

MASTERKOOOL

Master of Innovative Cooling

Annual Registration Statement
and Annual Report
(Form 56-1 ONE REPORT)

2021



Annual Registration Statement and Annual Report 2021

(FORM 56-1 ONE REPORT)



Masterkool International Public Company Limited

KOOL

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Message from the Chairman

The year 2021 has been another challenging year for Masterkool International Public Company Limited due to the epidemic situation of the Coronavirus Disease 2019 (COVID-19) that has occurred since the end of the year 2019. It is an important factor that continuously affects a wide range of businesses and industries, both domestically and globally. Challenges from both technological changes, climate volatility and changing environment are situations that the Company have been facing for the past several years.

Those factors are opportunities for business adaptation for survival and sustainability. During the year, the Company has adjusted both marketing strategies, sales, internal processes and continuous human resource development for business results taking into account the responsibility to all stakeholders.

The company aims to correct, improve and develop the organization according to the appropriate situation to build a strong foundation and continue to grow sustainably.

On behalf of the Board of Directors, Executives and Employees, I would like to express my appreciation to our shareholders, customers, business partners as well as all stakeholders for all your trust and all your good support all along and sincerely hope that everyone will continue to move forward steadily and sustainably together.



Mr. Sanpat Sopon
Chairman of the Board

Audit Committee Report

The Auditing Committee of Masterkool International PLC consists of 3 independent directors with qualifications and experience from various branches, as follows: -

- Mr. Mongkol Kasaemsun Na Ayudthaya Chairman of the Audit Committee
- Mr. Sanpat Sapon Audit Committee
- Assoc. Prof. Dr. Prakrit Tangtisanon Audit Committee

The Audit Committee has performed its duties as specified in the Audit Committee Charter which the Board of Directors has assigned; and in accordance with the requirements of the Stock Exchange of Thailand. In 2021, the Audit Committee held 5 meetings of the Audit Committee. The Audit Committee meeting reviewed and discussed the essence of the operation with the management, internal auditor, and regular auditors Summary of duties as follows: -

1.Financial Report Review: The Audit Committee meets only with the financial auditors and internal auditors quarterly without management attended the meetings. If there are any items where the Audit Committee has to rely on the details for consideration, the Committee may invite relevant executives to clarify, before commenting and presenting to the Board of Directors.

For financial report of the year 2021, the Audit Committee considered that the company's financial report was prepared in accordance with generally accepted auditing standards, with sufficient disclosure of material information in the notes to the financial statements.

2.Reviewing Transactions that may lead to conflict of interests: The Audit Committee has reviewed the disclosure of information from transactions that may lead to conflict of interests, and they have been deemed to be adequate and in compliance with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

3.Management Review and Risk Management: The Audit Committee has considered risk policies and programs, as well as the risk performance report, by meeting with the Risk Management Task Force to provide better guidelines and suggestions for improvement.

4.Review of Good Corporate Governance: The Audit Committee has directed and reviewed the operations in accordance with the Corporate Governance Policy, as well as business ethics requirements and defined work practices, to ensure compliance with good corporate governance principles to ensure that all stakeholders are respected¹.

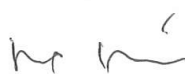
5.Review of Internal Control System and Internal Auditing Oversight: The Audit Committee employed ACC-PLUS Consultant Co., Ltd., the third-party internal auditor, to be the company's internal auditor for the independence of the inspection work. Internal audit results were reported directly to the Audit Committee, and therefore continuous monitoring of internal auditing results is required. In the year 2021, the Audit Committee found no significant internal control deficiencies within the year.

6.Considering on Auditor and Audit Fee: The Audit Committee has considered SP Auditing Co., Ltd by expertise, based on knowledge, ability, qualifications, and experience, by the standard auditing of listed companies in the Stock Exchange of Thailand. Moreover, the auditing fee is in line with the size of the company's budget. It has proposed to the Board of Directors to consider the appointment of the auditor and the remuneration of the auditor at this Annual General Meeting of Shareholders.

Summary of Audit Committee Report

The Audit Committee has performed its duties and responsibilities as its charter approved by the Board of Directors with full knowledge, ability, prudence, caution, and sufficient independence to equally benefit all stakeholders.

The Auditing Committee is of the opinion that the company's financial report is accurate and consistent with generally accepted accounting standards. The company also manages the risk from internal control and proper internal auditing with compliance to the law, good corporate governance principles and to the requirements in business.



