

(3) Small Power Producer (SPP)

Power producers who operate electricity generating projects using thermal power generation systems and electricity together (Cogeneration) or electricity generation using alternative energy, waste or scraps of materials as fuel. Each SPP project will sell more than 10 megawatts of electricity to EGAT, but not more than 90 megawatts. However, each SPP can sell electricity to local customers directly. The capacity of SPPs is usually in the range of 120 - 150 MW. Some SPP projects are similar in size to IPP projects but use a cogeneration model. In 2021, SPPs have contracted capacity for 9,381 megawatts in total, accounting for 18 percent of the total power system capacity.

(4) Imported Electricity

In addition to purchasing electricity from the above 4 groups of domestic power producers, EGAT also purchases electricity from neighboring countries such as the Lao People's Democratic Republic. The total capacity is 5,721 megawatts, accounting for 11 percent of the total power system capacity.

(5) Very Small Power Producer (VSPP)

Very small power producers will sell electricity to the MEA system or PEA not more than 10 megawatts per contract provided that the system must be cogeneration or use renewable energy. Very small power producers are not included in EGAT's system, with a total contracted capacity of 4,201 megawatts (as of December 2019), representing 8 percent of total power in the electrical system.

Electricity Transmission System

EGAT transmits electricity generated from EGAT's power plants and purchased from other power producers through EGAT's transmission system, which has a nationwide network. The main voltage levels are 500 kV, 230 kV, and 115 kV to transmit electricity to MEA, PEA and consumers who purchase directly. It also transmits electricity to neighboring countries such as Lao PDR with 115 kV and 22 kV power transmission systems, and Malaysia with 300 kV high voltage direct current (HVDC) systems.

Electricity Distribution System

MEA and PEA are responsible for the distribution of electricity to domestic consumers. MEA is responsible for the distribution of electricity to electricity users in the metropolitan areas, including Bangkok, Nonthaburi and Samut Prakan.

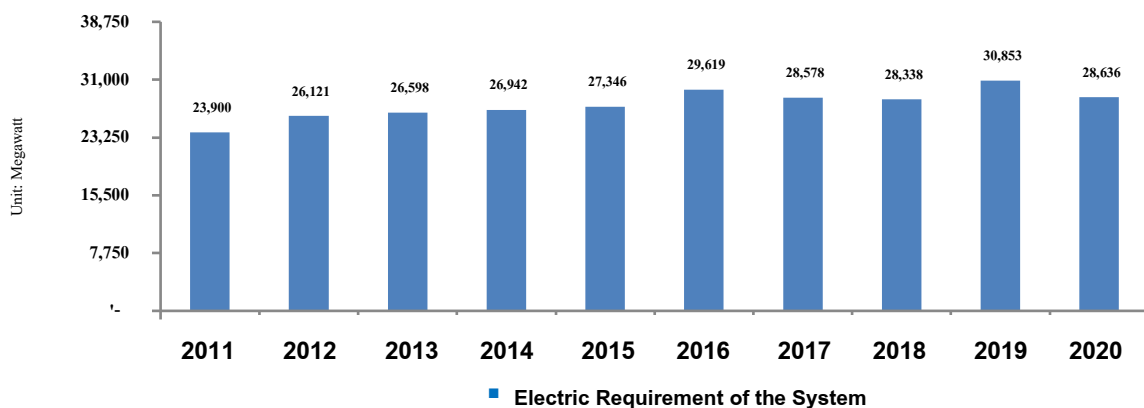
Meanwhile, PEA will distribute electricity for retail consumers and industrial customers in other provinces Non-MEA service areas and some electricity EGAT sells directly to some large power users and electricity users in nearby countries. In addition, some private power producers have their own electricity networks that directly deliver electricity to industrial customers.

In 2020, EGAT has sold a total of 187,489.39 million kilowatt-hours of electricity, 52,343.73 million kilowatt-hours (27.92% of total electricity sales) of which is sold to MEA, 131,558.55 million kilowatt-hours (accounting for 70.17% of total electricity sales) is sold directly to MEA, 1,205.07 million kilowatt-hours (accounting for 0.64 percent of total electricity sales) is sold to customers and 2,001.74 million kilowatt-hours (accounting for

1.07% of total electricity sales) is sold to electricity users in nearby countries.

(1.2) Demand for Electricity in Thailand

In the overview, the demand for electricity in the system during 2011 to 2020 has continued to increase. which accounted for an average growth rate of 19.82 percent per year. The maximum power demand of the system in 2019 occurred on 3rd May 2019 at 2:27 p.m., equivalent to 32,272.8 megawatts, an increase of 1,300.07 megawatts or 4.20 percent increase from May 2016, which had the highest demand for electricity at that time. The maximum power demand of the system occurred on 11th May 2016 at 2:12 p.m., equivalent to 30,972.73 megawatts.

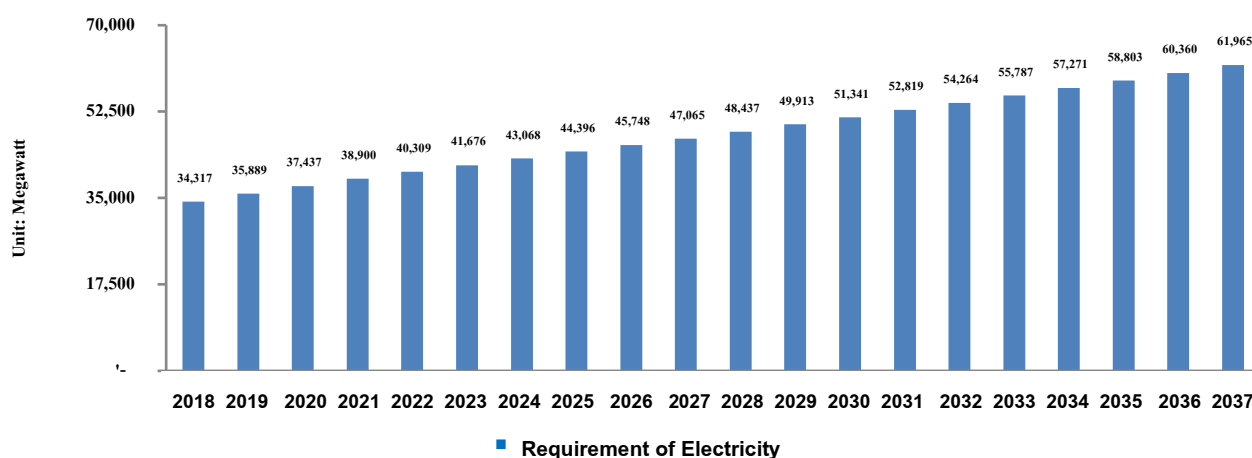


*Source : EGAT

As for the future trend, Thailand's Power Development Plan 2018 – 2037 (PDP2018 Revision 1) estimates that electricity demand will continue

to increase from 2018 to 2037 with an average growth rate of 3.03% per year as follows.

Diagram of Estimate of Electricity Demand from 2018 to 2036



*Source (1) EGAT, (2) Energy Regulatory Commission, (3) Energy Policy and Planning Office, Ministry of Energy, and (4) PDP2018

(2) Trend of Business of Electricity Generation from Renewable Energy in Thailand

The Renewable Energy and Alternative Energy Development Plan (AEDP) approved by the Cabinet meeting on 20th October 2020, in accordance with the resolution of the National Energy Policy Council ("NEPC"), has set a goal to

increase proportion of electricity generation from Renewable energy from 10.04 percent of the country's total electricity demand in 2018 to 34.23 percent of the country's total electricity demand in 2037, details of which are as follows.

Table of Installed Capacity (Megawatt) of Alternative and Renewable Energy in 2018 and Target for 2037 as in Alternative Energy Development Plan

Fuel	Solar	Wind	Hydro	Waste	Biomass	Biogas	Total
2018	2,849	1,504	3,159	531	2,290	382	10,715
2037	14,864	2,989	3,228	975	5,790	1,565	29,411
Increase	12,015	1,485	69	444	3,500	1,183	18,696

As targeted, the electricity generation capacity from renewable and alternative energy, especially the solar energy, will increase to 12,015 megawatts.

In addition, a report by the International Renewable Energy Organization according to the International Renewable Energy Agency (IRENA), electricity generated from renewable energy tends

to be cheaper than electricity generated from fossil fuels, due to the development of technology together with the promotion of governments of various countries and projects that have been concretely developed. As a result, the cost of renewable energy in the world has dropped to a record low. In 2020, it may tend to be cheaper than fossil fuels (Source: EGAT).

Therefore, it is possible that in the future, renewable electricity generation may increasingly replace fossil fuel power generation. This is because governments may be able to purchase electricity from renewable energy power producers at a price that is not different from that from fossil power producers.

Industrial Trend of Electricity Generators from Renewable Energy and Alternative Energy

The industry of power generation industry from renewable energy and alternative energy depends on the availability of infrastructure to support it by considering factors such as the electricity demand of the people in the area, availability of supporting transmission lines in the area surrounding the power station, and prioritization

of the purchase of electricity which are ranked according to government policy. According to the report of the Energy Policy and Planning Office, Ministry of Energy, in the government's policy, Gen. Prayut Chan-o-cha has focus the development of electricity generation from renewable energy by increasing the proportion of electricity from alternative energy from agricultural products than many other governments by adjusting the target of generating electricity from renewable energy and emphasizing on the community power plant project for a basic economy that takes into account the benefits that the community will receive in both economic society and environment, scheduled to allow electricity purchases between 2020 and 2024, consisting of 600 megawatts of biomass power plants, 183 megawatts of biogas from wastewater, 600 megawatts of biogas from energy crops, including solar energy in the form of a hybrid with biomass and/or biogas from wastewater and/or biogas from 550 megawatts of energy crops, with details of the target for new capacity of community power plants for the basic economy according to the development plan. The power generation capacity of Thailand 2018 - 2037 (PDP 2018) with details in the table as follows.

Year	2020		2021		2022		2023		2024	
Production Capacity (Megawatt)	Annual	Accumulate	Annual	Accumulate	Annual	Accumulate	Annual	Accumulate	Annual	Accumulate
Biomass	200	200	100	300	100	400	100	500	100	600
Biogas (Waste Water/Waste)	100	100	50	150	33	183	-	183	-	183
Biogas (Energy Crops)	200	200	100	300	100	400	100	500	100	600
Solar Power (Hybrid)	200	200	100	300	90	390	80	470	80	550
Total	700	700	350	1050	323	1373	280	1653	280	1933

*Source: Energy Policy and Planning Office, Ministry of Energy

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

In the overview of the renewable energy business, there is still a tendency to grow steadily. The key factors supporting the growth are government support and the reduction of the cost of electricity from renewable energy especially solar energy and the community power plant project for the basic economy. This makes the renewable energy industry has clear tendency to expand. This is in line with global clean energy development and growth trends. In an effort to reduce the use of fossil fuel electricity, such as oil, coal and natural gas, which is the use of natural resources that are limited.

In addition, it also reduces the pollution problems that may arise from burning fossil fuels.

In terms of government support in Thailand, the policy has been set by the Ministry of Energy, which has announced the Renewable and Alternative Energy Development Plan (AEDP), a 20-year long-term plan, as a structure for developing renewable energy within Thailand. Details of the purchase of new renewable energy in the Thailand Power Development Plan 2018 - 2037, Revised No. 1 (AEDP 2018 Revision 1)* are as follows.

Type of Power Plant	Production Capacity (MW)
Waste Power Plant	444
Biomass Power Plant	2,900
Wind Power Plant	1,485
Solar Power Plant	8,740
Hydro-floating Solar Hybrid Power Plant	2,725
Biogas Power Plant	400
Community Power Plant (Biomass)	600
Community Power Plant (Biogas (Energy Crop))	600
Community Power Plant (Biogas (Waste Water))	183
Small Hydro Power Plant, EGAT	69
Solar Hybrid Community Power Plant	550
Total	18,696

* Data of the plan to improve electricity generation of the country are from <<https://www.eppo.go.th>> as at 27th February 2022.

From the above information, it is found that the renewable energy business has a tendency to grow further in the future, especially for the biogas

power plant which has a project to purchase electricity SPP / VSPP biomass, wind, biogas, total 6,168 megawatts in the future



1.2.3 Procurement of Products and Raw Materials

1) Business of Lighting Product Design, Production and Distribution

As for the production of the company's products, currently, the company has 2 factories that are used as production bases, which are factories 1 and factories 2 as follows.

Factory 1 is located at 46 / 67-69 Mangmee Sub Lane, Village 3, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon province 74000. Factory 1 is for the production of all kinds of equipment related to electronic products. The finished product must pass all tests. The products manufactured and distributed by the company will encounter loss rates or defective products that are returned from customers, as in 2019, at only 0.18% because the company always prioritizes quality control before delivering products to customers.

Factory 2 is located at 9/20 Mangmee Sub Lane, Village 5, Liap Khlong Si Wa Phasawat Road, Khok Krabue Sub-district, Mueang Samut Sakhon District, Samut Sakhon province 74000. This plant is used for production lines, assembly and metal moulding for lamps and ballast products.

The overall process of production will consist of various steps as follows (see the diagram of the overall production process):

- (1) Beginning with receiving the raw materials from suppliers or distributors (suppliers);
- (2) Bringing the raw materials to the warehouse to be prepared for production;
- (3) With a production order, staff will disburse the raw materials from the warehouse to be put into the production process; however, certain types of raw materials must be processed before being put into production;

(4) Processed raw materials will be stored in the warehouse;

(5) With a production order, according to the production plan, staff will put the main raw materials and processed raw materials into the production process to be a semi-finished product;

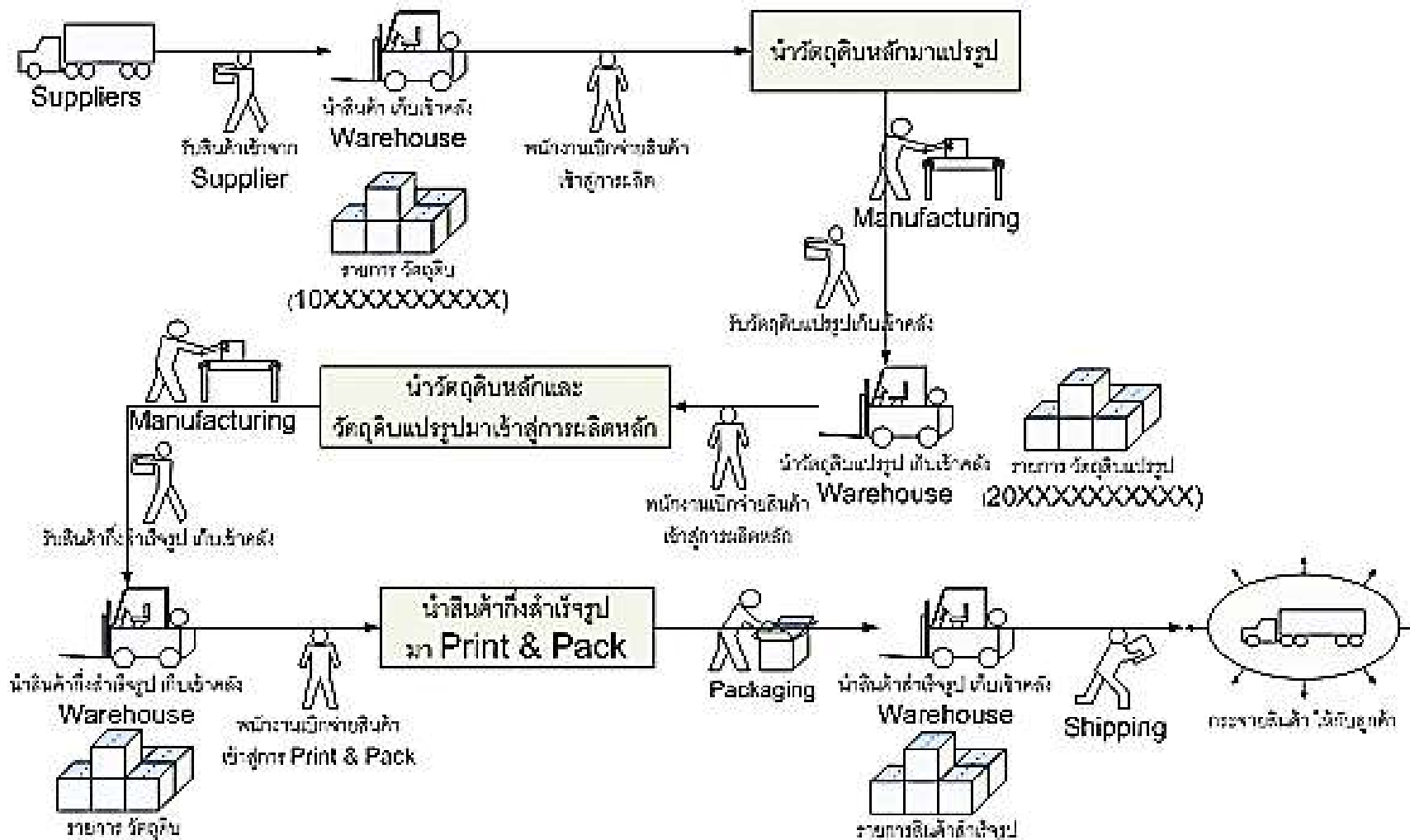
(6) Semi-finished products will be stored in the warehouse;

(7) The staff will issue goods to enter the process of detailed printing on the product (Print) and pack (Pack) to be a finished product;

(8) The finished products are kept in the warehouse to be ready to be delivered to customers.

In addition, the company has imported products that have received Thai industrial standards to distribute in the country by selecting companies with production potential from the visits to trade exhibitions, inspection on the production plants and check of the quality of the tested product before importing such products for distribution. As for the imported products distributed in the year 2019, the company focuses on importing products such as light bulbs and LED lamps, which are energy-saving and containing no hazardous substance, with the proportion of imports of finished goods in the category of LED bulbs and lamps to all finished products imported by the company being for 67.39 percent.

Diagram of Production and Distribution Process



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

1.1) Details of Orders of Material for Production of the Company

Key Raw Material and Instant Products for Production and Distribution of the Products of the Company

Raw Materials and Instant Products	Source	Proportion of 2021	Proportion of 2020	Proportion of 2019
1. Bulbs	The company will purchase raw materials and instant products from foreign countries by assessing the quality of the factories, production locations and production and distribution amount; and will order on the monthly basis in accordance with the calculation of distribution plan.	52.26	39.76	31.46
2. Electric Lamps	The company purchases lamps and neon rails from both domestic and overseas, and will order from the Re-Order Point system whereby the company will order when the product reaches the minimum stock point that has been set up for that item.	15.13	28.36	36.08
3. Metal Wires	The company will order wires from a big manufacturer in Thailand on the monthly basis.	11.65	10.36	4.71
4. Iron	The company will order the product directly from domestic manufacturers and distributors; and will compare the prices of products with foreign distributors to ensure that the raw material prices that the company receives from distributors are international standard prices by considering the trend of steel price fluctuations at that time.	7.08	4.09	4.29
5. Others		13.88	17.43	23.46

Ordering raw materials and instant products from each manufacturer or distributor, the company has not made a purchase contract at all.

In addition to the production process and ordering process that the company is interested in developing and improving to be effective and to boost competitiveness for the company. The company also focuses on the maintenance for machines used in the production process by maintaining the machines to

have consistently good performance in order to mitigate loss problems. The company has tested every instant product to ensure that the products ordered from distributors are quality products that meet Thai industrial standards.

In addition, in the process of controlling inventories in the warehouse, the company uses computer programs for raw material control and the disbursement of the goods used in the production to

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

control the problem of possible loss of raw materials as well as help planning for the purchase of raw materials and instant products efficiently and reducing the cost of storage of inventories.

Currently, the company has 75 employees in production, as of 31st December 2021.

1.2) Issues of Raw Materials and Goods Inventory

Recently, the company has had problems with raw materials, with details as follows.

(1) Shortage of Raw Materials and Finished Products for Sale

Throughout the past period, the company has never experienced a shortage of raw materials used in production. Since the raw materials used in each type of production are not considered a rare raw material, it is possible to purchase raw materials from both domestic and international sellers. Also, as for the quantity of raw material purchase, including the instant product, by the company, it does not have a significant amount, compared with the production volume of distributors in any way. Therefore, the company has never experienced a shortage of raw materials or lacking in finished products for distribution at all.

(2) Reliance on Manufacturers / Distributors of Raw Materials and Instant Products

The company does not have a problem with the reliance on a particular manufacturer / supplier of raw materials. This is because to the market of manufacturers / distributors of raw materials and the instant product is classified as a market with many competitors. Thus, the company can compare prices and product quality, including satisfaction with service provided by manufacturers / distributors.

As for the raw materials that the company has to purchase from manufacturers / distributors abroad, there will be 3 main types of raw materials and instant products such as lamps and accessories, and electric lamps. As of 31st December 2021, the company has a total of 143 domestic distributors and a total of 19 foreign distributors, with the ratio of the value of the order of raw materials and instant products from within the country and from outside the country is 29.29 percent: 70.71 percent, respectively.

(3) Fluctuation of Prices of Raw Materials and Finished Products for Sale

Fluctuation of prices of raw materials and finished products for distribution.

In 2021, the price level of finished products for distribution that the company has imported has continuously increased from the previous year, especially LED bulbs and LED lamps. There have been price hikes on many items. This is a result from the increase of the prices of petrochemical products, steel, copper and major global commodities.

The company has tracked the prices of raw materials and finished products and has been constantly assessing price fluctuations. Thus, the company to be less affected by the change of price. The management is aware of the importance of the appraisal of raw material and the finished product price by increasing raw material price reviews on a daily, weekly, and monthly bases, and doing risk assessment regularly. Consequently, the company can maintain product prices and adjust the product price of the company in appropriate price levels.

(4) Storage of Raw Materials and Finished Products

In 2021, the company has 3 facilities that are used to store raw materials and finished goods,

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

namely, 2 Samut Sakhon factories and 1 warehouse on Charoen Nakhon Road, which currently has enough space to meet the demand. However, the management will assess the raw material and finished goods storage facilities on a regular basis, and surveys are carried out to ensure that the warehouses are able to support the quantity of raw materials and finished goods properly.

1.3) Impacts on Environment

The production process of the company does not create or cause environmental impact, including pollution to the environment at all. Since the company is a manufacturer of products related to energy conservation, the management has announced a policy to promote research and development of effective products, and has been supporting the use of products that help reduce energy use, especially the products that the company has requested for level 5 of energy saving label from the Ministry of Energy, for the products that the company has developed to for conservatory purpose in accordance with the government's policy. In addition, in the past 3 years, the company has not received any complaints or disputes regarding environmental laws, and has complied with

requirements including environmental laws consistently.

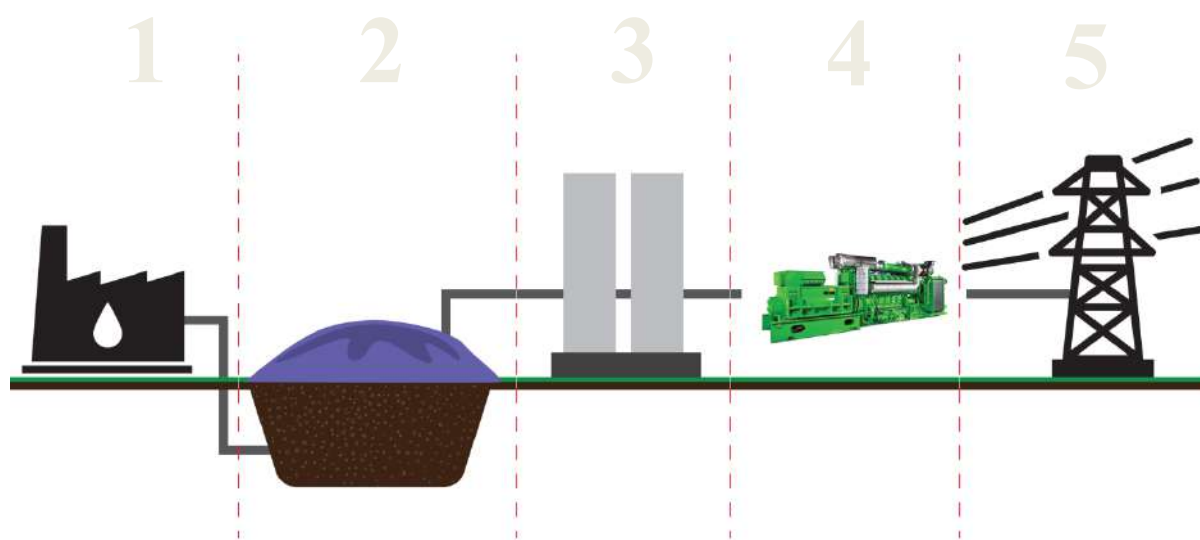
2) Business of Electricity Generation from Renewable Energy

At present, the company has 2 power plants from renewable energy with capacity of 1.4 megawatts and 0.99 megawatts and one project under construction with a capacity of 2.97 megawatts.

Power Plant from Biogas of Green Saving Energy Thailand Company Limited is located at 110/2 Village 2, Hin Kaeo Sub-district, Tha Sae District, Chumphon Province.

Power Plant from Biogas of Green Earth Energy Company Limited is located at 40/4 Village 6, Lak Song Sub-district, Ban Phaeo District, Samut Sakhon Province

The biogas power plants will start producing electricity by using wastewater from agricultural factories such as wastewater from palm oil mills, slop water from the ethanol factory, molasses water and slop water as raw materials. The production process of electricity from biogas has the basic details as follows.



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

1. To use raw materials from agricultural production factory and raw materials that can be found in the area around the power plant as raw material of production, such as waste water from agricultural plants or water from energy plant decomposition;

2. To ferment raw materials in the fermenter or treatment pond in to produce biogas from the process of decomposing organic matter in anaerobic conditions, anaerobic microbes will decompose the agricultural raw materials and emit methane as a product from the fermentation process (treatment pond);

3. To put biogas obtained from the treatment pond through the gas improvement process whereby H₂S and NH₃ gas which are in the raw material are mitigated, then humidity is reduced and O₂ and CO₂ levels are adjusted accordingly;

4. The gas obtained from the improvement in item 3 will enter the Biogas Engine.

5. The electricity generated from the biogas engine will be connected to the electricity distribution system for distribution to the public.

Biogas Production Process

At present, wastewater from agricultural factories uses an anaerobic wastewater treatment system. This is because the anaerobic treatment system can treat wastewater containing organic matter in high organic concentrations, and get biogas which consists of 60 - 80 percent methane gas, which can be used as a renewable energy.

Biogas production process occurs from the process of decomposing organic matter under anaerobic conditions with 2 groups of bacteria, namely, acid forming bacteria and methane

producing bacteria. Acid forming bacteria will decompose organic matter with a large molecular structure into organic matter with a smaller molecular structure. Methane-producing bacteria then use small-molecular-structured organic matter as nutrients and decompose their main products into methane (CH₄) and carbon dioxide (CO₂), with other gases in small quantities such as hydrogen sulfite (H₂S) and ammonia gas (NH₃), with the following complex multi-step decomposition process:

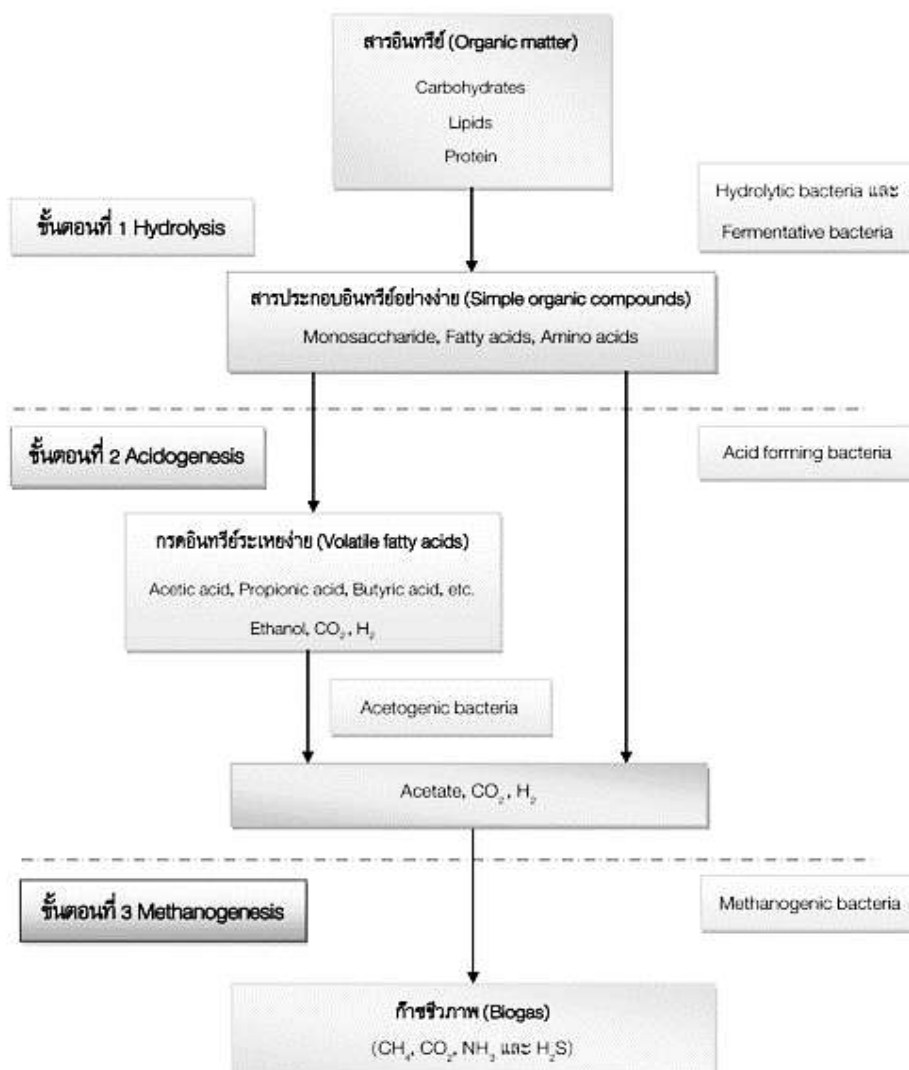
Step 1: Hydrolysis process, a process of decomposing organic macromolecules, both soluble and insoluble, such as carbohydrates, proteins and fats, to have a small molecular structure that can be dissolved in water, which will obtain organic compounds with a small molecular structure such as glucose, amino acids and fatty acids;

Step 2: Acedogenesis Process, a water-soluble small molecular structure organic compound which is created by the process of hydrolysis is susceptible to bacteria that live in both presence and absence of air (Facultative bacteria) to be used as a source of food and energy; in the first phase of this decomposition, as a result of the reaction, volatile fatty acid was obtained.; subsequently, the above-mentioned volatile organic acid is converted by acetogenic bacteria to Acetate Formate, Hydrogen and Carbon Dioxide which are important compounds in methane production; and

Step 3: Methane gas production process (Methanogenesis), is the final step of organic decomposition under anaerobic conditions, final products from which are methane (CH₄), carbon dioxide, water and small amounts of other gases.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Biogas Production Process



2.1) Statuses of Problems Concerning Raw Material and Goods Inventory

Recently, the company has had problems with raw materials with details as follows.

(1) Shortage of Raw Materials during Off-Season Period

Biomass and biogas power plants require a lot of agricultural raw materials. The company therefore has to enter raw material purchase contracts with large raw material suppliers. This will guarantee that the raw materials are sufficient for

production throughout the year. The agricultural factories that the company has made raw material purchase agreements with are located around the plant. This will allow the company to bear lower transportation costs for raw materials. In the event that the company is adjacent to an agricultural factory, the company will negotiate for the automatic material delivery system from the agricultural factory in order to save transportation costs that will be a burden in the future.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

However, the company still faces with a few problems. In the period that the agricultural factory has not operated (off season), the company still have to operate the machine. Only at certain times, the company has insufficient raw materials but it will be just during the off-season of the agricultural factory in the area. As for such a period of time, the company has resolved the initial problem by fixing the maintenance period for new machinery to be in line with the off-season, in order to reduce the impact of raw material shortage during the off-season and also to prepare for production during the production season of the local agricultural factories.

(2) Reliance on Raw Material Distributor

Biomass and biomass power plants rely on raw material distributors that are agricultural factories in the area, which makes the company need to enter into a long-term contract (more than 2 years) with the factories producing agricultural products In order to reduce the risk of raw material

shortage. However, since the company's power plants are located in areas with a lot of raw materials, during the period that the contracted agricultural production factories are unable to deliver raw materials to the company, the company can procure agricultural raw materials from other factories in the area to substitute some of the main raw materials that the company can use.

In addition, the company is still conducting studies on agricultural contracting with farmers in the area to grow some energy crops that can be used in the production process of the company.

(3) Storage of Raw Material and By-Product from Production

Currently, there is no problem with raw material storage at all because the company has connected the system with the agricultural factories to get raw materials directly and the water that comes out after electricity production can be used as agricultural fertilizer. Thus, farmers in the area come to receive water for their own agricultural areas.

1.2.4 Assets Used for Business

1) Assets for Businesses of the Company and Subsidiaries

As at 31st December 2021, the assets used for businesses of the company and subsidiaries are as follows.

Unit: Baht

Type of Asset	Nature of Asset	Ownership	Obligation	Net Value as at 31 st December 2021	Objective of Ownership
Tera-Mongkol Industry Public Company Limited					
1. Land	Title Deend Numbered 606 Khok Krabue Sub-district, Mueang District, Samut Sakhon Province Land Size 5-0-3.4 Rai	Owner	Mortgaged as collateral with a financial institute for 150 million baht credit	23,547,123.71	Location of Factory (Developed Part of the Land)
2. Factory Building1	46/67- 69 Village 3, Mangmisap Lane, Liap Khlong Si Wa Pha Sawat Road, Khok Krabue Sub-district, Mueang District, Samut Sakhon Province	Owner	Mortgaged as collateral with a financial institute for 10 million baht credit	7,430,964.84	For Production Process
3. Factory Building 2	9/20 Village 5, Mangmisap Lane, Liap Khlong Si Wa Pha Sawat Road, Khok Krabue Sub-district, Mueang District, Samut Sakhon Province	Owner	Mortgaged as collateral with a financial institute for 150 million baht credit	19,914,464.55	For Production Process
4. Office and Warehouse Land	260/2 Charoen Nakhon Road, Sam Rae Sub-district, Thonburi District, Bangkok 10600 Land Size 1-3-64 Rai	Lessee	None	-	To Be Used as Office and Warehouse

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

5. Office and Warehouse Building	Utilizing Space 2,569 SQ.M. 260/2 Charoen Nakhon Road, Sam Rae Sub-district, Thonburi District, Bangkok 10600 Land Size 1-3-64 Rai	Owner	None	1,427,913.26	To Be Used as Warehouse and Office
6. Machineries and Equipment for Factory		Owner	None	4,184,144.48	To Be Used in Factories
7. Installed Furniture and Office Appliances, Including Computers and Computer Accessories		Owner	None	528,263.83	To Be Used in Factories /Office
8. Vehicles		Owner	None	7,112,930.62	For Contact and Transportation
9. Machineries/Equipment under Installation		Lessee	None	-	To Be Used in Factories
Tera-Mongkhon Energy Company Limited					
1. Office Building	Portable Office Building	Owner	None	242,626.56	To Be Used as Office
2. Machineries and Equipment for Factory		Owner	None	9,236,213.31	For Sale/Letting
3. Machineries /Equipment under Installation		Owner	None	49,837,845.40	For Sale/Letting
Green Saving Energy Thailand Company Limited					
1. Office and Power Plant Land	16 Hin Kaeo Sub-district, Tha Sae District, Chumphon Province Land Size 12-0-60 Rai 52 Hin Kaeo Sub-district, Tha Sae District, Chumphon Province Land Size 10-2-59 Rai	Lessee	None	-	To Be Used as Office and for Production Process
2. Office Building	110/1 Village 2, Hin Kaeo Sub-district, Tha Sae District, Chumphon Province	Owner	Mortgaged as collateral with a financial institute	524,490.64	To Be Used as Office

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

3. Factory Building	110/1 Village 2, Hin Kaeo Sub-district, Tha Sae District, Chumphon Province	Owner	for 50 million baht credit	18,558,195.73	For Production Process
4. Machineries and Equipment for Factory		Owner		11,643,623.78	For Production Process
5. Biogas System, Electricity System		Owner		5,169,155.28	For Production Process
6. Installed Furniture and Office Appliances, Including Computers and Computer Accessories		Owner	None	65,055.30	To Be Used in Factories / Offices
7. Vehicles		Owner	None	1.00	For Contact
8. Machineries /Equipment under Installation		Owner	None	122,579.55	For Production Process
Green Earth Energy Company Limited					
1. Office and Power Plant Land	Title Deeds Numbered 45655, 91858, 86001 Land Size 30-3-17 Rai Khao Khlung Sub-district, Ban Pong District, Ratchaburi Province	Owner	None	10,000,000.00	To Be Used as Office and for Production Process
2. Office and Power Plant Land	Title Deeds Numbered 181, 148 Land Size 29-1-24 Rai Nong Makhamong Sub-district, Dan Chang District, Suphanburi Province	Owner	None	11,711,855.78	To Be Used as Office and for Production Process
3. Office and Power Plant Land	Title Deed Numbered 39802 Land Size 10-0-00 Rai Lak Song Sub-district, Ban Phaeo District, Samut Sakhon Province	Lessee	None	-	To Be Used as Office and for Production Process
4. Office and Power Plant Land	Title Deeds Numbered 37276, 42810 Land Size: Width 6 Meters	Lessee	None	-	To Be Used as Office and for

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

	Length 10 Meters Lak Song Sub-district, Ban Phaeo District, Samut Sakhon Province				Production Process
5. Office and Power Plant Land	Title Deed Numbered 34949 Land Size: Width 6 Meters Length 200 Meters Lak Song Sub-district, Ban Phaeo District, Samut Sakhon Province	Lessee	None	-	To Be Used as Office and for Production Process
6. Factory Building	40/4 Village 6, Lak Song Sub-district, Ban Phaeo District, Samut Sakhon Province	Owner	None	3,288,905.18	For Production Process
7. Machineries and Equipment for Factory		Owner	None	5,409,248.10	For Production Process
8. Biogas System, Electricity System		Owner		27,352,302.73	For Production Process
9. Installed Furniture and Office Appliances, Including Computers and Computer Accessories		Owner	None	427,822.60	To Be Used in Factories / Offices
10. Vehicles		Owner	None	2,039,024.49	For Transportation of Raw Materials
11. Under Construction Building		Owner	None	10,743,597.84	Power Plant
12. Machineries /Equipment under Installation		Owner	None	63,783,381.16	Machineries and System for Electricity Generation
Total				294,301,729.725	



2) Significant Agreement for Business

2.1) Significant Lease Agreement of Tera-Mongkol Industry Public Company Limited

(1) Office and Warehouse Land Lease Agreement

Contractual Party	: Wang Lee Company Limited, Non-Related Person to the Company
Date of Contract Signature	: 25 th March 2010
Contract Period	: 1 st April 2010 to 30 th September 2022 (12 Years and 6 Months)
Pricing Method	: With rental-free period of 6 months, after 6 months, the rental rate is 80,000 baht. The rental rate is increased by 5 percent, starting from the 19 th month of the rental onwards and increase at a rate of 5 percent every 12 months.
Summary of Essences of Contract	<ul style="list-style-type: none"> - The lessor agrees to make the land lease agreement with the lessee for being used as a new office and warehouse as the lessee has registered such purpose with the Department of Business Development. - When the contract expires, the lessor agrees to give the lessee the right to extend the lease for another 3 years under the condition that the lessee agrees to pay rental in the rate superior or equivalent to the rental that a third party has offered to the lessor. The lessee must notify in writing at least 6 months prior to the expiration of the lease term.

(2) Significant Insurance Policy

Insurance Policy	: 520-01551-2131
Contractual Party	: Bangkok Insurance Public Company Limited
Type of Insurance	: Property Insurance
Insured Property 1	9/20 Village 5, Mangmisap Lane, Liap Khlong Si Wa Pha Sawat Road, Khok Krabue Sub-district, Mueang District, Samut Sakhon Province 74000 (1) Building (excluding foundation) including building extensions, modification and other components considered part of the building and utilities (excluding tents), with the insured amount of 47,000,000 baht

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

- (2) Furniture, decorative items, fixtures, appliances and electrical equipment, including office appliances, computers and accessories, with the insured amount of 850,000 baht
- (3) Inventories of raw materials, products in process, finished goods and packaging, with the insured amount of 60,000,000 baht
- (4) Machineries and equipment related to the business, with the insured amount of 29,500,000 baht
- Insured Property 2 : 46/67- 69 Village 3, Mangmisap Lane, Liap Khlong Si Wa Pha Sawat Road, Khok Krabue Sub-district, Mueang District, Samut Sakhon Province 74000
- (1) Building (excluding foundation) including building extensions, modification and other components considered part of the building and utilities (excluding tents), with the insured amount of 11,000,000 baht
- (2) Furniture, decorative items, fixtures, appliances and electrical equipment, including office appliances, computers and accessories, with the insured amount of 300,000 baht
- (3) Inventories of raw materials, products in process, finished goods and packaging, with the insured amount of 22,000,000 baht
- (4) Machineries and equipment related to the business, with the insured amount of 1,900,000 baht
- Insured Property 3 : 260/2 Charoen Nakhon Road, Sam Rae Sub-district, Thonburi District, Bangkok 10600
- (1) Building (excluding foundation) including building extensions, modification and other components considered part of the building and utilities (excluding tents), with the insured amount of 21,600,000 baht
- (2) Furniture, decorative items, fixtures, appliances and electrical equipment, including office appliances, computers and accessories, with the insured amount of 5,050,000 baht
- (3) Inventories of raw materials, products in process, finished goods and goods under the possession of the insured person as the receiver, with the insured amount of 50,000,000 baht
- (4) Machineries and equipment related to the business, with the insured amount of 1,800,000 baht

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Protection Coverage	: Direct loss or damage to the insured property directly caused by fire, lightning, flood, windstorm, smoke, aircraft disaster, water-related disaster, wild fires, earthquakes, threats to electrical appliances, explosions, strikes, riots, or acts with malicious intent, hail and accidents that are not specified to be excepted in the Property Policy (GIA Form) by limiting the amount of liability for the event and throughout the insured period. for the following disasters:
	- Flood: 20,000,000 baht per case;
	- Storm, earthquake and hail: 50,000,000 baht per case; and
	- Riot, strike or act with harmful intention: 200,000,000 baht per case.
Insured Period	: 1 st November 2021 to 1 st November 2022
Insured Amount	: 251,000,000 baht
Beneficiary as in Policy	: Tera-Mongkol Industry Public Company Limited

2.2) Significant Contracts of Subsidiaries

(1) Power Purchase Agreement between Provincial Electricity Authority and Subsidiary

(1.1) Power Purchase Agreement of Green Saving Energy Thailand Company Limited

PPAs from very small power producers (For generating electricity from renewable energy) of Green Saving Energy Thailand Company Limited, a subsidiary that the Company holds 100% of the registered capital.

Contractual Party	: Provincial Electricity Authority
Number of Agreement	: 1
Maximum Power Purchased	: 1.4 Megawatts
Location	: Tha Sae Sub-district, Chumphon Province
Details of Agreement	: Provincial Electricity Authority and the subsidiary agree to buy electricity at of 22,000 volts according to the details specified in the power purchase agreement from a very small power producer.
Purchase Condition	: The power plant must sell electricity to the Electricity Authority within the date specified in the PPA (Determined date to sell electricity to the Provincial Electricity Authority).
Term of Agreement	: 20 years from the day of the first transmission of power

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

End of Agreement	: (1) The power plant submits a written letter to the Electricity Authority expressing its intention to terminate the power purchase by termination of the agreement. (2) If either party fails to comply with any provision of the agreement, the other party can take corrective action; if not correcting, the other party has the right to terminate the contract.
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(1.2) Power Purchase Agreement of Green Earth Energy Company Limited

PPAs from very small power producers (For generating electricity from renewable energy) of Green Earth Energy Company Limited, a company that the Tera-Mongkol Energy Company Limited, a subsidiary, holds 100% of the registered capital.

Contractual Party	: Provincial Electricity Authority
Number of Agreement	: 1
Maximum Power Purchased	: 0.99 Megawatts
Location	: Ban Phaeo District, Ratchaburi Province
Details of Agreement	: Provincial Electricity Authority and the subsidiary agree to buy electricity at of 22,000 volts according to the details specified in the power purchase agreement from a very small power producer.
Purchase Condition	: The power plant must sell electricity to the Electricity Authority within the date specified in the PPA (Determined date to sell electricity to the Provincial Electricity Authority).
Term of Agreement	: For the term of 5 years from the date of the signature of the agreement, and renewed for 5 years each time by the parties wishing to renew the agreement literally notifying the other party at least 30 days before the expiration of the agreement.
End of Agreement	: If either party fails to comply with any provision of the agreement, the other party can take corrective action; if not correcting, the other party has the right to terminate the contract.

(1.3) Power Purchase Agreement of Green Earth Energy Company Limited

PPAs from very small power producers (For generating electricity from renewable energy) of Green Earth Energy Company Limited, a company that the Tera-Mongkol Energy Company Limited, a subsidiary, holds 100% of the registered capital.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Contractual Party	: Provincial Electricity Authority
Number of Agreement	: 1
Maximum Power Purchased	: 2.97 Megawatts
Location	: Dan Chang District, Suphanburi Province
Details of Agreement	: Provincial Electricity Authority and the subsidiary agree to buy electricity at of 22,000 volts according to the details specified in the power purchase agreement from a very small power producer.
Purchase Condition	: The power plant must sell electricity to the Electricity Authority within the date specified in the PPA (Determined date to sell electricity to the Provincial Electricity Authority).
Term of Agreement	: For the term of 5 years from the date of the signature of the agreement, and renewed for 5 years each time by the parties wishing to renew the agreement literally notifying the other party at least 30 days before the expiration of the agreement.
End of Agreement	: If either party fails to comply with any provision of the agreement, the other party can take corrective action; if not correcting, the other party has the right to terminate the contract.

(2) Land Lease Agreement of the Subsidiaries

(2.1) Land Lease Agreement of Green Saving Energy Thailand Company Limited

Contractual Party	: Mitcharoen Palm Oil Company Limited, <u>Non-Related Person to the Company</u>
Date of Contract Signature	: 17 th August 2018
Contract Period	: 23 rd June 2018 to 3 rd July 2043 (25 Years)
Pricing Method	: Annual rental in the rate of 13,600 baht per year
Summary of Essences of Contract	: The lessor agrees to make the land lease agreement with the lessee for being used as a biogas power plant as the lessee has registered such purpose with the Department of Business Development.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

(2.2) Land Lease Agreement of Green Earth Energy Company Limited

Contractual Party	: Mr. Chirot Thongtem, Non-Related Person to the Company
Date of Contract Signature	: 11 th January 2014
Contract Period	: 11 th January 2014 to 11 th January 2024 (10 Years)
Pricing Method	: Annual rental in the rate of 140,000 baht per year

(3) Insurance Policy with Subsidiary

(3.1) Insurance Policy with Green Saving Energy Thailand Company Limited

Insurance Policy	: 001-MS-2021-0029945 (IAR)
Contractual Party	: Allianz Aydhya Insurance Public Company Limited
Type of Insurance	: Property Insurance
Insured Property 1	: 110/1 Village 2, Hin Kaeo Sub-district, Tha Sae District, Chumphon 86190 (1) All buildings (excluding foundations) including building development, fences, walls, doors and utilities and electrical system, with insured amount of 3,295,000 baht (2) Machineries and equipment used to generate electricity, with insured amount 40,850,000 baht
Protection Coverage	: Direct loss or damage to the insured property directly caused by fire, lightning, flood, windstorm, smoke, aircraft disaster, water-related disaster, wild fires, earthquakes, threats to electrical appliances, explosions, strikes, riots, or acts with malicious intent, hail and accidents that are not specified to be excepted in the Property Policy (GIA Form) by limiting the amount of liability for the event and throughout the insured period. for the following disasters: - Flood: 5,000,000 baht per case; - Storm, earthquake, hail, volcanic eruptions or Tsunami: 2,000,000 baht per case; and - Riot, strike or act with harmful intention: 5,000,000 baht per case
Insured Period	: 27 th June 2021 to 27 th June 2022, at 16:30 hrs.
Insured Amount	: 44,145,000 baht
Beneficiary as in Policy	: CIMB Thai Bank Public Company Limited, by Obligation

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

3) Intangible Assets for Business of the Company

As of 31st December 2021, the Company has intangible assets, namely computer software, with a net value of 0.04 million baht, and trademarks which is the copyright of the company as follows:

“GATA” is a trademark for transformer

products, electric ballasts, starters, igniter, capacitors (or condenser), all types of lamps all types of lamps, and the sunlight switch. “CROSS” is used as a trademark for all products for export, and for domestic use for lamp products.

Trademarks



In addition, the company has also registered patents for products that the company has researched and developed by itself, for 5 products in total.

4) Invested Money as Financial Statements as at 31st December 2021

As at 31st December 2021, the company has 5 subsidiaries that the company is the major shareholder, as follows:

Unit : Baht

Company Name	Proportion of Shareholding	Invested Money as Financial Statements as at 31 st December 2021
Subsidiary that the Company is Direct Shareholder		
Tera-Mongkol Green Energy Company Limited	100.00	24,999,800
Tera-Mongkol Energy Company Limited	65.00	67,599,900
Subsidiary that the Company is Indirect Shareholder		
Green Saving Energy Thailand Company Limited ^{/1}	100.00	-
Green Earth Energy Company Limited ^{/2}	100.00	-
Global Utility Supply Company Limited ^{/3}	100.00	-
Total		92,599,700

Notes: /1 Green Saving Energy Thailand Company Limited is held shares by Teera-Mongkol Green Energy Company Limited in the proportion of 100.00% of the paid-up capital.

/2 Green Earth Energy Company Limited is held shares by Teera-Mongkol Green Energy Company Limited in the proportion of 100.00% of the paid-up capital.

/3 Global Utility Supply Thailand Company Limited is held shares by Green Earth Energy Company Limited in the proportion of 100.00% of the paid-up capital.

5) Policy to Invest in Subsidiary and Associated Companies

The Company's investment policy is that the Company will consider investing in businesses that support and benefit the Company's business operations, or is a business in an industry that has a growing trend and will emphasize on the rate of return. The company will supervise by sending

directors to become a representative according to the proportion of shareholding. In the case of an associated company, the Company will not strictly control and supervise, just sending a representative from the Company to be a director in that company.



1.2.5 Undelivered Work

As at 31st December 2021, the company has no undelivered work.





1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

Teera-Mongkol Industry Public Company Limited operates its business into 2 main groups, which are lighting equipment business, and the business of generating electricity from renewable energy, with a mission to grow in the value of all business groups, to generate return on investment for stakeholders, and to have sustainable social responsibility.



The company has held shares of subsidiaries, directly and indirectly, for running the business as follows.

Teera-Mongkol Green Energy Company Limited (TMGE)

(Shares Directly Held by the Company)

Running business to generate and sell
electricity from renewable energy

- Authorized Capital 41,000,000 Baht
- Paid-up Shares 410,000 Shares
- Par Value 100 Baht per Share
- Shares Held by the Company 409,998 Shares
- Proportion of Shareholding: 100%

Teera-Mongkol Energy Company Limited (TME)

(Shares Directly Held by the Company)

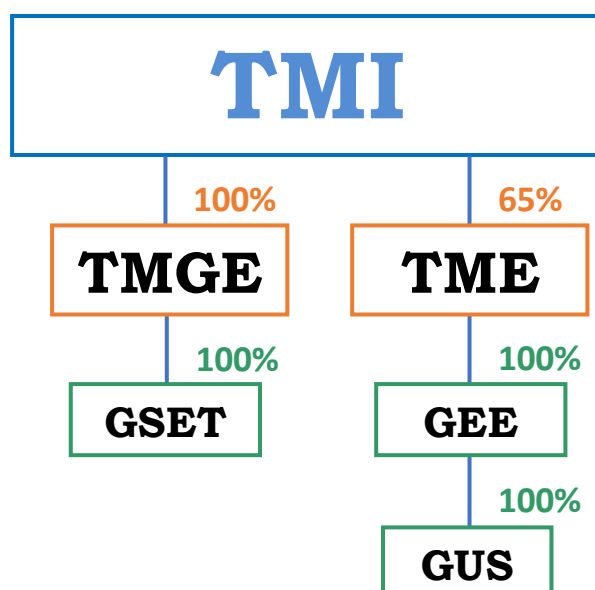
Running business to generate and sell
electricity from all types of energy

- Authorized Capital 104,000,000 Baht
- Paid-up Shares 1,040,000 Shares
- Par Value 100 Baht per Share
- Shares Held by the Company 675,999 Shares
- Proportion of Shareholding: 65%

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

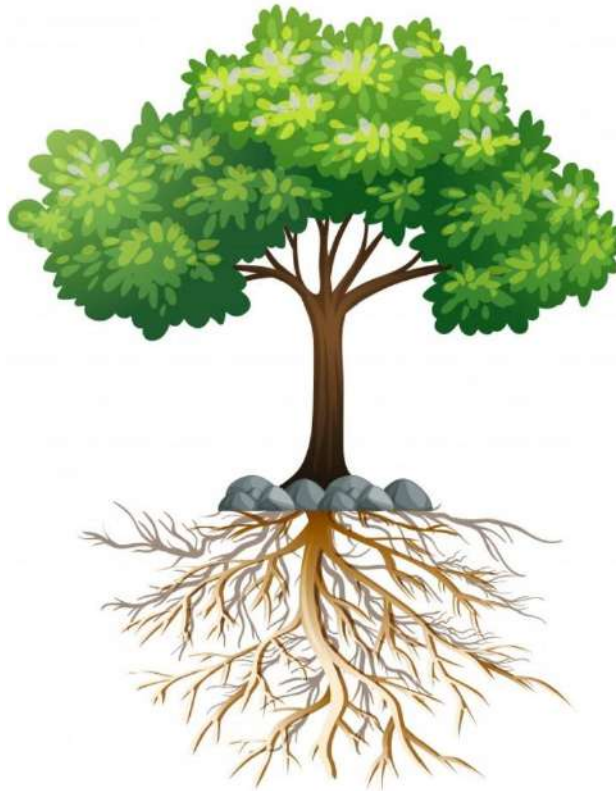
Green Saving Energy Thailand Company Limited - GSET (Shares Indirectly Held by the Company)	Green Earth Energy Company Limited - GEE (Shares Indirectly Held by the Company)	Global Utility Supply Company Limited - GUS (Shares Indirectly Held by the Company)
<ul style="list-style-type: none"> Running a business to generate and sell electricity from biogas Authorized Capital 41,000,000 Baht Paid-up Shares 410,000 Shares Par Value 100 Baht per Share Shares Held by the Company 409,998 Shares Proportion of Shareholding: 100% 	<ul style="list-style-type: none"> Running a business to generate and sell electricity from biogas Authorized Capital 60,000,000 Baht Paid-up Shares 600,000 Shares Par Value 100 Baht per Share Shares Held by the Company 599,998 Shares Proportion of Shareholding: 100% 	<ul style="list-style-type: none"> Running a business to generate and sell biogas Authorized Capital 6,000,000 Baht Paid-up Shares 60,000 Shares Par Value 100 Baht per Share Shares Held by the Company 59,998 Shares Proportion of Shareholding: 100%

Structure of Company and Subsidiary



1.3.2 People with Tendency for Conflict

- None -



1.3.3 Relationship with Business Group of Major Shareholder Group

The company has a major shareholder group is the Prasitratanaporn family, which as of 31st December 2021, has a shareholding proportion of 62.94% of the total number of sold shares of the Company. This allows the major shareholders of the Prasitrattanaporn family to have almost the absolute power to control the resolutions of the shareholders' meetings, especially in case of giving votes at a shareholder

meeting, which must be no less than half of the total votes of the shareholders attending the meeting and having the right to vote. The concentration of shareholding in this manner will prevent the company from making any decision without the consent of the group of major shareholders although other groups of shareholders see the opportunity to benefit the company.



1.3.4 Shareholders

As at 31st December 2021, the company has shareholders as follows.

Shareholder Name	Number of Share	Percentage
1. Prasitratanaporn Group		
1) Mr. Theerayut Prasitratanaporn	94,135,350	14.02
2) Dr. Theerasak Prasitratanaporn	94,135,350	14.02
3) Mr. Theeraphong Prasitratanaporn	93,631,014	13.94
4) Mrs. Wilai Prasitratanaporn By Country Group Public Company Limited	66,764,526	9.94
5) Mr. Theerachai Prasitratanaporn	66,612,350	9.92
6) Mrs. Wilai Prasitratanaporn	6,847,133	1.02
7) Ms. Suchada Kanchanawathasin	504,336	0.08
Total	422,630,059	62.94
2. Mr. Udomsak Lohachitphithak	23,344,600	3.48
3. Ms. Onnicha Suwatthanaphim	8,848,136	1.32
4. Mrs. Ratana Wongsinsirikun	6,876,520	1.02
5. Mrs. Phani Phichitsurakit	5,600,000	0.83
6. Mr. Thiwa Chiraphatthanakun	4,500,000	0.67
7. Ms. Soisi Phattharaprasit	4,310,800	0.64
8. Mr. Thawon Ungpraphakon	4,301,810	0.64
9. Mr. Wimon Sukchuai	3,938,800	0.59
10. Mr. Chalothon Chaisunthonsiri	3,600,000	0.54
Total	487,950,725	72.67
Other 2,908 Shareholders holding total shares of	183,490,165	27.33
Grand Total	671,440,890	100.00

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

The change in the shareholding of directors and executives, spouses and minor children as of 1st January 2021 and as of 31st December 2021 are as follows.

Directors and Executives	Common Stocks of the Company as of 1 st January 2021	Common Stocks of the Company as of 31 st December 2021	Change in Common Stocks of the Company as of 31 st December 2021
1.Mr. Theerachai Prasitrattanaporn	68,135,350	66,612,350	(1,523,000)
2.Mr. Theerayut Prasitrattanaporn	94,135,350	94,135,350	-
3.Dr. Theerasak Prasitrattanaporn	94,135,350	94,135,350	-
4.Mr. Teeraphong Prasitrattanaporn Spouse	93,631,014 504,336	93,631,014 504,336	- -
5.Mr. Thanakon Sukkanchananon	-	-	-
6.Pol.Lt.Gen. Ammarin Niamsakun	-	-	-
7.Dr. Thanu Kulachol	-	-	-
8.Mrs. Cholada Issarangkul Na Ayutthaya	-	-	-
9.Mr. Aphichat Chankiatkong	-	-	-

Note : There is only the spouse of Mr. Teeraphong Prasitrattanaporn, or Ms. Suchada Kanchanawatasin that holds company shares. As for directors and other executives, spouses and minor children do not hold shares of the company.



1.4 Authorized Capital

1.4.1 Authorized Capital and Paid-up Capital

The company was listed on the Market for Alternative Investment (MAI) in 2010 with the abbreviation of TMI. As of 31st December 2021, the company has authorized capital of

167,860,222.50 baht, a paid-up capital of 167,860,222.50 baht, divided into 671,440,890 ordinary shares, with par value of 0.25 baht per share.

1.4.2 Other Shares with Rights or Conditions Different from Common Stocks

-None-

1.4.3 Shares or Securities of the Company Converted to Non-Voting Shares for the Issuance of NVDR for Foreigner

-None-





1.5 Issuance of Other Securities

1.5.1 Convertible Security

-None-

1.5.2 Debt Security

As at 31st December 2021, the Company has long-term debt securities in the amount of 198.40 million baht, divided into “Secured Debentures of Teera- Mongkol Industry Public Company Limited No. 1/2021, due in 2023, which can be redeemed before maturity” or TMI236A in

the amount of 98.40 million baht, and “Guaranteed Debentures of Teera- Mongkol Industry Public Company Limited No. 2/2021, due in 2023, which can be redeemed before maturity” or TMI238A in the amount of 100.00 million baht.

Debenture	Date of Issuance	Date of Maturity	Term	Amount (Million Baht)	Interest Rate per Year	Condition
TMI236A	16 th June 2021	16 th June 2023	2 years	98.40	6.75 percent, paid every 3 months	Issuer can redeem the debenture before maturity.
TMI238A	5 th November 2021	5 th August 2023	1 year 9 months	100.00		
Total Debenture				198.40		





1.6 Dividend Payment Policy

The company has a policy to pay dividend each year at a rate of not less than 40 percent of the remaining net profit after deducting various reserves. All types as stipulated in the company's Articles of Association and by law if there is no other necessity and the dividend payment does not significantly affect the normal operations of the company.

The subsidiaries do not clearly set the policy to pay dividends. The board of directors of

each subsidiary will consider the annual dividend payment by taking into account the interests of shareholders, which must be presented for approval at the Annual Shareholder Meeting unless it is an interim dividend payment that can be approved by the board of directors of the subsidiary in accordance with the relevant laws. The payment should be reported to the next shareholder meeting for acknowledgment.



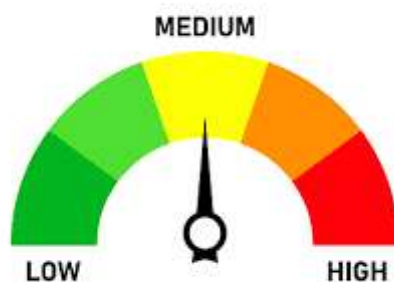


Risk Management Policy

2.1 Risk Management Policy

The company is aware of importance to the management of risk factors in the business operations of the company and its subsidiaries that may occur and have significant impacts on the future operations of the company and its subsidiaries. The company has considered reviewing and formulating guidelines for dealing with various risk factors

continuously in order to be able to control risks to be at a level that the company can accept, and able to run the business to grow sustainably along with social and environmental responsibilities. Risks and risk prevention guidelines consist of 5 areas: Strategic Risk, Operational Risk, Compliance Risk, Financial Risk and Information Technology Risk.





2.2 Risk Factors to Business of the Company

2.2.1 Risks to Business of the Company

1) Strategic Risk

1.1) Reliance on Big Distributors of Raw Materials and Instant Goods

(1) Lighting Business

Since the company depends on a few major raw materials and finished goods suppliers, the termination of a contract for the purchase of a raw material or a finished goods will affect production and operation significantly. However, the company sees that at present, many raw materials and finished goods used in production of the company come from orders from more than 2 - 3 distributors, which the market for manufacturers or distributors of raw materials and the important finished goods used in the production of the company are from many competitors.

The company has a management approach to reduce risks by having direct contact with manufacturers of raw materials and certain types of finished goods abroad in order to compare prices between the domestic and international markets where products meet the standards set by the company at all times. This will let the company know the movement of the price and consider purchasing raw materials from the manufacturer or supplier that sets the lowest price in order to achieve the best cost advantage. In addition, purchasing all types of raw materials including various types of finished goods, the

company will carry out procurement from many manufacturers or distributors both domestically and internationally to ensure that the company does not have any risks if manufacturers and distributors are unable to deliver raw materials and products to the company within the specified period. However, the company has not signed a contract for purchasing raw materials and finished goods with any manufacturer and distributor exclusively. This is to enable flexibility in operations.

(2) Electricity Generation from Renewable Energy

Since the company's electricity generation depends mainly on raw materials in the surrounding areas of the power plant, which are direct sources of raw materials. If raw materials are scarce, it will affect the production of electricity from renewable energy. In 2021, the company had revenue from electricity sales of 32.70 million baht, a decrease of 35.59 million baht from 2020, or 8.13% decrease because the amount of raw materials reduced. Consequently, the company can produce less electricity as well. However, if there is a shortage of raw materials or reliance on raw materials from suppliers, the revenue from electricity will be lower than the estimated, and will affect the performance and financial status of the company. Therefore, the solution is that the company has entered into a raw material purchase agreement for the power plant with a major raw material suppliers,

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

which are factories producing agricultural products in the area around the power plant because the raw materials used to produce electricity from renewable energy, especially in the field of energy from biogas, rely on factories that produce agricultural products, which are sources of raw materials within a radius of not more than 50 kilometers from the location of the renewable energy power plant so that the shipping cost is not too high.

In addition, the company has chosen a factory location that has more than one source of raw materials around in order to avoid a shortage of raw materials in the area or rely too much on raw materials from only one source. In case where an agricultural factory that has a purchase contract for raw materials is unable to deliver raw materials to the company, the company will be able to procure raw materials from other sources immediately. In a raw material purchase agreement of the company, the company will negotiate with raw material supplier to enter into long-term (more than 2 years) raw material purchase agreement with agricultural factory to reduce the risk of raw material procurement in the area. In addition, agricultural products have a clear production season, and there are periods when agricultural production plants are not operating, or reduce production which is the off-season. The company has done some reductions in production capacity and planned to carry out major maintenance during that period in order to keep the machine in good condition and ready for the start of the next production season. In the long run, the company is also considering to adopt technology in the production of electricity from energy plants to be used in the business to reduce the risk of relying on raw materials from agricultural production factories in the area and reduce the risks of raw materials during the off-season production of agricultural

products factories that the company has entered into raw material purchase agreements.

1.2) Risk from Sale with Credit for Customers of Lighting Business

Since the nature of the sale of most of the company's products is in the form of giving credit terms to customers, especially the majority of domestic customers and some foreign customers. During year 2021, the company has sold products on credit terms to customers accounted for more than 91.16% of total sales revenue, or 411.67 million baht. The company has main distribution channels through general stores, divided into 2 groups, namely general wholesale stores and general electrical equipment stores, most of which are sold for credit terms between 60 - 90 days without asking for collateral to support the credit.

In 2021, the company has a proportion of sales through such distribution channels accounted for 73.43% of total sales revenue. In the past, the company would sell products to customers for credit in a high proportion, and the credit term is given to a customer for too long will affect the financial liquidity of the company and affect the operating results and financial position of the company in a negative way.\

Therefore, in order to reduce this risk, the company has established measures to prevent bad debt by setting a policy to use in considering credit terms to customers. For a new customer who has just started the business, the company will set a policy to sell in cash only. After starting to sell the product for a while, the company will consider checking the Financial Statements and other important customer information from the Business Online (BOL) website to which the company has applied for membership. It will consider information

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

about the names of shareholders and their shareholding proportions and list of directors including analyzing the relevant economic conditions. In addition, the aforementioned electrical equipment shop must be a shop that displays electrical equipment with an investment of not less than 500,000 baht (will be assessed by the head of the sales department of the company) in order to consider the credit limit for selling products and credit term. In the first period, the company will consider giving a credit term of 25,000 baht first, after which the credit term or credit limit will be adjusted according to the trading period. Payment history in the past includes consideration by the management responsible for the credit term to prevent bad debt problems that may arise.

1.3) Risk from Rapid Change of Lighting Technology

The lighting industry is changing rapidly as technology is constantly evolving. In 2021, many LED lamp manufacturers will continue to adjust their prices rapidly. Even though the situation of the decline in the price of LED lamps is not as severe as what happened in the past, the result is a sharp drop in market prices. In such a case, it may have a negative impact on the operating results and financial position. However, the company has adjusted for the situation by importing many LED lamp products for distribution under the original brand of the company that the company has registered. In 2021, a total of 182.91 million baht of products were imported for distribution, an increase of 176.58 million baht from 2020, or 3.58% increase, by importing tube products. LED lamp is still the main product that the company has imported for distribution, and continues to have a high percentage of imports. In 2021, LED products

account for 48.20% of total revenue, which increases slightly compared with 46.74% in 2020

1.4) Risk from High Competitiveness of Lighting Industry

The ballast manufacture industry is part of the lighting business. At present, Thailand's total value of lighting business is 28,000-30,000 million baht. The current lighting business is a business that new entrepreneurs can easily do because new entrepreneurs can import products from China directly although there is not much quantity. Goods from China can be imported with a tariff rate of 0% as a result of the free trade agreement between ASEAN countries and China from the highly competitive lighting industry. It directly affects the operating results of the company, or the lower than the estimated revenue. Also, there may be additional costs and operating costs, especially sales expenses to compete with competitors.

However, the company has taken into account the aforementioned risks. The company is well aware of the increasingly intense competition in the lighting industry today. The company has developed and improved new products continually, including preparing a plan to cope with such competitive situations. It has begun to produce and distribute other types of products such as the manufacture and distribution of lamps and light bulbs. This includes distributing LED products to cope with the highly competitive situation, and to increase the distribution channels more than the distribution of electric ballast or only electric bulbs because it can be sold as a complete set of lamps and bulbs for consumers to install and use immediately. In addition, the company has also expanded its products in the area of remote control switches, thermal switches, sunlight switches, as

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

well as electronic products. Based on strong research and development (R&D), the company has a research and development unit where products can be tested. This ensures that the company's products truly have industry-standard quality. This policy will be an important factor that will help the company to survive in the midst of fierce competition in the lighting industry today.

1.5) Risk from Competition with Cheap Products from Key Competing Country

As for the risk of competing with cheap products from major competitors, if the company cannot compete with cheap products from major competitors, it will directly affect the revenue and operating results of the company. This is because the company has a proportion of revenue from the sale of lighting equipment approximately 90 percent of the total revenue, and may have additional operating costs and expenses in order to mitigate such risks. The company has produced products under the same quality level or called Fighting Model, which is a group of products that are produced at the same quality level as specified in the TIS.

Currently, the company has several products manufactured at a level of quality that meet the standards at both domestic and international levels. The company has also formulated a strategy to distribute products in this group through distribution channels that focus on reaching consumers (End-User) directly to reduce distribution costs. As a result, the selling price can be set to create a better competitive advantage.

In addition, some of the company's products will be designed and manufactured to meet higher quality standard than those specified in the TIS standard when the company determines that

such products are in the market with the needs of the customers that emphasize on quality. Unlike products manufactured in the Fighting Model format, which is a group of products designed by the company to compete in a highly competitive market, with quality at a level that is in line with TIS standards for the benefit of expanding the customer base to cover all groups. In addition, as for the products that the company cannot compete in price with competitor countries, the company will implement a policy to adjust the production, by importing the products for distribution instead to keep product prices to be competitive in the market and maintain the company's customer base so that the company's competitors cannot compete for an advantage in product prices. Modifying this policy, the company will primarily consider the company's competitiveness in each product list.

1.6) Risk from Return of Investment Not Being as Expected

The company has a power plant project that is under construction and plans to invest in the electricity generation and distribution business both in Thailand and abroad in the future. Therefore, the company is exposed to risks from investments that may not be as expected and/or loss of the opportunity to invest in other projects and/or loss of invested money in the said project.

However, before entering invest in any project, the company has studied the feasibility of the project, including projected revenue, profit and return of the said project based on various assumptions. If the factors that significantly affect the development and implementation of the project change, it may cause the actual return the company receives from the investment in the project not as expected. and/or lose the opportunity to invest in other projects and/or

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

loss of invested money in the said project. Important factors that may cause the actual return on investment not to be as expected are: (1) The investment in the project is higher than the expected because the cost of land is higher than expected and/or the cost of hiring a turnkey contractor and/or contractors are higher than anticipated, (2) development and construction of the project are delayed than expected or anticipated; (3) the project's performance is not as expected because the amount of electricity generated and/or sold is lower than the estimates, (4) operation and project management expenses are different from the estimates.

However, the company has procedure to

reduce investment risks. The important steps are as follows: (1) to study on information on project development and implementation (Due Diligence) in terms of technical, financial and legal aspects to assess the feasibility and suitability of the project; and (2) to calculate return on investment by analyzing the project's sensitivity (Sensitivity Analysis) to study on the financial return and the return in case of important factors affecting the rate of return on investment in the project has changed from the specified assumptions. The data from the above studies are presented in chronological order to consider and approve before the actual project. The company believes that such actions will reduce the risk of the project's return not being as expected.

2) Operational Risk

2.1) Risk from Fluctuation of Prices of Raw Materials and Instant Goods from World Market Prices

In the manufacturing process of lamps and fittings, prices of raw materials and finished instant change rapidly. Especially for lamp products and LED lamps, prices have dropped sharply in the past few years. Long term storage will result in the company having a risk of obsolete products and make the product not desired by consumers which negatively affects the operation and financial position.

However, the company has applied the company's internal work system in order to keep the inventory in the right amount for the sales plan. The Enterprise Resource Planning (ERP) system is adopted, which is an organizational information system that adopts the concept and management methods of ERP as an operational system in the organization, where the ERP system can integrate

the core business processes of the entire company, including purchasing, manufacturing, warehouse management, sales, accounting and personnel management. Together as a system that is related and can be linked quickly with the Real Time system, this increases the efficiency of inventory control to an appropriate level and makes it possible to calculate and plan to control the use of raw materials or finished goods stock by calculating the purchase order by combining lead time, production order, safety stock and minimum order quantity (MOQ) to be efficiently processed. The ERP system can forecast the quantity of raw materials and finished goods to meet the sales demand. This reduces the risk of keeping large quantity in inventory. This allows the company to cope well with the rapid changes in product prices. For the overview of 2021, the average price of LED lamps and LED lamps tends to increase slightly from 2020 due to the reason that many key raw materials have

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

increased their prices. The company has adjusted the production level forecast to be appropriate and has closely monitored the price situation of LED lamps and LED lamps, as well as increasing measures for warehouse management and obsolescence management to provide sufficient inventory and reasonable price levels.

2.2) Risk of Efficiency Control of Electricity Generation Process

Biogas power plant operation is the operation of the machine to produce electricity 24 hours a day, and there is an appropriate period of time for maintenance of the machine. The efficiency of a power plant is therefore dependent on its ability to operate and the management of the power plant to be able to produce electricity continuously 24 hours a day without any problem, and without the break from any other accidents (Un-plan

Breakdown). A problem with the power plant production process will directly affect the company's revenue, and operating results are lower than the estimated one. The solution to reduce such risk is that the company's focus on importance to the power plant part. The company has been monitoring various factors that may occur both directly and indirectly, including regular maintenance of machines and inspection of machinery including testing the performance of the machines properly. This can help the machine run continuously and without interruption to measure the efficiency of the production process This may be measured by the revenue relative to the maximum revenue a power plant can generate in the condition that the power plant is properly maintained to reduce such risks. The efficiency of the production process of the company's power plants has the following details.

Capacity of Power Plant Compared with Maximum Capacity*			
	2019	2020	2021
1. Green Saving Energy Thailand Company Limited	93.35%	74.66%	65.65%

*Maximum Capacity – It is the maximum capacity in the event that the power plant has been stopped for proper maintenance according to the power plant standards. and machine standards

2.3) Risk from Natural Disaster and Force Majeure Affecting the Electricity Generation Business

The company operates the business of generation and transmission of electricity from biogas. If a natural disaster or unforeseen severe force majeure such as power plant failure, flood, storm, fire, earthquake or sabotage happens in the area where the power plant is located, the operation of the power plant may be interrupted or

significant property is damaged, which will adversely affect the company's operation and financial position. To reduce the risks in this regard, the company has in place industry standard insurance to protect against damage incurred to prevent risks arising from natural disasters or force majeure events as mentioned above.

2.4) Risk from Spread of COVID-19

The widespread spread of the COVID-19 virus in the past have affected many

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

businesses were significantly affected in terms of decrease of income, rising cost or even decrease of production capacity or temporal closure of the business. However, because the company's main business is the production and distribution of lighting equipment which the company distributes to general stores by being a retail customer, it is not affected by the outbreak of the COVID-19 virus. Meanwhile, the other part is to sell products in large department stores, which have been affected by the lockdown measures from the government's order the closure of the department store for about 2 months during the second quarter of 2021, resulting in a decrease in revenue from sales of the company's products by only about 10 million baht per year only. The company believes that if there had been no closing of the department store, the company could have still make sales of products as usual.

3) Compliance Risk

3.1) Risk from Proportion of Major Shareholders of 62.94%

The company has the shareholder structure with Prasitrattanaporn family holds shares in the company for 62.94% of the total shares of the Company This allows the major shareholders of the Prasitrattanaporn family to have almost the absolute power to control the resolutions of the shareholders' meetings. Especially in case where the votes of the shareholders' meeting are not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote. The concentration of shareholding in this manner will prevent the company from making any decisions without the consent of the group of major shareholders although other groups of

shareholders see the opportunity to benefit the company.

3.2) Risk from the Change of Policy of Energy by Government and Other Relevant Public Agencies

If the government and government (public) agencies change policies related to Thailand's energy industry, including requirements and procedures regarding the request for permission to purchase electricity or improve or cancel the conditions for purchasing electricity, such changes will affect the Company power purchase agreement, which will affect the operation and financial position.

However, the company has ways to mitigate such risks. The management team and the company's team consist of personnel with knowledge, abilities and experience, as well as updated knowledge on news related to government policies and government agencies in relation to renewable energy business in order to prepare plans to accommodate changes in advance and bring information to support future business plans. Internal meetings are held by the management to analyze operational policies and business strategies and policies can be adjusted to reflect business and industry situations.

3.3) Risk from Non-compliance with Terms and Conditions from Relevant License, Regulations, Law and Rules of Related Agencies

Power plant business is relevant to the license terms, requirements, law and regulations of the relevant governmental agencies. If the company is unable to comply with the terms or conditions whether due to force majeure or other

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

factors, governmental agencies may consider suspending or canceling licenses and/or cause civil, criminal and administrative liability to the company. Green Earth Energy Company Limited (GEE) approved the request for an extension of the commercial power distribution date (SCOD) from 20th January 2021 is 20th July 2021. The Company must sell electricity to the commercial system within 12 months, i.e. July 20, 2022, on which the company must use the license.

Therefore, from this postponement, if the company is still unable to comply with the conditions of the license, it may affect the performance of the company and all the deposit may be confiscated. The approach to mitigate the risk is that the company employs a legal advisory firm to provide advice on legal, regulatory and practical matters related to business operations. It has a policy to continually comply with the rules, regulations and requirements related to the company's business operations, including that the company has planned for the construction of the power plant in advance and has already received permission for the construction. It is expected that the rest of the construction will be completed by February 2022 and the company expects that after the construction is completed, the company will be able to supply electricity within the first quarter of 2022.

4) Financial Risk

4.1) Risk from Fluctuation of Foreign Currency Exchange Rate

Since the company has imported raw materials used in the production of products, and many foreign finished goods, all of which are denominated in US dollars, but most of the company's income is in Thai baht, the company is

exposed to the risk of exchange rate fluctuations. If there is a situation where the Thai baht exchange rate changes in a depreciating direction, the company will have higher import costs. However, as of 31st December 2021, the company's trade accounts payable in USD is 1,054,527.76 USD, and the short-term loan of \$733,551.49 USD. The company has both received and paid money in foreign currency. This can also help prevent hedging from the fluctuation of exchange rates that will occur to a certain extent as well. In the past 12 months of 2021, the company has a value of imported products from abroad. The value of foreign currency is 5,700,508.15 million US dollars.

However, the company has prepared tools for risk management to mitigate the effects of such exchange rate fluctuations. The company has prepared a limit for foreign exchange forward contracts equal to USD 4,000,000 to reduce the impact of exchange rate fluctuations that may occur to some extent. The company also has to follow-up on news on the movement of the exchange rate closely all the time in order to assess the situation and find a way to hedge potential risks through forwarding contracts in time in order to reduce problems and damage from exchange rates that may occur.

4.2) Risk from Reliance on Money Borrowed from Financial Institute

At present, the company has used credit facilities from financial institutions. This is a form of short-term revolving credit line for use in business operations. As of 31st December 2021, the company has a ratio of borrowing from financial institutions to interest-bearing liabilities equal to 30.68%, which represents a relatively high reliance on borrowings from financial institutions. The

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

company has current liabilities from financial institutions, namely, bank overdrafts and short-term loans from financial institutions in the amount of 69.40 million baht, and long-term loans from financial institutions that are due within one year of 17.53 million baht. There are loans from financial institutions that are non-current liabilities, such as long-term loans, in the amount of - million baht. As a result, the company has the burden of repaying debts, loans and interest as specified by the bank, and causing risks to the company in various fields due to the terms and conditions set by the financial institution, both in maintaining financial ratios dividend payment and the action in various matters which must be approved by the bank before proceeding, such as a change in the shareholding structure.

However, the company takes into account such risks. Therefore, the financial structure of liabilities has been distributed to other sources. which is a long-term source of funds and more flexibility in terms and conditions that bind management and business operations, such as debentures, through the issuance and offering of debentures No. 1/21 and No. 2/21 in 2021. As a result, the company's ratio of borrowing from financial institutions to interest-bearing debt at the end of 2021 is 30.68%, a significant decrease compared to 96.62% at the end of 2020.

Meanwhile, subsidiary like Green Saving Energy Thailand Company Limited, has borrowed money from 1 financial institution with an approved credit line of 50.00 million baht and outstanding balance as of 31st December 2021 of 18.10 million

baht. In addition to the pledge of the mortgaged construction of shares of Green Saving Energy Thailand Company Limited by the executives of Teera-Mongkol Industry Public Company Limited and Teera-Mongkol Green Energy Company Limited entered into a guarantee agreement. The said loan with a credit line of 54.00 million baht; therefore, if Green Saving Energy Thailand Company Limited is unable to repay the loan, it may affect the financial position and operating results of the Group

In terms of reliance on sources of loans from financial institutions, there are two related risks:

1) The maintenance of financial ratios in accordance with the conditions prescribed by financial institutions:

As of 31st December 2021, a subsidiary, Green Saving Energy Thailand Company Limited (GSET), has a loan agreement with a financial institution whereby the subsidiary must maintain a debt-to-equity ratio (D/E Ratio) to be no more than 1.0 time and Debt Service Coverage Ratio (DSCR) to be no more than 1.4 times.

In addition, the agreement also contains a condition requiring Teera-Mongkol Industry Public Company Limited to maintain an Interest Bearing Debt to Equity Ratio (IBD/E Ratio) to be not more than 1.1 times (Separate financial statements). As of 31st December 2021, the company and subsidiaries have all the financial ratios in accordance with terms and conditions set by financial institutes.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Ratio	Terms and Conditions from Financial Institutes	As at 31 st December 2020	As at 31 st December 2021
Debt to Equity Ratio (D/E Ratio) ^{/1}	No more than 1.0 time	0.55 Times	0.29 Times
Debt Service Coverage Ratio (DSCR) ^{/2}	No more than 1.4 time	1.27 Times	1.21 Times
Interest Bearing Debt to Equity Ratio (IBD/E Ratio) ^{/3}	No more than 1.1 time	0.74 Times	1.34 Times

Notes: ^{/1} The Debt to Equity ratio shown above will be calculated from the separate financial statements of Green Saving Energy Thailand Company Limited as at the end of each fiscal year, as defined in the loan agreement from related financial institutions which is calculated using interest-bearing liabilities, divided by shareholders' equity plus loans from directors and/or shareholders of the borrower company (if any).

^{/2} Debt Service Coverage Ratio (DSCR) shown above will be calculated from the separate financial statements of Green Saving Energy Thailand Company Limited as at the end of each fiscal year, as defined in the loan agreement from related financial institutions, which is calculated using Profit from core business (excluding other income and interest income) before interest, taxes, depreciation and amortization, divided by interest-bearing liabilities due within one year, i.e. portion of long-term borrowings due within one year, and financial costs.

^{/3} Interest Bearing Debt to Equity Ratio (IBD/E Ratio) shown above will be calculated from the separate financial statements of Teera-Mongkol Industry Public Company Limited as at the end of each fiscal year, as defined in the loan agreement from related financial institutions, which is calculated using interest-bearing liabilities (excluding short-term loans from related companies) such as bank overdrafts and short-term loans from financial institutions, the lease liability Long-term loans and debentures, divided by shareholders' equity.

To determine the financial ratios based on the financial institution's loan contract terms, the credit officer reviews each customer's annual credit limit. When receiving the information of the borrower's annual financial statements, Financial institutions will consider whether financial ratios are in accordance with the conditions in the loan agreements or not. In the event that the borrower company has financial ratios that do not meet the conditions, the credit officer will present the matter to the Credit Committee to request a postponement on a case-by-case basis by factors that the Committee will consider from borrowers, such as history of debt repayment, history of using the credit limit, or the reason that the financial ratio does not meet the conditions, characteristics of borrowers, including potential impacts on their ability to repay

their debts in the future.

Therefore, in the case of GSET's DSCR ratio in 2020 that does not meet the conditions stipulated in the loan agreement, the financial institution has considered and approved the credit limit review for GSET, as well as the postponement for default on maintaining the DSCR ratio for the fiscal year 2020 since the beginning of 2021.

For Teera-Mongkol Industry Public Company Limited (Separate Financial Statements), after issuing the debentures this time, it may cause the IBD/E Ratio not to be in accordance with the terms of the loan agreement of the financial institution. The company has requested for postponement of the financial ratio to support the issuance of this debenture. The financial institution that lends to the subsidiary has been aware of the situation that the company may not be able to

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

maintain the financial ratio as specified by the financial institution. However, since that event has not occurred at this time, the financial institution has not considered any action. This is because the said financial institution does not have a policy to consider postponement in advance for the borrower in case of breach of the condition of maintaining the financial ratio according to the loan agreement that has not yet occurred. The financial institution will consider the postponement on a case by case basis when the financial institution has been informed of the annual financial statements, and will be considered in conjunction with other factors as mentioned before. Therefore, in case where the company or its subsidiary may violate the conditions of maintaining the financial ratio according to the loan agreement for the financial statements as at the end of the year 2021, the financial institution must receive the financial statements for fiscal year 2021 before entering the credit limit review process for the year 2022 to GSET and review the conditions for maintaining financial ratios according to the loan agreement and other aforementioned factors.

Consequently, the continuity of the credit limit is up to the discretion of the financial institution. If the financial institution does not give postponement and it is deemed that such event is contrary to the conditions in the credit line agreement, the financial institution may charge for the recovery. This may be a stern approach due to the fact that financial institutions do not have an advance postponement policy, and may affect the company's ability to manage liabilities. This includes the ability to pay interest and to redeem the debentures issued this time. However, GSET has always made loan repayments on time.

In addition, the additional interest-bearing liabilities from the issuance and offering of

debentures are for business expansion. This tends to make the company's financial position and operation more stable in the future. Consequently, the ability to repay debts tends to improve. The company, therefore, expects that financial institutions will consider postponement for the breach of conditions regarding financial ratio maintenance for the fiscal year 2021. However, if the company and its subsidiaries are unable to maintain the said financial ratio according to the conditions, this could be due to any factor such as changing performance, adjustment of the business model in the future, return on investment that may not be as expected, or additional fundraising from borrowing money from financial institutions or issuing new debentures in the future. In addition, if there is no postponement from the financial institution, and if the company is unable to comply with other conditions of the loan agreement, the subsidiary may be at risk of having to repay some or all of the principal immediately, which may affect financial liquidity. It may also affect the company because as of 31st December 2021, the company has a guarantee in the loan agreement for a subsidiary in the amount of 54 million baht.

The company is aware of the aforementioned risks. Therefore, prudent and concise financial planning and management have been set, and attention is paid to the complete and on time repayment of both short-term and long-term loans. In addition, the company has a policy to manage the sales plan regularly to ensure that sales are in accordance with the goals set. The Company expects to have sufficient net cash flows for loan repayment and other conditions as specified by the financial institution can be met in order to reduce the risk of default and the loan repayment promptly. In addition, the subsidiary is still able to repay the

debt as scheduled in each period continuously. As of 31st December 2021, the subsidiary will have outstanding loan balance accrued with the said financial institution, the remaining approximately 18.10 million baht.

Therefore, in the event that the subsidiary is called for early loan repayment, the company may have sufficient cash to repay loans from that financial institution.

2) Risk from Fluctuation of Interest Rate

All floating interest-bearing liabilities are loans from financial institutions. The interest rate is referenced to the interest rate MLR of the lender of commercial banks. If the benchmark interest rate increases due to economic conditions or government policies, the company will have higher interest expenses in withdrawing credit lines from financial institutions, and will pass on the performance of the company vice versa. The company will have lower interest expenses. This will have a positive effect on the performance of the company.

At present, the company is supported by financial institutions for the interest rate loans for prime clients (MLR and MOR). In addition, the company has a policy to manage interest rate risk by assigning the Accounting and Finance Department to monitor the movements and trends of the rates of interest including the movement of economic conditions and government policies closely in order for the company to be able to plan and improve its financial management practices to keep up with the changing situations. The Company may consider using financial instruments to reduce interest rate risk as appropriate, which partially reduces the risk in this section.

4.3) Risk from Insufficient Coverage from Insurance

Even though the company has bought insurance related to the business of the company to reduce risks due to loss and/or damage of key operating assets in an amount that the company believes to be sufficient and in accordance with the practices of operators in the same business, the company remains at risk that the insurance policy may not cover loss and/or damage, and the impact of all such damages or in the damage value is greater than the amount of the insurance fund.

Such risks may affect the performance and financial position of the company. In addition, the company is also at risk of not receiving compensation for damages under the insurance policy, whether in whole or in part, in the event of damage against property arising from events or conditions other than those specified in the insurance policy. However, the Group has a policy to get insurance policies in the amount that it deems sufficient and suitable to cover potential damages arising from the company's business operations. Consideration is given to general industry practice in the preparation of insurance policies and to protect against the risk that the company's operating assets will be damaged due to accidents or events that the company could control. Lately, the company has continuously implemented good operating standards and operational safety standards. This is to control the risk of incidents or accidents that may cause significant damage to the Company's operating assets to the extent that it cannot be used.

5) Information Technology Risk

5.1) Risk of Information Safety

Information is an important business asset that must be well looked after and protected. The company has set the security of the information system by applying appropriate technology and measures so that important information is well protected. The measures implemented cover the following details.

(1) Cyber Threat Prevention Measures:

The company has installed a Firewall system to prevent cyberthreats, and can also keep a log file to check the past 90 days according to the Computer Crime Act. In addition, the company has also installed Anti-Virus program on the Firewall system and on every computer to help protect against Virus, Malware, Spam, Trojan and other threats.

(2) Measures to prevent access to sensitive information (Access Control Protection): The company has set up Access Control Protection system, which is designed to access information as a hierarchy layer to classify the company's confidential information. In addition, the program used by the company to operate is an Enterprise Resource Planning (ERP) program that provides a system for accessing information according to the user hierarchy that is designed in the Access Control Level, the general user cannot access important company information.

(3) Measures to prevent data loss and damage caused by failure of hardware or software from accidents, deterioration in use or various catastrophic events both the danger from

the person Natural disasters and others: The company therefore has a plan to backup data on a daily basis. and stored inside and outside the company to reduce the risk of information security.

From the above information of security measures, at present, the company has not encountered any problems with information security, and the company still maintains information security as an important measure in the administration of the company's information technology system.

5.2) Risk from Technological Change

Information technology is changing rapidly, and affects the business of manufacturing and distributing electrical equipment. The company has to develop software to keep up with the changes because it must be modern and always stay ahead or keep up with competitors. The use of outdated information technology may affect production and affect the company's performance. As for ways to reduce such risks, the company need to constantly invest in technology to keep the equipment up-to-date and compatible with modern devices with the purchase of new equipment, technology and software because technology, especially software versions, are changed regularly. Changed software may no longer be able to read older formats. This makes it necessary for companies to constantly invest in technology. Therefore, the company has allocated its investment budget in technology to keep up with changes regularly. The Company has a proportion of investment in technology as follows.