Mr. Mongkol Kasaemsun Na Ayudthaya
Chairman of the Audit Committee

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee has performed the duties assigned by the Board of Directors in the charter of the Nomination and Remuneration Committee.

In 2021, the Nomination and Remuneration Committee has one meeting to consider the importance in various topics, include the progress of the work in accordance with the scope of duties, and follow up on assigned responsibilities as follows: -

1.Nomination of Persons to be Independent Directors and Company's Directors: The Nomination and Remuneration Committee is responsible for recruiting qualified persons according to the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. There are to be no prohibited characteristics as required by law, qualifications, experience, and knowledge that are beneficial to the business. The Committee then presents them at the Board of Directors and the shareholders' meeting for approval. The interested directors will not participate in the consideration and abstain from such issues.

To present persons to become the Company's Directors in the year 2022, the Nomination and Remuneration Committee assigned the Company Secretary to publish an announcement on the Company's website to invite the shareholders to nominate candidates to be elected as Directors.

2.Review of Committee and Sub-Committee Remuneration: The NRC considers remuneration packages for directors and sub-committees by reducing these remunerations to meet the the Company's performance. The Board of Directors has resolved as approval for proposing to the shareholders

3.Review of Remuneration Structure for Executives and Employees: The NRC considered remuneration structure, together with top management and HR, to be consistent with the company's performance and motivational an essential in maintaining talented employees.

4.Organizational Structuring: The NRC has reviewed the organizational structure with senior executives and HR to achieve better management efficiency and business performance. The organization structure has found suitable for the business; therefore, the Committee resolved the structure as effective structure for the further year

5.Formation of the Company's and its Subsidiaries' Succession Plan: The Nomination and Remuneration Committee determined that the direction of the Board of Directors, the criteria for evaluation / assessment, and the main objective plan in collaboration with senior management and HR, prepared the organization's readiness in advance and ensured that there would be continuous business conduct

6.Designing Guidelines for Personnel Development Plan: The Nomination and Remuneration Committee reviewed the employee development plan with the Human Resources Department. In addition to the development of knowledge and skills, The Company has planned to develop health personnel to drive the organization to sustainable growth.

In addition, the focus on the implementation of the happy workplace project aimed to propel the company towards a more sustainable growth.

Summary Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed its duties as approved by the Board of Directors with careful transparency and impartiality, taking into account the maximum benefit of the Company and all relevant stakeholders.

In addition, the Nomination and Remuneration Committee encourages all directors to attend training or activities to increase their knowledge of the self-assessment of the Board of Directors and sub-committees which has been provided for both the group and individual. The reports are regularly made to the Board of Directors to further improve the operations.



Assoc. Prof. Dr. Prakrit Tangtisanon

Chairman of the Nomination and Remuneration Committee

Part 1 Business Operations

1. Policy and Business Overview

Masterkool International Public Company Limited ("Company") was established on June 3, 2002. Its main business relies on supply of cooling products, i.e. evaporative air cooler, misting fan, and industrial fan under the brand of "MASTERKOOL" and "Cool Top". The business includes services and rental cooling products for outdoor area, design and installation of cooling system inside a plant or warehouse, after-sale warranty, and maintenance. The Company has been listed on the Market for Alternative Investment (mai) with the security name as KOOL since 23rd September 2015.

In addition, the Company has 99.98% shares in 1 subsidiary, Innov Green Solutions Company Limited ("Subsidiary" or "Ingreen"). Ingreen is a seller and service provider of ozone system that can be applied in various system, e.g. indoor cooling system, washing system for efficiency increase, energy saving, and chemical reduction, including use with pipe water system to reduce organic used in water which cause cancer.

The Company is the first of the industry as an innovator of refrigeration products, using evaporation technology offered to consumers; in line with the slogan of **"Masterkool, the Real Leader in Modern Cool"**

The company operates in accordance with the strategic plan which is the direction of business operation; taking into account important environmental factors; both inside and outside including a vision for the strategic goals.

1.1 Vision, Mission, Goals and Business Strategies

In order to determine the direction and goal of the group of companies, the Board has clearly defined the vision, mission and core values of the organization. The vision is the image that the organization wants to reach. Mission is the important task and practice that the personnel in the organization will use to conduct business. Core values are shared values that executives and employees will adhere to and use in their operations to achieve their goals.