	2018	% per Income	2019	% per Income	2020	% per Income	2021	% per Income
Budget of IT	1.77	0.45	2.08	0.53	1.56	0.35	1.68	0.35

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

From information technology expenditure per company's revenue, it is found that the company still has less investment in information technology than the median of the manufacturing business. The investment value in information

technology is between 1.4-3.2% of the revenue. The company still recognizes the importance of technological change and continues to take measures to maintain its investment in information technology at an appropriate level.

* Information from <<https://www.computereconomics.com>> website, on 10th August 2010.

2.2.2 ความเสี่ยงต่อการลงทุนของผู้ถือหุ้นหลักทรัพย์

The company may be at risk in business operation and administration because the company has a group of Prasitratanaporn family as all executives, and the same set of the group as most of the board. The company has taken the following actions.

1) Appoint 3 independent audit committees to inspect the Company's operations, including the fact that independent directors have been appointed as the chairman of the board. This will cause a balance of management to a certain extent.

2) Executive Committee and managing director of the company shall not have the authority and responsibility to have the power and/or sub-authorization to approve any transaction that he or she or subordinate or persons who may have

conflicts (as defined in the Notification of the Capital Market Supervisory Board) has an interest or any other benefits that conflict with the company. The approval of such transactions must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) to consider and approve the said transaction according to the company's Articles of Association or the relevant laws.

3) Set up a unit to audit the company's internal control system that can operate independently and report the audit results directly to the Audit Committee. The agency that performs such duties will review the company's internal control system in various aspects related to all management within the company in an appropriate and effective manner.

2.2.3 Risk from Investment in Foreign Securities

-None-



Driving of Business toward Sustainability

3.1 Policy and Target of Sustainable Management

The company has a policy to conduct business for sustainable growth along with management in dimensions of environment, society and corporate governance, which the company has defined in the corporate philosophy, "We will serve and work on the cheap, correct and meeting the

goals at the same time, with responsibility to self and society in order to let all stakeholders to grow together," and stipulated in the vision to grow up with social and environmental responsibility in a sustainable manner.



Environment Dimension

The company has policy to do business that is environment-friendly.



Social Dimension

The company has the policy to promote and develop the society along with the company for sustainable growth.



Governance Dimension

company adhere to the principles of good governance and Code of Conduct, ethicality, transparency, accountability, human rights, regulations and laws in all levels inside and outside the countries, which are applicable.



3.2 Management of Impacts on Stakeholders in Value Chain of the Business

The Company values all stakeholders in the business value chain by adhering to code of conduct, respecting rights and treating stakeholders with equality, fairness and verifiability. The company adheres to the principles of treatment for stakeholders as follows.

Governmental Agency

The company operates on the basis of the regulations, rules and laws of the governmental agencies to which its operations are involved. The company supports directors, executives and employees of the company to comply with the law in order that the company can conduct business without conflict.



Community and the Society

The company is aware of the roles and duties as a good member for society by focusing on participation and building good relationships between the company and society on the basis of accuracy, transparency and fairness, to create a body of knowledge and lead to sustainable social development under the corporate social responsibility concept, which “adhere to the philosophy of sufficiency economy as a management guideline,” which is an important foundation that will lead to development that is beneficial to the community and society, as well as the conservation of culture and the environment to be sustainable.

Shareholders

The Company is committed to operating with integrity and ethics as well as deciding to take any action with fairness, and is committed to building growth on true potential respect to the right of shareholders to obtain necessary information, and treating all shareholders equally.



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน



Customers

The company takes into account the highest customer satisfaction and focuses on providing customers with good quality products and services with fair prices and responsibility to customers.

Trade Partner

The company considers the contractors, partners/sellers and joint venture partners as important part of helping the company's business survive. The company has a policy to treat each other as equal business partners. Therefore, the company's procurement is based on fair and equal competition for the best benefit of the company. The Company has entered into a written agreement and respected that agreement, whereby directors, executives and employees adhere to the principle of not taking advantage of procurement activities.



Business Competitors

The company has a policy to conduct business with fairness, not misrepresenting, defrauding, or using any other method that is not in line with the competition. Sometimes, the company needs to cooperate with its competitors, and such cooperation must be transparent. There is no concealment of unlawful agreements.

Directors, Executives and Employees

The company has a policy to treat directors, executives and employees based on the following principles:

- 1) The company treats directors, executives and employees on the basis of human dignity. and respect for individual rights;



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

2) The company is aware of importance on the value of its employees by encouraging directors, executives and employees to develop their knowledge, abilities, morality, and appropriate behaviors mainly for the benefit of the company as well as providing opportunities for executives and employees to participate in external activities within the scope of the company's policy;

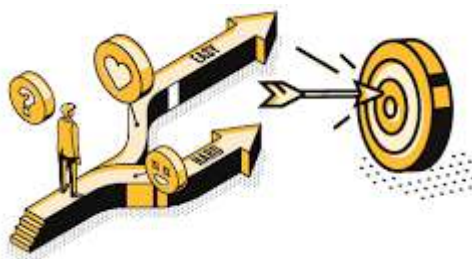
3) The company provides safe working environment and treats all employees equally, without discrimination against national origin, race, sex, age, color, religion, disability or any other status not related to work performance;

4) The company provides fair employment conditions, providing appropriate compensation based on the knowledge, abilities, responsibilities and performance of the employees, each of which has the opportunity to become advanced in the

company fairly, and the company ensures that there is no harassment or intimidation between employees or those related to the company;

5) The company promotes the participation of employees in determining the direction of work and solving the problems of the company, with opinions and suggestions from employees at all levels received equally and equitably; and

6) The company maintains personal information of directors, executives and employees, such as biographies, health records, work history or other personal information, and the disclosure or transfer of personal information of directors, executives and employees to the public can only be done with the approval of the directors, executives and employees unless done in accordance with the company regulations or the law.





3.3 Management in Environmental Dimension

The company has determined to operate its business without causing any impact on the environment, occupational health and safety. The company has established an international management system and encourage directors, executives and employees to realize the importance of and comply with laws, policies, standards and regulations on the environment, occupational health and safety of the company, which strictly covers every area where the company operates business. In addition, the company also supports the use of natural resources, materials or equipment efficiently and effectively.

According to the company's management policy in the dimensions of environment, health, quality, security and safety, the company has assigned executives at all levels in the company to take responsibility and be a role model for development, and maintain an environmental quality management system, occupational health and safety by supporting sufficient resources as well as encouraging employees to be aware of safety, occupational health and environment by organizing training for employees of the company Various training courses, as follows:

- To arrange Staff Orientation training course for new employees of the company, everyone will receive training on the topic of Half-Day Safety-Health-Environment (SHE);
- To organize training for awareness of energy and environment conservation at the level of the head of the

production unit and technician; To organize training on knowledge of the law;

- To promote energy conservation at the levels of managers and employees involved;
- To organize knowledge training on energy conservation law at the levels managers and employees involved; and
- To organize training for environmental workers in the field of industrial waste including water and air.

As a manufacturer and distributor of products related to energy use, the company has a policy to be an efficient research and development company, reducing the use of global resources. Lately, the company has developed products that have received the No. 5 Standard (Energy Saving Label 5) from the Ministry of Energy as products that the company has produced in an effort to help conserve energy in accordance with government and social policies, and also encourages buyers to save money on electricity bills from the reduction of electric power. Energy saving product 5 is a high quality and safe product that helps preserve the world's resources from being wasted in energy production. In addition, the products that the company distributes come from modern production processes that is not causing pollution to the environment in any way which ensures that the company's products are products that aim of promotion of energy conservation caused by the production process

that is clean and of standard quality to maintain the good environment of the world.

In addition, Teera-Mongkol Industry Public Company Limited has been certified as

Green Industry Level 3 Green System from the Ministry of Industry, which shows systematic environmental management, with the follow-up and review for continuous development as well.



3.4 Management of Sustainability in Social Dimension

The company emphasizes on importance to sustainability management in social dimensions and corporate social responsibility principles, by adhering to social missions consistently. Therefore, the company has set policy guidelines for sustainable development. There are guidelines to promote and develop society in parallel with the development of the company in order to grow together steadily, the company also supports the opportunity for the community and stakeholders to participate in the comments for various projects that may affect the community. The details of the Corporate Social Responsibility Policy are as follows.

Fair Business

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

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

1) To provide channels for disseminating policy, news and privileges that the partners should receive without discrimination in order to announce the policy of procurement and purchase to all partners equally, to open a channel for complaints for all customers, and to do surveys for customers with the random method to give customers the

transparency in business operations with all partners; in addition, the company provides a channel for employees to report non-transparency in the performance of employees at all levels to executives and to the Board of Directors directly, whereby all employees and stakeholders can report

freedom to provide information directly to the company, with questionnaire data analyzed and researched according to academic principles without prejudice; in addition, in case where any trade partner wishes to make a complaint about a product or unfair treat, such as a bribery, that partner can send a complaint directly to the company;

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

3) To set up policies for transparency by prohibiting employees from procuring or purchasing assets or other benefits that will affect business operations that are not caused from honest operations or causing non-transparency in business operations in order to prevent dishonesty and non-

suspected fraud, malpractice, corrupted performance or actions that contradict to ethics, morals or laws, to the directors, the audit committees and the secretary through to the following channels:

Recipient of Complaint	E-mail
Directors	Directors@thaiballast.com
Audit Committee	AuditCommittee@thaiballast.com
Secretary	CorporateSecretary@thaiballast.com
Information Management Department	Info@thaiballast.com

In addition, the complainant can send documents about fraud directly to the company's directors or the audit committee of the company through the Secretary Department 260/2 Charoennakorn Road, Samrae Sub-district, Thonburi District, Bangkok 10600, receiving the complaint, the

actions and to ensure that reporters / complainants of non-transparency, corruption, non-compliance or omission of duties of employees will be treated fairly to protect them from retaliation by those with bad intentions; and to train staff to have knowledge and understanding of anti-corruption, which is one of the

secretary will present it to the Board of Directors, the Audit Committee and the related parties;

4) To set a whistle-blowing policy to encourage the investigation of non-transparent

company's efforts to encourage employees to be aware of the control and prevention of corruption.

Human Rights and Fair Treat to Labor

Human rights are fundamental rights in humanity including both legal rights and rights not specified by the law. Teera-Mongkol Industry Public Company Limited is a company that continuously promotes, supports and develop human rights for personnel within the organization. The company has a policy to treat workers equally, support welfare development and maintain employee benefits, protect the rights of underprivileged, open opportunities for equality of employees at all levels, and organize activities to build relationships, unity.

employees working with the company for a long period of time. The company will contribute to the fund at the same rate as the employees paid in order to promote the government's savings policy. The company has provided training on details of provident fund for new employees, with speakers from the financial institution that is responsible for the fund.

In addition, the company also provides additional medical privileges consisting of medical welfare benefits for employees in emergency situations that require hospitalization in hospitals that are not covered with social security or social insurance fund, and basic medication benefits by providing vaccinations to prevent basic diseases and general medicine benefits. This is to enable employees to have better welfare.

and motivation to work for the organization, without eliminating the opportunity to creatively express their opinions as part of sustainable development, with details as follows

1) Remuneration and Welfare

The company has provided additional welfare to permanent employees of the company. In addition to social security fund which is already a basic welfare for all employees, the company also provides a provident fund for employees to have future guarantees for

section managers, and executive level which covers preparation, Probation Period Training, On the Job Training, Scheduled Training for reviewing knowledge annually and Specific Training on additional knowledge and abilities for employees of different positions. With specific needs. Not only will such training increase the employees' knowledge but it also widens the employee's perspective on problems in a different way in order to be able to solve problems in a timely manner. Concerning the training, the company provides in-house training and sends personnel to attend external training at institutions, in order to fully utilize the knowledge and skills that employees receive from the training to develop and increase efficiency within the organization.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

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

2) Human Resource Development

Concerning personnel development, the executives of Teera-Mongkol Industry Public Company Limited are aware of the importance of human resource development within the organization, especially in the development of personnel in the modern era in which the market competition requires skills and expertise to deal with problems or obstacles that may occur. The management has therefore supported the development of personnel at the operational level,

consistently adhered to.

4) Creation of Work Incentive

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

3) Support for Underprivileged People

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

opportunity to express rational opinions to an announcement that affects them.

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

(3) Organizational Learning Process - The company has applied the learning in the form of

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

auditing according to Participatory Governance Principle, whereby the subordinates can express their rational views on administration, staff can offer helpful opinions and participate in various in-depth operational auditing processes.

5) Organizational Knowledge

Management

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

(1) Information Center - This is the establishment of a knowledge center for information within the organization. News that have been announced will be collected and filed in the system through the Information Center in order that it is widely known and employees can have the

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

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

(3.2) Team Learning - Employees are trained to work in groups through group training which gives employees the opportunity to practice according to the group, to share personal opinions and to listen to the opinions of people in the group, including etiquette and skills of meetings, seminars,

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

and participation in activities among employees. The activities that the company organizes every year to support learning are the annual Team Building activity, in which employees of the company will have an opportunity to get to know one another and to have activities that train employees of all levels on teamwork skills.

3.3) Organizational Learning - Learning in this level promotes management skills in the form of an organization as a whole by giving employees the opportunity to learn about management of other aspects that are not under their responsibilities so that employees will have knowledgeable and understanding of the functions of the entire organization. In such learning, employees will have the opportunity to inspect the duties of those in other work lines so that they will attain knowledge and understanding of other jobs that exist within the company, with managers and executives being supervisors. Not only will the promotion of the aforementioned management skills enable the learning of scopes of operations of employees, but it also builds unity within the organization, which will ensure harmony in the operation.

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

According to the policies of quality, security, safety, occupational hygiene and environment, the company has specified that executives at all levels

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

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

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

The company has collected accident statistics and the rate of illness from work in the year 2020 with details as follows.

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

Non-infringement of Intellectual Property, Copyright and Patent

The company stipulates that all executives and employees have duties and responsibilities to protect and look after the company's intellectual properties, and to respect the copyrights of intellectual property owners, including to use

information technology systems and to communicate by using telecommunication media in the ways that are beneficial to the company and in accordance with laws of intellectual property, copyright and patents in all respects.

Anti-corruption

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

The company implements anti-corruption policies and procurement operations with all business partners of the company; and has a policy not to commit or neglect corruption in any organization by requiring employees not to receive items or give anything for any other benefit from a

person in charge of or does business related to the organization, whether it's a seller, sub-contractor or contractor, by setting clear guidelines to prevent the issue of transparency and unfair trading among sellers, sub-contractors and contractors to prevent corruption and unfair business practices. In addition, the company also has a variety of channels to allow employees to submit a whistleblowing report of a case of corruption directly, such as, to put the complaint in the complaint box provided within the company, whereby the complaint will be directly sent to the executives, the email to the Corporate Secretary, which will bring the complaint to Executive Committee, Board of Directors and the Audit Committee, or the company's central website. The company has established appropriate measures to protect fraud reporting persons in order to prevent the reporter or complainant from any effect from such report.

Community and Social Development

Conducting business with environmental responsibility is what Teera-Mongkol Industry Public Company Limited has continually adhered and given importance to. Its objective is to enhance sustainable good quality of life for communities and society through various activities, as well as operate business with transparency and take into account the interests of related parties, namely customers, business partners, and people in society by adhering to the corporate social responsibility policy that the company practices as a guideline for

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

developing and promoting management for sustainable growth of the organization. In 2021, the company has organized various activities to develop communities and society as follows.

Provision of UVC Lamps for Killing COVID-19 Virus to Bang Bua Thong Hospital

Dr. Theerasak Prasitratanaorn (3rd from left), Deputy Managing Director, has given a UVC sterilization lamp that has the ability to kill various germs including the COVID-19 virus to Bang Bua

Thong Hospital. Dr. Praphut Leelaprit (3rd from right), Director of Bang Bua Thong Hospital, receives the lamps at Building 2, Bang Bua Thong Hospital on March 16th, 2021.



Provision of UVC Lamps for Killing COVID-19 Virus to Pranangkla Hospital

Dr. Theerasak Prasitratanaorn (3rd from left), Deputy Managing Director, has given a UVC sterilization lamp that has the ability to kill various germs including the COVID-19 virus to Pranangkla Hospital.

Ms. Pemika Kachayutadej (3rd from left) and Mrs. Duangchai Pongchan (2nd from left), Assistant Head of Nursing Group, Pranangkla Hospital, receive the lamps at the 18-stories building, Pranangkla Hospital on March 16th, 2021.



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Giving of Lamps to Wat Sai Sophon School

The company has joined the Ritz-Carlton Community Footprints Project to donate light bulbs to Wat Sai Sophon School, Ayutthaya Province, to

develop schools and offer light bulbs in various buildings on March 26th, 2021.

**Provision of UVC Lamps for Killing COVID-19 Virus to Saint Louis Hospital**

Mr. Chavasakorn Tamthai, Deputy Manager of Sales and Marketing of the Company, presents UVC sterilization lamps with disinfectant property for killing many germs including the COVID-19 virus to

St. Louis Hospital to be used to install disinfection in the hospital to reduce the spread of the COVID-19 virus and increase safety for medical personnel at St. Louis Hospital on June 21st, 2021.



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Provision of UVC Lamps for Killing COVID-19 Virus to Phra Yuen Hospital, Khon Kaen Province

The company has given UVC sterilization lamps to Phra Yuen Hospital, Khon Kaen Province, for disinfecting various points, reducing the spread of various pathogens, including the COVID-19 virus, on various devices and surfaces effectively,

including an ambulance for picking up patients, to increase safety for medical personnel, with Dr. Niran Manikanon, Director of Phra Yuen Hospital receiving the lamps on July 18th, 2021.



Provision of UVC Lamps for Killing COVID-19 Virus to Sirinthorn Hospital, Khon Kaen Province

The company has given UVC disinfection lamps to Sirinthorn Hospital, Khon Kaen Province, with Female Dentist Pemisa Chetchotisak (in the middle), Chief of Administrative Department, receiving the lamps to be used to disinfect the air and the COVID-19 virus at various points within the

hospital including an ambulance for picking up and transporting patients, increasing safety for medical personnel and people who come to receive the service at Sirinthorn Hospital, Khon Kaen Province, on July 27th, 2021.



ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Support for the "Hundred Thousand Cartons of Milk Project" to Help COVID-19 Victims

The company has joined with SRP Media Corporation Co., Ltd., the manufacturer of STOCK FOCUS Magazines, to contribute to "Hundred Thousand Cartons of Milk" Project to help the victims of COVID-19.

The project has brought the donated money to buy milk to be repackaged and distributed to the children in field hospitals, and groups of people affected by COVID-19 as well as alleviating the lack of income from milk sales of small rural dairy farmers, on August 10th, 2021.



Donation of Survival Bags to Alleviate the Suffering of Flood Victims in Phra Nakhon Si Ayutthaya Province

The company, joining with Ms. Thanaphon Somthong (2nd from right), Deputy Leader of the Seri Ruam Thai Party, donates survival bags, consumables for monks, novices and people in Khanon Luang Sub-district, Bang Pa-In District, Phra

Nakhon Si Ayutthaya Province, to alleviate the suffering from flooding at Wat Prot Sat, Khanon Luang Sub-district, Bang Pa-In District, Phra Nakhon Si Ayutthaya Province, on October 16th, 2021.





Management Discussion and Analysis (MD&A)

4.1 Performance and Financial Status

Overview of Past Performance

Considering the overall picture of the company, it is found that over the past 3 years, from 2019 to 2021, the company has had operating income equal to 392.00 million baht, 447.86 million baht and 484.27 million baht, respectively. From 2019 to 2021, the company has had total revenue of 394.25 million baht, 449.49 million baht and 486.56 million baht, respectively, with revenue in 2020 increasing from the year 2019 by 55.88 million baht or an increase of 14.25 percent, mainly from an increase in revenue from sale of electrical equipment while in 2021, the company's revenue from sale increased from the year 2020 equal to 36.41 or 8.13%, mainly from an increase in revenue from electrical equipment sale. As for the net profit of the parent company in 2019, the company has a net

Loss of 8.38 million baht, while in 2020 the company has a net profit of 14.39 million baht. The company can generate a net profit from operations. The benefit has been derived from a significant increase in revenue from sale of electrical equipment while in 2021 the company's net profit has been reduced to 0.55 million baht due to a significant increase in cost of sale from adjustments, rise in shipping and product costs include electronic components, steel, copper wire and aluminum. It was also affected by the depreciation of the baht and the increase in expenses from the increase in employee expenses, business consulting fee and the cost of starting a new power plant.

Performance

Revenue

In 2019, 2020 and 2021, the company has sales revenues of 392.00 million baht, 447.86 million baht and 484.27 million baht respectively, while having other income equal to 2.25 million baht, 1.63 million baht and 2.29 million baht, respectively. Such other

incomes include interest income. Consequently, the company's total incomes for the year 2019 to 2021 are equivalent to 394.25 million baht, 449.49 million baht and 486.56 million baht, respectively.

When considering the revenue in the electrical equipment manufacturing and

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

distribution business group in 2019, 2020 and 2021, the company has the highest proportion of sale of electric lamps and accessories. which accounted for 45.45%, 40.70% and 39.23% of total revenue, respectively.

The following group the electric lamp group. The proportions of sale are accounted for 39.10 percent, 49.29 percent and 52.67% of total revenue, respectively, and the proportions of sale of electrical

lighting equipment and facilities are accounted for 7.17%, 6.23% and 6.55%. of total income respectively.

As for the electricity generation and distribution business in 2019, 2020 and 2021, the company's incomes from the electricity generation and distribution business are 44.50 million baht, 35.59 million baht and 32.70 million baht or 11.29% and 7.92%. 6.72 percent of operating income, respectively.

The revenue structure, sorted by business and product types, from 2019 to 2021 are as follows.

Product Group	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Business of Lighting and Component Product Production and Distribution						
1.1 Light Bulbs and Components	178.39	45.25	182.93	40.70	191.04	39.26
1.2 Electric Lamps	154.15	39.10	221.52	49.28	256.47	52.71
1.3 Lighting and Household Appliances	28.28	7.17	28.02	6.23	31.89	6.56
<u>Less</u> Discount Payable	-13.32	-3.38	-20.20	-4.49	-27.83	-5.72
2. Business of Electricity Generation and Sale						
2.1 Revenue from Power Sale	44.50	11.29	35.59	7.92	32.70	6.72
Sales - Revenue	392.00	99.43	447.86	99.64	484.27	99.53
Other Revenues	2.25	0.57	1.63	0.36	2.29	0.47
Total Revenue	394.25	100.00	449.49	100.00	486.56	100.00

In 2020, the company's operating income was 447.86 million baht, an increase of 55.86 million baht or 14.25 percent from the previous year. The company's revenue from sale increased mainly from the business of manufacturing and distributing equipment mainly due to the company's capability to expand the product market from selling electrical equipment to exporting products to foreign countries. In addition, the company

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

has developed more new products to market, which have been well received by customers. Meanwhile, the subsidiary's revenue from electricity sale decreased slightly due to agricultural raw materials for power generation, especially the palm fruit, has decreased quite a lot in year 2020, causing the revenue from electricity generation to decline.

In 2021, the company's operating income is 484.27 million baht, an increase of 36.41 million baht or 8.13% from the previous year. The company's revenue from sales increases mainly from the business of manufacturing and distributing equipment mainly because the company has added new products that meet the needs of consumers, and has improved the original distribution channel to have better efficiency. Meanwhile, the company's electricity sales revenue decreased slightly from the previous year due to the subsidiary's biogas power plant in Chumphon Province. However, in 2021, the company's subsidiary, Green Earth Energy Company Limited, started to sell electricity from biogas power to the commercial system (COD), with the capacity of 0.99 megawatts in Q3/21.

As for the geographical proportion of revenue in 2019, 2020 and 2021, the company's revenues from sale are divided into revenue from domestic and international sale, with the proportion of approximately 98% per 2% in 2019. In 2020, the proportion is approximately 97 per 3%, and in 2021, the proportion is approximately 97 per 3%. Most of the domestic sales revenues are from the sale to retailers and wholesalers that sell used equipment, which is a dealer, followed by Modern Trade or retail stores and sale in a small percentage to government projects. As for the income from foreign sale, the company exports products to sell in countries in the Middle East and has exported products to the United States which is a contract manufacturing job according to customer orders, which is important.

The company has other income in 2019, 2020 and 2021 equal to 2.25 million baht, 1.63 million baht and 2.29 million baht. million baht, respectively. or are accounted for 0.57%, 0.36% and 0.47% of total income each year, respectively. Other income consists of revenue from the sale of scraps of raw materials, export return income and interest income.

Sales Cost and Gross Profit

In 2019, 2020 and 2021, the company has total costs of sales of 261.26 million baht, 293.92 million Baht, 331.56 million Baht, accounting for 66.65%, 65.63% and 68.47% respectively. Meanwhile, the company had gross profits in 2019, 2020 and 2021 of 130.73 million baht, 153.94 million baht and 152.71 million baht, representing gross profits of 33.35%, 34.37% and 31.53%, respectively.

The gross profit and gross profit margin of each business can be explained as follows.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Electric Appliance Distribution Business	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sale of Electric Appliances	347.49	100.00%	412.27	100.00%	451.57	100.00%
Electric Appliance Sales Cost	230.91	66.45%	266.20	64.57%	301.29	66.72%
Gross Profit from Electric Appliance Sale	116.58	33.55%	146.06	35.43%	150.29	33.28%

The Company has gross profits of electrical equipment sales in 2019, 2020 and 2021 equal to 116.58 million baht, 146.06 million baht and 150.29 million baht, or equivalent to a gross profit of 33.55%, 35.43% and 33.28%.

In 2020, the company's gross profit from electrical equipment sale has increased by 29.49 million baht or 25.29% due to the company's ability to spur the growth of electrical equipment sale. Meanwhile, the company has a gross profit margin of 35.43% from the sale of electrical equipment, which is higher than the gross margin of the previous year. The increase in gross profit margin is caused by the cost of raw materials, especially the finished product type LED bulb, which has reduced from 2019.

For year 2021, the company's gross profit from electrical equipment sale has increased by 4.22 million baht or 2.89% and gross profit margin of 33.28%. The company's gross profit margin has decreased from the previous year. This is mainly due to the increase in cost of sale. This includes the cost of main raw materials in production; for example, the price of copper increased from 250-270 baht per kilogram to 370-385 baht per kilogram, and the steel price has been increased from 21-23 baht per kilogram to 46-49 baht per kilogram. Meanwhile, the company cannot adjust the selling price much.

Electricity Generation Business	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Electricity Generation	44.50	100.00%	35.59	100.00%	32.70	100.00%
Cost of Electricity Generation	30.35	68.19%	27.72	77.87%	30.27	92.58%
Gross Profit of Electricity Generation	14.15	31.81%	7.88	22.13%	2.43	7.42%

In 2020, the company's gross profit from electricity sale has decreased by 6.28 million baht or 44.35% due to the decrease in revenue from electricity sale. Meanwhile, the company has a gross margin from

electricity sale of 22.13 percent, which is lower than the previous year's gross margin. This is due to a decline in raw material supply due to a significant drop in palm production from 2019.

For the year 2021, the company's gross profit from electricity sale has decreased by 5.45 million baht or 69.19%, with gross profit margin of 7.42 percent, which has decreased from the gross profit margin of the previous year. This is mainly due to the decrease in revenue from electricity sale due to the decrease in the quantity of raw materials in production making it unable to produce at full capacity of the power plant.

Financial Cost

In 2019, 2020 and 2021, the company's financial costs are 9.69 million baht, 8.76 million baht and 11.46 million Baht, accounting for 2.46%, 1.95% and 2.36% of total revenue, respectively.

In 2021, the company's financial cost increases from the year 2020 by 2.70 million baht or 30.83 percent. The company's finance cost increases because of the issuance of debentures in the 2nd and 4th quarter of 2021, totaling 200.00. million baht to support investment in a biogas power plant project with a capacity of 2.97 megawatts located in Dan Chang District, Suphanburi Province.

Net Profit and Net Profit Margin (of Parental Company)

In 2019, the company has had a net loss of 8.38 million baht, representing a net loss rate of 2.13%, while in 2020 and 2021 the company has had net profits of 14.39 million baht and 0.55 million baht, representing a net profit margin of 3.20% and 0.11%, respectively.

In 2020, the company's net profit has increased by 22.66 million baht and the net profit margin has increased to 3.20% due to the company's revenue from the sale of electrical equipment has increased from market expansion and new product development. Coupled with the ability to manage production costs, it can generate good gross profit margins from business operations, and able to manage distribution costs and administrative expenses efficiently. Therefore, in 2020, the company's performance can be turned into net profits.

In 2021, the company's net profit and net profit margin have decreased. Although the company has a growing sales revenue. The reason why net profit and net profit margin has decreased from the previous year is that the company has higher cost of sale, resulting in lower gross profit and gross margin. In addition, the company has higher cost of distribution and administrative expenses, including the increase in finance costs from the issuance of debentures in 2021. As a result, in 2021, the company's net profit and net profit margin has decreased from the previous year.

Concerning the return on equity, it is found that in 2019, 2020 and 2021, the company's return on equity is -4.53%, 7.67% and 0.28%, respectively. Stocks turned positive in 2020 as the company posted operating profits from the increase in revenue from sale of electrical appliances and the capability to control production costs better. Meanwhile, in 2021, the return on equity has declined because the company's cost of sale has increased, resulting in lower operating profit.

Analysis of Financial Status of the Company

Assets

The Company has total assets as of 31st December 2019, 2020 and 2021 equal to 423.98 million baht, 461.89 million baht and 626.71 million baht, respectively. The company's key assets are (1) property, plant and equipment; (2) trade accounts receivable and other receivables; and (3) inventories. The aforementioned assets have a total average value to total assets in the years 2019 to 2021 equal to 82.31%. The increase in total assets over the past 3 years have come from the increase in property, plant, equipment and accounts receivables and other receivables, and inventory, with important details as follows.

Current Assets

As of 31st December 2019, 2020 and 2021, the company's current assets are 217.26 million baht, 228.71 million baht and 255.97 million Baht, accounting for 51.24%, 49.52% and 40.84% of total assets, respectively. Two key current assets are accounts receivable and other receivables and inventories. The details of each item are as follows.

1) Account Receivable and Other Receivables

As of 31st December 2019, 2020 and 2021, the company has account receivable and other receivables equal to 115.26 million baht, 127.54 million baht and 140.79 million baht or 27.19%, 27.61% and 22.47% of total assets respectively. The company has had average collection periods of 114 days, 100 days and 99 days in 2019, 2020 and 2021, respectively.

As of 31st December 2021, the company has accounts receivable and other receivables equal to 140.79 million baht, comprising account receivable-net amounting to 116.33 million baht, accrued income from the power plant business of 6.17 million baht and other receivables of 18.29 million baht. The details of outstanding account receivables sorted by age are as follows.

Details of Account Receivables as at 31st December 2021, Sorted by Ages of Outstanding Debts are as follows.

	Million Baht	Proportion
Value of Account Receivable		
Not Mature	112.17	83.53%
Over Due		
- Less than 3 months	3.64	2.71%
- 3 months to 6 months	1.58	1.18%
- 6 months to 12 months	3.32	2.47%
- Over 12 months	13.57	10.11%
Total Account Receivable	134.28	100.00%
Less Anticipated Allowance for Credit Loss	(11.77)	
Account Receivable – Net	122.51	

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

The company has set a policy to consider allowance for credit losses. The aging analysis of debt is applied in conjunction with the Group's past credit loss experience with details as follows.

Debtor– Day of Over Due	Rate of Allowance for Credit Loss of the Net Outstanding Debt
Not Muture	0 – 0.38%
Less than 3 months	0.75 – 12.00%
3 months to 6 months	20.00%
6 months to 12 months	20.00%
Over 12 months	53.00 – 100.00%

In addition, the company has a policy to write off bad debts based on the debtors who have been judged by the court and have acted accordingly to enforce a case, including proceeding with the process of seizure of the property until the case is finalized and no more property to be found or to seized from the debtor. The company will continue to consider writing off such debtors as bad debts.

2) Inventory

As of 31st December 2019, 2020 and 2021, the value is equal to 89.33 million baht, 87.66 million baht and 99.03 million baht or 21.07%, 18.98% and 15.80% of total assets, respectively. The company's inventories are raw materials prepared for use in production, work in process, goods in transit, finished goods that are kept in stock for use in sales and products ordered to be sold.

Inventory	31 st December 2020		31 st December 2021	
	Million Baht	Percentage	Million Baht	Percentage
Finished Product	88.44	76.33%	81.24	63.31%
Work-in-Process	10.45	9.02%	14.08	10.97%
Raw Material	14.91	12.86%	21.07	16.42%
Consumable Supply	0.08	0.07%	0.11	0.08%
Goods-in-Transit	2.00	1.73%	11.82	9.21%
Total	115.87	100.00%	128.32	100.00%
Adjustment to Depreciate the Value	(28.21)		(29.29)	
Net Inventory	87.66		99.03	

As of 31st December 2021, the company's inventory consists mainly of finished goods and raw materials. They accounted for 63.31% and 16.42 percent of inventory before the reduction in product value, with the company having more inventory from the end of the previous year, from the increase of raw materials and goods-in-transit mainly because increased product sale causing the company to order more products and rising raw material prices, causing the average price of goods in the warehouse to increase in value from 2020.

Concerning the average sales period of finished goods in 2019, 2020 and 2021, it is found out that the average periods of sale of finished goods are 145 days, 117 days and 103 days, respectively. As for the calculation using only the finished goods value before deducting allowance for defective inventories, to show the turnover rate and average time to sell only finished goods, it is found that the period of selling finished goods of the company's continuous sale during the past 3 years is mainly because the company has adjusted the efficiency of the warehouse order to suit the order period to make the product turnover faster and more efficiently.

As for various policies related to the inventory at present, the company has set a policy to set an allowance for obsolete products. The company has started to use the policy to set allowance for obsolete products since the 4th quarter of 2009, most of the products in inventory are products in the ballast and transformer products, especially iron core ballast products that have a service life of more than 10 years. However, throughout the past, the company has a policy to continuously monitor and track the movement of inventory. However, if it is a slow moving product, the company will solve the problem by providing a promotional program as a channel for product distribution.

Non-current Assets

As of 31st December 2019, 2020 and 2021, the company's total non-current assets are equal to 206.73 million baht, 233.17 million baht and 370.74 million baht, accounting for 48.76%, 50.48% and 59.16% of total assets, respectively. The important ones are land, buildings and equipment, and the right to produce and sell electricity, with details as follows.

1) Land, Buildings and Equipment

As of 31st December 2019, 2020 and 2021, the company has land, buildings and equipment equal to 136.46 million baht, 156.77 million baht and 299.79 million baht or equivalent to 32.19%, 33.94% and 47.88% of total assets, respectively.

As for year 2019, the company's value of assets has been 16.13 million baht, with the main investment value being the purchase of land at 10.00 million baht and the transfer of assets from business acquisitions. That is, in March 2019, Teera-Mongkol Energy Company Limited, a subsidiary of the company, acquired 499,998 ordinary shares of Green Earth Energy Company

Limited, representing 100 percent of the shares issued and sold ordinary shares of Green Earth Energy Company Limited, which operates in the business of producing and selling electricity with a value of buildings and equipment acquired in the amount of 3.80 million baht, and Teera-Mongkol Energy Company Limited acquired 9,998 ordinary shares of Global Utility Supply Company Limited, representing 100% of which Global Utilities Company Limited Supply Co., Ltd., operating the business of producing and distributing gas.

As for year 2020, the company's asset value acquired during the year has been 25.47 million baht, with the main investment value being machinery and factory equipment of 4.02 million baht and buildings under construction and machinery and equipment under installation totaling 21.12 million baht, at Ban Phaeo Power Plant Project, Samut Sakhon Province, with capacity 0.99 megawatts.

As for year 2021, the company's value of assets acquired during the year is 131.55 million baht, land and land improvements of 11.71 million baht, machinery and factory equipment of 1.62 million baht, and machinery and equipment under installation of 78.33 million baht, which is additional investment for a biogas power plant project with a capacity of 0.99 megawatts located in Ban Phaeo District, Samut Sakhon Province and a biogas power plant project with a capacity of 2.97 megawatts located in Dan Chang District Suphanburi Province.

2) Right to Generate and Sell Electricity

As of 31st December 2019, 2020 and 2021, the company has rights to generate and sell electricity equal to 41.91 million baht, 40.78 million baht, 39.66 million baht, or 9.89%, 8.83% and 6.33% of total assets, respectively. The right to generate and sell electricity of the company has remaining sales periods to be 14 - 20 years, comprising 3 power plants as follows:

- (1) Biogas power plant with a capacity of 1.40 megawatts, at Tha Sae District, Chumphon Province;
- (2) Biogas power plant with capacity of 0.99 megawatts, at Ban Phaeo District Samut Sakhon Province; and
- (3) Biogas power plant with a capacity of 2.97 megawatts, at Dan Chang District Suphanburi Province.

Liabilities

The company's total liabilities as at 31st December 2019, 2020 and 2021 are 423.98 million baht, 461.89 million baht and 626.71 million baht respectively. Significant liabilities are over drafts and short-term loans from financial institutions, (2) trade and other payables, (3) long-term loans from financial institutions, and (4) debentures. Total liabilities in 2021 has increased significantly from the issuance of corporate debentures twice during the quarter 2 and quarter 4 of 2021 with important details as follows.

Current Liabilities

As of 31st December 2019, 2020 and 2021, the company's total current liabilities are 201.23 million baht, 220.95 million baht and 190.63 million baht, respectively, or are accounted for 47.46 percent, 47.84 percent and 30.42 percent of the liabilities and equity's shareholding. The important items of total current liabilities are short-term loans from financial institutions in the form of bank overdrafts, liabilities under trust receipts and promissory notes including a list of trade accounts payable and other creditors. The details of each item are as follows.

1) Over Drafts and Short Term Loans from Financial Institutes

As of 31st December 2019, 2020 and 2021, the company has overdrafts and short-term loans from financial institutions equal to 125.14 million baht, 136.21 million baht and 69.40 million baht, accounting for 29.52% and 29.49% and 11.07 of total liabilities and shareholders' equity, respectively. In 2021, the company's bank overdrafts and short-term loans from financial institutions has decreased by the amount of 66.81 million baht or 49.05%, compared with the previous year.

2) Account Payable and Other Payables

As of 31st December 2019, 2020 and 2021, the company has accounts payables equal to 28.21 million baht, 37.18 million baht and 58.78 million baht, or 6.65%, 8.05% and 9.38 percent of total liabilities and shareholders' equity, respectively. The company has more accounts payable in accordance with the increase in purchase of goods and raw materials to support the production of products for sale. Currently, the Company has a credit term for payment of goods with accounts payable on average 30 - 60 days.

As of 31st December 2019, 2020 and 2021, the company has other payables of 27.98 million baht, 26.69 million baht and 38.14 million baht, or 6.60%, 5.78% and 6.09% of total liabilities and shareholders' equity, respectively. The important items are accrued expenses such as accrued promotional expenses, accrued commissions and accrued bonuses, which are in accordance with the company's income and expenses.

Non-current Liabilities

As of 31st December 2019, 2020 and 2021, the company's total non-current liabilities are 42.92 million baht, 33.94 million baht and 207.32 million baht, or 10.12%, 7.35% and 33.08% of liabilities and shareholders' equity, respectively. Important non-current liabilities are long-term loans and debentures, details as follows.

1) Long Term Loan

The company has long term loan as at 31st December 2019, 2020 and 2021, equal to 44.77 million baht, 30.32 million baht, 17.53 million baht, or 10.56%, 6.56%, and 2.80% of total liabilities and shareholders' equity, respectively, with details as follows.

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Details of Long Term Loan	2019		2020		2021	
	Million Baht	Ratio of Liability to Shareholder's Equity	Million Baht	Ratio of Liability to Shareholder's Equity	Million Baht	Ratio of Liability to Shareholder's Equity
Long Term Loan with Maturity in 1 Year	14.44	3.41%	12.79	2.77%	12.79	2.04%
Long Term Loan as Current Liability	-	0.00%	-	0.00%	4.74	0.76%
Net Long Term Loan	30.32	7.15%	17.53	3.79%	-	0.00%
Total	44.77	10.56%	30.32	6.56%	17.53%	2.80%

During the year 2019, 2020 and 2021, the company's outstanding long term loan with financial institutions continues to decrease because the company is still repaying loans to financial institutions as stipulated in the loan agreements with a financial institution which specifies certain covenants, such as maintenance of the debt to equity ratio, for which the borrower and the Group must comply with certain financial conditions as stipulated in the contract. However, as at 31st December 2021, the company group is unable to comply with certain restrictions stipulated in the loan agreement with a financial institution. Therefore, the company presents the outstanding balance of loans as at 31st December 2021 with that financial institution in full as current liabilities in the financial statements.

2) Debentures

As of 31st December 2021, the company has debentures equal to 192.57 million baht or 30.73 percent of total liabilities and shareholders' equity, which the issuer has the right to redeem before the maturity date. The issuances of debentures are in the second quarter and the fourth quarter of 2021, where the company issued such debentures to invest in a biogas power plant project with a capacity of 2.97 megawatts located in Dan Chang District, Suphanburi Province.

Shareholder's Equity

As of 31st December 2019, 2020 and 2021, the company's equity value is equal to 180.00 million baht, 195.32 million baht and 195.87 million baht, or 42.45%, 42.29% and 31.25 percent of the liabilities and shareholder's equity, respectively. Important items of shareholders' equity divided into 3 important items which are issued and paid-up capital, share premium and accumulated profit (loss), the details of which are as follows:

1) As for issued and paid-up capital as of 31st December 2019, 2020 and 2021, the company has issued and paid-up capital equal to 167.86 million baht, comprising 671,440,890 ordinary shares with a par value of 0.25 baht per share;

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

2) As for share premium as of 31st December 2019, 2020 and 2021, the company has a share premium of 45.29 million baht, which arises from the initial public offering of 80.00 million shares since 2010;

3) As for retained earnings allocated to legal reserve as of 31st December 2019, 2020 and 2021, the company has retained earnings allocated to legal reserve equal to 10.51 million baht, 11.21 million baht and 11.21 million baht, respectively; and

4) As for unappropriated retained earnings as of 31st December 2019, 2020 and 2021, the company has unappropriated retained loss equal to (43.73) million baht, (29.10) million baht and (28.55) million baht, respectively, in profit (loss) accumulated unallocated portion. arising from the operating results each year.

Ratio of Debt to Equity

The company's debt to equity ratios as of 31st December 2019, 2020 and 2021 are 1.36 times, 1.23 times and 1.74 times. The reason why in 2021 the company has increasing debt to equity ratio is because in 2021, the company has issued debentures twice to invest in a biogas power plant project with a capacity of 2.97 megawatts located in Dan Chang District Suphanburi Province, operated by Green Earth Energy Company Limited (GEE) (a subsidiary).

Liquidity Analysis

Cash Flow

The company has cash flow from activities in the 12 months, ending on 31st December 2021, as follows.

Net Cash Obtained (Spent on) Business Operation

The company has cash from operating activities equal to 32.75 million baht, with operating profit before changes in operating assets and liabilities of 34.26 million baht, from an increase of accounts receivable and other receivables of 15.69 million baht and an increase in inventory of 12.46 million baht while the company had cash items from an increase of account payables of 29.36 million baht.

Net Cash Obtained (Spent on) Investment

The company has net cash spent on investment equal to 130.52 million baht. Cash paid for the purchase of land, buildings and equipment amounts to 131.55 million baht, which is an investment in a biogas power plant project with a capacity of 0.99 megawatts located in Ban Phaeo District, Samut Sakhon Province, and a biogas power plant project with a capacity of 2.97 megawatts located in Dan Chang District, Suphanburi Province.

Net Cash Obtained (Spent on) Fund Raising

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

The Company has net cash from financing activities equal to 99.40 million baht. Cash is received from the issuance of debentures 2 times amounting to 198.40 million baht while the company has cash used for repayment of overdrafts and short-term loans from financial institutions of 66.89 million baht, including repayment of long-term loans. from financial institutions in the amount of 13.20 million baht, cash paid for interest of 9.85 million baht, and cash paid for issuing debentures of 7.04 million baht.

Liquidity

The company's liquidity ratio as of 31st December 2019, 2020 and 2021 are 1.08 times, 1.04 times and 1.34 times respectively. The liquidity ratio is calculated from current assets to current liabilities. In addition, considering the quick liquidity ratio, it is found that the company's quick ratio as of 31st December 2019, 2020 and 2021 are 0.61 times, 0.62 times and 0.80 times, respectively.

Considering the liquidity ratio as of 31st December 2020, the company's liquidity rate has decreased. This was mainly due to the ratio of the increase of current liabilities to the increase in current assets. As of 31st December 2021, the company's liquidity rate increased mainly due to an increase in current assets and liabilities, and decrease of turnover from debt repayment, overdrafts and short-term borrowings.

Considering the Cash Cycle ratio, it is found that for year 2021, the company has average collection period of 99 days, average sales period of 103 days, and average repayment period of 58 days. As a result, the company has a Cash Cycle of 144 days.

Expense on Investment

In 2019, 2020 and 2021, the company has invested in buildings and structures, machineries and factory equipment, furniture and office appliances continually. In 2020, the company has invested in fixed assets of 25.47 million baht, which are buildings and equipment for a 0.99 megawatt power plant project in Samut Sakhon Province. In 2021, the company has invested in fixed assets of 131.55 million baht, which is mainly for the investment in a biogas power plant project with a capacity of 2.97 megawatts located in Dan Chang District, Suphanburi Province, and some in the power plant project with a capacity of 0.99 megawatts in Samut Sakhon Province, the investment expenditures between 2019 and 2021 are as follows.

Expense on Investment

(Unit : Million Baht)

	2019	2020	2021
Expense on Investment in Fixed Assets	15.13	25.47	131.55
Expense on Business Merger from Obtained Cash (Electricity Generation and Sale Business)	28.00		



4.2 Factors or Incidents Probably Significantly Affecting Financial Status or Operation in the Future

Future Trend of Lighting Business

The lighting industry is an important industry that is a fundamental factor for the country's development, including in the real estate market, both in the new market and the market to replace old damaged products, and in terms of infrastructure that is the main fundamental factor in the public road section. The growth trend of the lighting industry is dependent on many factors, mainly important commodity price factors, especially steel price, copper price, plastic price and semiconductor product price (LED products). Growth factors of the real estate industry and factors of economic expansion of Thailand, including political factors, socioeconomic factors as well as important events that affect travel and the daily life of the people until the economy or projects, both public and private, have slowed down.

In 2020 and 2021, the number of products imported from Thailand tends to decrease due to the economic situation in the country caused from the COVID-19 pandemic situation which has slowed down both public and private projects. Several large construction camps have been closed. In addition, the economic situation tends to slow down clearly. As a result, the consumption of lighting products has decreased although in the second half of 2021, there is the increase in value from higher commodity prices due to rising prices of major commodities, including steel price, copper price and petrochemical price, which is the main raw material of lamps and light bulbs. Please refer to the annual information sheet for more details on the topic of electrical industry and accessories and competitive conditions including the topic of risk factors in the company's business operations.

Future Trend of Business of Electricity Generation from Renewable Energy

Renewable energy industry is an industry promoted by the government because of the low proportion of renewable energy in Thailand. This industry has a tendency to significantly increase because the proportion of renewable energy tends to increase by 18,696 megawatts according to the new renewable energy development plan 2018 - 2037

(AEDP 2018 Revision 1)*, and greater than 1,183 megawatts of explicitly supported energy within 2037. This is especially for biogas power plants from energy plants. According to the community power plant project for the basic economy, this is one of the main policies of the government of Gen. Prayut Chan-ocha in distributing income to the

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

community. Thus, business of generating electricity from renewable energy from biogas is a business that has a tendency to expand continuously. Please study on more details in the annual registration statement

in the topic of industrial trends of renewable energy power producers and alternative energy including the topic of risk factors in the company's business operation.





4.3 Significant Financial Information

Account Auditors and Significant Accounting Policy

Report of the licensed auditors who have audited the financial statements of Teera-Mongkol Industry Public Company Limited between 2019 - 2021 can be summarized as follows.

Fiscal Round of the Financial Report	Account Auditor	Opinion in Report from Auditor
Fiscal Round of 12 Months, Ending on 31 st December 2019	Ms. Nong-ram Laoha-aridilok, a licensed account auditor whose license number is 4334 from AST Master Company Limited (listed as an approved account auditor by the Office of Securities and Exchange Commission)	Financial Statement of Teera-Mongkol Industry Public Company Limited and the subsidiaries shows the financial status as at Ending on 31 st December 2018, performance and cash flow for the same fiscal year, with the essences that are accurate and corrector in accordance with related financial reporting standard.
Fiscal Round of 12 Months, Ending on 31 st December 2020	Ms. Nong-ram Laoha-aridilok, a licensed account auditor whose license number is 4334 from AST Master Company Limited (listed as an approved account auditor by the Office of Securities and Exchange Commission)	Financial Statement of Teera-Mongkol Industry Public Company Limited and the subsidiaries shows the financial status as at Ending on 31 st December 2019, performance and cash flow for the same fiscal year, with the essences that are accurate and corrector in accordance with related financial reporting standard.
Fiscal Round of 12 Months, Ending on 31 st December 2021	Ms. Nong-ram Laoha-aridilok, a licensed account auditor whose license number is 4334 from AST Master Company Limited (listed as an approved account auditor by the Office of Securities and Exchange Commission)	Financial Statement of Teera-Mongkol Industry Public Company Limited and the subsidiaries shows the financial status as at Ending on 31 st December 2020, performance and cash flow for the same fiscal year, with the essences that are accurate and corrector in accordance with related financial reporting standard.

Conclusion of Financial Status and Performance

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

(Unit : Million Baht)

Concluded Financial Statements	Financial Statements ^{/1}					
	31 st December 2019		31 st December 2020		31 st December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and Cash Equivalent	8.05	1.90%	10.30	2.23%	11.93	1.90%
Account Receivables	115.26	27.18%	127.54	27.61%	140.79	22.47%
Inventory	89.33	21.07%	87.66	18.98%	99.03	15.80%
Right to Returned Goods	3.80	0.90%	2.73	0.59%	3.23	0.52%
Other Financial Current Assets	-	0.00%	-	0.00%	0.27	0.04%
Other Current Assets	0.82	0.19%	0.49	0.11%	0.71	0.11%
Total Current Assets	217.26	51.24%	228.71	49.52%	255.97	40.84%
Fixed Deposit with Obligation as Security	4.31	1.02%	4.53	0.98%	4.65	0.74%
Land, Buildings and Equipment	136.46	32.19%	156.77	33.94%	298.79	47.68%
Deposit for Property Purchase	2.80	0.66%	3.40	0.74%	-	-
Right to Use	-	0.00%	6.98	1.51%	4.96	0.79%
Right to Lease Land	1.60	0.38%	-	0.00%	-	-
Intangible Assets	0.12	0.03%	0.07	0.01%	0.05	0.01%
Right to Generate and Sell Electricity	41.91	9.89%	40.78	8.83%	39.66	6.33%
Goodwill	8.15	1.92%	8.15	1.76%	8.15	1.30%
Deferred Income Tax Asset	8.41	1.98%	10.01	2.17%	10.04	1.60%

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Concluded Financial Statements	Financial Statements ¹					
	31 st December 2019		31 st December 2020		31 st December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Other Non-current Assets	2.96	0.70%	2.48	0.54%	4.44	0.71%
Total Non-current Assets	206.73	48.76%	233.17	50.48%	370.74	59.16%
Total Assets	423.98	100.00%	461.89	100.00%	626.71	100.00%
Overdrawn Money and Short-term Loans from Financial Institutes	125.14	29.52%	136.21	29.49%	69.40	11.07%
Account Payables	28.21	6.65%	37.18	8.05%	58.78	9.38%
Other Payables	27.98	6.60%	26.69	5.78%	38.14	6.09%
Long-term Loans with One Year Payment Due Time	-	0.00%	2.02	0.44%	1.80	0.29%
Liabilities in Lease Contracts with One Year Payment Due Time	14.44	3.41%	12.80	2.77%	17.53	2.80%
Outstanding Income Tax	0.02	0.01%	0.01	0.00%	0.08	0.01%
Other Current Liabilities	-	0.00%	2.14	0.46%	0.29	0.05%
Estimated Return Payables	5.42	1.28%	3.90	0.84%	4.61	0.74%
Total Current Liabilities	201.23	47.46%	220.95	47.84%	190.63	30.42%
Long-term Loans	30.32	7.15%	17.53	3.79%	-	-
Liabilities in Lease Contracts	-	0.00%	3.80	0.82%	2.00	0.32%
Debentures	-	-	-	-	192.57	30.73%
Deferred Income Tax Payable	6.33	1.49%	5.62	1.22%	4.91	0.78%
Obligations of Employees' Benefits	5.97	1.41%	6.69	1.45%	7.44	1.19%
Estimated Cost of Building Abolishment	0.30	0.07%	0.30	0.06%	0.40	0.06%

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Concluded Financial Statements	Financial Statements ¹					
	31 st December 2019		31 st December 2020		31 st December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Non-liability Liability	42.92	10.12%	33.94	7.35%	207.32	33.08%
Total Liability	244.15	57.59%	254.88	55.18%	397.95	63.50%
Authorized Capital	167.86	39.59%	167.86	36.34%	167.86	26.78%
Issued and Paid-up Capital (Shares)	167.86	39.59%	167.86	36.34%	167.86	26.78%
Premium in Share	45.29	10.68%	45.29	9.81%	45.29	7.23%
Capital Gain from Change in Proportion of Shareholding in Subsidiaries	0.07	0.02%	0.07	0.01%	0.07	0.01%
Accumulated Profit						
Appropriated as Reserved Fund by Laws	10.51	2.48%	11.21	2.43%	11.21	1.79%
Accumulated Profit – Unappropriated	(43.73)	(10.31%)	(29.10)	(6.30%)	(28.55)	(4.56%)
Total Equity of Parental Company	180.00	42.45%	195.32	42.29%	195.87	31.25%
Stakes without Authority	(0.16)	(0.04%)	11.68	2.53%	32.88	5.25%
Total Shareholder's Equity	179.83	42.41%	207.01	44.82%	228.76	36.50%
Total Liability and Shareholder's Equity	423.98	100.00%	461.89	100.00%	626.71	100.00%

Profit-Loss Balance Sheet: Teera-Mongkol Industry Public Company Limited and Subsidiaries

(Unit : Million Baht)

Conclusion of Profit-Loss Balance Sheet	Financial Statements					
	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Income	347.49	88.65%	412.27	92.05%	451.57	93.25%
Electricity Sales Income	44.50	11.35%	35.59	7.95%	32.70	6.75%
Total Income from Sale and Electricity Sale	392.00	100.00%	447.86	100.00%	484.27	100.00%
Sales Cost	230.91	58.91%	266.20	59.44%	301.29	62.21%
Electricity Sales Cost	30.35	7.74%	27.72	6.19%	30.27	6.25%
Gross Profit	130.73	33.35%	153.94	34.37%	152.71	31.53%
Other Incomes	2.25	0.57%	1.63	0.36%	2.29	0.47%
Profit before Expense	132.99	33.93%	155.57	34.74%	155.00	32.01%
Distribution Cost	59.80	15.26%	64.96	14.50%	69.92	14.44%
Administrative Cost	74.36	18.97%	70.26	15.69%	76.63	15.82%
Total Sales and Administrative Cost	134.16	34.23%	135.22	30.19%	146.55	30.26%
Profit (Loss) before Financial Cost and Income Tax	(1.18)	(0.30%)	20.35	4.54%	8.45	1.75%
Financial Cost	9.69	2.47%	8.76	1.96%	11.46	2.37%
Profit (Loss) before Income Tax	(10.86)	(2.77%)	11.59	2.59%	(3.01)	(0.62%)
Expense (Income) of Income Tax	(2.29)	(0.58%)	(2.50)	(0.56%)	0.61	0.13%
Profit (Loss) for the Year	(8.58)	(2.19%)	14.09	3.15%	(2.40)	(0.49%)
Share of Profit (Loss) between the Company and Stakes without Authority	(8.38) (0.19)		14.39 (0.30)		0.55 (2.95)	

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

(Unit : Million Baht)

Cash Flow Statements	Financial Statements		
	2019	2020	2021
Profit (Loss) before Income Tax Expense/Income	(10.86)	11.59	(3.01)
Change of Net Profit Effects to Net Cash Earned from (Spent on) Executions			
Unrealized Loss (Profit) from Currency Exchange Rate	(0.37)	(4.53)	(0.25)
Depreciation and Amortization	17.00	19.56	20.99
Bad Debt and Doubtful Account	4.08	3.45	2.43
Allowance for Refund	(4.12)	0.52	(1.62)
Estimated Return Payables	5.89	(0.74)	2.32
Loss from Product Degradation	1.91	3.47	1.09
Amortization of the land	-	-	2.50
Loss (Profit) from Property Dispensation	0.07	0.05	(0.00)
Unrealized Loss from Derivatives	-	2.14	(2.12)
Employees' Benefits at Retirement	1.27	0.73	0.75
Interest Income	-	(0.01)	(0.28)
Interest Expense and Amortization of Allan Capital	9.85	8.75	11.46
Profit (Loss) from operation before Changes in Assets and Liabilities from Execution	24.72	44.99	34.26
(Increase) Decrease of Operation Assets			
Account Receivables and Other Receivables	8.87	(14.45)	(15.69)
Inventory	19.90	(1.81)	(12.46)
Right to Returned Goods	1.15	0.55	1.12
Other Current Assets	(0.38)	0.34	(0.23)
Other Non-current Assets	(0.82)	0.48	(1.96)
(Increase) Decrease of Operation Liabilities			
Account Payables and Other Payables	1.5	11.515	29.36
Estimated Refund Payables	(1.64)	(0.79)	(1.61)
Cash Earned (Paid) from Operations	53.29	40.84	32.80
Payment of Income Tax	(0.01)	(0.17)	(0.05)
Net Cash Earned from (Spent on) Operation	53.28	40.65	32.75
Fixed Deposit with Increasing Security	(3.38)	(0.21)	(0.12)
Cash Deposit for Property Purchase	1.70	(0.60)	0.90
Cash for Business Merger	(28.00)	-	-
Cash as at Day of Purchase of Subsidiary	0.44	-	-

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Cash Flow Statements	Financial Statements		
	2019	2020	2021
Cash Receivable from Investment in Subsidiaries	0.10	-	-
Cash from Equipment Sale	0.00	0.21	0.00
Cash Paid to Buy Land, Buildings and Equipment	(15.13)	(25.47)	(131.55)
Cash Paid to Buy Right of Use	-	(0.81)	
Cash Paid to Buy Computer Program	(0.14)	-	(0.04)
Interest Receivable			0.28
Net Cash Spent on Investment	(44.40)	(26.89)	130.52
Increase (Decrease) of Overdrawn Money and Short-term Loans from Financial Institutes	(32.01)	12.89	(66.89)
Payment of Debts from Financial Lease	-	(1.45)	(2.02)
Cash Payable for Long-term Loans from Financial Institutes	(1.55)	-	-
Receivable from Long-term Loans from Financial Institutes	50.00	-	-
Payable for Long-term Loans from Financial Institutes	(12.33)	(14.85)	(13.20)
Payment of Interest	(9.66)	(8.53)	(9.85)
Cash Paid as Dividend	(0.05)	-	-
Cash Receivable from Shares of Stakes without Authority	-	0.42	-
Cash Receivable from Debentures	-	-	198.40
Cash Spent on Issuance of Debentures	-	-	(7.04)
Net Cash Obtained (Spent on) Fund Raising Activity	(5.60)	(11.52)	99.40
Cash and Cash Equivalent Increase (Decrease) – Net	3.28	2.25	1.63
Cash and Cash Equivalent as at the Beginning of the Year	4.77	8.05	10.30
Cash and Cash Equivalent as at the End of the Year	8.05	10.30	11.93

Significant Financial Ratio

Significant Financial Ratio	2019	2020	2021
LIQUIDITY RATIO			
Liquidity Ratio (Times)	1.08	1.04	1.34
Quick Liquidity Ratio (Times)	0.61	0.62	0.80
Cash Flow Ratio (Times)	0.21	0.15	0.10
Receivable Turnover Ratio (Times)	3.21	3.64	3.69
Average Debt Collection Period (Days)	113.54	100	99
Inventory Turnover Ratio (Times)	2.52	3.11	3.55
Average Sales Period (Days)	144.94	117	103
Payable Turnover Ratio (Times)	8.04	8.14	6.28
Debt Payment Period (Days)	45.41	45	58
CASH CYCLE (Days)	213.08	173	144
PROFITABILITY RATIO			
Gross Profit Ratio (%)	33.35%	34.37%	31.53%
Operation Profit Ratio (%)	-0.30%	4.54%	1.75%
Net Profit Ratio (%)	-2.13%	3.20%	0.11%
Return on Equity Rate (%)	-4.53%	7.67%	0.28%
EFFICIENCY RATIO			
Return on Asset Rate (%)	-1.98%	3.25%	0.10%
Return on Fixed Asset Rate (%)	6.64%	17.65%	7.86%
Asset Turnover Rate (Times)	0.93	1.01	0.89
FINANCIAL POLICY RATIO			
Liability per Shareholder's Equity Ratio (Times)	1.36	1.23	1.74
Interest Payment Capability Ratio (Times)	1.63	4.72	2.57

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Significant Financial Ratio	2019	2020	2021
Interest Bearing Debt to EBITDA Ratio (Times)	10.74	4.17	9.62
Obligation Payment Capability Ratio (Cash Basis)	0.11	0.27	0.33
Dividend Payment Rate (%)	-	-	-



General Information and Other Significant Information

5.1 General Information

Company Name in Thai Language:	บริษัท ธีระมงคล อุตสาหกรรม จำกัด (มหาชน)
Company Name in English Language:	Teera – Mongkol Industry Public Company Limited (TMI)
Registration Number of the Company:	0107552000189
Nature of Business :	Designing, Manufacturing and Distributing Lighting Product and Generation of Electricity from Renewable Energy
Headquarters Location :	46/67-69 Mangmi Sap Lane, Village 3, Liap Khlong Si Wa Pha Sawat Road, Khok Krabue Sub-district, Mueang District, Samut Sakhon Province 74000
Locations of Office Branches :	<p><u>Branch 1:</u> 260/2 Charoen Nakhon Road, Sam Rae Sub-district, Thonburi District, Bangkok 10600 This branch is the office of the general administrative department and warehouse</p> <p><u>Branch 2:</u> 9/20 Mangmi Sap Lane Village 5, Liap Khlong Si Wa Pha Sawat Road, Khok Krabue Sub-district, Mueang District, Samut Sakhon Province 74000 This branch is the production plant.</p>
Telephone Numbers :	0-2877-9510, 034-854629
Fax Numbers :	0-2877-9522-23, 034-854630
HomePage :	www.thaiballast.com
Paid-up Capital :	167,860,222.50 Baht (One Hundred Sixty-Seven Million, Eight Hundred Sixty Thousand, Two Hundred and Twenty-Two Baht, and Fifty Satang)
Par Value :	0.25 Baht (Twenty-Five Satang)

ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Security Registrar

Name of Security Registrar : Thailand Securities Depository Co., Ltd. (TSD)

Location : 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400

Telephone Number : +66-2009-9000

Account Auditor

Name of Account Auditor: AST Master Company Limited
 Ms. Nong-ram Laoha-aridilok or Mr. Pradit Rotloithuk or
 Mrs. Phonthip Loetthanongsak

Location : 790/12 Thonglor Tower, Thonglor 18 Lane, Sukhumvit 55 Road,
 Khlong Ton Nuea Sub-district, Watthana District, Bangkok 10110

Telephone Numbers : +66-2714-8842-3, +66-2185-0342

Fax Number : +66-2185-0225





5.2 Legal Conflict

-None-





5.3 Minor Market

-None-





5.4 Regularly Contacted Financial Institutes

Financial institutes that the company regularly contacts are as follows:

1. Bangkok Bank Public Company Limited : Bukkhalo Branch, 32 Mahai Sub-district, Thonburi District, Bangkok 10600
2. Kasikorn Bank Public Company Limited : Riverside Plaza Charoen Nakhon Branch, 257/6 Village 3, Riverside Plaza Charoen Nakhon Building, Charoen Nakhon Road, Sam Rae Sub-district, Thonburi District, Bangkok 10600
3. Siam Commercial Bank Public Company Limited : Bang Khlo Branch, 479 Floor 2, Rama 3 Road, Bang Khlo Sub-district, Bang Kho Laem District, Bangkok 10120



Section 2

Corporate Governance



Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Guidelines

The Company focuses on and adheres to good governance guidelines that the Stock Exchange of Thailand (SET) has set in order that the business administrative is transparent, fair and reliable too all stakeholders. The Company has set good governance policy through business ethics as guidelines for all Directors, executives and employees.

6.1.1 Policy and Guidelines for the Board of Directors

Responsibilities of the Board of Directors

The Board of Directors of the Company takes into account the importance of good governance policy by defining it as a policy for the Company's business operations to be transparent and accountable in order to increase investor confidence. The Company will disclose the information to the public and shareholders on the regular basis. In addition, the Company also appreciates the importance to the internal control and audit system. As for risk management, the Company will try to control and manage risks closely and also take into account the ethical issues in business by maintaining fairness to business partners, shareholders and all groups of stakeholders.

The Board of Directors has leadership, vision, and independence in making decisions for the best interests of the Company and its shareholders collectively by providing a system for clearly separating roles and responsibilities between the Board of Directors and the management, as well as ensuring that the Company has a work system whereby the Company's activities are carried out in a legal and ethical manner in order to

comply with the principles of good governance. The Board of Directors has supervised at least the following matters:

- To set vision, missions, goals, business plans and budget of the Company;
- To supervise and monitor the performance of the management regularly to be make sure that things are in accordance with the plan to achieve the goals set;
- To ensure that there is an adequate internal control system and regular follow-up; and AST Master Company Limited, the Company's auditor, has assessed and reviewed the Company's internal control system in the annual audit and has not found any major flaws in the system;
- To ensure that appropriate risk management measures are in place and followed up regularly for the Company to get the most benefit; and
- To encourage the Directors of the Company to receive training from the Thai Institute of Directors (IOD).

Section 2: Corporate Governance

Structure of Board of Directors

1. The Board of Directors has determined the number of Directors and the composition of the Board of Directors by requesting approval from the quorum in a shareholder meeting. The members consist of 4 Independent Directors out of the total 8 Directors, representing no less than a half of the total number of Directors. The Board of Directors has appointed 3 members Audit Committee, and another member to replace the Director who did not wish to hold the position for another term on 23rd April 2021. Each member of the board has a term of office of 3 years to assist the governance of the Company. The board will hold a regular board meeting at least once a quarter and will hold an extraordinary meeting in case of any urgent agenda.
2. Each Director of the Board hold his/her position for 3 years per term.
3. The Board of Directors has carefully considered the appropriateness of the Independent Directors' qualifications, as well as focusing diversity in the board structure (Board Diversity). The current Board of Directors is diverse in various aspects such as genders and specializations.
4. The Company has the Secretary* who is responsible for providing legal and regulatory advice that the Board must know and perform duties in overseeing the activities of the Board including coordinating to ensure compliance with the Board's resolutions and taking other actions as announced by the Capital Market Supervisory Board.
5. In case where the chairman and the Managing Director is the same person, the Company will balance the powers of Directors and each committee and clearly review for transparency and systematic operations for good management. The Chairperson of the Board focuses on

understanding of good governance principles, cooperation in the investigation, and balance in the organization among the Board of Directors, committees and all sub-committees. The Company has set the criteria and procedures concerning consideration process, power of approval, and power of operations of Managing Director, Executive Director, Board of Directors, Executive Committee, Audit Committee, sub-committees, Executive Chairman and Chairman of the Board, which has clearly set the scope of the authority in writing. Therefore, it is believed that even though the Chairperson of the Board and the Managing Director is the same person, there will be no problem in having unlimited power at all. This will result in the Company because everyone is capable of separating the power of Board of Director and administrative power apart from each other.

6. In 2021, the Company has 8 Directors of the Board in total, 4 of which are Independent Directors and other 4 are Directors. From all the Directors of the Board, 3 Independent Directors are Audit Committee members and the other Independent Director did not wish to hold the position of the Audit Committee for another term. The entire Audit Committee will hold the position for another term, with the Chairperson of the Board setting administrative policy, business goals and administrative guidelines to be approved by the Board of Directors.
7. The Board of Directors has set that each appointed Director can hold the position of Director of no more than 5 listed companies (for each term).

* The Secretary of the Company is Miss Julaiwan Duandkota, who has passed the 110/2020 Company Secretary Program from Thai Institute of Directors (IOD), and has assumed the Secretary position since 13th November 2020.

Section 2: Corporate Governance

Roles, Duties and Responsibilities of the Board of Directors

- . The Board of Directors is responsible for considering and giving approval on important matters related to the Company's operations, such as, vision, business plan, mission, strategy, financial goals, risks, plans and budgets, at the first Board Meeting in January of each year. The Board of Directors is responsible for supervising, controlling, and ensuring the management to operate in accordance with the policies and plans set out in an efficient and effective manner.
- . The Board of Directors has established a written governance policy and approved the said policy, which will be reviewed regularly, at least once a year.
- . The Board of Directors has provided written business ethics (Code of Conduct) in order that all Directors, executives and employees will understand the ethical standards the Company uses in its business operations, and will seriously monitor the implementation of the Code of Conduct.
- . The Board will carefully consider conflicts of interest. The policy on conflicts of interest has been established with the main focus on the Company's best interests as the most important issue. In addition, all personnel in all levels are responsible for avoidance of financial involvement and/or relationship with any third party that cause the Company to lose any benefit or to experience any conflict. Any of the personnel that involves in or is related to any incident to be considered must notify his/her involvement or relationship and must not participate in any relating consideration or decision making, and cannot make approval for such transactions.
- 5. The Board has set up systems to control operations, financial reporting and compliance with rules and policies by assigning individuals or agencies to be independent in performing their duties, responsible for monitoring the control systems. The systems will be reviewed at least once a year.
- 6. The Board of Directors stipulates that all Directors appointed must attend no less than 75% of the all the meetings in a year. The voting in each and every meeting must be done by a quorum of at least two-thirds of the total number of Directors.
- 7. The Board requires all appointed Directors to report the holding and trading of the securities of the Company by each Director, and their spouse and minor children to the Board of Directors in each and every meeting.

The Board of Directors Meeting

The Company has set that there must be at least a Board Meeting every 3 months. Special meetings are added as needed with a clear agenda set in advance and to be followed up on operating results. The invitation letter, together with the meeting agenda and pre-meeting documents, shall be delivered 7 days in advance of the meeting date to allow the Board of Directors to have sufficient time

to study on the information before attending the meeting. In each Board Meeting, Directors express their opinions openly and freely. The meeting minute is recorded in writing and has to be approved by the Board of Directors so that Directors and related persons can examined. Each Board Meeting takes approximately 2 - 3 hours.

Section 2: Corporate Governance

Statistic of Attendance to the Board Meeting by Each Director of the Board in 2021 (as at 31st December 2021)

Director of the Board		Times of Attendance
1. Dr. Thanu	Kulachol	6/6
2. Mr. Theerachai	Prasitrattanakorn	6/6
3. Mr. Theerayut	Prasitrattanakorn	6/6
4. Mr. Teeraphong	Prasitrattanakorn	6/6
5. Dr. Theerasak	Prasitrattanakorn	6/6
6. Dr. Srisuda	Chongsithiphol	4/4 ¹
7. Mrs. Chollada	Isarangkura Na Ayudhya	6/6
8. Mr. Aphichart Chankiatkong		6/6

Note: /1 Dr. Srisuda Chongsithiphol has been appointed Chairperson of Audit Committee and Independent Director in the Annual Shareholder Meeting of 2021, on 23rd April 2021, and has attended the meeting for the first time on 14th May 2021.

Self-assessment of Director of the Board

The Board of Directors will arrange self-assessment and evaluation of Board of Directors in 2 types, namely, evaluation of the entire Board of Directors and self-assessment to enable the Directors to review performances, problems and obstacles in the past year, and to use the assessment results to analyze the performance of the Directors by bringing suggestions for improvement and further development of operations. The company has set an evaluation of Board of Directors and a self-assessment once a year and to have the assessment results certified by the

Chairperson of the Board of Directors, for both the Board of Directors, and each Director has to sign the results from the self-assessment. The issues for the evaluation are as follows:

- Structure and Auality of Biard of Directors;
- Roles and Responsibilities of Board of Directors;
- Board Meeting;
- Responsibilities of Board of Directors;
- Affairs of Board of Directors; and
- Self-development, and Development of the Executives.

Evaluation of Performance of Managing Director

The Board of Directors sets an evaluation of the performance of the Managing Director of the Company so that the Board of Directors will be informed of the Company's operating results to be used in the evaluation of the Managing Director's performance and the results of the Managing Director evaluation can be used for determining the

remuneration rate for the Managing Director in both short run and long run. Managing Director's Performance Evaluation is held once a year and is endorsed by the Board of Directors which will certificate the annual performance. The secretary department will file the results of the Managing Director's performance evaluation.

Section 2: Corporate Governance

Remuneration for Directors and Executives

The Company has set a clear and transparent policy on remuneration for Directors. The remuneration is at the same level as those in the same industry, and is high enough to attract and retain Directors with quality as required by the Company. The Directors' remuneration is in accordance with the resolution that has been

approved by the shareholder meeting. The details of remuneration for Directors and executives have been disclosed in Item 7, Corporate Governance Structure on Information of Management, and Item 8, Report on Key Performance of Corporate Governance, and Allowance for Meeting Attendance and Remuneration of Individual Director.

Development of Directors of the Board and Executives

The company has established guidelines for the development of Directors and executives as follows:

1. The Board of Directors will promote and facilitate training and knowledge to those involved in the Company's administrative system, such as Directors, audit committees, and executives, in order to continually improve their performance, training and educating by organizing in-house training courses, of sending them to attend external training courses as deemed appropriate.
2. Every time there is a change of a new Director, the management will provide documents and information that are useful for the performance of the new Director's duties, including the provision an introduction to the nature of the business and the Company's business conduct guidelines for new Director (Orientation for a new Director).
3. The Board of Directors will require the Managing Director to report regularly on the development and succession plans. The Managing Director and senior executives will prepare continuity plans for the successors in case they are unable to perform their duties.
4. The committee will set up projects for executive development by having the Managing Director report annually on what have been carried out during the year and consider the succession plans simultaneously.



6.1.2 Policy and Guidelines for Shareholders and Stakeholders

The Company has established policies and guidelines concerning shareholders and stakeholders with the focus on equality, fairness, transparency and accountability as well as responsibility towards stakeholders, society and environment according to international standards, rules, regulations and laws related. The details are as follows.

Rights of Shareholders

The Company will give equal importance to the rights of all shareholders by taking into account the rights of shareholders that are not limited to the rights that are stipulated by law only, which has guidelines as follows:

- ▶ The company will ensure that information on the date, time, location and agenda of a meeting is provided, as well as all information relating to matters to be decided at the meeting to shareholders in advance, and in sufficient and timely manner. The Company will deliver meeting invitation letter, together with the information supporting the meeting agenda to shareholders at least 14 days in advance of the meeting date, which is in accordance with the Company's Articles of Association or 7 days, depending on the agenda to be considered and/or in accordance with the law by specifying that each agenda contains the opinions of the Board of Directors including meeting minutes for the shareholders to examine accurately and completely.
 - ▶ The company will inform shareholders of the rules and regulations concerning the meeting including voting procedure, and disseminate such information on the Company's website in advance prior to submission of documents. To give shareholders an opportunity to have enough time to learn about the information supporting the meeting in advance before receiving the information in the form of documents from the company.
 - ▶ The company will enable the shareholders to exercise their rights to attend the meeting and vote in full, including refraining from taking any action that may limit the opportunity of the shareholders to attend the meeting.
 - In a shareholder meeting, the Company will allocate appropriate time and encourage shareholders to have the opportunity to express their opinions and ask questions on matters related to the Company.
 - The company will regularly inform shareholders of the progress from the operation. The shareholders will be informed directly via the Company's website, or through the Stock Exchange of Thailand
 - The Company will inform shareholders of the progress of the operations regularly. The shareholders will be informed directly via the Company's website or through the Stock Exchange of Thailand.
 - The company has established a channel for investor relations so that shareholders can directly communicate with the Company via <IR@thaiballast.com> e-mail or telephone number of +66-2887-9510 Ext. 350.
- Furthermore, the Company has also given the opportunity for all shareholders to participate in

Section 2: Corporate Governance

proposing the agenda to the general meeting and propose a list of persons to be selected as the Company's Directors, including submitting questions in advance via the website <http://www.thaiballast.com> of the Company annually. In 2021, the Company has announced on its website from 20th September 2021 to 30th December 2021 (102 days). It appears that there are no shareholders proposing the agenda of the 2022 Annual Meeting of Shareholders, including the submission of questions in advance or nomination of any person to be selected as the Company's Director.

For the Annual Meeting in 2021, due to the epidemic situation of the corona virus 2019 (COVID-19), which is a severe communicable disease according to the Communicable Disease Act B.E. 2558 (A.D. 2015), together with the more serious epidemic situation during April 2021, the Company held an Annual Meeting of Shareholders at Park Village Rama 2 Hotel, Samae Dam Sub-district, Bang Khun Thian District, Bangkok. The Company has determined measures to arrange the meeting in accordance with the COVID-19 situation and the regulations issued in accordance with Section 9 of the Emergency Decree on Government Administration in Emergency Situations B.E. 2548 (A.D. 2005) (Revision 20) as follows:

- ▶ In case of shareholders who are in risk groups, such as those who are in close contact with persons who have been confirmed as COVID-19 patients or who have a fever, or have symptoms that may be suspected of being infected with COVID-19, the Company has requested cooperation with the Department of Disease Control, Ministry of Public Health, by not attending the meeting at all. However, shareholders who are in the risk group can appoint Independent Directors of the Company

to represent them.

- In the event that the shareholders attend the meeting, the Company will set up a screening point at the area in front of the meeting place with measures to reduce the density of the shareholders at the meeting venue as follows:
 - Requesting cooperation from all shareholders attending the Annual Meeting to answer the self-screening questionnaire to assess the risks to exposure to the COVID-19 virus;
 - The queues at the screening point, document check point or registration point must have a distance of at least 1 meter among people;
 - Seating charts at all meeting venues will be spaced 1 meter per 1 seat;
 - The hotel has carried out disinfection and cleaning of the meeting place before the meeting starts with spray and alcohol gel;
 - The Company has asked all attendants to prepare masks to the meeting and required attendants to wear masks at all times during the meeting;
 - The Company asks for cooperation from all attendants in avoiding eating together in the meeting area; and
 - The Company asks for cooperation from all attendants in writing the questions on the provided paper to reduce the use of microphone.
 - The Company asks for cooperation from all attendants in writing the questions on the provided paper to reduce the use of microphone.

In addition, the Company has hired Quilab Co., Ltd., which is a company with experience in providing

Section 2: Corporate Governance

attendants' vote counting services to collect the votes, calculate the votes and check the vote counting for each agenda of the Annual Meeting of

Shareholders for the year 2021, as well as having a legal advisor from Legal Solution Co., Ltd. to observe the vote counting.

Fair Treats to All Shareholders

All shareholders, both executive shareholders and non-executive ones, will be treated fairly and equally, and the Company will build confidence to shareholders that the Board of Directors and the management team will ensure proper use of shareholders' money by establishing the guidelines on the treats of shareholders for protecting fundamental rights equally.

The Company has organized the shareholder meetings in a manner that encourages equal treats of all shareholders. It also gives the opportunity for minority shareholders to nominate a person to be a Director in advance in a reasonable timeframe and also enables shareholders who are unable to attend the meeting by themselves to exercise the right to vote by authorizing another person to attend the meeting and vote on his/her behalf. The Company will nominate at least 1 Independent Director as an alternative to the proxy of the shareholders as well.

The Company has preventive measures in case Directors and executives use inside information for their own or others' benefits by stipulating written guidelines and sharing such guidelines for everyone in the organization to follow. As for the policy and methods for monitoring the use of inside information for personal benefits, the Company assigns the Board of Directors to take care and judge the cases where Directors and/or executives use inside information for personal gain and assign the Chief Executive Officer to consider the punishment measures in accordance with the resolutions of the Board of Meeting if an employee of the Company commits such an offense.

Directors and executives will disclose information about their interests and related parties so that the Board of Directors can consider the

transactions of the Company that may have conflicts of interest, and can make decisions for the benefit of the Company as a whole. However, Directors and executives who have interests in transactions with the Company will not take part in the decision-making on such transactions.

In order to prevent conflicts of interest, the Board of Directors has established policies and procedures to prevent executives and related persons from using the Company's inside information for their own benefit as follows.

- Conflict of Interest Report - Must be approved by the Board of Directors and the Audit Committee must agree with the connected transactions. The approval of entering into such connected transactions focuses on the best interests of the Company, fairness, reasonableness of the transactions and the compliance with conditions and market prices. There may be conflicts of interest among stakeholders. The stakeholders with conflicts of interest will not be able to participate in the approval of the transactions for fairness and for the best interest of the Company, as the regulations, notifications, orders, requirements or rules of the Stock Exchange of Thailand, and the regulations of the Stock Exchange of Thailand.

Section 2: Corporate Governance

The Use of Inside Information - Directors, executives and minor, including their spouses and underage children, as well as related persons under Section 258 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) of such persons, are prohibited from using internal

- information that has not been disclosed for sale, purchase and transfer receipt of the securities of the Company for the period of 15 days before the presentation of financial statements to the SEC or before the information is disclosed to the public.

Roles of Stakeholders

Stakeholders will be treated by the Company in accordance with the rights by the applicable laws. The company will not do anything that violates the rights of stakeholders under the law or in the agreements with the Company. The Board of Directors has considered a process to promote cooperation between the Company and its stakeholders to create wealth, financial stability and sustainability of the business as follows:

- ▶ The Company will treat employees equally and fairly, and provide reasonable returns;
- ▶ The purchase of goods and services from business partners subjects to commercial terms, including contracts with partners;
- ▶ Concerning the loan, the actions must be in accordance with the terms of the loan agreement;

- ▶ Caring and having responsibility to customers in terms of product quality and good service standards;
- ▶ Compliance with the rules of good competition and avoidance of dishonest methods to destroy competitors; and
- ▶ Responsible to the environment of the community and society.

In addition, the Board of Directors has established a mechanism for stakeholder participation for enhancing the Company performances to create sustainable stability for the business and disclose important information to stakeholders in the sufficient manner, so that everyone can have efficient participation.

Information Disclosure and Transparency

The Board will ensure that the Company discloses important information related to the Company, both financial information and non-financial one that is accurate, complete, timely and transparent through the Company's website. which various information such as financial reports, information about the Board of Director's performances in previous years, Corporate Governance Policy, policies on environment and

social services and compliance with various policies.

The Company ensures that the quality of financial reports is accurate in accordance with generally accepted accounting standards and has been audited by an auditor qualified by the Securities and Exchange Commission.

In addition, measures have been put in place for the reporting to the Board of Director in

Section 2: Corporate Governance

in cases of illegal activities, financial report accuracy, defective internal control system or unethical behavior, with the guidelines as follows:

In addition to the dissemination of information according to the specified criteria and through the channels of the Stock Exchange of Thailand through the annual report (One Report), the Board of Directors will arrange for the disclosure of such information via the Company's website, which will be updated regularly.

The Board will report a summary of the Corporate Governance Policy that has

been approved, and the results of the implementation of the said policy through the annual report and company website;

- The Board will ensure that the roles and duties of the Board of Directors are disclosed;
- Times of meetings and the times of attendance to the meetings by each Director in the past year; and
- The Board will disclose the policy of remuneration for Directors and senior executive reflecting the duties and responsibilities of each Director.





6.2 Business Code of Conduct

The company has established Business Code of Conduct for Directors, executives and employees at all levels to adhere to as guidelines for practicing and running business comprehensively and in accordance with ethical principles, human rights principles and legal principles by respecting the rights and treating stakeholders equally, fairly and verifiably, which are detailed as follows.

Business Code of Conduct

Respect for Law and Human Rights

Principles

The Company respects the laws, culture, customs, traditions and universal human rights principles in all areas in which it operates its business by following and not violating such rules and principles.

Political Sector Support

The Company is a politically neutral organization and supports any action in accordance with the democracy with the King as Head of State and governance in that country that the Company enters and does business. The Company encourages Directors, executives and employees to exercise their political rights in accordance with the law in order that the Company can operate its business without political and public pressure.

Conflicts of Interest

The Company requires Directors, executives and employees to take any action by taking the interests of the Company as the most important issue and not involved in activities that may cause conflicts of interest.

Confidentiality and Use of Internal

Information

The Company will keep confidential information from being leaked to unrelated parties.

In particular, information that may have an impact on the company or its stakeholders.

The Company prohibits Directors, executives and employees from using inside information for the benefit of themselves or others in order to ensure justice and equality among stakeholders.

Customer Treats

The Company takes into account the highest satisfaction of customers and focuses on providing customers with good quality products and services for fair prices, and having responsibility to customers.

Treats to Competitors

The Company has a policy to conduct business fairly, not to distort information, not to deceive or not to use any other method that is not correct for the competition. Sometimes the Company needs to cooperate with its competitors. Such cooperation must be transparent. There is no concealment of unlawful agreements.

Treats to Shareholders

The Company is committed to doing business with integrity and ethics, and decides to take any action with fairness, and is committed to building growth on true potential, with respect to the right of shareholders in attaining necessary

Section 2: Corporate Governance

information and treating all shareholders equally.

Procurement and Treats to Business

Partners

The Company considers all contractors, Partners/Sellers, and co-investors as important aspects that allow the Company's business to sustain.

Therefore, the Company has a policy to treat each other as equal business partners. The Company's procurement is based on equal competition, fair competition and for the Company's best interests. The Company makes written agreements and respects such agreements. Directors of the Board, executives and employees adhere to the principle of not receiving benefits from procurement activities.

Responsibility to the Community and Society

The company is aware of the roles and duties of being a good member of the society by focusing on participation and building good relationships between the Company and the society on the bases of accuracy, transparency and fairness to create a body of knowledge leading to sustainable social development under the corporate social responsibility concept of "Adherence to the philosophy of sufficiency economy as a management guideline" which is an important foundation that leads to development that is beneficial to the community and the society, as well as preserving culture and environment to remain sustainable.

Treats to Directors, Executives and Employees

(1) The Company treats the Directors, executives and employees on the basis of human dignity and respect for individual rights.

(2) The Company values the employees by encouraging Directors, executives and employees to develop knowledge, abilities and morality, and behave appropriately for the benefit of the Company mainly, as

well as providing opportunities for executives and employees to participate in external activities within the scope of the Company's policy.

(3) The Company provides a safe working environment and treats all employees equally, without discriminate against national origins, races, sexes, ages, skin complexion, religions, disability or any other status not related to work performance.

(4) The Company provides fair employment conditions with reasonable compensation based on knowledge, ability, responsibility and performance of each employee so that each employee will have the career path fairly. The Company also monitors to prevent harassment or intimidation among employees or those related to the company.

(5) The Company promotes the participation of employees in determining the direction of working and solving the problems of the Company. The opinions and suggestions from employees at all levels are received equally and equitably.

(6) The Company will maintain personal information of Directors, executives and employees, such as biographies, health records, work histories or other personal information. The disclosure or transfer of personal information of Directors, executives and employees to the public can only be carried out with the approval of the Directors, executives and employees, unless done in accordance with the company regulations or the law.

Internal Control and Audit

(1) The Company is aware of the importance of internal control and audits that are effective, accurate and reliable.

(2) The Company has set up a supervisory policy to have a good internal control system, with appropriate level of risk management and regularly monitor and evaluate in accordance with international standards and regulations of the State Audit

Section 2: Corporate Governance

Commission, which is based on effective operation and follow-up manage risks, appropriate, complete and accurate accounting and financial reporting according to regulations, and strives to be have efficient audit, under the supervision and review by Audit Committee. Directors, executive and employees place importance on internal control and audit.

Safety, Hygiene and Environment

(1) The Company operates its business without causing any impact on safety, security, occupational health and environment, and has established an international management system. Directors, executives and employees pay attention to and strictly comply with the laws, policies, standards and requirements on safety, security, occupational health and environment of the Company in each area in which the Company operates its business.

(2) The Company supports the opportunity for communities and stakeholders to participate in sharing opinions for various projects that may affect the community including supporting the use of natural resources, materials or equipment efficiently and effectively.

Ethics of Directors, Executives and Employees

Respect to Laws and Human Rights

Principles

Directors, executives and employees comply with regulations, rules and orders, as well as laws and international human rights principles related to the Company's business.

Guidelines

(1) Directors, executives and employees must read and understand the regulations, rules, orders and laws related to the Company's business

Intellectual Property Assets and Use of Information Technology and Telecommunications Systems

(1) The Company has the duty and responsibility to use the Company's assets to their fullest benefit and to prevent them from being lost or used for personal or for other people's benefit.

(2) The Company encourages Directors, executives and employees to study and research on products, services and knowledge related to the Company's missions in order to operate the business smoothly and achieve the visions of the Company.

(3) The Company provides information and communication technology for use in its business operations, which Directors, executives and employees must use correctly and effectively, with the compliance with law and policies regarding to information and communication technology for the best interest of the Company.

In addition, the Company is careful to use the intellectual property of others by respecting the copyright of the intellectual property owner.

operations.

(2) Directors, executives and employees must respect the rights of stakeholders equally without violating individual rights, including respect for honor and dignity, without the discrimination of educations, ranks, races, nationalities, religions and sexes.

(3) Directors, executives and employees must perform their duties with honesty, taking into account their duties, with honesty and legitimate interests of the Company although there are gaps in

Section 2: Corporate Governance

law or gaps in the rules, regulations and orders of the Company.

Political Sector Support

Directors, executives and employees at all levels have the right to freedom in the exercise of political rights, and are able to participate in political activities under the provisions of the Constitution.

Guidelines

(1) Directors, executives and employees should avoid the role as a political party committee member, representing political parties in various public events, or a member of a local government organization, or do not show up in any way that makes others understand that they support any political party or take any political side.

(2) Directors, executives and employees must not use the employee status or bring any assets, equipment or tools of the company to be used for the benefit of any political action.

(3) Directors, executives and employees should avoid expressing political opinions in the workplace or during work hours that may cause conflicts of opinions.

Conflicts of Interest

Any decision and action about the company's business of the Director, executives and employees must be for the best interest of the Company without the influence of personal, family or close personal needs.

Guidelines

(1) Directors, executives and employees should protect the interests of the Company without doing anything that will cause the Company to lose benefits, and will not obstruct the benefits of the company for personal benefits or customers,

(2) Directors, executives and employees

must not receive any money or benefits personally from customers Company, partners or from any person due to working in the name of the Company.

(3) Any action by Directors, executives and employees must not affect the performance of duties and working hours of the company.

(4) Directors, executives and employees must not become partners or shareholders with decision-making powers or be Directors or executives in businesses that compete with or have the same nature as the company. However, in the event that it cannot be avoided, such a status should be reported to the supervisor immediately; and in the where Directors, executives and employees are involved in any business or event that may have a conflict of interest, they have to report to the supervisor immediately.

(5) Directors, executives and employees should not seek for benefits for themselves and their related parties by using any information of the Company which has not been disclosed to the public, and should not take any action in a manner that may cause a conflict of interest with the Company.