Vision	We are an authentic leader of modern cooling products and solutions for air-cooling, energy saving, environment care to meet all needs of customers and to gain recognition on international standards; aiming to contribute to our core sustainability mission by driving well-being for our employees with positive impact on their families, customers, and stakeholders.	Mission	MASTERKOOL, an innovative organization who creates quality; for the happiness organization of Masterkool
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Shared Values

Masterkool Group with the share values of the organization that comes from giving importance to customers and stakeholders, the company has instilled the values of "Commitment, Continuous development, By Heart" to the company's personnel for continued growth, including: -

Commitment: All personnel are important to the organization's goals. Therefore, be aware and keep in mind that any operations of any units shall support the organization's goal as the first priority; that is everyone participates in the goal.

Development: When everyone is involved in the goal, performing duties of all duties, therefore, should consider, think, analyze, find the way and decide on the worthiness of the resources used; and for the maximum benefit of the organization to finally achieve the goal.

By heart: Every work can not be achieved solely. All personnel should therefore see the value of teamwork, which has both help, support, being responsible on the goal. As well as creating and maintaining a good working atmosphere based on principles "Happy Workplace" as the core of the operation; to create sustainable value for all organizations and stakeholders

Business Goal

The company aims at customer satisfaction as the main goal of the organization in order to continuously generate revenue and grow steadily. The company therefore focuses on responding to customer needs. Target groups in all groups has set financial goals as revenue of the business group which means the Company and its subsidiaries which is expected to be the main proportion of revenue from 3 main market segments as follows: -

▶ Retail Market (Modertrade, Dealer, and Online Channels)	40% of total sales target
▶ Corporate Market and Aftersales Services	20% of total sales target
▶ Export Market	40% of total sales target

Business Strategies

● Marketing Strategy

The Company aims to make Masterkool a recognized brand by integrating through-the-line marketing, which encompasses both above the line advertising and continuing below the line public relations through corporate branding, which puts emphasis on being the leader in various fields, under the slogan “**Authentic Leader of Modern Cooling**” and product branding, which is characterized by the product's cooling efficiency and energy saving qualities, as a new alternative product of cooling under the slogan “**Super Cool Super Save**”

● Product Strategy

The company focuses on being an innovative organization for continuous product improvement and development. in order to meet customer satisfaction. The company has determined the process of collecting comments and recommendations from customer satisfaction surveys after sales and services.

The operations in 2021, the company focuses on the quality of products and services to meet the needs of all major market segments. Focusing on corporate customers, the company has applied ozone technology in energy management. for the economy and cost-effectiveness of the energy used as well as protecting the environment for retail customers The company has promoted air purifier products and air disinfectants to reduce the restrictions on the sales season that can be sold all year round. As such, to reduce the fluctuation of revenue that often occurs during the off-season between the 3rd quarter and the 4th quarter of every year. Still focusing on the strengths of quality and supplemented with different functions or in addition to the same product in the market as for foreign customers. This group has specific needs in each region and continent due to its different popularity. Currently, the company exports Masterkool products to more than 30 countries around the world. by emphasizing the strengths of the products that are different in appearance and functionality and most importantly, the cooling efficiency that is really cool.

● Distribution Strategy

The company focuses on 3 main market groups, which are retail customers. International customer groups and corporate customers in the past, it was found that the retail market has the highest proportion of revenue. However, due to the compensation terms of department stores, this channel does not have a high gross profit, so the company considers to open a selling point only with a potential selling point or a selling point in a location that is appropriate for the business. To reduce the risk of transportation costs that must be brought back when the off-season sales are closed and must be closed during the year. In the year 2021, the company plans to open the sales points at the Modern Trade Department Store in 81 locations.

As for international business groups, last year the original export market has not grown due to the impact of the 2019 Coronavirus Epidemic as well, but in the 4th quarter of the year, the company had the opportunity to promote our products in the Canton Fair, to create sales opportunities in the future by presenting air purifier products along with cooling fan products.

For corporate customers, there is a business type of project which takes longer than normal sales cycle. Therefore, the company emphasizes on opening sales to expand the market base continuously to be a way to make a consistent income throughout the year in the future.