(6) Doing any business with the Company as an individual, family or a juristic person in which any Director, executive or employee is a stakeholder requires the Director, executive or employee to disclose his/her stakes to the Company before having the transaction.

(7) Directors, executives and employees with conflict of interest are prohibited from making any agreement to have any transaction or to act on behalf of the Company.

(8) A person making a transaction on behalf of the Company has a duty to examine the relationship of the business partner whether it is related to any Director, executive or employee or not before doing the transaction to prevent any conflict of interest that may occur

Section 2: Corporate Governance

Confidentiality and Use of Internal Information

Directors, executives and employees must keep the information of the Company and customers confidential, without disclosing information or news of the Company that should not be disclosed and not giving any news or information that the person with the authority to give orders has not yet authorized.

Guidelines

(1) Directors, executives and employees should not disclose information of the Company and customers without permission from the Board of Directors or managers or assigned persons, unless it is information that must be disclosed to third parties as per regulations of the law

(2) Directors, executives and employees make copies, facsimile or store data appropriately and securely to prevent unauthorized people from accessing such information or secrets.

(3) Directors, executives and employees must avoid talking about confidentiality in public places.

Customer Treats

Directors, executives and employees must give importance and care to customers by ensuring that customers will receive good quality products and services for fair prices, which will result in customer satisfaction.

Guidelines

(1) Directors, executives and employees must deliver good quality products and services as the standards set by Thai Industrial Standards Institute and international standards for customers and users of the Company.

(2) Directors, executives and employees must monitor and evaluate products and services to

customers, and apply the results to the improvement of the service.

(3) Directors, executives and employees should be sincere and keep promises to customers, and does not create hope for customers that the Company cannot fulfill.

(4) Directors, executives and employees must comply with various conditions strictly with customers. If they are unable to comply with any of the conditions, they should promptly notify customers in order to create the highest satisfaction.

(5) Directors, executives and employees are serving customers with willingness and courtesy, by suggesting useful information to customers as they need or when they have a problem.

Treats to Competitors

Directors, executives and employees must strive to compete in fair trade, taking into account ethics in trading.

Guidelines

(1) Directors, executives and employees must not compete by slandering, bullying or misrepresenting competitors' facts while avoiding agreements or discussions with employees of other agencies or financial institutions on location, geography, marketing, customer allocation, interest rate, various fees including products, services or business plans, which may affect the business competition of the Company.

(2) Directors, executives and employees must act within the framework of good competition rules, must not seek for competitors' confidential information through dishonest or improper means, such as payment of bribe money to competitors' employees.

(3) Directors, executives and employees must not make any agreement with competitors or any person that may reduce or limit trade competition.

Section 2: Corporate Governance

Treats to Shareholders

Directors, executives and employees should treat shareholders according to their rights as stipulated by law.

Guidelines

(1) Directors, executives and employees are committed to operating in order to create the highest satisfaction for shareholders by adhering to morals and ethics and deciding to take any action with fairness, and commitment to building growth on true potential.

(2) Directors, executives and employees should respect the rights of shareholders in obtaining necessary information and treating all shareholders equally.

Procurement and Treats to Partners

Directors, executives and employees must focus on the best interests of the Company regardless interests of the selves or their peers.

Guidelines

(1) Directors, executives and employees should provide complete and truthful information to contractors, Partners/Vendors and Associates.

(2) Directors, executives and employees should avoid accepting gifts, gratuities, or an invitation to a party, a social gathering or a reception, or an invitation to a specific individual or group event in which the customer pays the relevant expenses in order to prevent grievances and a tendency to favor a particular party in return later.

(3) Director, executive or employee who wishes to procure goods and services must take into account the need, the value for money and the quality. Procurement must be transparent. Information must be provided to partners equally and accurately. There should be no bias and no discrimination towards partners. There should be fair

competition among partners. Procurement methods are supported by academic principles, and concise in accordance with the situation. When dealing with a business partner, the contact person must keep evidence of the negotiations, the drafting of the contract, the contract and the performance of the contract as evidence for being used, for a specified period of time.

(4) Directors, executives and employees of the Company who wish to procure goods and services. Procurement should not be made in a time that is too tight. Partners should be given enough time to prepare the contract. It should not be too exploitative and should have a lawyer as a consultant in the contracting process.

(5) Directors, executives and employees must not claim benefits from procurement, must be neutral, must not be close to the partner to the point that the partner has too much influence on the decision, and must strictly abide by the Code of Conduct regarding stakeholders and conflict of interest.

(6) Directors, executives and employees must strictly follow the Company's procurement process in order to be fair to all parties.

Responsibility to Community and the Society

Directors, executives and employees are aware of their social and community responsibilities as one of the Company's main missions.

Guidelines

(1) Directors, executives and employees must conserve natural resources and protect the environment, as well as strictly comply with environmental law and must not do anything that has a detrimental effect on natural resources, the environment and related ecosystems.

Section 2: Corporate Governance

(2) Directors, executives and employees should organize activities or support activities of stakeholders, which are activities for public benefit and social service continuously.

Treats of Supervisors, Subordinate and Colleagues at the Same Level

Directors, executives and employees must respect the privacy of others equally and not violate their rights, including respect for honor and dignity, as well as to provide assistance and cooperation in working

Guidelines

(1) Directors, executives and employees should conduct themselves appropriately as employees of the Company, in terms of manners, postures and outfits to build trust for yourself and the Company.

(2) Directors, executives and employees must not incite, slander or cause quarrels, which causes separation and discord, and must participate in the creation of unity and maintain unity among employees.

(3) The superior should conduct himself to be respected by his subordinates, and subordinates should not do anything which is disrespectful to the supervisor.

(4) All Directors, executives and employees must not do anything that violates or threatens, whether verbally or otherwise, others on the basis of race, gender, religion, age, physical or mental disability.

(5) Directors, executives and employees should perform their duties with honesty and care to create quality, efficiency and organizational development towards excellence.

Internal Control and Audit

Directors, executives and employees must

have knowledge and understanding, cooperate and support the internal control system and audit of the Company, establish and maintain a good internal audit system, as well as to consider, diagnose and give recommendations based on the audit report of the auditors that the company has hired to order the responsible person to take appropriate and timely action.

Guidelines

(1) All Directors, executives and employees must have knowledge, understanding and cooperation in the internal control system and audits, including applicable laws, regulations and requirements that have effects on the performance. The credits and debits are reported accurately, regularly, quickly, habitually, with a strict review and adherence to the established system.

(2) Directors, executives and employees perform their duties in accordance with the law, rules, and contract requirements related to the Company, operational processes and responsibilities within the boundaries of the assigned authority strictly, consistently and continuously.

(3) Directors, executives and all employees have a duty to support their work and provide accurate and truthful information to internal and external auditors

(4) Directors, executives and employees are responsible for verifying financial correctness, and report immediately when a mistake or peculiarity is found.

Receipt and Provision of Gift, Property or Any Other Benefit

Directors, executives and employees should be careful in receiving or giving benefits which is an incentive, or order others including the employees' spouses and relatives to receive and delegate benefits on their behaves that may influence business

Section 2: Corporate Governance

decisions on behalf of the Company, or for advancement in career or annual consideration of merit, such as gifts, souvenirs, money, any property or any other benefit that may be calculated as money, such as debt reduction or debt reduction for free, interest-free lending, free use of the service, or discounts in interest or service fees to other people in normal trade and other actions that will benefit that person, which may be calculated as money or exempt of payment.

Guidelines

(1) Directors, executives and employees must not demand or receive benefits or things that are inappropriate, dishonest or beyond the norm from those involved in the Company's business.

(2) Directors, executives and employees must not demand or receive benefits or things from a person or juristic person they are doing business with whether it is demanded or received by themselves or for others.

(3) In case where a juristic person or a third person doing business with the Company gives things or benefits to executives or employees as a token, the executives or employees must use their discretion to consider the appropriateness and/or correctness.

(4) Personnel of the Company must not give or receive any gift that has value beyond the normal gift that a sensible person should give between a supervisor and a subordinate at any opportunity.

(5) Directors, executives and employees as well as their families must avoid giving or receiving anything or any other benefit from partners or people who are involved in the Company's business, except for the benefit of normal business

operations or in festivals or traditions.

Safety, Hygiene and Environment

All Directors, executives and employees are aware of the importance of quality management and assurance systems, safety, sanitation and environment, must consider and adhere strictly to the relevant quality, safety, health and environmental requirements and standards.

Guidelines

(1) Directors, executives and employees should check the readiness of their own health and bodies before working, and should not work if the bodies are not ready in order to reduce the risk of danger from work.

(2) Directors, executives and employees who work with risks to life or health need to study on information about unsafe working conditions or possible dangers in any process that are at risk. If there is any uncertainty about the outcome, they should stop or slow down that operation and consult with a specialist immediately, and should report to the supervisor immediately when they see something unusual at the workplace that may have an impact on safety, health or the environment.

(3) Supervisors in various fields are responsible for determining or disseminating guidelines for preventing and controlling accidents from work to employees and related persons.

(4) Directors, executives and employees should seriously and continuously conserve natural resources and environment, as well as to promote the economical use of natural resources with maximum benefits.

(5) Directors, executives and employees should cooperate in the implementation of the standard or agreements on various matters, made to prevent or reduce environmental impacts.

Section 2: Corporate Governance

Intellectual Property and Use of Information and Communication Technology Systems

Directors, executives and employees have duties and responsibilities to protect and maintain the Company's intellectual property, respect the copyright of intellectual property owners, including the use of information and communication technology systems that benefit the Company and in accordance with the relevant law.

Guidelines

(1) Directors, executives and employees have duties and responsibilities to use the Company's assets to the Company's fullest benefit and to prevent them from being lost or used for personal gain or for others.

(2) Directors, executives and employees must disclose and provide benefits in the invention and development made during their work to the Company, whether in whole or in part and whether that intellectual property has been protected by law or not.

(3) Directors, executives and employees

use electronic devices, electronic data or information technology for the benefit of the Company only and do not use them for personal gain.

(4) Directors, executives and employees must perform their duties using copyrighted computer programs. Working on a computer outside the office, they should check copyright before working. The installation and use of unlicensed computer programs in the Company is strictly prohibited.

(5) Directors, executives and employees must keep their passwords confidential, do not share passwords with other people in order to prevent others from accessing their accounts, and do not use the internet to visit unfamiliar websites which may be harmful to the Company's computer system.

(6) Information technology devices and telecommunication media are the assets of the Company. Directors, executives and employees must jointly maintain the devices in their units to be always ready for use and must be careful not to cause damage or loss. If any damage or loss occurs to the device, they must report to the supervisor or the unit responsible for controlling the equipment to know and solve problem as soon as possible.

Monitoring for the Compliance with Business Code of Conduct and Ethics of Directors, Executives and Employees

The Company has knowledge on employee ethics, business code of conduct and guidelines for good governance through various learning materials so that employees can learn on their own (Self-Learning).

The monitoring and ensuring the compliance with the Code of Conduct are the duties of all supervisors at all levels, whilst to adhere to the business ethics and codes of conduct of Directors, executives and employees is part of employee discipline, which the Executive Committee, Risk Management Committee, Audit Committee and the Board of Directors will monitor and supervise them at the structural level in order to ensure that the Company has consistently followed the good business code of conduct.

Section 2: Corporate Governance

Responsibilities of Directors Executives and Employees

Directors, executives and employees have a duty to understand and strictly follow and sign to acknowledge the Business Code of Conduct of Directors, executives and employees when start working as personnel and when there is any change. When there is any doubt or question, they can consult a supervisor, human resources department or a person designated by the Company to be responsible for monitoring compliance with the Code of Conduct through various channels, including notifying the supervisor or responsible person when finding a violation or non-compliance with the Code of Conduct as well as to cooperate in the investigation of various facts with agencies or persons assigned by the Company.

Executives are responsible for the following additional actions:

Encouraging the compliance with the Code of Conduct and acting as a role model;

Communicating policies and practices, and listening to opinions openly on compliance with the Code of Conduct; and

Supervising the operation of the unit in accordance with the relevant rules and regulations.

The Human Resources Department or the Human Resources Department must take additional actions as follows:

Being responsible for explaining to employees their duty to comply with the Code of Conduct:

- Preparing the assigned managers or executives to inform the Code of Conduct and Code of Conduct to new management and staff, namely, new Directors, executives and employee;

- Overseeing and improving the business ethics and Code of Conduct of Directors, executives and employee to be appropriate and up-to-date; and

- Training employees to be accountable and providing a management system that complies with legal requirements and the Company rules.

Appreciation and Punishment

When there is a complaint or there appears to be a violation of business Code of Conduct by Directors, executives and employee, the supervisors take actions as appropriate for each case in order to have corrective action or to warn or order the violator to have self-improvement or to have self-development, as the case may be. Those who violate the Code of Conduct must be considered for disciplinary action in accordance with the regulations set by the Company and may also be subject to legal penalties If the action is illegal.

Time period for Review of Business Code of Conduct and Ethics for Directors, Executives and Employees

The Company will review the business ethics and Code of Conduct of Directors, executives and employees annually.

Section 2: Corporate Governance

Complaint and Reporting

Guidelines for Complaint/Clue Reporting

Directors, executives and employees have duties and responsibilities to report clues or complaints when seeing clues to illegal actions or the violation against Code of Conduct including inaccurate financial reporting or a defective internal control system. The following actions are unethical:

- (1) Failure to comply with the Code of Conduct;
- (2) Recommending, promoting or encouraging others not to comply with the Code of Conduct;
- (3) Ignoring when witnessing violations or non-compliance with the Code of Conduct In the case that he/she knows or should have known;
- (4) Not cooperating or obstructing the investigation of facts that can be claimed that there has been a violation or non-compliance with the Code of Conduct; or
- (5) Acts that are unfair to others who have reported non-compliance with the Code of Conduct.

Grievance Persons

Directors, executives and employees who witnesses violations of the law or non-compliance with the Code of Conduct can ask questions or send complaints to the following persons:

- Trusted supervisors at all levels,
- Human Resources Director,
- Managers,
- Audit Committee,
- Internal Auditor, and
- Directors of the Board.

Measure or Guidelines for Managing

Complaints

Process for receiving complaints/clue report.

(1) Collection of Facts

The recipient of the complaint will collect the facts related to the violation or the non-compliance with the Code of Conduct or assign appropriate persons to take such actions.

(2) Data Processing

The recipient of the complaint will process and screen the information to consider procedures and methods of appropriate management in each matter:

- (2.1) Operating or assigning others to act instead, within the scope of power, and
- (2.2) Reporting to the person who has the authority to take action and is involved in the matter to do data processing and screening.

(3) Establish Action Measures

Those who operate according to Item 2 stipulate measures to suspend violations or the non-compliance with the Code of Conduct and mitigate the damage to those affected, taking into account the total damage and suffering. In case where it is important, the recipient of the complaint will report the result to the Audit Committee and/or the Board of Directors, such as any matter that affects the reputation, image or financial position of the Company, or are contrary to the Company's business policies or related to senior executives.

(4) Reporting Results

The complaint recipient has a duty to report the results from action in Item 3 to the complainant if the complainant discloses himself or herself.

Rights or Protection for Complainants

The Company pledges to listen to all complaints equally, transparently and attentively.

Section 2: Corporate Governance

The Company ensures fairness to all parties. Set an appropriate investigation period. The name of the complainant will be kept confidential. Complainants will be protected from harassment, both during and after the investigation. Reporters, complainants and whistleblowers or those who cooperate in the investigation will be protected as follows:

Reporters, complainers, whistleblowers, and cooperators can choose to remain anonymous if they see that the disclosure of their identities will cause any insecurity or damage. However, if they disclose themselves, it will allow the Company to report progress or mitigate damage more conveniently and quickly.

- The Company will treat the relevant

information as confidential and will disclose as necessary, while taking into account the safety and damage of the reporter, data source or related persons.

- In the event that the complainant thinks that it is unsafe or may cause damage, complainants may request the Company to determine appropriate protection measures, or the Company may implement protection measures without the need for complainant to request if they see that it is a subject that may cause trouble or insecurity.

- Those who report complaints or those who cooperate, and have suffered from damage will be alleviated by appropriate and fair process.



6.3 Significant Modification and Development of Policy, Guidelines and System of the CG Policy in the Previous Year

6.3.1 Good Corporate Governance Code (CG Code)

The Company is aware of great importance of the principles of good corporate governance code (CG Code) for listed companies by the Stock Exchange of Thailand. The Company has reviewed the policy, charters of various committees, Code of Business Conduct and guidelines for business in accordance with the principles of good corporate

governance which consists of rights of shareholders, fair treats to shareholders, the consideration of stakeholders, disclosure of information and transparency and the responsibilities of the Board of Directors. This policy review aims to make business operations transparent and grow sustainably along with the society and environment.

6.3.2 Charter

The Board of Directors has assigned the Nomination Committee to review and consider the charters of all committees to be appropriate for the performance of each committee's duties based on the best interests of all stakeholders, with fairness,

efficiency, effectiveness and accountability. In 2021, the Nominating Committee has reviewed the charters of all committees twice, namely on 22nd February 2021 and 12th November 2021.

6.3.3 Quality Evaluation and Shareholder Meeting

The Company is committed to the arrangement of the shareholder meeting for the best benefit to the shareholders and the Company, by adhering to the principles and guidelines for the

implementation of the AGM Checklist of the Thai Investors Association which the Company has always complied with, and the Company receives a high score.



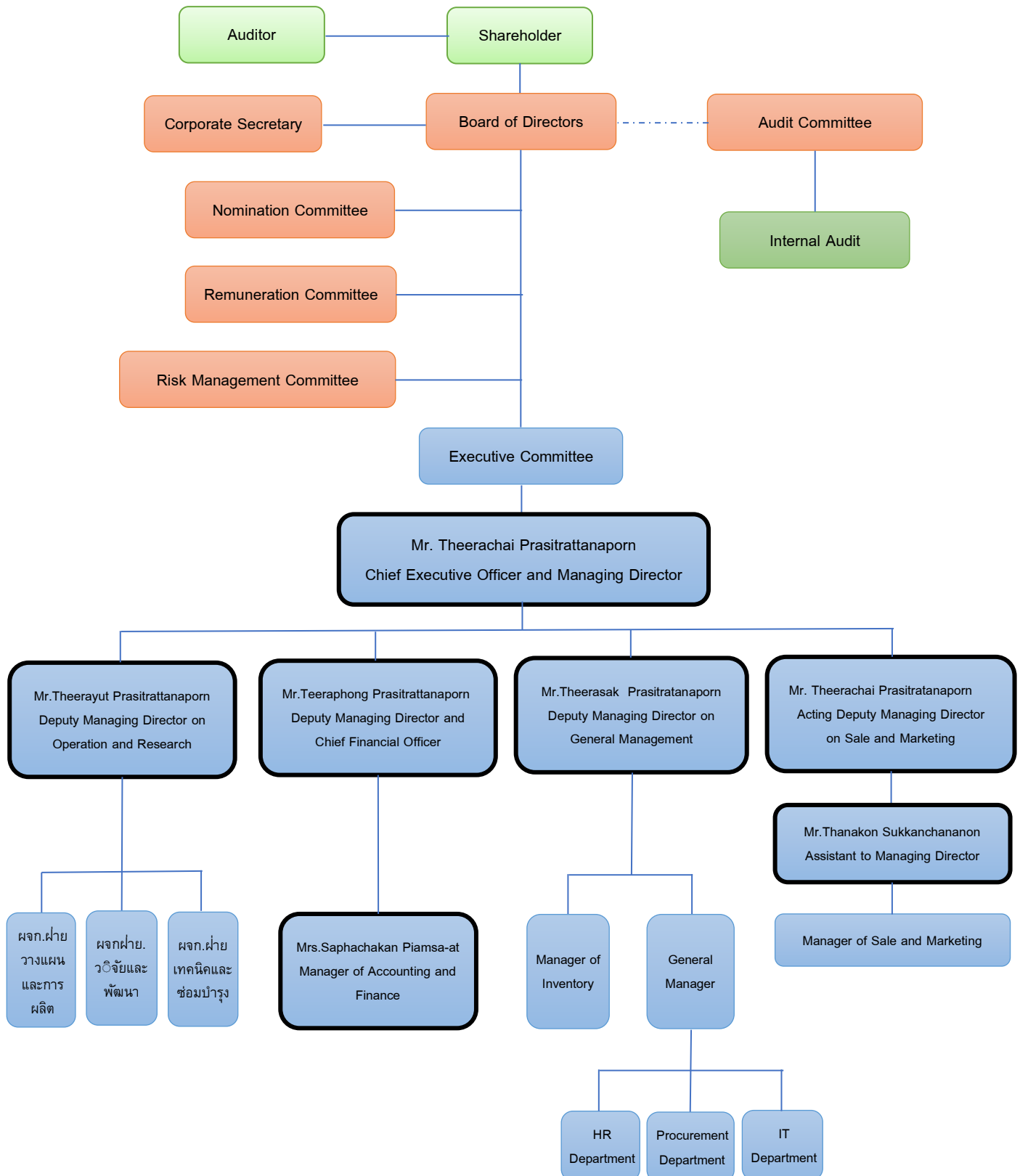
Corporate Administration Structure and Key Information on Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Corporate Administration Structure

Corporate administration structure of the Company consists of 6 board and committees to administrate the business, namely, Board of Directors, Nomination Committee, Remuneration Committee, Risk Management Committee, Audit Committee and Executive Committee.



Section 2: Corporate Governance

**Note**

- The 'Executive' in accordance with the Announcement of Office of the Securities and Exchange Commission numbered Ko Cho. 17/2551 is in the box with bold frame.

- The Company outsources the internal auditor from EI Business Advisory Company Limited.



7.2 Information of Board of Directors

7.2.1 Components of Board of Directors

The Company has set the components of the Board of Directors in the Company's Articles of Association, which must consist of:

- 1) At least 5 Directors;
- 2) Not less than a half (50 percent) of the total number of Directors must have domiciles in the Kingdom;
- 3) Company Directors must have qualifications as required by law;
- 4) The Company Directors may or may not be shareholders of the Company;
- 5) A Director has a term of office of 3 years each; and
- 6) The structure of the Board of Directors is diverse (Board Diversity) in various areas such as genders and specializations.

At present, there are 8 Directors of the Board, consisting of:

- There are 4 Independent Directors, representing 50% of the total Directors;
- Two Independent Directors are female, representing 25% of the total Directors;
- There are 4 Directors that are executives, representing 50% of the total Directors; and
- All Directors' domiciles are in the Kingdom.

7.2.2 Information of Directors of the Boards and Persons with Authority to Control the Company



As at 31st December 2021, the Directors of the Board are as follows.

Section 2: Corporate Governance

No.	Director Name	Position	Date of Appointment as Director
1	Dr. Thanu Kulachol	Independent Director / Chairperson of the Board / Chairperson of Nomination Committee / Chairperson of Remuneration Committee and Chairperson of Risk Management Committee (having knowledge and experience in financial statements audit)	24 th April 2020
2	Dr. Srisuda Chongsithiphol	Independent Director / Chairperson of Audit Committee / Nomination Committee / Remuneration Committee and Risk Management Committee (having knowledge and experience in financial statements audit)	23 rd April 2021
3	Mrs. Chollada Isarangkul Na Ayudhya	Independent Director / Audit Committee / Nomination Committee / Remuneration Committee and Risk Management Committee	27 th April 2018
4	Mr. Aphichart Chankiatkong	Independent Director / Independent Director / Audit Committee / Nomination Committee / Remuneration Committee and Risk Management Committee (having knowledge and experience in financial statements audit)	26 th April 2019
5	Mr. Theerachai Prasitrattanaporn	Director / Nomination Committee / Remuneration Committee, Risk Management Committee, CEO, Chairman of Executive Committee and President	5 th September 2009
6	Mr. Theerayut Prasitrattanaporn	Director / Nomination Committee / Executive Committee and Executive Committee	5 th September 2009
7	Mr. Teeraphong Prasitrattanaporn	Director / Remuneration Committee, Executive Committee and Executive Committee	5 th September 2009
8	Dr. Theerasak Prasitrattanaporn	Director / Risk Management Committee, Executive Committee and Executive Committee	5 th September 2009

Section 2: Corporate Governance

Notes: The Shareholder Meeting of 2021 has appointed new Directors to replace those who retired and resigned, and additional new Directors as follows:

- Mr. Theerachai Prasitratanaorn is re-appointed as a Company Director for another term which is effective from 23rd April 2021;
- Mrs. Chollada Isarangkul Na Ayudhya is re-appointed as an Independent Director for another term which is effective from 23rd April 2021;
- Dr. Srisuda Chongsithiphol is appointed Independent Director and Chairperson of the Audit Committee to replace Dr. Thanu Kulachol, who has resigned from the position of Chairperson of the Audit Committee, but still holds the position of the Chairperson of the Board of Directors which is effective from 23rd April 2021.

7.2.3 Roles and Responsibilities of Board of Directors

Scope of Responsibilities of Board of Directors

The Board of Directors has to perform duties in accordance with the law, objectives and regulations of the Company, as well as resolutions of the shareholder meeting with honesty with the focus on the interests of the company.

- 1) Being responsible to shareholders on a regular basis, performing business by protecting shareholders' benefits, disclosing accurate, complete and standardized information to investors;
- 2) Determining the Company's policy and direction;
- 3) Considering and approving the approval authority chart;
- 4) Supervising and controlling the management to work in accordance with the specified policies with efficiency in order to maximize the economic value of the business;
- 5) Considering and approving the investments for business expansion, as well as the participation in joint ventures with other entrepreneurs;
- 6) Responsible for preparing financial reports for the auditor to audit and/or review, and submit to the Audit Committee; and
- 7) Appointing of the Executive Committee and determining scope of duties and responsibilities of the Executive Committee.

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

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

- Sale or transfer of a business of the company, or any substantial part thereof;
- Purchase or receipt of the transfer of business of any other company or private company to be under the ownership of the company;
- Making, edition or termination of any contract relating to the lease of the whole or substantial parts of a business of the company, the assignment for other people to manage the company's business or the merger of businesses with any other entity, with the objective of sharing profit and loss;

Section 2: Corporate Governance

- Amendment of memorandum of association or regulations; and
- The increase and reduction of authorized capital, debenture issuance, and the merger or dissolution of the Company.

In addition, the Board of Directors has appointed 3 sub-committees, namely the Nomination Committee, Remuneration Committee and Risk Management Committee.

Components and Nomination of Board of Directors

As for the selection of persons to be appointed as the Company Directors, the Company has set up Nomination Committee to nominate Directors. The person appointed to be a Director of the Company must be a person who meets the qualifications according to Article 68 of the Public Company Act B.E. 2535 (A.D. 1992) and the Announcement by the Capital Market Supervisory Board numbered To Cho. 39/2559 on permission to offer for sale of newly issued shares (including additional announcements) with the composition and criteria for nomination of Directors as follows.

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

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

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

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

2.3 The persons receiving the most votes in descending order shall be elected as Directors, the total number of which should be as required or to be elected at that time; in case of tie votes for more nominees than the available position, the chairman of the meeting is to give the decisive vote.

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

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

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

Section 2: Corporate Governance

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

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

Authorized Signatories

According to Articles of Association, the Company has appointed the authorized directors to sign on behalf of the Company, consisting of Mr. Theerachai Prasitrattanaporn, Mr. Theerayut Prasitrattanaporn, Mr. Teeraphong Prasitrattanaporn and Dr. Theerasak Prasitrattanaporn. Two of these four directors have to jointly sign documents and affix the Company's seal.





7.3 Information of Sub-committees

Sub-committees of the Company are Audit Committee, Nomination Committee, Risk Management Committee and Executive Committee, with the following details.

Audit Committee



As at 31st December 2021, Audit Committee consists of the following members.

Name – Surname	Position in Audit Committee	Position of Board of Directors
1. Dr. Srisuda Chongsithiphol	Chairperson of Audit Committee	Independent Director
2. Mrs. Chollada Isarankul Na Ayudhya	Audit Committee	Independent Director
3. Mr. Aphichart Chankiatkong	Audit Committee	Independent Director

Note : Audit Committee members have knowledge and experience in financial statements review are Dr.Srisuda Chongsithiphol and Mr. Aphichart Chankiatkong. Dr. Srisuda Chongsithiphol is appointed by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Scope of Responsibility of Audit Committee

- 1) To review to ensure that the company has accurate and sufficient financial reports;
- 2) To review to ensure that the company has an appropriate and effective internal control and internal audit systems, and to consider the independence of the internal audit unit, as well as to give approval to the appointment, transfer, and termination of the head of an internal unit or any other unit responsible for internal auditing;

Section 2: Corporate Governance

3) To review to ensure that the company complies with the securities and exchange laws, requirements by SET and laws related to the company's business;

4) To consider, select, nominate and terminate employment of an independent entity to serve as the company's auditor, and to propose the remuneration of the said entity, and to have meeting with the auditor without the management's participation, for at least once a year;

5) To consider the entries that may be inter-related or any transactions that may have conflicts of interest to be in accordance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and for the maximum benefit to the company;

6) To prepare the report of the Audit Committee in the company's annual report, which must be signed by the Chairman of the Audit Committee and must contain at least the following information:

(A) Comments on the accuracy, completeness, and credibility of the company's financial reports;

(B) Comments on the sufficiency of the company's internal control system;

(C) Comments on compliance with the Securities and Exchange (SET) requirements or laws related to the company's business;

(D) Comments on the suitability of the auditor;

(E) Comments on transactions that may have conflicts of interest;

(F) The number of the Audit Committee meetings and attendance of each member of the Audit Committee;

(G) Overall opinion or observation that the Audit Committee receives from performing its duties under the Charter;

(H) Other transactions that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors;

7) To perform other duties as assigned by the Board of Directors with the approval of the Audit Committee;

8) The Chairman of the Audit Committee and the audit committee shall hold position for a term of 3 years and no more than 9 consecutive years; and

9) The Audit Committee will hold a meeting without the management every quarter.

The 3 audit committees of the company are independent directors who are qualified as in Clause 17 of the Announcement of the Capital Market Supervisory Board Numbered Tho Cho 39/2559, as follows:

1) Holding no more than 1 percent of the total voting shares of the company, the parent company, subsidiaries, joint ventures, major shareholder or the entity with power to control over the company, including the shareholding of related persons of that independent director;

2) Not being or having been a director that participates in management, employee, or advisor who receives a regular salary or a person with controlling power of the company, the parent company, subsidiaries, joint ventures, or same-level subsidiary, major shareholder or those with control of the company, except a case where the committee have not possess the aforementioned characteristics for at least 2 years, provided that the prohibited characteristics do not include the case where an independent director used to be a civil

Section 2: Corporate Governance

servant or consultant of government agencies which are major shareholders or the controlling entities of the company;

3) Not being a person who has a blood relationship or relationship by legal registration as father, mother, spouse, sibling, and child, including a spouse of a child, of any executive, major shareholder, regulator or the person who will be nominated as an executive or the controlling person of the company or any subsidiary;

4) Not having or having had any business relationship with the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company in a manner that may obstruct his/her independent judgment, and not being or having been a significant shareholder or the controlling entity of the person having a business relationship with the company, parent company, subsidiaries, joint ventures, major shareholders or the controlling entity of the company unless having none of the aforementioned characteristics for at least 2 years;

Business relationship under the first paragraph include normal trading transactions for the purpose of doing business, leasing or letting real estate, assets or services, or giving or receiving financial assistance by accepting or lending, guaranteeing, and placing assets as collateral for liabilities including other similar behaviors; as a result, the applicant or the contracting party has obligations to be paid to the other party, from 3% of the applicant's net tangible assets or 20 million baht or more; however, the calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions under the Notification of the Capital Market Supervisory Board on Rules on Connected Transactions mutatis mutandis; such debt shall include debt obligations incurred during 1 year prior to the date of business relationship with the same person;

5) Not being or having been an auditor of the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company, and not being a significant shareholder or regulator or a partner of the audit firm the auditors of which are working for the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company, unless having none of the aforementioned characteristics for at least 2 years;

6) Not being or having been a professional service provider, including legal or financial advisory service provider that receives service fees exceeding 2 million baht per year the company, the parent company, subsidiaries, joint ventures, major shareholder or the controlling entity of the company, and not being a significant shareholder, regulator or a partner of that professional service provider unless having none of the aforementioned characteristics for at least 2 years;

7) Not being a director appointed to be a representative of the company's director, major shareholder or shareholders who are related to the major shareholder of the company;

8) Not operating any business of the same nature that is a significant competitor with the business of the company or subsidiary, or not being a significant partner in a partnership or being a director that participates in the management, employee, staff member or consultant who receive a regular salary or holding shares exceeding 1 percent of the total voting shares of any other company that operates in the same business and is a significant competitor of the business of the company or subsidiaries; and

Section 2: Corporate Governance

9) Not having any characteristics which make him/her incapable of expressing independent opinions regarding the company's business.

Components and Nomination of Audit Committee

Audit Committee of the Company must consist of Directors appointed by the Board of Directors and have qualifications as required by securities and exchange laws, including announcements, regulations and/or regulations of the Stock Exchange of Thailand. The committee should have at least 3 members. At least one member of the Audit Committee must have knowledge in accounting and finance.

Nomination Committee



As at 31st December 2021, Nomination Committee consists of the following members.

Name – Surname	Position in Nomination Committee	Position of Board of Directors
1. Dr. Thanu Kulachol ¹	Chairperson of Nomination Committee	Independent Director
2. Dr. Srisuda Chongsithiphol ²	Nomination Committee	Independent Director
3. Mrs. Chollada Isarankul Na Ayudhya	Nomination Committee	Independent Director
4. Mr. Aphichat Chankiatkong	Nomination Committee	Independent Director
5. Mr. Theerachai Prasitrattanaporn	Nomination Committee	Director
6. Mr. Theerayut Prasitrattanaporn	Nomination Committee	Director

Section 2: Corporate Governance

Notes : /1 Dr. Thanu Kulachol and Mr. Theerayut Prasitratanaorn are appointed Nomination Committees by 4/2563 Board Meeting on 14th May 2020.

/2 Dr. Srisuda Chongsithiphol is appointed Nomination Committee by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Scope of Responsibility of Nomination Committee

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

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

Remuneration Committee



As at 31st December 2021, Remuneration Committee consists of the following members.

Section 2: Corporate Governance

Name – Surname	Position in Remuneration Committee	Position of Board of Directors
1. Dr. Thanu Kulachol ^{/1}	Chairperson of Remuneration Committee	Independent Director
2. Dr. Sisuda Chongsitthiphon ^{/2}	Remuneration Committee	Independent Director
3. Mrs. Chollada Isarankul Na Ayudhya	Remuneration Committee	Independent Director
4. Mr. Aphichat Chankiatkong	Remuneration Committee	Independent Director
5. Mr. Theerachai Prasitratanaporn	Remuneration Committee	Director
6. Mr. Theerapong Prasitratanaporn	Remuneration Committee	Director

Notes : /1 Dr. Thanu Kulachol and Mr. Theerapong Prasitratanaporn are appointed Remuneration Committees by 4/2563 Board Meeting on 14th May 2020.

/2 Dr. Srisuda Chongsitthiphon is appointed Remuneration Committee by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Scope of Responsibility of Remuneration Committee

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

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

Risk Management Committee



Section 2: Corporate Governance

As at 31st December 2021, Risk Management Committee consists of the following members.

Name – Surname	Position in Risk Management Committee	Position of Board of Directors
1. Dr. Thanu Kulachol ^{1/}	Chairperson of Risk Management Committee	Independent Director
2. Dr. Srisuda Chongsithiphon ^{2/}	Risk Management Committee	Independent Director
3. Mrs. Chollada Isarankul Na Ayudhya	Risk Management Committee	Independent Director
4. Mr. Aphichat Chankiatkong	Risk Management Committee	Independent Director
5. Mr. Theerachai Prasitratanaporn	Risk Management Committee	Director
6. Dr. Theerasak Prasitratanaporn ^{3/}	Risk Management Committee	Director
7. Mr. Thanakon Sukkanchananon	Risk Management Committee	-
8. Mrs. Saphachakan Piamsa-at	Risk Management Committee	-

Notes : /1 Dr. Thanu Kulachol and Mr. Theerapong Prasitratanaporn are appointed Risk Management Committees by 4/2563 Board Meeting on 14th May 2020.

/2 Dr. Sisuda Chongsithiphon is appointed Risk Management Committee by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

/3 Dr. Theerasak Prasitratanaporn is appointed Risk Management Committee by the 2021 Annual General Meeting of Shareholders on 23rd April 2021, to replace Mr. Theerapong Prasitratanaporn whose terms ended and did not want to hold the position for another term.

Scope of Responsibility of Risk Management Committee

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

- 1) To consider management policy and plan, and to supervise the company's risk management;
- 2) To consider and review guidelines and tools for effective risk management, suitable for the natures of risks in all aspects of the transactions that the company has;
- 3) To follow up and closely monitor signs and various unusual items that may occur as alarms, and to report the risk management results to the Board of Directors; and

Section 2: Corporate Governance

4) To give suggestions on matters that need be improved to the Board of Directors in order to be in accordance with the policy and strategy of the company.

Executive Committee



As at 31st December 2021, Executive Committee consists of the following members.

Name – Surname	Position in Executive Committee	Position of Board of Directors
1. Mr. Theerachai Prasitrattanaporn	Chairperson of Executive Committee	Director
2. Mr. Theerayut Prasitrattanaporn	Executive Committee	Director
3. Mr. Teeraphong Prasitrattanaporn	Executive Committee	Director
4. Dr. Theerasak Prasitratanaporn	Executive Committee	Director

Note: Executive Committee has not set meeting allowance for members at all.

Scope of Responsibility of Executive Committee

- 1) To have the power to order the planning and operation of the company in accordance with the policies determined by the Board of Directors of the company;
- 2) To establish policies and strategies for business operations of the company, within the objective scope;
- 3) To propose investment plans and/or company funding for the Board of Directors and/or the quorum of a shareholder meeting to approve, as the case may be;

Section 2: Corporate Governance

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

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

Components and Nomination of Executive Committee

The Executive Committee must consist of members who are Directors of the Company and/or the Company's executives who have been appointed by the Board of Directors with the amount as the Board of Directors deems appropriate and the Board of Directors will appoint one member of Executive Committee Chairperson of the Executive Committee.





7.4 Information of Management Team

7.4.1 Names and Positions of Members of Management Team

As at 31st December 2041, there are 6 members of Management Team as follows.

Name - Surname	Position
1. Mr. Theerachai Prasitrattanakorn	Chief Executive Officer
2. Mr. Theerayut Prasitrattanakorn	Executive Director
3. Mr. Teeraphong Prasitrattanakorn	Executive Director
4. Dr. Theerasak Prasitrattanakorn	Executive Director
5. Mr. Thanakon Sukkanchananon	Assistant to Managing Director
6. Mrs. Saphachakan Piamsa-at	Manager

Scope of Responsibilities of Managing Director

- 1) To manage and supervise the company's normal business operations;
- 2) To perform as assigned by Board of Directors and/or the Executive Committee;
- 3) To determine and supervise the overall operation in order to comply with the policy set by the Board of Directors and/or the Executive Committee;
- 4) To have the power to approve the purchase, rental or investment in accordance with the approved plans; or to have the power to approve or cancel purchases, employment, rental, lease, hire-purchase, sale of assets, investment, and payment of prices and expenses that are necessary for the company's operations, the details of which are in the approval authority chart determined by the Board of Directors;
- 5) To have the power to approve the purchase of property or payment of prices or expenses as a result of the company's operations under contracts and/or agreements with trade partners, the details of which are in the approval authority chart determined by the Board of Directors;
- 6) To consider the matters of business strategy and fund raising by the company to present to the Board of Directors, and/or the Executive Committee in the order of importance;
- 7) To have the power to hire, appoint, expel, and dismiss employees at all levels;
- 8) To have the power to open and close various types of accounts with banks and financial institutions for ease of normal operations of the company, whereby the benefit of the company is considered as the most important factor;
- 9) To approve the appointment of various consultants necessary for the company's operations through the Board of Directors of the company;
- 10) To propose management guidelines to the Board of Directors and the Executive Committee for consideration;

Section 2: Corporate Governance

11) To assign authorities and responsibilities to senior executives;

12) To summarize operations to be submitted to the Board of Directors and the Executive Committee;

13) To supervise and manage the sales and marketing management section both domestically and internationally; and

14) To define organizational structure and management, covering the matters of selection, training, raise, reward or other compensation, including changes in wages for employees at all levels.

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

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

Note : Authorization Chart for Approval is as follows.

Unit : Baht

Position	Movable Property	Immovable Property	Procurement of Products and Raw Materials from Foreign Country	Procurement of Products and Raw Materials from Local Suppliers	Money Borrowing from Financial Institutes
	Per Sale	Per Sale	Per Time	Per Time	
Directors of the Board	No More Than 5,000,000	No More Than 10,000,000	No More Than 10,000,000	More Than 5,000,000	No More Than 10,000,000
Managing Director and Deputy Managing Director	No More Than 1,000,000	No More Than 1,000,000	No More Than 5,000,000	No More Than 5,000,000	-

Components and Nomination of Managing Director

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

- 1) Having the qualifications of a director in accordance with the criteria specified by the company;
- 2) Being knowledgeable, capable and experienced in the field of lighting industry management;
- 3) Managing Director position is for the person who can hold a position in the registered company or Teera-Mongkol Industry Public Company Limited only and holding other positions in no more than 4 non-registered companies which are private companies or other companies that does not run the business of

Section 2: Corporate Governance

lighting equipment like the company and not competing with the business of the company or having no conflict of interest with the company, but not holding the position of Chief Executive Officer or Managing Director of such companies; and

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

7.4.2 Policy and Payment of Remuneration to the Executives

Policy of Remuneration for the Executives

The Company has set a policy on remuneration for the Executives by taking into account the duties, experiences and responsibilities assigned, including the results, benefits expected from the Directors, which must be comparable with companies listed on the Stock Exchange of Thailand which are in the same industry and are of similar size. The remuneration should be appropriate enough to maintain and motivate the Executives to work with the Company to achieve goals with efficiency and through a transparent process.

7.4.3 Total Remuneration of the Executives

The total remuneration of the Company's Executives according to the definition of the Announcement of the Securities and Exchange Commission (SEC) numbered Ko Cho. 17/2551, from 2018 to 2021, has the following details.

Remuneration	2018		2019		2020		2021	
	Number of Persons	Amount (Baht)	Number of Persons	Amount (Baht)	Number of Persons	Amount (Baht)	Number of Persons	Amount (Baht)
Total Remuneration	5	8,439,208	5	8,191,208	5	8,192,417	5	8,334,664

Note: Remuneration for an Executive consists of monthly salary, bonus and provident fund.

The total remuneration of the Company's Directors of the Board according to the definition of the Announcement of the Securities and Exchange Commission (SEC), from 2018 to 2021, has the following details.

Remuneration	2018		2019		2020		2021	
	Number of	Amount (Baht)	Number of Persons	Amount (Baht)	Number of Persons	Amount (Baht)	Number of Persons	Amount (Baht)

Section 2: Corporate Governance

	Persons							
Total Remuneration	5	206,000	5	206,000	5	231,000	5	180,000



7.5 Information of Employees

The Company has a policy to treat employees at all levels equally, continuously promoting, supporting and developing human rights for personnel within the organization, including supporting the development of welfare, maintaining employee benefits, protecting the rights of the underprivileged, organizing activities to build relationships and unity, as well as creating motivation to work for the organization by giving employees the opportunity to express their creativity as part of the sustainable development of the organization.

Numbers of and Remuneration for Employees

The numbers of all the employees of the Company (not including the executives), from 2019 to 2021, are as follows.

Number of Employees	2019 (Persons)	2020 (Persons)	2021 (Persons)
Total Number of Employees	358	417	397

Total remuneration of employees from 2019 to 2021 is as follows.

Remuneration	2019 (Baht)	2020 (Baht)	2021 (Baht)
Monthly Salary	77,470,793.00	81,572,954.00	84,040,915.00
Bonus	4,872,736.00	4,788,353.00	5,243,742.00
Provident Fund	902,717.00	934,081.00	979,066.00
Total	83,246,246.00	87,295,028.00	90,263,723.00

Policy of Employee Development

The Company has planned on the development of the Company's employees as follows:

- 1) Considering providing necessary training courses for employees in each position;
- 2) Developing a career path plan for each employee;
- 3) Providing training guidelines for employees, in order to support career advancement (Career Path);
- 4) Making an annual training plan; and

Section 2: Corporate Governance

- 5) Conducting training evaluations to develop and improve the training to be more efficient.

Policy on Welfare for Employees

The Company promotes welfare of employees as follows:

- 1) Encouraging employees to have general welfare that is equal to or better than the basic welfare that the government requires private organizations in the country to follow;
- 2) Providing provident fund to support the Company's employees to follow the government's savings policy;
- 3) Providing medical benefits for employees of the Company, and training to educate them on all kinds of communicable diseases, in order to ensure that the Company's employees have good health and wellness on a regular basis;
- 4) Providing welfare to prevent and treat employees who are sick in performing their duties and procuring and purchasing tools, equipment or services that may prevent workplace hazards; and
- 5) Promoting international human rights policy by giving equal rights to employees at all levels, in order to provide employees with basic rights in accordance with international human rights principles.





7.6 Other Significant Information

Secretary

As for good corporate governance of the Company and the performances of the Directors' duties and related activities to be smooth, the Company therefore appointed a company secretary. The scope of powers, duties and responsibilities are as follows:

- 1) To make and store the following documents:
 - (1) Registration of directors;
 - (2) Appointment letters for board meetings, minutes of board meetings and annual report of the company;
 - (3) Letters of appointments for shareholder meetings and minutes of shareholder meetings;
- 2) To store stake reports made by directors or executives;
- 3) To take any other action that is determined by the Board of Directors; and
- 4) To take any other action that is determined by the Capital Market Supervisory Board.

The Board of Directors of the company has resolved that Miss Julaiwan Duangkota who has passed the Company Secretary Program, Class of 110/2020, by Thai Institute of Directors, as the secretary of the company since 13th November 2020, with history as in Appendix 1.

Persons with Direct Authority of Accounting Control

The persons who are directly responsible for overseeing the Company's accounting are Deputy Managing Director and Chief Financial Officer (CFO), as appointed by Mr. Teeraphong Prasitrattanaporn are the supervisors of the Company's accounting, with histories as in Appendix 1.

Internal Auditor

The Company uses an external juristic person services to perform the internal audit of the Company. In other words, the Company hired EI Business Advisory Company Limited, with Mr. Suwit Chanamporn to act as the Chief Internal Auditor of the Company, with history as in Appendix 2.

Compliance Chief of the Company

The Company uses external juristic person to act as the consultant on corporate governance and legal issues. The Company has hired Legal Solution Company Limited, with Asst. Prof. Phum Munsin as Chief of Compliance of the Company.

Section 2: Corporate Governance

Chief of Investment Relations and Contact Information

The Company has assigned Ms. Julaiwan Duangkota to be the head of investor relations, which is effective from 13th November 2020 onward. In case investors or the general public have questions or want to make inquiries, they can contact us at 0-2877-9510 ext. 350 or Email: [<corporatesecretary@thaiballast.com>](mailto:corporatesecretary@thaiballast.com).

Audit Fee

The Company has paid the audit fee to AST Master Company Limited, which has Ms. Nongram Laoha-asidilok, Certified Public Accountant, with Registration Numbered 4334, Mr. Pradit Rotloithuk, Certified Public Accountant with Registration with Numbered 218, and Ms. Chamaphon Rotloithuk, Certified Public Accountant with Registration Numbered 9211, are the Company's auditors to audit and verify the Company's financial statements for the year 2021 with a remuneration totaling 1,270,000 baht (one million three hundred and forty thousand baht only), which, for 2021, the Company has paid an audit fee of 770,000 baht (seven hundred and seventy thousand baht only), for Teera-mongkol Industry Public Company Limited.

Group of Teera-Mongkol Industry Public Company Limited	Audit and Verification Fee
Teera-Mongkol Industry Public Company Limited	740,000.00
Teera-Mongkol Green Energy Company Limited	50,000.00
Teera-Mongkol Energy Company Limited	50,000.00
Green Saving Energy Thailand Company Limited	180,000.00
Green Earth Energy Company Limited	200,000.00
Global Utility Supply Company Limited	50,000.00
Total	1,270,000.00

Non-Audit Fee

The company has paid the fee for the verification for compliance with conditions of BOI in 2021 for 50,000 baht (fifty thousand baht only).

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



Key Performance Report of Board of Directors in 2021

8.1 Summary of Performance of Board of Directors in 2021

8.1.1 Nomination, Development and Assessment of Performance of Board of Directors

Independent Directors

At present, the Board of Directors consists of 4 Independent Directors who are qualified according to the Announcement of the Capital Market Supervisory Board No. To Cho. 39/2559.

Qualification of Independent Directors

(1) Holding no more than 0.5% of the total number of shares with voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders or controlling entities of the Company, which should include the shareholders of related persons of that Independent Director,

(2) Not being or used to be a Director who takes part in the management, an employee, an worker, an advisor who receives a regular salary, or a person with controlling power of the Company, parent company, subsidiaries, associated companies or subsidiaries of the same level, major shareholders or controlling entities of the Company, unless the aforementioned characteristics have been vacated for not less than 2 years, or consultant of the government sector, which is a major shareholder or the person who has the authority to control the Company;

(3) Not being a person who is related by blood or by legal registration in the form of parents, spouses, sibling and child, including the spouses of the children of the executives, major shareholders controller or the person who will be nominated as an executive or the person having the power to control the Company or its subsidiaries;

(4) Not having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or the persons who have the authority to control the Company in a manner that may impede the exercise of one's independent judgment, including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or the persons who have the authority to control the Company unless the aforementioned nature has been vacated for not less than 2 years;

Section 2: Corporate Governance

Business relationship under the first paragraph including the normal trading transactions for the purpose of doing business, renting or letting real estates, items about assets or services, or giving or receiving financial assistance, by accepting or lending, guaranteeing, and placing assets as collateral for liabilities, including other similar behaviors, which makes the applicant or the contracting party obliged to pay to the other party, from 3% of the applicant's net tangible assets or 20 million baht or upward; however, the calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions under the Announcement of the Capital Market Supervisory Board on Rules on Connected Transactions mutatis mutandis; such debt shall include debt obligations incurred during 1 year prior to the date of business relationship with the same person;

(5) Not being or used to be an auditor of the Company, parent company, subsidiaries, associated companies, major shareholders or the persons who have the authority to control the Company and being not significant shareholders, controllers or partners of any audit firm that auditor of the Company, parent company, subsidiaries, associated companies, major shareholders or the persons having the authority to control the Company is under, unless the aforementioned nature has been vacated for not less than 2 years;

(6) Not being or having been a professional service provider, including serving as a legal or financial advisor, which receives service fees of more than 2 million baht per year from the Company, parent company, subsidiaries, associated companies, major shareholders or the persons who have the authority to control the company and are not significant shareholders, controlling persons or partners of that professional service providers unless the aforementioned nature has been vacated for not less than 2 years;

(7) Not being a Director appointed to represent the Company's Directors, major shareholders or shareholders who are related to the Company's major shareholders;

(8) Not operating a business with the same nature and significantly competing with the business of the Company or a subsidiary, or not being a significant partner in the partnership or being a Director who takes part in the management, an employee, a worker or a consultant who receives a regular salary or holding more than 1% of the total number of shares with voting rights of other companies which operates businesses with the same nature and is significant competing with the business of the Company or its subsidiaries; and

(9) Not having any other nature that prevents them from expressing independent opinions on the Company's operations.

Nomination of Directors and Executives

Concerning the selection of persons to be appointed as Directors or executives of the Company, the Company has established a Nomination Committee to nominate Directors, Audit Committee, Remuneration Committee and Risk Management Committee. The persons appointed to hold the positions of Directors and executives of the Company are qualified persons under Article 68 of the Public Company Act B.E. 2535 (A.D. 1992) and the Announcement of the Capital Market Supervisory Board numbered 39/2559 on Application for and authorization to offer for sale of newly issued shares. The elements and criteria for recruiting are as follows.

1) Components and Nomination of Board of Directors

Section 2: Corporate Governance

- 1) The Company shall have a board of directors for running the operations of the company, consisting of at least five (5) Directors, no less than half of which must reside in the Kingdom, and the Company's Directors must meet all requirements by law. Directors may or may not be the shareholders of the company.
- 2) The quorum of a shareholder meeting shall appoint the Directors according to the rules and method as follows:
 - 2.1 A shareholder has a vote equivalent to one (1) share per one (1) vote;
 - 2.2 Each shareholder may use all the votes he/she has under 2.1 to elect one or many persons to be Directors, in case where many persons are to be selected as Directors, the votes may not be allocate uneven votes for any single nominee; and
 - 2.3 The persons receiving the most votes in descending order shall be elected as directors, the total number of which should be as required or to be elected at that time; in case of tie votes for more nominees than the available position, the chairman of the meeting is to give the decisive vote.
- 3) In every annual meeting, one-third (1/3) of the directors at that time should leave their positions. If the number of Directors cannot be divided into three, the number of Directors to be dismissed should be closest to one-third (1/3) and the Directors whose terms are over may be re-elected to take up the position. The Directors that must leave the positions in the first and second years after the registration of the Company may be selected to leave by being drawn. As for following years, the Director holding the position for the longest period of time has to leave the position.
- 4) Any Director who resigned from the position shall submit a resignation letter to the Company. The resignation will be effective from the date of resignation to the Company.
- 5) The quorum of a shareholder meeting may pass a resolution to dismiss any committee member before the expiration of his/her term, with the votes from no less than three-fourths (3/4) of the number of shareholders present and having the right to vote, and the total number of shares must not be less than half of the shares held by the shareholders attending the meeting and having voting right.
- 6) In case where the position of the director is vacant for any reason other than the expiration of the term, the board of Directors shall select a person who is qualified and has no prohibited characteristics under the law on public limited companies or the law on securities and stock exchange to be the replacement in the next board meeting, unless the remaining time of the term of that director is less than two (2) months. The person appointed as the replacement will for the remaining time of the term of that director. The resolution of the board as in the first paragraph shall be based on the votes of no less than three-fourths (3/4) of the number of the remaining Directors.
- 7) The Board of Directors shall select one Director to be the Chairperson of the Board. In case where the committee deems appropriate, one or more Directors can be selected as Vice Chairperson. A Vice Chairperson has duties according to the regulations of the Company as assigned by the Chairperson.

2) Components and Nomination of Audit Committee

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

3) Components and Nomination of Executive Committee

Section 2: Corporate Governance

The Executive Committees must be Directors and/or executives of the Company, who have been appointed by the Board of Directors, in the number that the Board of Directors deems appropriate and the Board of Directors will appoint an executive committee to be the Chairperson of the Executive Committee.

4) Components and Nomination of Managing Director

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

- 1) Having the qualifications of a director in accordance with the criteria specified by the Company;
- 2) Being knowledgeable, capable and experienced in the field of lighting industry management;
- 3) Managing Director position is for the person who can hold a position in the registered company or Teera-Mongkol Industry Public Company Limited only and holding other positions in no more than 4 non-registered companies as follows:
 - Private companies or other companies that does not run the business of lighting equipment like the company and not competing with the business of the company or having no conflict of interest with the company, but not holding the position of Chief Executive Officer or Managing Director of such companies; and
 - Public charitable organizations or places for the public interest or for education; and
- 4) The Nominating Committee will be the recruiter in accordance with the criteria and procedures for the selection of the person to be the Managing Director.

Development of Directors and Executives

The Company has set the direction for development of Directors and executives as follows:

- 1) The Board of Directors will promote and facilitate training and knowledge development for those involved in the Company's corporate governance system, such as Directors, Audit Committees, and executives, in order to continually improve their performance, both in-house training and external training as deemed appropriate;
- 2) Every time there is a change of new Director, the management will provide documents and information that are useful for the performance of the new Director's duties. including providing an introduction to the nature of the business and the Company's business conduct guidelines for new Directors (Orientation for new Directors);
- 3) The Board will require the Managing Director to report regularly on the development and succession plans, the Managing Director and senior executives will prepare continuity plans for the successors in case they are unable to perform their duties; and
- 4) The Board of Directors will set up a project for executive development, by having the Managing Director report annually on what has been carried out during the year, which will be considered simultaneously when considering the succession plan.

Evaluation of the Performance of Board of Directors

The Board of Directors will arrange an evaluation of its own performance and for the Directors, in 2 types of evaluation forms, namely, the evaluation form for the entire Board and individual Director evaluation form (self-assessment) to help the Directors review performance, problems and obstacles in the past year and

Section 2: Corporate Governance

use the assessment results to analyze the performance of the directors and for improvement and further development of operations by requiring that there are self-assessment forms for the entire Board and individual Director once a year. The result of the assessment of the entire Board of Committee is to be certified by the Chairperson of the Board be certified in the form of a faculty and the result of the evaluation of each Director is to be certified with the signature of that Director himself/herself. The topics of the evaluation/assessment are as follows:

- The Structure and Qualifications of the Board of Directors,
- Roles, Duties and Responsibilities of the Board of Directors,
- Board Meeting,
- Director's Duty Performance,
- Relationship with Management, and
- Director's Self-development and Executive Development.

Evaluation of Performance of Managing Director

The Board of Directors provides an evaluation of the performance of the Managing Director of the Company in order to allow the Board of Directors to be informed of the Company's operating results, which will be used in the evaluation of the Managing Director's performance. Meanwhile, the results of the Managing Director's assessment are used as a criterion for determining the Managing Director's remuneration both in the short term and in the long term. Managing Director's Performance Evaluation is carried out once a year and is certified by the Board of Directors along with the annual performance certification agenda, and the secretary department will file the results of the Managing Director's performance evaluation.

8.1.2 Meeting Attendance and Remuneration for Directors of the Board

Board Meeting

The Company has set that there must be at least a Board Meeting every 3 months. Special meetings are added as needed with a clear agenda set in advance and to be followed up on operating results. The invitation letter, together with the meeting agenda and pre-meeting documents, shall be delivered 7 days in advance of the meeting date to allow the Board of Directors to have sufficient time to study on the information before attending the meeting. In each Board Meeting, Directors express their opinions openly and freely. The meeting minute is recorded in writing and has to be approved by the Board of Directors so that Directors and related persons can be examined. Each Board Meeting takes approximately 2 - 3 hours.

Meetings of Board of Directors as at 31st December 2021

Director's Name	Position	Times of Attendance
1. Dr. Thanu Kulachol	Chairperson of the Board / Independent Director	6/6

Section 2: Corporate Governance

2. Dr. Srisuda Chongsithiphol	Independent Director / Chairperson of Audit Committee	4/4 ^{/1}
3. Mrs. Chollada Isarankura Na Ayudhya	Independent Director / Audit Committee	6/6
4. Mr. Aphichart Charnkiatkong	Independent Director / Audit Committee	6/6
5. Mr. Theerachai Prasitrattanaporn	Director	6/6
3. Mr. Theerayut Prasitrattanaporn	Director	6/6
7. Mr. Teeraphong Prasitrattanaporn	Director	6/6
8. Dr. Theerasak Prasitrattanaporn	Director	6/6

Note : /1 Dr. Srisuda Chongsithiphol is appointed Director by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Meetings of Nomination Committee as at 31st December 2021

Director's Name	Position	Times of Attendance
1. Dr. Thanu Kulachol	Chairperson of Nomination Committee	2/2
2. Dr. Sisuda Chongsitthiphon	Nomination Committee	1/1 ^{/1}
3. Mrs. Cholada Issarangkul Na Ayutthaya	Nomination Committee	2/2
4. Mr. Aphichat Chankiatkong	Nomination Committee	2/2
5. Mr. Theerachai Prasitrattanaporn	Nomination Committee	2/2
3. Mr. Theerayut Prasitrattanaporn	Nomination Committee	2/2

Note : /1 Dr. Srisuda Chongsithiphol is appointed by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Meetings of Remuneration Committee as at 31st December 2021

Director's Name	Position	Times of Attendance
1. Dr. Thanu Kulachol	Chairperson of Remuneration Committee	2/2
2. Dr. Sisuda Chongsitthiphon	Remuneration Committee	1/1 ^{/1}
3. Mrs. Cholada Issarangkul Na Ayutthaya	Remuneration Committee	2/2
4. Mr. Aphichat Chankiatkong	Remuneration Committee	2/2
5. Mr. Theerachai Prasitrattanaporn	Remuneration Committee	2/2
3. Mr. Theerapong Prasitrattanaporn	Remuneration Committee	2/2

Note : /1 Dr. Srisuda Chongsithiphol is appointed by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Meetings of Risk Management Committee as at 31st December 2021

Director's Name	Position	Times of Attendance
1. Dr. Thanu Kulachol	Chairperson of Risk Management Committee	4/4
2. Dr. Srisuda Chongsitthiphon	Risk Management Committee	3/3 ^{/1}

Section 2: Corporate Governance

3. Mrs. Chollada Isarankura Na Ayudhya	Risk Management Committee	4/4
4. Mr. Aphichart Charnkiatkong	Risk Management Committee	4/4
5. Mr. Theerachai Prasitrattapanorn	Risk Management Committee	4/4
3. Dr. Theerasak Prasitrattapanorn	Risk Management Committee	4/4
7. Mr. Thanakon Sukkanchananon	Risk Management Committee	4/4
3. Mrs. Saphachakan Piamsa-at	Risk Management Committee	4/4

Note : /1 Dr. Srisuda Chongsithiphon is appointed by the 2021 Annual General Meeting of Shareholders on 23rd April 2021.

Meetings of Audit Committee as at 31st December 2021

Director's Name	Position	Times of Attendance
1. Dr. Thanu Kulachol	Chairperson of Audit Committee	1/1 ^{/1}
2. Dr. Sisuda Chongsitthiphon	Chairperson of Audit Committee	3/3 ^{/2}
3. Mrs. Chollada Issarangkul Na Ayutthaya	Audit Committee	4/4
4. Mr. Aphichat Chankiatkong	Audit Committee	4/4

Notes: - Audit Committees with knowledge and experience in financial statement review are Dr. Srisuda Chongsithiphon and Mr. Aphichart Charnkiatkong

- All the Audit Committees are Independent Committees as in Clause 17 of the Announcement of the Capital Market Supervisory Board Numbered Tho Cho 39/2559.

/1 Dr. Thanu Kulachol is appointed Audit Committee on 24th April 2020 to replace Pol.Lt.Gen. Ammarin Niamsakun, whose term ended and did not want to continue his position for another term.

/2 Dr. Srisuda Chongsithiphon is appointed Chairperson of Audit Committee by the 2021 Annual General Meeting of Shareholders on 23rd April 2021 to replace Dr. Thanu Kulachol who desired to resign from the position of the Chairperson of Audit Committee.

Meetings of Executive Committee as at 31st December 2021

Name – Surname	Position	Times of Attendance
1. Mr. Theerachai Prasitrattapanorn	Chairperson of Executive Committee	12/12
2. Mr. Theerayut Prasitrattapanorn	Executive Committee	12/12
3. Mr. Teeraphong Prasitrattapanorn	Executive Committee	12/12
4. Dr. Theerasak Prasitrattapanorn	Executive Committee	12/12

Note: Executive Committee has not set meeting allowance for members at all.

Remuneration for Directors

Remuneration for Directors

Section 2: Corporate Governance

In 2021, the Annual Shareholder Meeting, held on 23rd April 2021, approved the remuneration for the new Board of Directors, which has increased from the year 2020. The Board has considered the duties and the responsibilities of the Board, and has studied and compared the information with the remuneration of directors of listed companies on the Stock Exchange of Thailand from the survey of directors' remuneration of listed companies by the Thai Institute of Directors Association (Thai IOD) and determined Directors' remuneration for the year 2021, details of which are as follows:

1. The Company has determined that the annual Directors' remuneration in 2021 consists of meeting allowances and annual compensation, combined to be paid in the amount of not more than 3,000,000 baht, which has increased from the year 2020; the total amount of remuneration is not more than 2,500,000 baht; and

2. Directors' remuneration consists of Meeting allowances and annual compensation the details are as follows.

Position	Meeting Allowance (Baht/Time/Person))	Annual Compensation (Baht/Year/Person)	Other Remunerati on
Chairperson of the Board	20,000	750,000	- None -
Chairperson of Audit Committee	20,000	400,000	
Audit Committee	10,000	350,000	
Director	10,000	-	

Notes: 1) In a meeting that has no agenda of financial statements approval, the Board of Directors does not accept meeting allowance. Thus, each Director is entitled to meeting allowance for 4 times a year only.

2) Annual compensation is for non-executive Directors only.

Remuneration for Directors in 2021

Order	Director's Name	Remuneration
1.	Dr. Thanu Kulachol	645,000
2.	Dr. Sisuda Chongsitthiphon	360,000
3.	Mrs. Cholada Issarangkul Na Ayutthaya	360,000
4.	Mr. Aphichat Chankiatkong	360,000
5.	Mr. Theerachai Prasitratanaorn	45,000
6.	Mr. Theerayut Prasitratanaorn	45,000
7.	Mr. Theerapong Prasitratanaorn	45,000
8.	Dr. Theerasak Prasitratanaorn	45,000
Total		1,905,000

8.1.3 Supervision for Subsidiaries and Associated Companies

Section 2: Corporate Governance

The Company has set a policy to supervise subsidiaries and associated companies in accordance with or in the same direction as Teera-Mongkol Industry Public Company Limited, which emphasizes on and adheres to the principles of good corporate governance in accordance with the guidelines set by the Stock Exchange of Thailand. The Company has assigned Directors or executives of the Company to act as representatives in subsidiaries and associated companies to set policies and manage according to the scope of authority assigned by the Company. The goal is to maintain the best interests of the Company and its stakeholders which are shareholders, trading partners, executives and employees, which oversight in various fields based on fairness, transparency, and accountability, and in accordance with human rights principles including the business Code of Conduct that have been set.

8.1.4 Monitoring for Compliance with Policy and Good Corporate Governance Guideline

Supervision on the Use of Internal Information

The company has policies and methods for the use internal information of the company for non-personal benefit and not for the trading of securities as follows.

Directors, executives, and employees, including their spouses and children who have not yet become of legal age, as well as the relevant persons under Section 258 of such persons, are prohibited from using internal information that has not been disclosed for the purpose of buying, selling, transferring or receiving transfer of company securities for a period of 30 days during the period prior to the presentation of the financial statements to the Office of the Securities and Exchange Commission or before the information is disclosed to the public. However, the purchase, sale, transfer, or acceptance of transfer of the company's securities by directors and executives of the company including their spouses and children who have not yet become of legal age, as well as the relevant persons under Section 258 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) of such persons, must be reported as the changes in securities holding to the Office of the Securities and Exchange Commission within 3 working days from the date of purchase, sale, transfer and acceptance of the transfer of securities. Violation or failure to comply with the rules, regulations or failure to do so subjects to punishment in accordance with Section 275 of the Securities and Exchange Act B.E. 2535 (A.D. 1992), with is no more than 500,000 baht penalty and a further fine of no more than 10,000 baht per day throughout the period that the default has not been corrected. In addition, directors and company executives must send 1 copy of the aforementioned report to the company for keeping as evidence.

Prevention of Conflict of Interest

The Company has determined that the Company's personnel and relatives involved in the family must disclose information or reports that may have conflicts of interest with the Company. Such report of conflicts of interest must be approved by the Board of Directors. The Audit Committee must agree with the connected transactions. The approval of the connected transactions is based on the principle of the best interests of the Company, fairness and rationality of the transactions, and in accordance with the conditions and market prices.

Section 2: Corporate Governance

Stakeholders may have conflicts of interest in related transactions will not be able to participate in the approval of such related transactions for fairness and for the best interest of the Company. If it is a related party transaction that falls under the regulations, notifications, orders, requirements or rules of the Stock Exchange of Thailand, the Company will comply with the regulations of the Stock Exchange of Thailand.

Anti-Corruption

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

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

In addition, the company has also signed a declaration of participation Thailand's Private Sector Collective Action Against Corruption (CAC) to take part in solving corruption problems. It is committed to complying with the rules set by CAC, supporting the expansion of clean business networks by inviting business partners. companies in the same industry and stakeholders with other groups of companies to join the CAC as well as to support the improvement of efficiency to increase the transparency of receiving and providing government services and transactions between the public and private sectors

In the year 2021, the Company has experienced no cases of fraud or ethical violations, and there has been no case where the non-executive Director resigns due to issues of corporate governance of the Company. Also, there is no case related to the Company's negative reputation due to the failure to perform the supervisory duty of the Board of Director.

Policy for Transparency and Whistle Blowing

The Company has set a policy forbidding employees from receiving, procuring or purchasing assets. or any other benefits that will affect the business operation that is not caused by good faith or cause lack of transparency in business operations in order to prevent malpractice and prevent lack of transparency in business operations with all business partners.

Section 2: Corporate Governance

In addition, the Company also provides channels for employees to directly report any lack of transparency in the performance of their duties to the management and to the Board of Directors, whereby employees and all stakeholders can report suspected fraud, malpractice, dishonest performance or actions that are contrary to ethical, moral, or legal practices to the Board of Directors, the Audit Committee and the Secretary Department.

This is under the Whistle Blowing policy to encourage the investigation of non-transparent acts and to ensure that reporters of non-transparency, corruption, non-compliance or negligence of the employee's duty will be treated fairly to prevent retaliation from those with bad intentions, and train employees to have knowledge and understanding of Anti-Corruption. This is one of the Company's efforts to encourage employees to be aware of corruption control and prevention.

Reporters or Claimants can report information and doubted cases through the following channels.

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

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





8.2 Performance Report of Audit Committee



Dr. Srisuda Chongsithiphol
Chairperson of Audit Committee



Mr. Aphichart Charnkiatkong
Audit Committee



Mrs. Chollada Isarankura Na Ayudhya
Audit Committee

The Audit Committee of Theera-Mongkol Industry Public Company Limited consists of 3 Independent Directors, all of which are not executives, employees or consultants, and having complete qualifications, and have performed their duties responsibility as assigned by the Board of Directors and in accordance with the guidelines which are consistent with good practice for the Audit Committee of the Stock Exchange of Thailand.

In year 2021, the Audit Committee has held a 4 meetings in total, attended by executives, internal auditors, and account auditors attending the meeting in the relevant agenda. The attendance of the meeting by the Audit Committees are as follows.

Name of Audit Committee	Attendance/All Meetings (Times)
1. Dr. Srisuda Chongsithiphol	3/3
2. Mrs. Chollada Isarankura Na Ayudhya	4/4
3. Mr. Aphichart Charnkiatkong	4/4

The performance of the Audit Committee in material respects according to the scope, authority and duties of the Audit Committee, can be concluded as follows.

1. Opinion on Accuracy, Completeness and Reliability of Financial Report of the Company

The Audit Committee has reviewed the quarterly and annual financial statements 2021, including related financial reports, to ensure that the Company's financial statements have been prepared as they should in all material respects. The disclosure of information is adequate and in accordance with generally accepted accounting standards, between companies and persons who may have conflicts of interest before presenting to the Board of Directors. The review will take into account the accuracy as it should be in essence, the completeness of the financial statements and the adequacy of information disclosure, which are of the utmost importance. In this regard, the meeting between the Audit Committee and the auditors to review the quarterly and annual financial statements for year 2021, including the relevant financial reports each time. There will be no management or any other representatives presenting at the meeting. This is to provide an opportunity for

Section 2: Corporate Governance

the auditors to answer the Audit Committees if there is a problem that cannot be shown directly to management or if the auditors find any abnormality that has been notified to the management but has not been corrected.

2. Opinion on Sufficiency of Internal Control System

Regarding the supervision of the internal control system, the Audit Committee has considered and followed up on the implementation of the recommendations and solutions, including randomly checking the compliance with the internal control system and from the report presented directly to the Audit Committee from the Internal Control Auditor, which the company has hired EI Business Advisory Co., Ltd. to perform such duties. In this regard, each meeting between the Audit Committee and representatives of EI Business Advisory Company Limited will not be held by the management or any other representative in order to provide an opportunity for EI Business Advisory Co., Ltd. to clarify the report directly to the Audit Committee so that the internal control systems in various fields of the Company is in the right direction and in accordance with good internal system control standards. In addition, the Audit Committee has reviewed policies and guidelines for risk management, and progress of risk management from the Company's management as presented in order to consider the management approach in accordance with the changing risks and environment and to be able to cope with situations that may occur in a timely manner and effectively which the Audit Committee considers that the Company has an adequate and appropriate internal control system.

3. Opinion on Connected Transactions between the Company and Person with Conflicts of Interest

The Audit Committee reviews the financial statements, considers and gives opinions on the connected transactions of the Company and persons who may have conflicts of interest, have a stake or may be a conflict of interest in the future according to the Announcement of the Securities and Exchange Commission. The meeting had considered and has unanimously agreed that the aforementioned connected transactions are reasonable, with fair pricing and other conditions and there is no transfer of benefits between the Company and persons who may have such conflicts.

4. Opinion on Compliance with Law Concerning Security and Stock Exchange Market, Regulation of Stock Exchange Market or Law Related to the Company's Business

The Audit Committee reviews compliance with the law and regulations of the Stock Exchange of Thailand and other laws related to the Company's business operations. The Audit Committee is of the opinion that the Company has complied with relevant rules and regulations and finds no significant defects.

5. Additional Opinion on the Making of Annual Plan are Acknowledgment of Problems by the Executives of the Company

The Audit Committee has joined the review and provision of opinions on the preparation of the annual work plan which the management has presented for consideration as well as to acknowledge and make suggestions about various problems that have happened or are expected to happen from the perspective of management. The Audit Committee considers that the Company has carefully and concisely formulated the

Section 2: Corporate Governance

annual work plan, and has carefully considered and decided on any problems that arise or are expected to occur.

6. Opinion on Appropriateness of Account Auditors

The Audit Committee is satisfied with the results of the independent auditor assessment because the selected auditors and remuneration are suitable and should be proposed to the Board of Directors for approval in a shareholders' meeting to appoint the account auditors as follows.

Account Auditor	License Number of Auditor	
Ms. Nongram Laoha-aridilok	4334	or
Mr. Pradit Rotloithuk	218	or
Ms. Chamaporn Rotloithuk	9211	or
Mrs. Phonthip Loetthanongsuk	7633	

The account auditors, under AST Master Company Limited, to work as the account auditors for 2022, to certify and express opinions on the financial statements of the Company.



(Dr. Srisuda Chongsithiphol)

Chairperson of Audit Committee

Teera-mongkol Industry Public Company Limited



8.3 Performance Reports of Sub-committees

8.3.1 Report of Performance of Nomination Committee

Nomination Committee consist of 6 members, 4 of which are Independent Directors are the other 2 are Executive Directors, as follows.

- | | |
|---|--|
| 1. Dr. Thanu Kulachol
Chairperson of Nomination Committee and
Independent Director | 4. Mr. Aphichat Chankiatkong
Nomination Committee and Independent
Director |
| 2. Dr. Srisuda Chongsithiphol
Nomination Committee and Independent Director | 5. Mr. Theerachai Prasitrattanaporn
Director |
| 3. Mrs. Cholada Issarangkul Na Ayutthaya
Nomination Committee and Independent Director | 6. Mr. Theerayut Prasitrattanaporn
Director |

In the Nomination Committee meeting in 2021, Ms. Julaiwan Duangkota, Company Secretary, acts as the secretary of the Nomination Committee. The Nomination Committee performs duties as assigned by the Board of Directors and is under the Nomination Committee Charter. In 2021, the Nomination Committee has had 2 meetings to consider the criteria and process for recruiting qualified persons for the positions of Director and senior management, including selecting persons according to the specified nomination process. The meeting has considered the following important matters:

- Considering and determining the criteria, policies and procedures for nominating qualified persons for the position of Directors and sub-committees of the Company to be presented to the Board of Directors;
- Nomination, selection and nomination of persons to serve as Directors and sub-committees of the Company in the event that the position becomes vacant due to the expiration of the term and in other cases to be presented to the Board of Directors and proposed to the shareholders' meeting for consideration and approval of the appointment as a Director;
- Considering the appropriateness of the structure and composition of the Board of Directors, including reviewing the qualifications and evaluating the Directors who have completed their terms; and
- Other operations related to the nomination as assigned by the Board of Directors.

In addition, in 2021, the Nomination Committee and the Board of Directors also provide opportunities for shareholders to nominate persons deemed appropriate to serve as Directors. Nomination is given in advance from 28th September 2021 to 30th December 2021, but it apparent that no shareholder had nominated any candidates of Directors in the 2022 Annual Shareholder Meeting. The nomination committee has performed

Section 2: Corporate Governance

duties with prudence, caution, transparency and fairness, and taken into account the best interests of the Company and all stakeholders.



(Dr. Thanu Kulachol)

Chairperson of Nomination Committee

8.3.2 Report of Performance of Remuneration Committee

Remuneration Committee consist of 6 members, 4 of which are Independent Directors are the other 2 are Executive Directors, as follows.

- | | |
|--|--|
| 1. Dr. Thanu Kulachol
Chairperson of Remuneration Committee and
Independent Director | 4. Mr. Aphichart Charnkiatkong
Remuneration Committee and Independent
Director |
| 2. Dr. Srisuda Chongsithiphol
Remuneration Committee and Independent
Director | 5. Mr. Theerachai Prasitrattanaporn
Director |
| 3. Mrs. Chollada Isarankura Na Ayudhya
Remuneration Committee and Independent
Director | 6. Mr. Teeraphong Prasitrattanaporn
Director |

In the Remuneration Committee meeting in 2021, Ms. Julaiwan Duangkota, Company Secretary, acts as the secretary of the Remuneration Committee. The Remuneration Committee performs duties as assigned by the Board of Directors and is under the Remuneration Committee Charter. In 2021, the Remuneration Committee has had 2 meetings to consider the criteria for provision of remuneration and benefits for Directors and senior managements to be presented to the Board of Committee. The meeting has considered the following important matters:

- Considering setting up policies and criteria related to compensation and other benefits for senior management by determining the remuneration on the bases of the duties and responsibilities and in accordance with the Company's performance and market conditions, which have to be presented to the Board of Directors for approval;
- Consider setting up policies and criteria related to compensation and other benefits for the Board of Directors and various committees on the bases of the duties and responsibilities in accordance with the Company's operating results and market conditions, have to be presented to the Board of Directors for approval;
- Responsible for the Board of Directors, explaining and answering questions about the Board of Directors' remuneration at the shareholders' meeting; and
- Other operations related to the determination of the remuneration assigned by the Board of Directors.

The performance of duties of the Remuneration Committee has been with prudence, transparency and fairness, with the emphasis on the best interests of the Company and all stakeholders.



(Dr. Thanu Kulachol)

Chairperson of Remuneration Committee

8.2.3 Report of Performance of Risk Management Committee

Risk Management Committee consist of 6 members, 4 of which are Independent Directors are the other 4 are executives, as follows.

- | | |
|---|---|
| 1. Dr. Thanu Kulachol
Chairperson of Risk Management Committee
and Independent Director | 5. Mr. Theerachai Prasitratanaorn
Director |
| 2. Dr. Srisuda Chongsithiphol
Risk Management Committee and
Independent Director | 6. Dr. Theerasak Prasitratanaorn
Director |
| 3. Mrs. Chollada Isarankura Na Ayudhya
Risk Management Committee and
Independent Director | 7. Mr. Thanakon Sukkanchananon
Director |
| 4. Mr. Aphichart Charnkiatkong
Risk Management Committee and
Independent Director | 8. Mrs. Saphachakan Piamsa-at
Director |

In the 2021 Risk Management Committee meeting, Ms. Julaiwan Duangkota, Company Secretary, acts as the Secretary of the Risk Management Committee. The Risk Management Committee performs duties as assigned by the Board of Directors. and is under the Risk Management Committee Charter. In 2021, the Risk Management Committee has had 4 meetings to perform its duty on risk management and present its opinions to the Board of Directors. The meeting has considered the following important matters:

- Considering the policy and framework for risk management to be presented to the Board of Directors for approval;
- Monitoring and suggesting ways to prevent and to reduce risks to an acceptable level, continuously monitoring, evaluating and improving action plans to reduce risks which is suitable for business conditions to ensure that risks are adequately and appropriately managed;
- Promoting and supporting improvement and developing a risk management system within the Company continuously and regularly;
- Communicating, exchanging information and coordinating on risks and internal controls with the Audit Committee at least once a year;
- Making of meeting minute that is significant and beneficial to the Company to the Board of Directors; and
- Performing any other tasks as assigned by the Board of Directors, in relation to the management of important risks.

Section 2: Corporate Governance

In the meeting of the Risk Management Committee, the Company considered 5 main risks, namely Strategic Risk, Operational Risk, Compliance Risk, Financial Risk, and Information Technology Risk, which are risks that may be significant in each quarter, and considering measures to support potential risks.



(Dr. Thanu Kulachol)

Chairperson of Risk Management Committee

8.2.4 Report of Performance of Executive Committee

The Executive Committee of the Company consists of 4 people, namely Mr. Theerachai Prasitrattanaporn, Chief Executive Officer, Mr. Theerayut Prasitrattanaporn, Executive Director, Mr. Teeraphong Prasitrattanaporn, Executive Director, and Dr. Theerasak Prasitrattanaporn, Executive Director. At the Executive Committee's meeting in 2021, Ms. Julaiwan Duangkota, Company Secretary, acts as the Executive Committee's secretary. The Executive Committee has performed duties as assigned by the Board of Directors, and is under the Executive Board Charter. In 2021, the Executive Board has had 12 meetings to manage the internal affairs of the company. The meeting considered the following important matters:

- Planning and operating the Company's business in accordance with the policies set by the Board of Directors of the Company;
- Determining the Company's business policies and strategies within the scope of the objectives;
- Making an investment plan and/or fundraising of the Company for the Board of Directors and/or the shareholders' meeting to approve, as the case may be;
- Approving the appointment of consultants in various fields necessary for the operation of the Company;
- Purchasing, selling, procuring, accepting, letting, leasing, holding, possessing, improving, using or otherwise managing any property including investment according to the plan that the Board of Directors has approved;
- Approving the purchase of property or any payment resulting from the Company's operations according to the contract and/or as agreed with business partners, the details of which are in accordance with the approval power chart prescribed by the Board of Directors;
- Approving the purchase, procurement, leasing and hire-purchase of any property, as well as approving investments and the payment of any expenses necessary for the operation of the Company, the details of which are in accordance with the approval power chart prescribed by the Board of Directors and within the limit that the Board of Directors has authorized;
- Approving the borrowing and overdrawing of money from banks, juristic persons or other financial institutes for the benefit of the Company's business operations, the details of which are in accordance with the approval power chart prescribed by the Board of Directors and within the limit that the Board of Directors has authorized; and
- Considering and determining remuneration rates, salary structure and employee welfare in accordance with the economy and situation.

The performance of duties and responsibilities of the Executive Committee as mentioned above does not include authorization to approve any transaction that he or she or the assignees or persons who may have conflicts (as defined in the Announcement of the Capital Market Supervisory Board) have any interest or benefit in any other manner that has a conflict with the Company. The approval of such transactions must be

Section 2: Corporate Governance

proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) to consider and approve the said transaction as required by the Company's Articles of Association or relevant laws.

In addition, in 2021, the Board of Directors has carefully considered various issues and circumstances affecting the business, such as the COVID-19 epidemic situation, the economic condition of Thailand, global economic conditions Domestic and international raw material prices as well as the situation of trading partners and competitors, to be used in the planning and operation of the Company's business for the maximum benefit to all parties involved.



(Mr. Teerachai Prasittrattanaporn)

Chief Executive Officer



Internal Control and Connected Transactions



9.1 Internal Control

The Company is aware of great importance to the internal control and audit system, including risk management by the Company, which is the attempt to control and manage risks closely, as well as taking into account the ethics of business operations by maintaining fairness to business partners, shareholders and all groups of stakeholders

In this regard, the 2nd meeting of the Board of Directors of Theera-Mongkol Industry Public Company Limited on 19th February 2022 in which the three Audit Committees attended. The Board has assessed the adequacy of the Company's internal control system in various aspects, by asking for information from the management which can be divided into 5 main groups as follows:

1) Control Environment, consisting of:

- Demonstration commitment to the values of integrity and corporate ethics;
- The independence of the Board of Directors from the management, Directors are responsible for oversight and development of internal control operations;
- Provision of Reporting Line Structure Determining appropriate commanding powers and responsibilities to enable the organization to achieve management objectives, under the supervision (Oversight) of the Board;
- Expression of commitment to motivation develop and maintain personnel with desired knowledge and abilities of the organization; and
- Assignment of personnel to have duties and responsibilities in internal control to achieve the objectives of the organization;

2) Risk Assessment, consisting of:

- The objectives clearly defined enough to be able to identify and assess various risks related to the achievement of organizational objectives;
- Identification and analysis of all types of risks that may affect the achievement of objectives comprehensively throughout the organization;
- Emphasis on the potential for fraud in assessing the risks to achieve the organization's objectives; and
- Identification and assessment of changes that may affect the organization's internal control system;

3) Control Activities, consisting of

- Determination of control measures that reduce the risk of failure to achieve the organization's objectives, to an acceptable level;

Section 2: Corporate Governance

- Selection and development of general control activities with technological systems to help support the achievement of organizational objectives; and
 - Organizing of control activities through corporate policies which defines what to expect and procedures so that the established policies can be put into practice;
- 4) Information & Communication, consisting of:
- Having relevant and quality information to support the internal control to be able to operate as specified;
 - Communication within the organization to include the objectives and responsibilities of internal control necessary to support internal control to operate as planned; and
 - Communication with external agencies on issues that may affect the internal control of the organization;
- 5) Monitoring Activities, consisting of:
- Monitoring and evaluation of the internal control of the organization to ensure that the internal control continues to operate in a complete and appropriate manner, and
 - Assessment and communication deficiencies for internal control in a timely manner to those responsible, including senior management and the Board of Directors as appropriate.

The sufficiency assessment of the internal control system is detailed in Appendix 6.

In addition, the Company has ensured that there is an adequate internal control system and is regularly monitored. AST Master Company Limited, the Company's account auditor, has evaluated and reviewed the Company's internal control system in the annual audit and has not found any major weaknesses or shortcomings in the said system. The chief of the internal audit and the chief of the Compliance Department have details as in Appendix 3.





9.2 Connected Transaction

Approval of entering into related party transactions (connected transactions) is based on the best interests of the Company, and fairness and reasonableness of the transactions and in accordance with the market conditions and market prices. The connected transactions must be approved by the Board of Directors, as well as by the Audit Committee. In addition, stakeholders will not be able to participate in the approval of such connected transactions for fairness and for the best interest of the Company. If it is a connected transaction that falls under the regulations, notifications, orders, requirements or rules of the Stock Exchange of Thailand, the company will comply with the regulations of the Stock Exchange of Thailand.

In 2021, the Company does not have any connected transactions.

Section 3

Financial Report

Independent Auditor Report



MASTER CO.,LTD.

ACCOUNTING SYSTEM & TAX
Certified Public Accountants

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790/12 ทองหล่อทาวเวอร์ ซอยทองหล่อ 18
ถนนสุขุมวิท 55 แขวงคลองตันเหนือ เขตวัฒนา
กรุงเทพฯ 10110
โทร : 0-2714-8843, 0-2185-0342

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of **Teera-Mongkol Industry Public Company Limited and its subsidiaries** ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **Teera-Mongkol Industry Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Teera-Mongkol Industry Public Company Limited and its subsidiaries** and of **Teera-Mongkol Industry Public Company Limited** as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

Revenue recognition

The revenue of the Group and Company are mainly derived from the sales of electrical equipment in domestic and export markets which are accounted for 93% and 100% of total revenue. Revenue from the sales of electrical equipment are considered as significant transaction and have a direct effect on the profit and loss of the Group and Company. In addition, the Group and Company has different sales and delivery terms on condition set out in the agreement or sales documents. Furthermore, the trend of economic slowdown and high competition, therefore there are risks with respect to the amount and timing of revenue recognition.

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

Allowance for obsolescence of inventories

As at 31 December 2021, the Group and Company has inventories amounting to Baht 99.03 million and Baht 98.92 million, respectively as disclosed in the Note 8 to the consolidated and separate statement of financial position. The inventories account is a significant balance. The Group's market is domestic which is high competition, the selling price depends on the competition of the more that and there are some long-outstanding finished goods which may not be sold at the expected selling price. The Group's accounting policy is to set-up allowance for decline in value of inventories at the lower of their cost and net realisable value and conside to set allowance for decline in value of inventories. Such estimation require judgment of management.

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

Other Information

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

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

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

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

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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.