● HR Strategy

Human resource development of the company There are both short and long term. In the short-term, it is the development of the annual human resource development plan which can be divided into Orientation Development of practice (OJT), development of knowledge and management skills and others that are in line with the organization's goals.

For long-term personnel development guidelines for the purpose of creating sustainable growth, the company uses the principles and guidelines of the Happy Workplace of the Office of Health Promotion Foundation under the core values of "Commitment, Continuous development, by heart". The company has the intention to produce long-term results that is employee engagement to the organization for the sustainable growth of the company.

1.2 Major changes and development

2002- 2010 Masterkool International PLC was established on 3rd June 2002 by Mr. Noppachai Veeraman and friends, with an initial registered capital of 2,000,000 Baht divided into 200,000 ordinary shares with a par value of 10 Baht each, to operate misting fan production and distribution. The Company was the first to research and develop misting fans in order to solve the problem of extreme heat in places where air conditioning could not be installed.

The company increased its registered capital four times from 2,000,000 Baht to 44,000,000 Baht in 2009, divided into 4,400,000 ordinary shares with a par value of 10 Baht each, by offering shares to existing shareholders for the support of expanding the business. In the fourth capital increase, the Company offered 440,000 shares to K-SME at the price of 20 Baht/share (with par value of 10 Baht)

2008 The Company won the 2008 Prime Minister's Export Award (for Thai-Owned Brand)

2009 The Company and the three shareholders signed a joint venture agreement and an agreement between the shareholders and K-SME. In addition, the company began to import new cooling fans for domestic distribution.

2011 The company co-founded Innov-Green Solutions Co., Ltd. ("Ingreen") with unrelated parties, with a starting capital of 1,000,000 Baht, divided into 10,000 shares with a par value of 100 Baht. The Company holds 49.99 percent shares in the ozone product market.

2013 The Company increased its registered capital from 44,400,000 Baht divided into 4,440,000 ordinary shares with a par value of 10 Baht each, to 70,000,000 Baht divided into 7,000,000 ordinary shares with a par value of 10 Baht each, offering and selling shares to existing shareholders, directors, executives and employees at par value of 10 Baht.

The Company acquired Ingreen shares from its existing 5,000 non-related shareholders, with a par value of 100 Baht each at the book value. Ingreen owns a 99.98 percent in shares, which makes Ingreen a subsidiary of the company.

2014 The Extraordinary General Meeting of Shareholders No. 2/2011 held on 9th September 2014 approved the following resolutions:

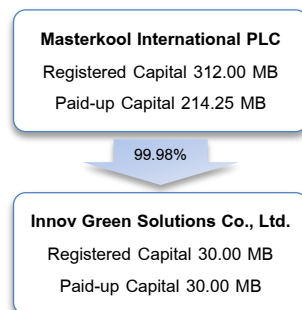
- 1) The transformation into a public company
- 2) Changing the par value from 10 Baht to 0.25 Baht per share
- 3) Increased registered capital from 70,000,000 Baht divided into 280,000,000 ordinary shares with a par value of 0.25 Baht each to 120,000,000 Baht divided into 480,000,000 ordinary shares with a par value of 0.25 Baht per share.
 - 80,000,000 new ordinary shares to be allocated to the existing shareholders in proportion to their shareholding
 - 120,000,000 new ordinary shares allotted to the public.

The Company increased its paid-up capital from 70,000,000 Baht divided into 280,000,000 ordinary shares with a par value of 0.25 Baht each to 90,000,000 Baht divided into 360,000,000 ordinary shares with a par value of 0.25 Baht each. These were allocated to the existing shareholders in proportion to the shareholding at a par value of 0.25 Baht.

2015	On 23 rd September 2015, the Company was listed on the mai stock exchange and offered initial public offering (IPO) shares in the service industry with stock code KOOL
2016	The company introduced the innovative Koolbot air cooling appliance, with increased cooling capabilities
2017	The Board of Directors Meeting No. 1/2560 held on 23 rd February 2017 resolved to increase the registered capital of Innov-Green Solutions Co., Ltd. (subsidiary) from 1,000,000 Baht to 30,000,000 Baht.
2018	Innovative products "Evaporative air-cooler with mosquito repellent function with high frequency" released to the market.
2019	The company has sponsored the installation of an air purification tower to filter out small dust particles to the Bangkok office to help mitigate the effects of air pollution on the general public.
2020	The company has released Health & Hygiene products, both air purifiers Air disinfection machine Multipurpose ozone dryer And a machine for producing disinfectants
2021	The Company registered the change of paid-up capital from 120,000,000 baht to 180,000,000 baht, divided into 720,000,000 ordinary shares with a par value of 0.25 baht per share. from the offering of newly-issued shares to the existing shareholders in proportion to their shareholding (Right Offering) The company has registered the change of paid-up capital 2 more times. On August 27, 2021, the company registered the change of paid-up capital to 198,000,000 baht and on December 21, 2021, the company registered the change of paid-up capital, then to 214,250,000 baht, divided into 857,000,000 ordinary shares with a par value of 0.25 baht per share.)