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Section 3 Financial Report

AST MASTER

บริษัท เอเอสที มาสเตอร์ จำกัด

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

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

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



NONGRAM LAOHAAREEDILOK
Certified Public Accountant
Registration No. 4334

AST Master Co., Ltd.
21 February 2022

Section 3 Financial Report


TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		In Baht			
		Consolidated financial statements		Separate financial statements	
	NOTES	2021	2020	2021	2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	11,925,133	10,299,041	8,898,392	4,476,251
Trade and other current receivables	7	140,793,304	127,538,310	129,795,533	123,381,229
Short-term loans to related companies	5.2	-	-	153,965,374	60,000,000
Inventories	8	99,030,819	87,659,729	98,921,892	87,582,598
Right to recover product	9	3,228,870	2,730,460	3,228,870	2,730,460
Other current financial assets	30.7	273,989	-	273,989	-
Other current assets		713,699	486,440	144,647	309,392
Total current assets		255,965,814	228,713,980	395,228,697	278,479,930
NON - CURRENT ASSETS					
Deposits at banks pledged as collateral	10	4,648,966	4,529,652	1,244,279	1,229,652
Investments in subsidiaries	11	-	-	92,599,700	47,749,700
Property, plant and equipment	12	298,794,538	156,768,469	60,456,061	65,839,053
Deposit for purchase of land		-	3,400,000	-	-
Right-of-use assets	13	4,962,118	6,978,441	4,962,118	6,978,441
Intangible assets	14	47,159	67,691	47,159	67,691
Right to produce and sell electricity	15	39,655,963	40,783,287	-	-
Goodwill	16	8,147,981	8,147,981	-	-
Deferred tax assets	25	10,041,435	10,012,047	10,041,435	10,012,047
Other non - current assets		4,441,723	2,484,922	3,636,373	1,690,922
Total non - current assets		370,739,883	233,172,490	172,987,125	133,567,506
TOTAL ASSETS		626,705,697	461,886,470	568,215,822	412,047,436

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



 Mr. Teeraphong Prasitratanaoporn


 Mr. Theerasak Prasitratanaoporn

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

		In Baht			
		Consolidated financial statements		Separate financial statements	
NOTES		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institutions	17	69,397,468	136,212,052	69,397,468	136,212,052
Trade and other current payables	18	96,917,129	63,869,591	89,545,982	60,682,007
Current portion of long - term loans	19	12,795,652	12,795,652	-	-
Long-term loan reclassified as current liabilities	19	4,731,522	-	-	-
Current portion of lease liabilities	20	1,796,810	2,022,256	1,796,810	2,022,256
Short - term loans from related parties	5.2	-	-	1,000,000	5,000,000
Accrued income tax		83,509	5,836	-	-
Other current financial liabilities	30.7	292,168	2,139,733	292,168	2,139,733
Provision for refund liabilities	9	4,612,672	3,900,658	4,612,672	3,900,658
Total current liabilities		190,626,930	220,945,778	166,645,100	209,956,706
NON - CURRENT LIABILITIES					
Long - term loans	19	-	17,527,174	-	-
Lease liabilities	20	2,001,398	3,798,208	2,001,398	3,798,208
Debentures	21	192,569,817	-	192,569,817	-
Deferred tax liability	25	4,906,264	5,617,605	-	-
Non - current provisions for employee benefits	22	7,444,163	6,693,442	7,222,158	6,509,853
Provision for dismantling cost		400,000	300,000	200,000	200,000
Total non - current liabilities		207,321,642	33,936,429	201,993,373	10,508,061
TOTAL LIABILITIES		397,948,572	254,882,207	368,638,473	220,464,767
SHAREHOLDERS' EQUITY					
Share capital - Baht 0.25 par value					
Authorized share capital					
671,440,890 Common shares		167,860,223	167,860,223	167,860,223	167,860,223
Issued and paid - up share capital					
671,440,890 Common shares		167,860,223	167,860,223	167,860,223	167,860,223
Premium on share capital		45,286,907	45,286,907	45,286,907	45,286,907
Surplus from the changes in the ownership interests					
in a subsidiary		69,149	69,149	-	-
Retained earnings (deficit)					
Appropriated for legal reserve		11,208,591	11,208,591	11,208,591	11,208,591
Unappropriated		(28,551,712)	(29,104,514)	(24,778,372)	(32,773,052)
Total parent's equity		195,873,158	195,320,356	199,577,349	191,582,669
Non-controlling interests		32,883,967	11,683,907	-	-
TOTAL SHAREHOLDERS' EQUITY		228,757,125	207,004,263	199,577,349	191,582,669
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		626,705,697	461,886,470	568,215,822	412,047,436

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

Page 7

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Sales and service revenue	451,571,443	412,266,197	451,571,443	412,266,197
Sales revenue from electricity	32,702,078	35,594,728	-	-
Cost of sales and service	(301,285,451)	(266,202,120)	(301,285,451)	(266,202,120)
Cost of electricity sales	(30,274,701)	(27,717,460)	-	-
Gross profit	152,713,369	153,941,345	150,285,992	146,064,077
Other income	2,010,171	1,617,566	2,140,149	1,821,489
Profit before expenses	154,723,540	155,558,911	152,426,141	147,885,566
Cost of distributions	(69,919,722)	(64,957,201)	(69,919,722)	(64,957,201)
Administrative expenses	(76,627,689)	(70,260,874)	(68,209,932)	(67,023,361)
Total expenses	(146,547,411)	(135,218,075)	(138,129,654)	(131,980,562)
Profit from operating activities	8,176,129	20,340,836	14,296,487	15,905,004
Finance income	275,593	11,187	5,355,543	2,506,905
Finance costs	(11,463,717)	(8,761,995)	(11,686,738)	(6,191,681)
Profit (loss) before tax income	(3,011,995)	11,590,028	7,965,292	12,220,228
Tax income	25 614,857	2,495,525	29,388	1,821,979
Profit (loss) for the year	(2,397,138)	14,085,553	7,994,680	14,042,207
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(2,397,138)	14,085,553	7,994,680	14,042,207
Profit (loss) attributable to:				
Equity holders of the parent	552,802	14,389,967	7,994,680	14,042,207
Non-controlling interests	(2,949,940)	(304,414)	-	-
	(2,397,138)	14,085,553	7,994,680	14,042,207
Comprehensive income attributable to:				
Equity holders of the parent	552,802	14,389,967	7,994,680	14,042,207
Non-controlling interests	(2,949,940)	(304,414)	-	-
	(2,397,138)	14,085,553	7,994,680	14,042,207
Basic profit per share				
Profit attributable to equity holders of the parent	0.0008	0.0214	0.0119	0.0209

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



Mr. Teeraphong Prasitratatanaporn

Mr. Theerasak Prasitratatanaporn

Page 8

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES	In Baht					
	Issued and paid-up share capital	Premium on share capital	Surplus from the changes in the ownership interests in a subsidiary	Appropriated for legal reserve	Deficit	Total equity holders of the parent
					Unappropriated	Non-controlling interests
						interests
						Total
Balance as at 1 January 2020	167,860,223	45,286,907	69,149	10,506,481	(42,792,371)	180,930,389
Non-controlling interests increased from the capital increasing in subsidiary	-	-	-	-	-	-
Appropriated for legal reserve	-	-	-	702,110	(702,110)	-
Profit (loss) for the year	-	-	-	-	14,389,967	14,389,967
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at 31 December 2020	167,860,223	45,286,907	69,149	11,208,591	(29,104,514)	195,320,356
Balance as at 1 January 2021	167,860,223	45,286,907	69,149	11,208,591	(29,104,514)	195,320,356
Non-controlling interests increased from the capital increasing in subsidiary	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	552,802	552,802
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at 31 December 2021	167,860,223	45,286,907	69,149	11,208,591	(28,551,712)	195,873,158

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



Mr. Teeraphong Prasitratanaoporn

Mr. Theerasak Prasitratanaoporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021



Mr. Teeraphong Prasitratanaorn

	NOTE	In Baht				Total
		Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	
Balance as at 1 January 2020		167,860,223	45,286,907	10,506,481	(46,113,149)	177,540,462
Appropriated for legal reserve	23	-	-	702,110	(702,110)	-
Profit for the year		-	-	-	14,042,207	14,042,207
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	14,042,207	14,042,207
Balance as at 31 December 2020		167,860,223	45,286,907	11,208,591	(32,773,052)	191,582,669
Balance as at 1 January 2021		167,860,223	45,286,907	11,208,591	(32,773,052)	191,582,669
Profit for the year		-	-	-	7,994,680	7,994,680
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	7,994,680	7,994,680
Balance as at 31 December 2021		167,860,223	45,286,907	11,208,591	(24,778,372)	199,577,349

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

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax	(3,011,995)	11,590,028	7,965,292	12,220,228
Adjustments to reconcile profit to net cash provided by operating activities :				
Unrealized gain on foreign exchange rate	(252,549)	(4,527,191)	(252,549)	(4,527,191)
Depreciation and amortization	20,993,096	19,555,490	8,085,257	8,128,185
Bad debts and allowance for expected credit losses	2,433,224	3,450,935	2,433,224	3,450,935
Decrease (increase) in allowance for right to recover product	(1,622,227)	516,543	(1,622,227)	516,543
Increase (decrease) in allowance for goods return	2,317,467	(737,917)	2,317,467	(737,917)
Loss on obsolescence of inventories	1,085,086	3,473,920	1,085,086	3,473,920
Written-off of deposit for purchase of land	2,500,000	-	-	-
(Gain) loss on disposal of fixed assets	(3,269)	52,392	(3,269)	46,975
(Gain) loss on fair value of derivative instrument	(2,121,554)	2,139,733	(2,121,554)	2,139,733
Provisions for employee benefit obligations	750,721	725,188	712,305	688,252
Interest income	(275,593)	(11,187)	(5,355,543)	(2,506,905)
Interest expense and amortization of finance costs	11,463,717	8,761,995	11,686,738	6,191,681
Profit from operating activities before change in operating assets and liabilities	34,256,124	44,989,929	24,930,227	29,084,439
(Increase) Decrease in operating assets				
Trade and other current accounts receivable	(15,688,217)	(14,449,730)	(7,030,944)	(14,254,618)
Inventories	(12,456,176)	(1,808,257)	(12,424,380)	(1,756,835)
Right to recover product	1,123,817	549,730	1,123,817	549,730
Other current assets	(227,259)	337,495	164,745	328,187
Other non - current assets	(1,956,801)	477,909	(1,945,451)	477,909
(Decrease) Increase in operating liabilities				
Trade and other current accounts payable	29,355,475	11,514,976	29,182,537	12,731,333
Provision for refund liability	(1,605,453)	(785,329)	(1,605,453)	(785,329)
Cash received from operating activities	32,801,510	40,826,723	32,395,098	26,374,816
Income tax paid	(48,199)	(173,377)	-	(115,866)
Net cash provided by operating activities	32,753,311	40,653,346	32,395,098	26,258,950

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




Mr. Teeraphong Prasitratanaorn


Mr. Theerasak Prasitratanaorn

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in deposits pledged as collateral	(119,314)	(214,849)	(14,627)	(214,849)
Cash paid for additional investment in subsidiary	-	-	(44,850,000)	(21,848,900)
(Increase) decrease in deposit for purchase of land	900,000	(600,000)	-	-
Increase in short-term loans to related companies	-	-	(93,965,374)	(5,850,000)
Proceeds from disposals of equipment	3,832	206,776	3,832	205,374
Cash paid for purchase of property, plant and equipment	(131,546,521)	(25,469,728)	(620,105)	(300,588)
Cash paid for purchase of right-of-use assets	-	(809,800)	-	(809,800)
Cash paid for purchase of computer software	(37,950)	-	(37,950)	-
Proceeds from interest income	275,593	11,187	3,538,959	27,546
Net cash used in investing activities	(130,524,360)	(26,876,414)	(135,945,265)	(28,791,217)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(66,888,515)	12,889,068	(66,888,515)	12,889,068
Payment for lease liabilities	(2,022,256)	(1,450,028)	(2,022,256)	(1,450,028)
Decrease in short-term loans from related parties	-	-	(4,000,000)	(2,000,000)
Payment from long-term loans from financial institutions	(13,200,000)	(14,848,245)	-	(1,648,245)
Proceeds from debentures issuance	198,400,000	-	198,400,000	-
Payment of transaction expense related to debenture issuance	(7,040,000)	-	(7,040,000)	-
Interest paid	(9,852,088)	(8,529,647)	(10,476,921)	(6,358,693)
Cash received for shares from non-controlling interests	-	415,208	-	-
Net cash provided by (used in) financing activities	99,397,141	(11,523,644)	107,972,308	1,432,102
Net increase (decrease) in cash and cash equivalents	1,626,092	2,253,288	4,422,141	(1,100,165)
Cash and cash equivalents, beginning of year	10,299,041	8,045,753	4,476,251	5,576,416
Cash and cash equivalents, end of year	11,925,133	10,299,041	8,898,392	4,476,251

SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION

Non-cash transactions

Transfer of assets from non-controlling interests

from capital increasing in subsidiary	12	24,150,000	11,735,892	-	-
Purchase of vehicle by recording lease liabilities		-	3,239,200	-	3,239,200
Borrowing costs by recording construction in progress		2,047,772	-	-	-
Transfer equipment to right-of-use assets		-	(1,595,000)	-	(1,595,000)
Increase in right-of-use assets		-	4,665,368	-	4,665,368
Increases estimated cost of demolishing the building		100,000	-	-	-
Purchase of equipment by recording other payables	18	4,021,078	-	7,918	-

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

Mr. Teeraphong Prasitmananorn

Mr. Theerasak Prasitratananorn

Page 12

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION AND OPERATIONS

Teera-Mongkol Industry Public Company Limited was incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on 14 May 2010 and the Company's stocks were traded on the MAI. The registered addresses are as follows:

Head office is located at 46/67 - 69 Moo 3, Leab Klong Siwapasawad Road, Kokkrabeo, Meaung, Samutsakorn.

Branch Office 1 is located at 260/2 Charoennakhon Road, Sum Rae, Thon Buri, Bangkok.

Branch Office 2 is located at 9/20 Moo 5, Leab Klong Siwapasawad Road, Kokkrabeo, Meaung, Samutsakorn.

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

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

As at 31 December 2021 and 2020, the Company has deficit balances in separate statements of financial position were Baht 25.18 million and Baht 32.77 million, respectively, (consolidated statements of financial position were Baht 28.95 million and Baht 29.10 million, respectively), which is the result of the economic slowdown and technology changing. These matters raise to high competition and the Company's sales volume decreased in the past. However, the Company has implemented policies and plan to address the effectiveness of sales and production, reorganising for employee structure, including in expanding to business of power generation for increasing sale and profit in the future. The management believes that the Company is able to pay short-term and long-term borrowing from financial institutions upon due date. Therefore, the financial statements have been prepared on a going concern basis.

The Coronavirus disease 2019 Pandemic

The Coronavirus 2019 (COVID-19) pandemic in Thailand and the epidemic situation in other countries which recently have ongoing cases of COVID-19 infected people continuously. These matters resulted in an overall economic slowdown and impacted global business and industries. However, the Group's management is now paying close attention to the development of the COVID-19 pandemic and assess the impact on operations, the value of assets, estimates, liabilities and contingent liabilities.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARATION

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

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

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

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



Mr. Teeraphong Prasitratanaoporn

Mr. Theerasak Prasitratanaoporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company name	Country of incorporation	The date of commencing control	Percentage of holding
<u>Shareholding by the Company</u>			
Teera-Mongkol Green Energy Co., Ltd. <i>Power generation</i>	Thailand	21 April 2017	100
Teera-Mongkol Energy Co., Ltd. <i>Power generation</i>	Thailand	1 February 2018	65
<u>Shareholding by the Subsidiaries</u>			
Green Saving Energy Thailand Co., Ltd. <i>Power generation</i>	Thailand	30 August 2018	100
Green Earth Energy Co., Ltd. <i>Power generation</i>	Thailand	22 March 2019	100
Global Utility Supply Co., Ltd. <i>Biogas</i>	Thailand	22 March 2019	100

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

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

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

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During current year, the Group has adopted the revised Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting, which are effective for the financial statements for the period beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to reference to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform.

The adoption of these standards does not have any significant impact on the Group’s financial statements.




 Mr. Teeraphong Prasitratanaorn


 Mr. Theerasak Prasitratanaorn

Page 14

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. 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, for some financial reporting standards, providing temporary reliefs or temporary exemptions for users of the standards.

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

4. ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

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

4.2 Inventories

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

4.3 Investment in Subsidiaries

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

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

The Group treats transactions with non-controlling interests as transactions with Group equity owners as long as they do not result in a loss of control. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received are recognised within equity.

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

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 15

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

4.4 Property, plant and equipment

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

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

Building and structure	7 - 20 years
Machinery and plant equipment	3 - 10 years
Office furniture and fixture	3 - 5 years
Vehicle	5 - 10 years

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

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

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of the replacement part is included in the carrying amount of the asset is depreciated over the remaining useful life of the related asset.

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

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

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

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

4.5 Other intangible-Computer software

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

4.6 Goodwill

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

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

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 16

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

4.7 Right to produce and sell electricity and amortisation

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

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

4.8 Impairment of non-financial assets excluding goodwill

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

An impairment loss is recognised in profit or loss.

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

4.9 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.

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

Right-of-use assets

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

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


Mr. Teeraphong Prasitratanaorn


Mr. Theerasak Prasitratanaorn

Page 17

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Building and structure	2.6	years
Vehicle	10	years

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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

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

4.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group 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.



Mr. Teeraphong Prasitratatanaporn



Mr. Theerasak Prasitratatanaporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

4.11 Revenues recognition

Revenue recognition sale of goods

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

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of distinct goods or service from the customer.

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

Revenue from sale of electricity

Sale of electricity are recognised at a point in time when the controls over the products are transferred to the customers at destinations as stated in the agreements. The revenue from sale of electricity are recognised based on transaction price net of output tax, rebates and discounts.

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

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

4.12 Income tax

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

Current tax

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

Deferred tax

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

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

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

4.13 Provisions

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

4.14 Foreign currency transaction

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

4.15 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.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Classification and measurement of financial liabilities

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

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Derecognition of financial instruments

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

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

Impairment of financial assets

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.

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).

For trade receivables and contract assets, 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.

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

4.16 Derivatives

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

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

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

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 21

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

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

4.18 Critical accounting estimates and assumption

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

Property plant and equipment/Depreciation

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

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

Allowance for expected credit losses of trade receivables

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

Allowance for net realizable value

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

Estimates the allowance and estimates cost of allowance for returned inventory

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

Deferred tax assets

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

Mr. Teeraphong Prasitratatanaporn

Mr. Theerasak Prasitratatanaporn

Page 22

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Post-employment benefits under defined benefit plans

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

Fair value of financial instruments

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

4.19 Related parties

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

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

5. TRANSACTIONS WITH RELATED PARTIES

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

5.1 Relationships and pricing policies

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

	Relationship
<u>Subsidiaries</u>	
Teera-Mongkol Green Energy Co., Ltd.	100% Shareholding and directorship
Teera-Mongkol Energy Co., Ltd.	65% Shareholding and directorship
Green Saving Energy Thailand Co., Ltd.	100% Shareholding by the subsidiary and directorship
Green Earth Energy Co., Ltd.	100% Shareholding by the subsidiary and directorship
Global Utility Supply Co., Ltd.	100% Shareholding by the subsidiary and directorship
<u>Related parties</u>	
Biosecular Energy 1 Co., Ltd. (Liquidation on 27 December 2021)	Shareholding and directorship
Biosecular Energy 2 Co., Ltd. (Liquidation on 29 December 2021)	Shareholding and directorship
Greenest Energy 1 Co., Ltd. (Liquidation on 29 December 2021)	Shareholding and directorship
Greenest Energy 2 Co., Ltd. (Liquidation on 29 December 2021)	Shareholding and directorship

Mr. Teeraphong Prasitratanaopon

Mr. Theerasak Prasitratanaopon

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Relationship
Related persons	
Theerachai Prasitrattanaporn	The Company's director and shareholder
Theerayut Prasitrattanaporn	The Company's director and shareholder
Theeraphong Prasitrattanaporn	The Company's director and shareholder
Teerapsak Prasitrattanaporn	The Company's director and shareholder
	Pricing Policy
Loans to and loans from	Interest charge at rate of 1.0 - 9.49% per annum.
Service charge	At contract prices.

5.2 Balances of transactions with related parties

Balances of transactions with related parties as at 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other receivables (Note 7)				
Subsidiaries	-	-	8,690,004	6,873,419
Short-term loans				
Subsidiaries				
Balance at the beginning of the year	-	-	60,000,000	54,150,000
Add Increased during the year	-	-	134,315,374	15,250,000
Less Decreased during the year	-	-	(40,350,000)	(9,400,000)
Balance at the end of the year	-	-	153,965,374	60,000,000
Related companies				
Balance at the beginning of the year	-	-	-	-
Add Increased during the year	7,064,000	-	7,064,000	-
Less Decreased during the year	(7,064,000)	-	(7,064,000)	-
Balance at the end of the year	-	-	-	-
Total Short-term loans to related companies	-	-	153,965,374	60,000,000
Short-term loans from related companies				
Subsidiaries				
Balance at the beginning of the year	-	-	5,000,000	7,000,000
Add Increased during the year	-	-	1,000,000	-
Less Decreased during the year	-	-	(5,000,000)	(2,000,000)
Balance at the end of the year	-	-	1,000,000	5,000,000



Mr. Teeraphong Prasitrattanaporn

Mr. Theerapsak Prasitrattanaporn

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

5.3 Revenues and expenses transactions between related parties

Revenues and expenses transactions with related parties for the years ended 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other income				
Subsidiary	-	-	240,000	240,000
Interest income				
Subsidiaries	-	-	5,186,123	2,496,805
Related companies	162,477	-	162,477	-
Total	162,477	-	5,348,600	2,496,805
Interest expenses				
Subsidiary	-	-	42,959	55,288
Directors and management's benefits				
Short - term employee benefits	10,708,075	9,384,370	10,708,075	9,384,370
Post - employment benefits	184,059	178,201	184,059	178,201
Total	10,892,134	9,562,571	10,892,134	9,562,571

6. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	165,768	203,031	106,782	127,509
Current deposits	7,741,108	8,247,904	4,773,509	2,508,605
Saving deposits	4,018,257	1,848,106	4,018,101	1,840,137
Total	11,925,133	10,299,041	8,898,392	4,476,251

The interest rates of deposits at financial institutions were 0.05% to 0.125% per annum (2020: 0.25% to 0.50% per annum).

7. TRADE AND OTHER CURRENT RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables	116,333,027	112,776,272	116,333,027	112,776,272
Accrued income	6,172,238	4,146,134	-	-
Total trade receivables - net	122,505,265	116,922,406	116,333,027	112,776,272
Other current receivable				
Advances payment for inventories	1,211,004	851,266	1,211,004	851,266
Deposit	-	585,000	-	-
Prepaid expenses	8,015,331	6,266,490	3,405,745	2,409,858



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 25

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other receivables - Subsidiaries (Note 5.2)	-	-	8,690,004	6,873,419
Other receivables - other companies	157,627	476,130	155,753	470,414
Receivables - Revenue Department	8,904,077	2,437,018	-	-
Total other current receivables	18,288,039	10,615,904	13,462,506	10,604,957
Total trade and other current receivables	140,793,304	127,538,310	129,795,533	123,381,229

The aging of outstanding balances of trade receivables and accrued income as at 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Within credit terms	112,169,727	108,243,930	105,997,489	104,097,796
Overdue:				
Less than 3 months	3,643,957	3,899,543	3,643,957	3,899,543
3 - 6 months	1,578,501	2,957,110	1,578,501	2,957,110
6 - 12 months	3,317,889	2,182,744	3,317,889	2,182,744
Over 12 months	13,565,473	11,117,139	13,565,473	11,117,139
Total	134,275,547	128,400,466	128,103,309	124,254,332
Less Allowance for expected credit losses	(11,770,282)	(11,478,060)	(11,770,282)	(11,478,060)
Trade receivable - net	122,505,265	116,922,406	116,333,027	112,776,272

For trade receivables, the Group considers the allowance for lifetime expected credit losses based on the Group's historical credit loss experience.

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

	In Million Baht						
	Consolidated financial statements						
	Collectively assessed						
As at 31 December 2021	Trade receivables - days past due						Account Receivable Assessment
	Within credit terms	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total	Total
Expected credit loss rate	0 - 0.38%	0.75 - 12.00%	20.00%	20.00%	53.00-100%		
Estimated total gross carrying amount at default amounts not past due	84.88	1.57	0.35	0.37	11.94	99.11	134.28
Estimated total gross carrying amount at default amounts not past due	(0.30)	(0.08)	(0.07)	(0.07)	(11.25)	(11.77)	(11.77)
Trade accounts receivable - net	84.58	1.49	0.28	0.30	0.69	87.34	122.51

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 26

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Million Baht							
	Consolidated financial statements							
	Collectively assessed							
	Trade receivables - days past due							
As at 31 December 2020	Within credit terms	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total	Account Receivable Assessment	Total
Expected credit loss rate	0 - 0.38%		0.75 - 12.00%	20.00%	20.00%	53.00-100%		
Estimated total gross carrying amount at default amounts not past due	78.05	1.51	2.11	1.53	10.91	94.11	34.29	128.40
Estimated total gross carrying amount at default amounts not past due	(0.29)	(0.10)	(0.42)	(0.31)	(10.36)	(11.48)	-	(11.48)
Trade accounts receivable - net	77.76	1.41	1.69	1.22	0.55	82.63	34.29	116.92

	In Million Baht							
	Separate financial statements							
	Collectively assessed							
	Trade receivables - days past due							
As at 31 December 2021	Within credit terms	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total	Account Receivable Assessment	Total
Expected credit loss rate	0 - 0.38%		0.75 - 12.00%	20.00%	20.00%	53.00-100%		
Estimated total gross carrying amount at default amounts not past due	78.70	1.57	0.35	0.37	11.94	92.93	35.17	128.10
Estimated total gross carrying amount at default amounts not past due	(0.30)	(0.08)	(0.07)	(0.07)	(11.25)	(11.77)	-	(11.77)
Trade accounts receivable - net	78.40	1.49	0.28	0.30	0.69	81.16	35.17	116.33



	In Million Baht							
	Separate financial statements							
	Collectively assessed							
	Trade receivables - days past due							
As at 31 December 2020	Within credit terms	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total	Account Receivable Assessment	Total
Expected credit loss rate	0 - 0.38%		0.75 - 12.00%	20.00%	20.00%	53.00-100%		
Estimated total gross carrying amount at default amounts not past due	73.91	1.51	2.11	1.53	10.91	89.97	34.29	124.26
Estimated total gross carrying amount at default amounts not past due	(0.29)	(0.10)	(0.42)	(0.31)	(10.36)	(11.48)	-	(11.48)
Trade accounts receivable - net	73.62	1.41	1.69	1.22	0.55	78.49	34.29	112.78

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 27

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
As at 1 January	11,478,060	8,713,204
Provision for expected credit losses	4,454,680	4,643,014
Write off	(2,141,002)	(686,079)
Amount recovered	(2,021,456)	(1,192,079)
As at 31 December	11,770,282	11,478,060

8. INVENTORIES

	In Baht					
	Consolidated financial statements					
	At Cost		Allowance for diminution of inventories		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	81,237,404	88,437,152	(19,541,103)	(19,336,947)	61,696,301	69,100,205
Work in process	14,083,429	10,447,421	(4,296,283)	(3,915,469)	9,787,146	6,531,952
Raw materials	21,073,324	14,906,852	(5,456,271)	(4,956,155)	15,617,053	9,950,697
Supplies	108,927	77,131	-	-	108,927	77,131
Inventories in transit	11,821,392	1,999,744	-	-	11,821,392	1,999,744
Net	128,324,476	115,868,300	(29,293,657)	(28,208,571)	99,030,819	87,659,729

	In Baht					
	Separate financial statements					
	At Cost		Allowance for diminution of inventories		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	81,237,404	88,437,152	(19,541,103)	(19,336,947)	61,696,301	69,100,205
Work in process	14,083,429	10,447,421	(4,296,283)	(3,915,469)	9,787,146	6,531,952
Raw materials	21,073,324	14,906,852	(5,456,271)	(4,956,155)	15,617,053	9,950,697
Inventories in transit	11,821,392	1,999,744	-	-	11,821,392	1,999,744
Net	128,215,549	115,791,169	(29,293,657)	(28,208,571)	98,921,892	87,582,598

For the years ended 31 December 2021 and 2020, the Group and the Company had the cost of inventories recognised as expenses excluding item increase (decrease) of reduce the value of inventory and included in cost of sales.



Cost of goods
 Recognized allowance for diminution in value of inventories increased in profit or loss
 Cost of Goods Sold

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
	302,370,537	269,676,040
	(1,085,086)	(3,473,920)
	301,285,451	266,202,120

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 28

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9. RIGHT TO RECOVER PRODUCT / POVISION FOR REFUND LIABILITIES

	In Baht	
	Consolidated and Separate financial statements	
	Right to recover product	Povision for refund liabilities
As at 1 January 2021	2,730,460	3,900,658
Add Increased	1,622,227	2,317,467
Less Decreased	(1,123,817)	(1,605,453)
As at 31 December 2021	3,228,870	4,612,672

10. RESTRICTED BANK DEPOSITS

	In Baht					
	Interest rates (%)		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020
Saving deposits	0.125	0.125	128,059	116,089	128,059	116,089
12-months fixed deposits	0.15-0.20	0.20	1,116,220	1,113,563	1,116,220	1,113,563
24-months fixed deposits	0.35	1.60	3,404,687	3,300,000	-	-
Total			4,648,966	4,529,652	1,244,279	1,229,652

Such deposits were pledged as collateral against credit facilities from the financial institutions (Note 19) and guarantee of electricity (Note 31.3).

11. INVESTMENTS IN SUBSIDIARIES

Separate financial statements

	Country of incorporation	Paid - up Capital (In Baht)		Holdings (%)		At Cost (In Baht)	
		2021	2020	2021	2020	2021	2020
Teera-Mongkol Green Energy Co., Ltd. Power generation	Thai	25,000,000	25,000,000	100	100	24,999,800	24,999,800
Teera-Mongkol Energy Co., Ltd. Power generation	Thai	104,000,000	35,000,000	65	65	67,599,900	22,749,900
Total						92,599,700	47,749,700

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

For the year ended 31 December 2021

Net book value, beginning of year

Increase the registered capital and paid-up capital of subsidiary

Net book value, end of year

In Baht

47,749,700

44,850,000

92,599,700

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

In Baht

Company name	Proportion of equity interest held by on-controlling interests (%)		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests	
	2021	2020	2021	2020	2021	2020	2021	2020
Teera-Mongkol Energy Co., Ltd.	35	35	32,883,967	11,683,907	(2,949,940)	(304,414)	-	-

Page 29

Mr. Teeraphong Prasitratanaoporn

Mr. Theerasak Prasitratanaoporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Increase the registered capital and paid-up capital of subsidiary

Teera-Mongkol Energy Co., Ltd.

On 20 July 2021, the Extraordinary General Meeting of shareholders of Teera-Mongkol Energy Co., Ltd., approve to increase the registered capital from the registered capital of Baht 35 million to Baht 104 million and calling for fully paid-up capital to the shareholding proportion according to the investment agreement. The Company paid the share subscription with cash of Baht 44.85 million according to its share holding portion of 65% and the "Co-investor" paid the share subscription with machine, was measured at fair value of Baht 24.15 million (Note 12) according to its share holding portion of 35%. Teera-Mongkol Energy Co., Ltd. has registered an increase in share capital with the Ministry of Commerce on 13 August 2021.

On 18 August 2020, the Extraordinary General Meeting of shareholders of Teera-Mongkol Energy Co., Ltd., approve to increase the registered capital from the registered capital of Baht 1 million to Baht 35 million and calling for fully paid-up capital to the shareholding proportion according to the Memorandum of Understanding. The Company paid the share subscription with cash of Baht 21.5 million according to its share holding portion of 65% and the Co-investor paid the share subscription with machine, was measured at fair value of Baht 11.7 million (Note 12) and paid with cash of Baht 0.4 million according to its share holding portion of 35%. Teera-Mongkol Energy Co., Ltd. has registered an increase in share capital with the Ministry of Commerce on 25 August 2020.



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements

As at 1 January 2020

	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Building under construction	Machinery and plant equipment during installation	Total
Cost	33,547,124	109,962,429	126,226,351	11,733,913	15,530,202	-	-	297,000,019
Less Accumulated depreciation	-	(48,217,845)	(90,251,684)	(11,184,986)	(10,882,124)	-	-	(160,536,639)
Net book value	33,547,124	61,744,584	35,974,667	548,927	4,648,078	-	-	136,463,380

Transaction during the year ended 31 December 2020

Net book value, Beginning of year	33,547,124	61,744,584	35,974,667	548,927	4,648,078	-	-	136,463,380
Add Transfer of assets from non-controlling interests from investment in subsidiary (Note 11)	-	-	-	-	-	-	11,735,892	11,735,892
Add Acquisitions	-	-	4,022,581	329,376	-	1,543,351	19,574,420	25,469,728
Less Disposal	-	-	(6,320)	(534)	(252,314)	-	-	(259,168)
Depreciation	-	(6,712,476)	(9,075,399)	(317,509)	(535,979)	-	-	(16,641,363)
Net book value, end of year	33,547,124	55,032,108	30,915,529	560,260	3,859,785	1,543,351	31,310,312	156,768,469

As at 31 December 2020

Cost	33,547,124	109,962,429	130,139,171	11,783,246	13,956,202	1,543,351	31,310,312	332,241,835
Less Accumulated depreciation	-	(54,930,321)	(99,223,642)	(11,222,986)	(10,096,417)	-	-	(175,473,366)
Net book value	33,547,124	55,032,108	30,915,529	560,260	3,859,785	1,543,351	31,310,312	156,768,469



Mr. Teeraphong Prasitratapanorn

Mr. Theerasak Prasitratapanorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht					
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles	Total
Transaction during the year ended 31 December 2021						
Net book value, Beginning of year	33,547,124	55,032,108	30,915,529	560,260	3,859,785	156,768,469
Add Transfer of assets from non-controlling interests from investment in subsidiary (Note 11)	-	-	-	-	-	-
Add Acquisitions	11,711,856	-	17,666,393	807,116	2,131,500	24,150,000
Transfer in (out)	-	1,643,351	34,223,642	-	-	92,403,543
Less Disposal	-	-	(542)	(21)	-	(34,223,642)
Depreciation	-	(6,768,117)	(10,147,563)	(346,213)	(529,074)	(17,790,967)
Net book value, end of year	45,258,980	49,907,342	72,657,459	1,021,142	5,462,211	298,794,538
As at 31 December 2021						
Cost	45,258,980	111,605,780	181,932,824	12,338,048	16,087,702	491,710,738
Less Accumulated depreciation	-	(61,698,438)	(109,275,365)	(11,316,906)	(10,625,491)	(192,916,200)
Net book value	45,258,980	49,907,342	72,657,459	1,021,142	5,462,211	298,794,538

Cost of machine and building of Baht 64.25 million is machine and building on leased land.

As at 31 December 2021 land, property and machines amounting to Baht 74.78 million (2020: Baht 81.98 million) is mortgaged as collateral for bank overdrafts and short-term loans (Note 17) and long-term loans from financial institutions (Note 19).

During the year 2021, the Subsidiaries borrowing costs totaling approximately Baht 2.05 million were capitalised as part of the building and machinery cost. The weighted average rate of 9.28-9.49% per annum.

Mr. Teerapong Prasitratanaoporn

Mr. Theerasak Prasitratanaoporn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Separate financial statements

	In Baht				
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles
As at 1 January 2020					
Cost	23,547,124	79,400,106	60,342,920	11,107,181	15,154,365
Less Accumulated depreciation	-	(40,660,727)	(55,553,064)	(10,618,125)	(10,584,495)
Net book value	23,547,124	38,739,379	4,789,856	489,056	4,569,870
Transaction during the year ended 31 December 2020					
Net book value, Beginning of year	23,547,124	38,739,379	4,789,856	489,056	4,569,870
Add Acquisitions	-	-	69,534	231,054	-
Less Disposal	-	-	(2)	(33)	(252,314)
Depreciation	-	(4,989,835)	(618,245)	(275,703)	(460,688)
Net book value, end of year	23,547,124	33,749,544	4,241,143	444,374	3,856,868
As at 31 December 2020					
Cost	23,547,124	79,400,106	60,380,954	11,101,464	13,580,365
Less Accumulated depreciation	-	(45,650,562)	(56,139,811)	(10,657,090)	(9,723,497)
Net book value	23,547,124	33,749,544	4,241,143	444,374	3,856,868



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht				
	Land and Land improvement	Building and structure	Machinery and plant equipment	Office furniture and fixture	Vehicles
Transaction during the year ended 31 December 2021					
Net book value, Beginning of year	23,547,124	33,749,544	4,241,143	444,374	3,856,868
Add Acquisitions	-	-	332,594	295,429	-
Less Disposal	-	-	(542)	(21)	-
Depreciation	-	(4,976,201)	(389,051)	(211,518)	(433,682)
Net book value, end of year	23,547,124	28,773,343	4,184,144	528,264	3,423,186
As at 31 December 2021					
Cost	23,547,124	79,400,106	60,617,166	11,144,579	13,580,365
Less Accumulated depreciation	-	(50,626,763)	(56,433,022)	(10,616,315)	(10,157,179)
Net book value	23,547,124	28,773,343	4,184,144	528,264	3,423,186

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

As at 31 December 2021 land, building and structure amounting to Baht 50.27 million (2020: Baht 53.34 million) is mortgaged as collateral for bank overdrafts and short-term loans (Note 17) and long-term loans from financial institutions (Note 19).



Signature

Mr. Theerasak Prasitratanaorn

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. RIGHT-OF-USE ASSETS

	In Baht		
	Consolidated and Separate financial statements		
	Land	Vehicles	Total
For the year ended 31 December 2020			
Opening net book value	-	-	-
<u>Add</u> Right-of-use assets	4,665,368	4,049,000	8,714,368
<u>Less</u> Depreciation	(1,696,497)	(39,430)	(1,735,927)
Closing net book value	2,968,871	4,009,570	6,978,441
As at 1 January 2021			
Cost	4,665,368	4,049,000	8,714,368
<u>Less</u> Accumulated amortization	(1,696,497)	(39,430)	(1,735,927)
Net book value	2,968,871	4,009,570	6,978,441
For the year ended 31 December 2021			
Opening net book value	2,968,871	4,009,570	6,978,441
<u>Less</u> Depreciation	(1,696,498)	(319,825)	(2,016,323)
Closing net book value	1,272,373	3,689,745	4,962,118
As at 31 December 2021			
Cost	4,665,368	4,049,000	8,714,368
<u>Less</u> Accumulated amortization	(3,392,995)	(359,255)	(3,752,250)
Net book value	1,272,373	3,689,745	4,962,118

14. INTANGIBLE ASSETS

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
As at 1 January		
Cost	2,599,771	2,599,771
<u>Less</u> Accumulated amortization	(2,532,080)	(2,484,293)
Net book value	67,691	115,478
For the year ended 31 December		
Opening net book value	67,691	115,478
<u>Add</u> Acquisitions	37,950	-
<u>Less</u> Amortization	(58,482)	(47,787)
Closing net book value	47,159	67,691
As at 31 December		
Cost	2,637,721	2,599,771
<u>Less</u> Accumulated amortization	(2,590,562)	(2,532,080)
Net book value	47,159	67,691



Mr. Teeraphong Prasitrataporn

Mr. Theerasak Prasitrataporn

Page 35

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

15. RIGHT TO PRODUCE AND SELL ELECTRICITY

	In Baht	
	Consolidated financial statements	
	2021	2020
As at 1 January		
Cost	43,417,828	43,417,828
<u>Less</u> Accumulated amortization	<u>(2,634,541)</u>	<u>(1,504,128)</u>
Net book value	<u>40,783,287</u>	<u>41,913,700</u>
For the year ended 31 December		
Opening net book value	40,783,287	41,913,700
<u>Less</u> Amortization	<u>(1,127,324)</u>	<u>(1,130,413)</u>
Closing net book value	<u>39,655,963</u>	<u>40,783,287</u>
As at 31 December		
Cost	43,417,828	43,417,828
<u>Less</u> Accumulated amortization	<u>(3,761,865)</u>	<u>(2,634,541)</u>
Net book value	<u>39,655,963</u>	<u>40,783,287</u>



As at 31 December 2021, the amortization period right to produce and sell electricity will be fully in 14 - 20 years.

16. GOODWILL

	In Baht	
	Consolidated financial statements	
	2021	2020
Mr. Teeraphong Prasitratanaom		
Cost	8,147,981	8,147,981
<u>Less</u> Provision for impairment	<u>-</u>	<u>-</u>
Net book value	<u>8,147,981</u>	<u>8,147,981</u>

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

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

17. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Interest rate (%)		In Baht	
	per annum		Consolidated and Separate financial statements	
	2021	2020	2021	2020
Trust receipts	3.22	3.24	24,397,468	41,212,052
Promissory note	5.25	4.25 - 6.025	45,000,000	95,000,000
Total			<u>69,397,468</u>	<u>136,212,052</u>

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

As at 31 December 2021, the Group has overdraft facility and short-term loans from local financial institution amounting to Baht 220 million (2020: Baht 220 million). Loans bear interest at the rate of MOR and MLR per annum and are secured over land and structure (Note 12).

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

18. TRADE AND OTHER CURRENT PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables	58,779,530	37,184,949	57,272,408	35,623,952
Other current payable				
Accrued expenses	30,878,541	24,002,664	29,966,617	22,897,029
Advance received for inventories	793,466	117,547	793,466	117,547
Payable - Revenue Department	621,690	1,320,593	613,611	1,238,878
Assets payable	4,021,078	-	7,918	-
Other payable - Other companies	1,822,824	1,243,838	891,962	804,601
Total trade and other current payable	96,917,129	63,869,591	89,545,982	60,682,007

19. LONG - TERM LOANS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Long - term loans from financial institution	18,100,000	31,300,000	-	-
<u>Less</u> : Deferred loan of fees	(572,826)	(977,174)	-	-
Long-term loans - net	17,527,174	30,322,826	-	-
<u>Less</u> : Current portion	(12,795,652)	(12,795,652)	-	-
<u>Less</u> : Long-term loans reclassified as current liabilities	(4,731,522)	-	-	-
Current portion of long - term loans	-	17,527,174	-	-

As at 31 December 2021, the Group has long-term loans facility from local financial institution amounting to Baht 80 million. (2020: Baht 80 million), are secured over land, property and machines (Note 12), fixed deposits (Note 10) and guaranteed by subsidiary indirectly owned by the Company shares of subsidiary and certain directors.



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance, beginning of the year	30,322,826	44,766,723	-	1,648,245
Loans payments	(13,200,000)	(14,848,245)	-	(1,648,245)
Amortization of bank fees during the year	404,348	404,348	-	-
Balance, end of the year	17,527,174	30,322,826	-	-

Subsidiary

Amounting to Baht 17.53 million. (2020: Baht 30.32 million) Loan is monthly repayable of Baht 1.10 million each. The first payment will be paid on the date of 1 month after first drawdown and must be completed within 46 months. Loans bear interest at the rate of 6 Month THBFix +3 per annum and bank fees rate of 3.10 per annum.

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

The loan agreements contain certain covenants with which the Group must comply, among other things. However, as at 31 December 2021, the Group was unable to comply with certain covenant under the agreements. Therefore the Group has presented the outstanding balances of these loans as at 31 December 2021 as current liabilities in the statements of financial position.

20. LEASE LIABILITIES

The Group entered into financial arrangement agreements to purchase land and vehicles. The liabilities under the agreements are payable on monthly and the terms of agreements are 5 - 12 years.

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

	In Baht			
	Minimum instalments amount		The present value of minimum instalments amount	
	2021	2020	2021	2020
<u>Consolidated and Separate financial statements</u>				
Within 1 year	2,037,568	2,389,409	1,796,810	2,022,256
Over 1 to 5 years	2,284,018	4,321,586	2,001,398	3,798,208
	4,321,586	6,710,995	3,798,208	5,820,464
<u>Less</u> Deferred interest	(523,378)	(890,531)	-	-
	3,798,208	5,820,464	3,798,208	5,820,464



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 38

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht		
	Consolidated and Separate financial statements		
	Land	Vehicles	Total
As at 1 January 2021	2,691,061	3,129,403	5,820,464
Accretion of interest	98,953	268,200	367,153
Payments	(1,583,285)	(806,124)	(2,389,409)
As at 31 December 2021	1,206,729	2,591,479	3,798,208
<u>Less</u> current portion	(1,206,729)	(590,081)	(1,796,810)
Lease liabilities - net of current portion	-	2,001,398	2,001,398

The following are the amounts for the year ended 31 December 2021 recognised in profit or loss:

	In Baht	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	2,016,323	2,016,323
Interest expense on lease liabilities	367,153	367,153
Leases of low - value assets	197,396	24,699
Total	2,580,872	2,408,175

21. DEBENTURES

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
Debentures	198,400,000	-
<u>Less</u> : Deferred loan of fees	(5,830,183)	-
Debentures - net	192,569,817	-

Movements during the year ended 31 December 2021 were as follows:

	In Baht
	Consolidated and Separate financial statements
As at 1 January 2021	-
Accretion of debentures	198,400,000
Deferred debenture issuing costs	(7,040,000)
Amortisation of deferred debenture issuing costs	1,209,817
As at 31 December 2021	192,569,817

On 16 June 2021, the Company issued and offered 150,000 units of unsubordinated and secured debenture No. 1/2021 (Tranche 1) with a face value of Baht 1,000 each, amounting to Baht 150 million. The debentures mature on 16 June 2023 and bear interest at a rate of 6.75 percent per annum, payable every 3 months. The Company received cash from the issuance and offering of debentures totaling Baht 98.4 million.



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 39

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

On 5 November 2021, the Company issued and offered 100,000 units of unsubordinated and secured debenture No. 2/2021 (Tranche 2) with a face value of Baht 1,000 each, amounting to Baht 100 million. The debentures mature on 5 August 2023 and bear interest at a rate of 6.75 percent per annum, payable every 3 months. The Company received cash from the issuance and offering of debentures totaling Baht 100 million.

The Company must comply mature with the specific covenants such as to maintain net debt to equity ratio in the annual consolidated financial statements through the terms of debentures and guaranteed by the subsidiary in full amounts and the mortgage of the shares of the Company and subsidiary indirectly owned by the Company of subsidiary and certain directors, etc.

22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement in the present value of the defined non-current provisions for employee benefits for the years ended 31 December 2021 and 2020 is summarized below.

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Defined benefit obligations at 1 January	6,693,442	5,968,254	6,509,853	5,821,601
Included in profit or loss				
Current service costs	623,196	611,514	588,617	577,643
Interest on obligation	127,525	113,674	123,688	110,609
Total	750,721	725,188	712,305	688,252
Defined benefit obligations	7,444,163	6,693,442	7,222,158	6,509,853

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

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost of sales	184,467	178,283	184,467	178,283
Cost of electricity sales	25,741	24,744	-	-
Selling expenses	208,278	200,924	208,278	200,924
Administrative expenses	332,235	321,237	319,560	309,045
Total	750,721	725,188	712,305	688,252

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

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 15 years.



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Principal actuarial assumptions at the reporting date

For the years ended 31 December 2021 and 2020.

	Consolidated financial statements	Separate financial statements
Discount rate	1.90 - 2.09% per annum	1.90 % per annum
Salary increase rate	5%	5%
Employee turnover rate	Scale related to Age ranging from 1.91 - 45.84%	Scale related to Age ranging from 3.82 - 45.84%
Mortality rate	According to Thailand TMO 2017 male and female tables	According to Thailand TMO 2017 male and female tables

Sensitivity analysis

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

	In Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation at 31 December 2021				
Discount rate (1% movement)	(930,431)	1,100,852	(887,687)	1,045,261
Future salary growth (1% movement)	1,217,448	(1,037,000)	1,158,914	(991,535)
Turnover rate (20% movement)	(1,488,148)	2,090,589	(1,437,398)	2,018,609
Defined benefit obligation at 31 December 2020				
Discount rate (1% movement)	(887,843)	1,057,687	(851,455)	1,010,038
Future salary growth (1% movement)	1,086,677	(926,891)	1,038,844	(889,681)
Turnover rate (20% movement)	(1,321,870)	1,845,116	(1,280,592)	1,786,662

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

23. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution. In year 2020 the Company has increased appropriated for legal reserve of Baht 0.70 million.

24. PROVIDENT FUND

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

For the year ended 31 December 2021, the Company's contribution to the provident fund recorded in the financial statements is Baht 979,066 (2020 : Baht 934,081).

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 41

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

25. INCOME TAX

Income tax for the years ended 31 December 2021 and 2020 are made up as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax				
Corporate income tax	125,872	39,744	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(740,729)	(2,535,269)	(29,388)	(1,821,979)
Income tax reported in the statements of comprehensive income	(614,857)	(2,495,525)	(29,388)	(1,821,979)

Reconciliation of effective tax rate

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit (loss) before tax	(3,011,995)	11,590,028	7,965,292	12,220,228
Thai corporation tax rate (%)	20%	20%	20%	20%
Income tax using the Thai corporation tax rate	(602,399)	2,318,006	1,593,058	2,444,046
Tax losses	3,396,821	1,509,771	-	-
Deductible as taxable expense from promotional privileges	(1,672,648)	(1,940,813)	-	-
Additional expense deductions allowed	(750,737)	(654,639)	(748,396)	(654,639)
Non-deductible expenses	1,433,524	2,356,453	834,027	1,759,627
Utilization of taxable loss carried forward	(1,678,689)	(3,549,034)	(1,678,689)	(3,549,034)
Current income tax	125,872	39,744	-	-
Relating to temporary differences	(740,729)	(2,535,269)	(29,388)	(1,821,979)
Income tax income reported in the statements of comprehensive income	(614,857)	(2,495,525)	(29,388)	(1,821,979)

Deferred tax assets and liabilities are presented in the statements of financial position as at 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit loss and provision for refund liabilities	3,273,314	3,052,368	3,273,314	3,052,368
Allowance for obsolescence of inventories	5,207,745	5,056,895	5,207,745	5,056,895



Mr. Teerachon Prasitratanaon

Mr. Theerasak Prasitratanaon

Page 42

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease	73,797	146,318	73,797	146,318
Non-current provisions for employee benefits	1,442,987	1,292,076	1,442,987	1,292,076
Provision for dismantling cost	39,960	39,696	39,960	39,696
Derivatives liabilities	-	424,694	-	424,694
Derivatives assets	3,632	-	3,632	-
Deferred tax assets - net	10,041,435	10,012,047	10,041,435	10,012,047
<u>Deferred tax liabilities</u>				
Transferred from business acquisition	4,906,264	5,617,605	-	-
Deferred tax liabilities - net	4,906,264	5,617,605	-	-

26. Revenue from Contracts with Customers

Disaggregation of revenue

Product Category	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Manufacturing and distributing electrical equipment</u>				
Light Bulbs and Accessories	191,039,694	182,925,690	191,039,694	182,925,690
Light Lamps	256,475,720	221,523,841	256,475,720	221,523,841
Lighting Equipment and Convenient Products	31,885,279	28,027,649	31,885,279	28,027,649
<u>Less Discount</u>	(27,829,250)	(20,210,983)	(27,829,250)	(20,210,983)
<u>Generation and sell of electricity</u>				
Income from Electricity Sale	32,702,078	35,594,728	-	-
Total revenue from contracts with customers	484,273,521	447,860,925	451,571,443	412,266,197
Timing of revenue recognition				
Point in time	484,273,521	447,860,925	451,571,443	412,266,197




 Mr. Teeraphong Prasitratanaoporn


 Mr. Theerasak Prasitratanaoporn

Page 43

Section 3 Financial Report

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

27. EXPENSES BY NATURE

Significant expense by nature for the years ended 31 December 2021 and 2020, the details are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in finished goods and work in process	6,756,318	(1,694,410)	6,756,318	(1,694,410)
Purchase of finished goods	196,080,900	186,320,991	196,080,900	186,320,991
Raw materials and consumable used	78,364,077	64,266,222	70,943,493	55,575,193
Staff costs	97,927,399	94,418,129	94,339,625	90,700,692
Depreciation and amortization	20,993,096	19,555,490	8,085,257	8,128,185
Marketing fee	19,228,271	15,616,727	19,228,271	15,616,727
Freight	3,400,760	3,207,351	3,400,760	3,207,351

28. SEGMENT INFORMATION

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

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

- 1) Manufacturing and distributing electrical equipment
- 2) Generation and sell of electricity

In during the years ended 31 December 2021 and 2020, the Group total revenues from operations product and electricity derived domestic, represented 97% of total revenues.

	In Baht					
	Generation and sell of electricity		Manufacturing and distributing electrical equipment		Total	
	2021	2020	2021	2020	2021	2020
Sales revenue and service	-	-	451,571,443	412,266,197	451,571,443	412,266,197
Sales revenue from electricity	32,702,078	35,594,728	-	-	32,702,078	35,594,728
Cost of sales and service	-	-	(301,285,451)	(266,202,120)	(301,285,451)	(266,202,120)
Cost of electricity sales	(30,274,701)	(27,717,460)	-	-	(30,274,701)	(27,717,460)
Gross profit	2,427,377	7,877,268	150,285,992	146,064,077	152,713,369	153,941,345

	In Baht					
	Generation and sell of electricity		Manufacturing and distributing electrical equipment		Total	
	2021	2020	2021	2020	2021	2020
Segment assets	238,338,477	90,929,416	60,456,061	65,839,053	298,794,538	156,768,469
Segment liabilities	267,879,916	134,417,440	130,068,656	120,464,767	397,948,572	254,882,207



Mr. Teeranpong Prasitratanaorn



Mr. Theerasak Prasitratanaorn

Page 44

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Major customers

For the years ended 31 December 2021 and 2020, the Group has revenue from three and two, major customer represented at 30.64% and 32.40% percent of total revenues, respectively.

29. PROMOTIONAL PRIVILEGES ACCORDING TO INVESTMENT PROMOTION ACT

The Group has been received investment promotion certificates from the Industrial Investment Promotion for the industrial of electricity which the Group has been granted many exemptions such as exemption corporate income tax for the profit earned under promotional privileges for a period of 8 years from the date income is first derived from such activity. As a promoted industry under the Industrial Investment Promotion, The Group has to comply with certain terms and conditions as stipulated in the investment promotion certificates.

Sales classified as promoted and non-promoted business for the years ended 31 December 2021 and 2020 of the Company are summarised as follows:

	In Baht					
	Consolidated financial statements					
	Promoted business		Non- promoted business		Total	
	2021	2020	2021	2020	2021	2020
Domestic sales	31,876,736	41,076,867	436,604,779	392,586,176	468,481,515	433,663,043
Export sales	-	-	15,792,006	14,197,882	15,792,006	14,197,882
Total	31,876,736	41,076,867	452,396,785	406,784,058	484,273,521	447,860,925

	In Baht					
	Separate financial statements					
	Promoted business		Non- promoted business		Total	
	2021	2020	2021	2020	2021	2020
Domestic sales	1,480,029	5,482,139	434,299,408	392,586,176	435,779,437	398,068,315
Export sales	-	-	15,792,006	14,197,882	15,792,006	14,197,882
Total	1,480,029	5,482,139	450,091,414	406,784,058	451,571,443	412,266,197

30. FINANCIAL INSTRUMENTS

30.1 Derivatives not designated as hedging instruments

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

30.2 Financial risk management objectives and policies

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

30.3 Interest Rate Risk

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



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TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Interest rate sensitivity

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

30.4 Credit risk

Trade and other accounts receivables

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

Financial instruments and cash deposits

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

30.5 Liquidity risk

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

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 based on contractual undiscounted cash flows:

	In Baht			
	Consolidated financial statements			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short - term loans from financial institutions	69,397,468	-	-	69,397,468
Trade and other current accounts payable	96,917,129	-	-	96,917,129
Lease liabilities	4,321,586	-	-	4,321,586
Long - term loans	17,527,174	-	-	17,527,174
Debentures	-	198,400,000	-	198,400,000
Total non-derivatives	188,163,357	198,400,000	-	386,563,357

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 46

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht			
	Separate financial statements			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short - term loans from financial institutions	69,397,468	-	-	69,397,468
Trade and other current accounts payable	89,545,982	-	-	89,545,982
Lease liabilities	4,321,586	-	-	4,321,586
Short - term loans from related parties	1,000,000	-	-	1,000,000
Debentures	-	198,400,000	-	198,400,000
Total non-derivatives	164,265,036	198,400,000	-	362,665,036

30.6 Foreign currency risk

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

As at 31 December 2021 and 2020, the Group had the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(In Million)	(In Million)	(In Million)	(In Million)	(Baht per 1 foreign currency unit)	
U.S. Dollars	0.64	2.03	1.11	-	33.4199	30.0371

As at 31 December 2021 and 2020, the Group had the Foreign exchange contracts outstanding are summarised below.

As at 31 December 2021

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(In Million)		(Baht per 1 foreign currency unit)		
U.S. Dollars	1.75	-	33.2659	-	January - June 2022

As at 31 December 2020

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

Foreign currency sensitivity analysis

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Page 47

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

30.7 Fair values of financial instruments

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

As at 31 December 2021 and 2020, the Group had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: In Baht)			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2021				
Financial assets measured at fair value				
Derivative assets				
- Forward exchange contract	-	273,989	-	273,989
Financial liabilities measured at fair value				
Derivative liabilities				
- Forward exchange contract	-	292,168	-	292,168
Liabilities for which fair value are disclosed				
Debentures	-	198,357,369	-	198,357,369
As at 31 December 2020				
Financial liabilities measured at fair value				
Derivative liabilities				
- Forward exchange contract	-	2,139,733	-	2,139,733

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

The Group's valuation techniques to measure fair value in level 2 are option-pricing models, the present value of future cash flows based on the forward exchange rates at the reporting date and the discounted cash flow analysis. The significant inputs are from both observable market data and unobservable market data, e.g. share prices and credit spread. There were no changes in valuation techniques during the year.

Fair value of long-term debentures is calculated from the latest closing price of "Thai Bond Market" as of the valuation date.

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Lease commitments

As at 31 December 2021, The Group has the minimum amount of future payments under these land leases are as follows;

	In Million Baht
	Consolidated financial statements
Paid within	
1 year	0.2
1 to 5 years	0.2
More than 5 years	0.1
Total	0.5

TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

In during the year ended 31 December 2021, the Group had lease expenses recognized in statement of comprehensive income totaling Baht 0.17 million.

31.2 Capital commitment

The Group has capital commitment to purchase machinery and Building under construction amounting to Baht 61.07 million.

31.3 Contingent liabilities

The Group has contingent liabilities from letters of guarantee issued by banks for the payment of electricity amounting to Baht 3.92 million.

31.4 Guaranteed

The Company has guaranteed long-term loan for a subsidiary company in the amount of Baht 54.00 million.

31.5 Significant agreements

- The subsidiary has entered into the 20 years Power Purchase Agreement with Provincial Electricity Authority (PEA) to sell the electricity generated from the renewable energy, commencing from commercial operation date and can be extended base on the conditions stipulated in the agreements.
- A subsidiary has entered into an untreated waste water purchase agreement with a company. Such untreated waste water rate accordance with the conditions specified in the agreements.
- The subsidiary has entered into the 5 years and continuously for 5 years each time automatically with Power Purchase Agreement with Provincial Electricity Authority (PEA) to sell the electricity generated from the renewable energy, commencing from the contract date and can be extended base on the conditions stipulated in the agreements.

32. CAPITAL MANAGEMENT

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

Debt to equity ratio in the consolidated financial statement is 1.74:1 (2020: 1.23: 1) the separate financial statement debt to equity ratio is 1.85: 1 (2020: 1.15: 1).

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on 21 February 2022.



Mr. Teeraphong Prasitratanaorn

Mr. Theerasak Prasitratanaorn

Section 4

Verification of Information

ส่วนที่ 4 การรับรองความถูกต้องของข้อมูล



Verification of Information

The company has reviewed the information in this annual registration statement/annual report with cautiousness. The company certifies that such information is correct, complete, without any fault and not misleading or lacking of information that should be notified in material aspects:

(1) Financial statements and financial information summarized in the annual registration statement have presented accurate and complete information on essential aspects of the financial performance and the company's cash flow;

(2) The company has established a good information disclosure system to ensure that the company has disclosed the information that is important to the company correctly and completely, as well as to control and supervise the implementation of the said system; and

(3) The company has established a good internal control system, and has supervised to ensure compliance with the said system; also, the company has informed the internal control assessment information as of 21st February 2022, to the auditor and the Audit Committee of the company, which covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of financial reports of the company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the company has certified, the company has assigned Mr. Theerapong Prasitratanaorn and Dr. Theerasak Prasitratanaorn to as the persons who sign this document on every page as well. If any document does not have the signatures of Mr. Theerapong Prasitratanaorn and Dr. Theerasak Prasitratanaorn, such a document will not be deemed to be the information that the company has certified the accuracy as mentioned before.

Name-Surname	Position	Signature
1. Mr. Teerapong Prasitratanaorn	Director	
2. Dr. Theerasak Prasitratanaorn	Director	

Name-Surname of Assignee	Position	Signature
Mr. Teerapong Prasitratanaorn	Deputy Managing Director	
Dr. Theerasak Prasitratanaorn	Deputy Managing Director	

Enclosure

**Enclosure 1 Details of Directors, Executives,
Authority and Corporate Secretary**



Enclosure 1

Details of Directors, Executives, Authority and Corporate Secretary

Enclosure 1 Details of Directors, Executives,
Authority and Corporate Secretary

Details of Directors, Executives and Authority

**Dr. Thanu Kulachol**

Independent Director / Chairperson of the Board /
Chairperson of Risk Management Committee / Chairperson of
Nomination Committee / Chairperson of Remuneration
Committee

**Dr. Srisuda Chongsithiphol**

Independent Director / Chairperson of Audit Committee /
Risk Management Committee / Nomination Committee /
Remuneration Committee

**Mrs. Chollada Isarankura Na Ayudhya**

Independent Director / Audit Committee / Risk
Management Committee / Nomination Committee /
Remuneration Committee

**Mr. Aphichart Charnkiatkong**

Independent Director / Audit Committee / Risk Management
Committee / Nomination Committee / Remuneration
Committee

**Mr. Theerachai Prasitratthanaporn**

Director / Risk Management Committee / Nomination
Committee / Remuneration Committee / CEO / Managing
Director

**Mr. Theerayut Prasitratthanaporn**

Director / Nomination Committee / Executive Committee /
Deputy Managing Director

**Mr. Theeraphong Prasitratthanaporn**

Director / Remuneration Committee / Executive Committee /
Deputy Managing Director

**Mr. Theerasak Prasitratthanaporn**

Director / Risk Management Committee / Executive
Committee / Deputy Managing Director

**Mr. Thanakon Sukkanchananon**

Risk Management Committee /
Assistant Managing Director

**Ms. Julaiwan Duangkota**

Corporate Secretary

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Year s)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
1	Dr. Thanu Kulachol <ul style="list-style-type: none"> Chairperson of the Board Independent Director Chairperson of Risk Management Committee Chairperson of Nomination Committee Chairperson of Remuneration Committee 	81	Doctorate Degree Ph.D. (Higher Education), Southern Illinois University, U.S.A. Master's Degree M.B.A. (Finance) Magna Cum Laude, Fairleigh Dickinson University, U.S.A. Certificate <ul style="list-style-type: none"> Higher Diploma in Business Administration, Bangkok University and Fairleigh Dickinson University, U.S.A. UNESCO/CIOS Management Teacher Training Course, Malaysia Advanced Management Program (AMP), Harvard University, U.S.A. Diploma, National Defence College, The Joint State - Private Sector Course Class (2), Thailand National Defence College Director Accreditation Program (DAP) Class 68/2008 Thai Institute of Directors Association Training in 2021 -	-	-	2564 – ปัจจุบัน	Chairperson of the Board / Independent Director / Chairperson of Risk Management Committee / Chairperson of Nomination Committee / Chairperson of Remuneration Committee Teera-Mongkol Industry PCL.	Lighting
						2020 – 2021	Chairperson of the Audit Committee, Independent Director, Chairperson of the Nominating Committee, Chairperson of the Remuneration Committee, and Chairperson of the Risk Management Committee of Teera-Mongkol Industry PCL.	Lighting
						2019– Present	Council Member, Huachiew Chalermprakiet University	Education
						2016 – Present	Chairperson of the Board Siam Power Co., Ltd.	Power Renewable Energy from Trash
						2016 - Present	Chairperson of the Board TPC Asset Co., Ltd.	Real Estate Development
						2013 – Present	Chairperson of the Board TPC Power Holding Public Company Limited	Finance and Banking
						2009 – Present	Council Member, Bangkok University	Education
						2008 – Present	Thai Polycons Public Company Limited	Construction
						2007 – Present	President Emeritus, Bangkok University	Education

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
2	Dr. Srisuda Chongsithiphol <ul style="list-style-type: none"> Independent Director Chairperson of Audit Committee Risk Management Committee Nomination Committee Remuneration Committee 	66	Doctorate Degree Doctor of Business Administration (Finance) Southern Illinois University at Carbondale, U.S.A. Master's Degree Master of Accounting Utah State University, U.S.A. Bachelor's Degree Bachelor of Accounting (First Class Honor) Thammasat University Certificate Director Accreditation Program (DAP) Class of 134/2017 Thai Institute of Directors Training 2021 -	-	-	2021 – Present	Independent Director / Chairperson of Audit Committee / Risk Management Committee / Nomination Committee / Remuneration Committee Teera-Mongkol Industry PCL.	Lighting
						2020 – Present	Dean of Business Administration Faculty, Siam University	Education
						2016 - Present	Independent Director, Audit Committee Thai Polycons PCL.	Construction
						2008 – 2020	Acting Dean of Management College, Phayao University	Education
						2004 – 2017	Special Expert/ Lecturer of University/ Expertise of Bangkok Academic Center, Naresuan University	Education
						2008 – 2014	Director of Bangkok Academic Center, Naresuan University	Education
						2539 - 2547	Assistant of Dean in Academic, Bangkok University	Education
						2534 - 2539	Dean of Business Administration Faculty, Bangkok University	Education
						2522 - 2547	Lecturer of Bangkok University	Education
						2521 - 2522	Financial Analyst of Thai Military Bank	Financial Institute

* Dr. Sisuda Chongsithiphol is a director having knowledge and experience in financial statements audit.

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
3	Mrs. Chollada Isarankura Na Ayudhya <ul style="list-style-type: none"> Independent Director Audit Committee Risk Management Committee Nomination Committee Remuneration Committee 	63	Master's Degree MBA (Management) Kasetsart University Bachelor's Degree BA (Econs) Chiang Mai University Certificate Director Accreditation Program (DAP) Class of 146/2018 Thai Institute of Directors Training in 2021 -	-	-	2018 – Present	Independent Director / Audit Committee / Risk Management Committee / Nomination Committee / Remuneration Committee Teera-Mongkol Industry PCL.	Lighting
						2000- 2018	Human Resources Manager Agilent Technologies (Thailand) Co.,Ltd.	Electronic Measurement Equipment
						1999 - 2000	Office manager Nabisco (Thailand) Co., Ltd.	Production and Distribution of Confectionery and Snack
						Former	Assistant Managing Director Hewlett Packard (Thailand) Co., Ltd.	Computer Equipment
						Former	Assistant Coordinator in Marketing Seagate Technologies (Thailand) Co., Ltd.	Computer Part Production

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
4	Mr. Aphichart Charnkiatkong • Independent Director • Audit Committee • Risk Management Committee • Nomination Committee • Remuneration Committee	49	Master's Degree Master of Business Administration Master of Managerial Accounting Burapha University Bachelor's Degree Bachelor of Economics Thammasat University Training in 2021 -	-	-	2019 - Present	Independent Director / Audit Committee / Risk Management Committee / Nomination Committee / Remuneration Committee Teera-Mongkol Industry PCL	Lighting
						2019 - Present	Assistant Chief Financial Officer TPBI Public Company Limited	Packaging
						2018 - 2019	Financial and Administrative Advisor Bangkok Christian School	Private School
						2018 - 2019	Accounting and Finance Director JCK Hospitality Public Company Limited	Food
						2017 - 2018	Accounting and Finance Manager Crepes and Co Development Co., Ltd.	Food
						1999 - 2017	Senior Accounting Officer Sumitomo Electric (Thailand) Co., Ltd.	Electronic Equipment
						1997 - 1999	Finance and Administration Officer A&W Restaurant (Thailand) Co., Ltd.	Food
						1995 - 1997	Finance Officer Sub Micron Technology Plc.	Electronic Equipment

* Mr. Aphichart Chankiatkong is a director having knowledge and experience in financial statements audit.

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
5	Mr. Theerachai Prasitrattanaporn <ul style="list-style-type: none"> Director Risk Management Committee Nomination Committee Remuneration Committee CEO Managing Director 	49	Bachelor's Degree Bachelor of Business Administration (Marketing) ABAC University Certificate Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2021 -	The elder brother of Mr. Theerayut, Mr. Theerapong and Dr. Theerasak Prasitrattanaporn	9.92	2020 – Present	Director / Risk Management Committee / Nomination Committee / Remuneration Committee / CEO / Managing Director Teera-Mongkol Industry PCL	Lighting
						2009 - 2020	Director, Chairman of Executive Committee, Managing Director, Member of the Nomination Committee, Remuneration Committee, and Risk Management Committee Teera-Mongkol Industry PCL	
						2000 - 2008	Director and Sales Manager Teera-Mongkol Industry PCL	
6	Mr. Theerayut Prasitrattanaporn <ul style="list-style-type: none"> Director Nomination Committee Executive Committee Deputy Managing Director 	48	Master's Degree Master of Science (Computer & Engineering Management) ABAC University Bachelor's Degree Bachelor of Engineering (Electronics) ABAC University Certificate Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2021 Advanced Political and Electoral Development Course, Class 11 (PED.11) Election Commission of Thailand	A younger brother of Mr. Theerachai Prasitrattanaporn and an elder brother of Mr. Theerapong and Dr. Theerasak Prasitrattanaporn	14.02	2020 – Present	Director / Nomination Committee / Executive Committee / Deputy Managing Director Teera-Mongkol Industry PCL	Lighting
						2009 – 2020	Director, Executive Director, Deputy Managing Director, and Nomination Committee Teera-Mongkol Industry PCL	
						2000 - 2008	Director and Production Manager Teera-Mongkol Industry PCL	

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
7	Mr. Teeraphong Prasitratthanaporn <ul style="list-style-type: none"> Director Remuneration Committee Executive Committee Deputy Managing Director 	46	Bachelor's Degree Bachelor of Business Administration (International Business Management) ABAC University Certificate Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2021 -	A younger brother of Mr. Theerachai and Mr. Theerayut, and an elder brother of Dr. Theerasak Prasitratthanaporn	13.95	2020 – Present	Director / Remuneration Committee / Executive Committee / Deputy Managing Director Teera-Mongkol Industry PCL	Lighting
						2009 - 2020	Director, Nomination Committee, Executive Director, Deputy Managing Director Teera-Mongkol Industry PCL	
						2000 – 2008	Director and Production Manager Teera-Mongkol Industry PCL	

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
8	Dr. Theerasak Prasitratanaporn Director Executive Committee Deputy Managing Director	43	Doctorate Degree Doctor of Philosophy (Information Technology) ABAC University Master's Degree Master of Science (Software Engineering) San Jose State University, USA Bachelor's Degree Bachelor of Engineering (Computer) ABAC University Certificate - Director Certificate Program (DCP) Class of 155/2012 Thai Institute of Directors - Director Accreditation Program (DAP) Class of 76/2008 Thai Institute of Directors Training in 2021 -	The younger brother of Mr. Theerachai, Mr. Theerayut and Mr. Theerapong Prasitratanaporn	14.02	2020 - Present	Director / Risk Management Committee / Executive Committee / Deputy Managing Director Teera-Mongkol Industry PCL	Lighting
						2009 - 2020	Director / Executive Director / Deputy Managing Director Teera-Mongkol Industry PCL	
						2000 – 2008	Director / IT and Administration Manager Teera-Mongkol Industry PCL	

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
9	Mr. Thanakon Sukkanchananon ▪ Risk Management Committee ▪ Assistant Managing Director	49	Bachelor's Degree Bachelor of Business Administration, Marketing ABAC University Training in 2021 -	-	-	2014 – Present	Risk Management Committee / Assistant Managing Director Teera-Mongkol Industry PCL	Lighting
						2009 - 2013	Assistant Managing Director Teera-Mongkol Industry PCL	
						2008 - 2009	Deputy Sales Manager Teera-Mongkol Industry PCL	

Enclosure 1 Details of Directors, Executives, Authority and Corporate Secretary

Order	Name-Surname/Position	Age (Years)	Education	Family Relationship with Executives	Proportion of Company Share Holding (%)	Work Experience (Last 5 Years to Present)		
						Period (A.D.)	Position/ Name of Agency/Company	Business Type
10	Miss Julaiwan Duangkota Corporate Secretary	36	Master's Degree Master of Political Science Thammasat University	-	-	2020 – Present	Secretary Teera-Mongkol Industry PCL	Lighting
			Bachelor's Degree Bachelor of Arts (Political Science) Thammasat University			2018 – 2019	Executive Secretary Intelligence Business Consulting Co., Ltd.	IT Consultation
			Certificate - Finance for Non-Finance Executives Class of 6/2562, Business Administration and Accounting Faculty, Chulalongkorn University			2018 – 2018	Executive Secretary Finansia Syrus Securities PCL	Security Dealer
			- Export Knowledge, 2016 - WASO Training Center - Academic Camp of Human Resource and Organization Development, 2010 Faculty of Human Resource Development, National Institute of Development Administration (NIDA)			2015 – 2018	Executive Secretary TAC Ocean Freight PCL	International Logistic
			- Company Secretary Program Class 110/2020 - Thai Institute of Directors			2014 – 2015	Teacher Assistant/ Research Assistant Faculty of Political Science, Thammasat University	Public University
						2009 - 2011	Teacher Assistant/ Research Assistant Faculty of Human Resource Development, National Institute of Development Administration (NIDA)	Public University
			Training in 2021 -			2008 - 2008	Executive Secretary Phisit Intergroup Co.,Ltd.	Chemical and Machinery for Textile

Enclosure 2 Details of Directors of Subsidiaries



Enclosure 2

Details of Directors of Subsidiaries

Enclosure 2 Details of Directors of Subsidiaries

Details of Directors of Subsidiaries

Name	Subsidiary				
	1	2	3	4	5
	Teera-Mongkol Green Energy Co., Ltd.	Teera-Mongkol Energy Co., Ltd.	Green Saving Energy Thailand Co., Ltd.	Green Earth Energy Co., Ltd.	Global Utility Supply Co., Ltd.
Dr. Thanu Kulachol					
Dr. Srisuda Chongsithiphol					
Mr. Theerachai Prasitrattanaorn					
Mr. Theerayut Prasitrattanaorn					
Mr. Teeraphong Prasitrattanaorn	✓	✓	✓	✓	✓
Dr. Theerasak Prasitratanaporn	✓	✓	✓	✓	✓
Mrs. Chollada Isarankura Na Ayudhya					
Mr. Aphichart Charnkiatkong					

Note  = Director of the Company

Enclosure 3 Details of Chief of Internal Audit and Compliance



Enclosure 3

Details of Chief of Internal Audit and Compliance

Enclosure 3 Details of Chief of Internal Audit and Compliance

Details of Chief of Internal Audit and Compliance

The Company is aware of great importance to the company's internal control system, which allows internal audits to be free and concise without conflicts of interest issues. The company has hired a juristic person to perform internal audit, which is EI Business Advisory Company Limited by Mr. Suwit Chanamphon to perform internal audit and to report the results of the internal control audit to the Audit Committee directly. In every meeting between the Audit Committee and the representative of EI Business Advisory Company Limited, no management or any other representative of the management team attends the meeting in order to provide an opportunity for representatives of EI Business Advisory Company Limited to independently report the results of the internal control audit to the Audit Committee.

In this regard, the Audit Committee has acknowledged the results of the audit of the internal control system that EI Business Advisory Company Limited has already conducted for the year 2021, and commented that the internal control system of Teera-Mongkol Industry Public Company Limited has a sufficient and appropriate internal control system, does not cause conflicts of interest and has adequate good corporate governance.

Details of Internal Auditor

Name: Mr. Suwit Chanamphon

Current Position: Managing Director of EI Business Advisory Company Limited

Educations:

- Master of Business Administration and Accounting, Chulalongkorn University;
- Bachelor of Business Administration, Accounting Major, ABAC University;
- Bachelor of Laws, Ramkhamhaeng University; and
- Diploma of Account Auditor, Faculty of Business Administration and Accounting, Chulalongkorn University.

Work Experience:

- Licensed Account Auditor of Thailand (CPA), Numbered 3800;
- Internal Auditor and Legal Consultant of different companies, such as construction business, dispensary business and banking business for more than 27 years; and
- Big 4 Account Audit Company.

Enclosure 4 Property for Business and Details of Property Valuation



Enclosure 4

Property for Business and Details of Property Valuation

Enclosure 4 Property for Business and Details of Property Valuation

Property for Business and Details of Property Valuation

-None-

Enclosure 5 Policy and Guidelines for Corporate Governance and
Business Code of Conduct of Teera-Mongkol Industry PCL



Enclosure 5

Policy and Guidelines for Corporate Governance and Business Code of Conduct of Teera-Mongkol Industry PCL

Enclosure 5 Policy and Guidelines for Corporate Governance and
Business Code of Conduct of Teera-Mongkol Industry PCL

Policy and Guidelines for Corporate Governance and Business Code of Conduct Complete Version

The company has disclosed the Policy and Guidelines for Corporate Governance and Business Code of Conduct Complete Version in the company's website as shown in the following link:

<<http://www.thaiballast.com/AboutUs/BusinessCodeofConductTMI.pdf>>.

Enclosure 6 Questionnaire on Sufficiency of Internal Control System



Enclosure 6

Questionnaire on Sufficiency of Internal Control System

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Questionnaire on Sufficiency of Internal Control System


In the second board meeting of Teera-Mongkol Industry Public Company Limited on 21st February 2022, with all the three Audit Committees attending the meeting, the Board has assessed the sufficiency of internal control in various aspects, by surveying from the management team, the topics are as follows.

Control Environment







1. The organization adheres to integrity and ethicality

Question	Yes	No
1.1 Board of Directors and executives set guidelines and operating on the principles of integrity and upholding the Code of Conduct that covers 1.1.1 Daily duties and decision making in various matters, and 1.1.2 Treats to partners, customers and third parties.	✓ ✓	
1.2 There are written requirements for executives and employees to perform their duties with integrity and uphold the code of conduct that covers 1.2.1 There is Code of Conduct appropriate for executives and employees; 1.2.2 There are regulations prohibiting executives and employees from acting in a manner that may cause conflicts of interest with the business, including prohibiting corruption that causes damage to the organization; 1.2.3 Appropriate penalties are imposed if the above provisions are violated; and 1.2.4 The above requirements and penalties are communicated to all executives and employees; for examples, to be included in new employee orientation, to have employees sign the terms and penalties annually, and to disseminate the Code of Conduct to employees and outsiders.	✓ ✓ ✓ ✓	
1.3 There is a process for monitoring and evaluating compliance with the Code of Conduct 1.3.1 Monitoring and evaluation by Internal Audit or Compliance Unit; 1.3.2 Self-Assessment by Management and Employees; and 1.3.3 Assessment by independent external experts.	✓ ✓ ✓	
1.4 Any case of non-compliance with the requirements for integrity and ethics is managed in the timely manner: 1.4.1 There is a process that allows violations to be detected in a timely manner; 1.4.2 There is a process in place to allow the violation to be punished or dealt with appropriately, and within a reasonable time; and	✓ ✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Question	Yes	No
1.4.3 1.4.3 Actions that violate the principles of integrity and Code of Conduct are properly addressed, and within a reasonable time.		

2. Board of Directors are independent from executives, and is responsible for oversight and development of internal control.

Question	Yes	No
2.1 The roles and responsibilities of the Board of Directors are defined separately from the management team, with specific rights and powers of the Board of Directors clearly reserved;		
2.2 The Board of Directors oversees the establishment of clear and measurable business goals as guidelines for the performance of executives and employees;		
2.3 The Board of Directors supervises the company to determine the roles and duties of the board and executives in accordance with the law and the charter that cover the important roles of the audit committee, auditors, internal auditors, and the person responsible for the financial reports;		
2.4 The Board of Directors is knowledgeable about the company's business, and has expertise that is beneficial to the company or can seek advice from an expert on the subject;		
2.5 The Board of Directors consists of independent directors who have knowledge, reliable ability and true independence in performing duties such as having no business relationship with the company, or no other relationship which may influence the exercise of discretion and the independent performance of duties in an adequate amount; and		
2.6 The Board of Directors is overseeing the development and implementation of internal control in the organization, which covers the creation of a control environment, risk assessment control, activities to control over information and communication, and monitoring.		

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

3. The management team has established the reporting structure and set the authority to give orders and responsibilities that are appropriate for achieving objectives under the oversight by the Board of Directors.

Question	Yes	No
3.1 Top management defines an organizational structure that supports the achievement of the company's objectives by considering the suitability of both business and law, including establishing effective internal control such as delegation of duties in important areas which causes checks and balances among one another. There is an internal audit work that directly depends on the Audit Committee, and has a clear line of reporting.	<input checked="" type="checkbox"/>	
3.2 Top management has set reporting line in the company by considering the appropriateness of role, responsibilities and information communication.	<input checked="" type="checkbox"/>	
3.3 Authority and responsibilities are set, assigned and limited appropriately among Board of Directors, executives and employees.	<input checked="" type="checkbox"/>	

4. The organization demonstrates the commitment to motivate, develop and retain personnel with knowledge and capability.

Question	Yes	No
4.1 The company has policies and procedures for recruiting, developing and retaining personnel with appropriate knowledge and abilities; and has a process for reviewing the policies and procedures on a regular basis.	<input checked="" type="checkbox"/>	
4.2 The company has a performance appraisal process, provided incentives or rewards to high-performing personnel, and done management towards personnel whose performance does not meet the goals including communicating these processes to executives and employees.	<input checked="" type="checkbox"/>	
4.3 The company has a process to correct problems or prepare for the lack of personnel with the right knowledge and competence in a timely manner.	<input checked="" type="checkbox"/>	
4.4 The company has a process to recruit, develop and retain all executives and employees, such as mentoring and training.	<input checked="" type="checkbox"/>	
4.5 The company has Succession Plan and process for significant position.	<input checked="" type="checkbox"/>	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

5. The organization set the responsibility of internal control for personnel in order to achieve organizational objectives.

Question	Yes	No
5.1 Board of Directors and executives have a compulsory process and communication that all personnel are responsible for internal control, and provide for improvements in the operating process if necessary.	✓	
5.2 Board of Directors and executives set performance indicators, motives and appropriate rewards, considering both the Code of Conduct and the Company's short-term and long-term objectives.	✓	
5.3 Board of Directors and executives continually assess incentives and rewards, emphasizing that they can also be linked to the success of their duty to comply with internal control.	✓	
5.4 Board of Directors and executives have considered not creating too much pressure concerning personnel's operations.	✓	

Risk Assessment

6. The organization sets sufficiently clear objectives in order to identify and evaluate risks concerning the achievement of the objectives of the organization.

Question	Yes	No
6.1 The company can comply with accounting standards generally accepted and suitable for business at that time by showing that the items in the financial report are completely showing that the rights or obligations of the company correctly have reasonable value and disclose complete and accurate information.	✓	
6.2 The company determines the essence of the financial transaction, by taking into account important factors such as users of financial reports, item size and business trends.	✓	
6.3 Financial Report of the company reflects truly reflect the operation of the company.	✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Question	Yes	No
6.4 Board of Directors or Risk Management Committee approves and communicates the risk management policy to all executives and employees for acknowledgment and compliance until it is part of the corporate culture.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

7. The organization identifies and analyzes risks of all types that may affect the achievement of objectives that cover the entire organization.

Question	Yes	No
7.1 The company identifies all types of risks that may affect business operations at the levels of the corporate, business units, departments and functions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.2 The company analyzes all types of risks that may arise from both internal and external factors, including strategic, operational, reporting, compliance and information technology risks.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.3 Executives and members of all levels of management team has involvement in risk management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.4 The company assess the importance of risk by considering of chance to take place and possible impacts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.5 The company has measures and action plans to manage risks, which may be the acceptance of that risk, the reduction of risks , the avoidance of risks or the sharing of risks.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

8. The organization has considered the chance for corruption in the assessment of risks related to achievement of objectives of the organization.

Question	Yes	No
8.1 The company assesses the potential for fraud covering various types of fraud, such as making false financial reports, property loss, corruption, management override of internal controls, significant changes to information in reports, and acquisition or misuse of property.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8.2 The company has carefully reviewed the operational goals by considering the feasibility of the goals already set including considering the reasonableness of providing incentives or rewards to employees, and does not encourage employees to	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Question	Yes	No
act inappropriately, such as not setting the company's sales goals too high and causing incentives to decorate sales numbers.		
8.3 The Audit Committee has considered and inquired the management about the potential for fraud, and measures the company has taken to prevent or correct corruption.	✓	
8.4 The company communicates to all employees to understand and comply with the policies and guidelines set forth.	✓	

9. The organization can identify and assess change that may affect internal control.

Question	Yes	No
9.1 The company assesses changes in external factors that may affect business operations, internal control and financial reports, as well as having established adequate response measures to such changes.	✓	
9.2 The company assesses the changes in the business model that may affect business operations, internal control and financial reports, as well as having established adequate response measures to such changes.	✓	
9.3 The company has done Leadership Change Assessment that may affect business operations, internal control and financial reports, as well as having established adequate response measures to such changes.	✓	

Control Activities

10. The organization has control standards to reduce risks related to achievement of objectives to be in the acceptable level.

Question	Yes	No
10.1 The company's control measures are appropriate for the risks, and specific characteristics of the organization such as the environment, the complexity of the work, the nature of the work, the scope of operation and other characteristics.	✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Question	Yes	No
<p>10.2 The Company has written internal control measures and appropriate processes such as policies and procedures for financial, procurement and general management transactions, as well as has clearly and concisely defined the scope, authority, and hierarchy of approval of the executives at each level in order to prevent corruption; for example, the limit size and approval authority of each level of executives are set; procedure for approval of investment projects Purchasing Procedures and Vendor Selection Methods Recording details of purchasing decisions, process of disbursement of materials, equipment or the withdrawal of various tools, by providing a process for various cases as follows:</p> <p>10.2.1 Collection of information about major shareholders, directors, executives and those related to such persons, including connected persons for the benefit of following up and reviewing related party transactions or items that may have conflicts of interest, and always keeping the information up-to-dated; and</p> <p>10.2.2 In the event that the company approves transactions or enters into contracts with related parties in a manner that binds the company in the long term, such as entering into sales and purchase, lending and guarantee agreements, the company has followed up to ensure that has complied with the agreed terms throughout the binding period, such as following up on debt repayment as scheduled or reviewing the suitability of the contract.</p>	✓	
10.3 The company requires appropriate diversification of internal controls, such as manual and automated controls or preventive and follow-up controls.	✓	
10.4 The company requires internal controls at all levels of the organization, such as the group, business unit, function, department, department or process.	✓	
<p>10.5 The company has strictly separated the duties and responsibilities in the following 3 areas, in order to check one another, which are:</p> <p>(1) Approval duty;</p> <p>(2) The duty of recording account entries and information; and</p> <p>(3) The duty of taking care of the storage of assets.</p>	✓	

11. The organization chooses and develops control activities with technology system in order to support the achievement of objectives.

Question	Yes	No
11.1 The company should establish a connection between the use of information technology in operating processes and general control of information systems.	✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

11.2 The company should determine the appropriate control over the infrastructure of the technology system.	✓	
11.3 The company should establish appropriate control over the security of the technology system.	✓	
11.4 The company should determine appropriate control over the process of acquisition, development and maintenance of technology systems.	✓	

12. The organization arranges control activities through policies with expectation and procedure set, in order to enable implementation of policies.

Question	Yes	No
12.1 The Company has strict policy to monitor the transactions of major shareholders, directors, executives or those related to such persons, which must go through a specified approval process, such as the Articles of Association, Criteria of the Stock Exchange of Thailand and criteria of the office, to prevent the pursuit or use of the company's benefits for personal purposes.	✓	
12.2 The company has policy to allow consideration and approval of a transaction by a person who does not have a stake in the transaction.	✓	
12.3 The company has policy to consider and approve transactions with the best interests of the company as a priority and consider as a transaction with a third party (at arms' length basis).	✓	
12.4 The company has a process to monitor the operations of subsidiaries or associated companies, including setting guidelines for persons appointed by the company to be directors or executives in such subsidiaries or joint ventures. (If the company has not invested in any subsidiary or associated company, this question need not be answered.)	✓	
12.5 The company defines duties and responsibilities in implementing policies and processes by executives and employees.	✓	
12.6 The company's policies and procedures are implemented in a timely manner, by competent personnel, and covering the process of correcting operational errors.	✓	
12.7 The company consistently reviews policies and procedures to ensure the appropriateness.	✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Information & Communication

13. The organization has relevant and quality information to support internal control to go as predetermined.

Question	Yes	No
13.1 The company determines the information needed for operation both internal and external data, with quality and relevance to the work.	✓	
13.2 The company considers both costs and benefits, including the quantity and accuracy of the information.	✓	
13.3 The company works to provide the Board of Directors with sufficient important information for decision-making., such as such as details of the proposed matter, reasons, impact on alternative companies.	✓	
13.4 The company operates to ensure that the company's Directors receive the meeting invitation letter or meeting documents stating necessary and sufficient information for consideration prior to the meeting at least within the minimum period required by law.	✓	
13.5 The company has taken steps to ensure that the minutes of the Board of Directors' meetings are as detailed as they should be, in order to allow the retrospective review of the suitability of each director's duties; for example, recording the directors' inquiries, opinions or observations of directors in matters, and considering the opinions of directors who disagree with the proposed matter with reasons.	✓	
13.6 The company has taken the following actions: 13.6.1 Important documents are kept completely, sorted in categories; and 13.6.2 In case of being notified by the auditor or internal auditor that there is a defect in internal control, the company has completely corrected that defect.	✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

14. The organization communicates internal information including objectives and responsibility to internal control necessary to enable the internal control to go as planned.

Question	Yes	No
14.1 The company has an efficient internal information communication process, and has appropriate communication channels to support internal control.	<input checked="" type="checkbox"/>	
14.2 The company regularly reports important information to the Board of Directors; and the Board of Directors has access to the information resources necessary for the operation, or can view various items as required; for example, assigning a contact center person to be able to contact for information other than those provided by management, including contacting for information from the auditor and internal auditor, and arrangement of meetings between the Board of Directors and executives as requested by the Board of Directors, organizing meeting and discussion activities between the Board of Directors and executives in addition to the Board of Directors meeting.	<input checked="" type="checkbox"/>	
14.3 The company provides a special communication channel or a secret channel for people to report information or clues about fraud or corruption within the company (whistle-blower hotline) safely.	<input checked="" type="checkbox"/>	

15. The organization has communicated with external agencies on agenda affecting internal control.

Question	Yes	No
15.1 The company has an efficient process for communicating information with external stakeholders, and has appropriate communication channels to support internal control such as arranging for officers or investor relations units and Complaint Center.	<input checked="" type="checkbox"/>	
15.2 The company provides a special communication channel or a secret channel for people to report information or clues about fraud or corruption within the company (whistle-blower hotline) safely.	<input checked="" type="checkbox"/>	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Monitoring Activities

- 16. The organization has followed-up and evaluated the internal control in order to ensure that internal control is conducted in the complete and appropriate manner.**


Question	Yes	No
16.1 The company has established a process for monitoring compliance with business ethics and regulations prohibiting the management and employees from acting in a manner that may cause conflicts of interest; for example, requiring each work unit to follow up on compliance, and report to supervisor or assigning the internal audit unit to follow up on the practice and report to the Audit Committee.	✓	
16.2 The company has provided an audit of compliance with the internal control system by self-assessment and/or independent assessment by internal auditors.	✓	
16.3 The frequency of monitoring and evaluation is appropriate for company changes.	✓	
16.4 The monitoring and evaluation of the internal control system are carried out by people with knowledge and abilities.	✓	
16.5 The Company has established guidelines for reporting internal audit results directly to the Audit Committee.	✓	
16.6 The company encourages internal auditors to perform their duties in accordance with International Standards for the Professional Practice of Internal Auditing (IIA).	✓	


- 17. The organization evaluates and communicates the defects in internal control in the timely manner, to in charge people, including top management and Board of Directors, as appropriate.**


Question	Yes	No
17.1 The company evaluates and communicates defects in internal control, and takes action to follow up and fixes the defects in a timely manner if the resulting performance differs significantly from the intended target.	✓	

Enclosure 6 Questionnaire on Sufficiency of Internal Control System

Question	Yes	No
17.2 The company has a reporting policy as follows:		
17.2.1 Management must promptly report to the Board of Directors in the event of an incident or suspicion of serious fraud; there is a practice that violates the law or other unusual actions, which may significantly affect the reputation and financial position of the company;	✓	
17.2.2 Material defects with solutions to problems (although the management has already started) must be reported to the Board of Directors/Audit Committee for consideration within a reasonable time; and	✓	
17.2.3 Progress on improvement of material deficiencies must be reported to the Board of Directors/Audit Committee.	✓	


 Signed, Chairperson of Audit Committee
 (Dr. Srisuda Chongsithiphol)


 Signed, Audit Committee
 (Mrs. Chollada Isarankura Na Ayudhya)


 Signed, Audit Committee
 (Mr. Aphichart Charnkiatkong)

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(แบบ 56-1 One Report)

บริษัท ทีระมงคล อุตสาหกรรม จำกัด (มหาชน)

56-1 One Report / Annual Report 2021

Teera-Mongkol Industry Public Company Limited



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