1.3 Shareholder Structure

Innovation Green Solutions Company Limited is a subsidiary of the Company. In which the holding of the subsidiary's shares is 299,940 shares or 99.98% of the total paid-up shares of all subsidiaries. The remaining 60 shares, representing 0.02 percent, are held by Mr. Noppachai Veeraman, Managing Director, and Miss Sunanta Wanwat, Director and Executive in the same proportion.



1.4 Relationship with Major shareholders' Business Group

Even though the company holding shares of subsidiaries at 99.98% , but the Company and its subsidiaries have different business structures that focus on different marketing bases. Therefore, there is no significant competition among the companies within the Group.

2. Business Operations

By dividing the income into groups of goods and services, the income structure according to the product group of the company with details as follows: -

Type of Revenues	2019		2020		2021	
	MB	%	MB	%	MB	%
Revenue - Evaporative Air Cooling	547.73	76.65	607.92	82.84	405.31	74.28
Revenue - Misting Fan	21.86	3.06	15.96	2.17	7.28	1.33
Revenue - Industrial and Ventilation Fan	15.08	2.11	22.72	3.10	20.50	3.76
Revenue - Project Sales	11.17	1.56	19.65	2.68	47.12	8.64
Revenue - Spare Parts and Ozone Products	14.6	2.04	19.22	2.62	11.48	2.10
Total Sales Revenues	610.44	85.42	685.47	93.41	491.69	90.11
Revenue (Service) *	91.09	12.75	46.76	6.37	27.85	5.11
Total Sales and Service Revenues	701.53	98.17	732.23	99.78	519.54	95.22
Revenue (Others) **	13.09	1.83	1.61	0.22	26.09	4.78
Total Revenues	714.62	100.00	733.84	100.00	545.63	100.00

* Revenue from service include rental fee, maintenance and warranty fee

** Other revenues include government subsidy, interest revenue, profit (loss) from exchange rate, and profit (loss) from sale of property

2.1 Product or Service Characteristics

The company's products have 3 main categories which are products for reducing heat and ventilating. Ozone products in the form of solutions for energy saving / environmental protection and other products in addition, the company also provides fan rental services and after sales service as well.

2.1.1 Cooling and ventilation products

2.1.1.1 Misting Fan

Misting fan is a cooling system comprises a fan and a misting generator operates based on sudden evaporating of mist that agglomerates with heat in the air. This system can help reduce ambient temperature around 5-15 degree Celsius and also reduce heat in part line, machine heat, and electrostatics to meet manufacturing standard. It can also reduce dust, odor, and smoke for natural fresh air. It is suitable for outdoor or ventilating building. The misting fan is sold under the brand of "MASTERKOOL" with 2 systems.

2.1.1.1.1 High Pressure

High pressure misting fan system consists of high pressure water pump, fan and small nozzle. It sprays for generating 5-micron mist that can absorb heat from the air very well. The high pressure misting fan is available for sale in table type, wall type, mobile type and system type that is suitable for outdoor, clear area, or ventilating building. The fan is produced at the Company's factory at Panasnikom by using either import parts or domestic parts.



2.1.1.1.2 Centrifugal Force

Centrifugal force misting fan using centrifugal force for generating 8-15-micron mist with adjustable size and be able to set spraying time. The centrifugal force misting fan is available for sale in either table type, wall type or mobile type in the size of 24 inches and 26 inches.



2.1.1.2 Evaporative Air Cooling

The Company starts importing evaporative fan for sale in 2009. The evaporative air cooling is a new innovation fan for generating cool air without mist and wet. It is also saver then using air conditioner 40 – 60%.

Evaporative Air Cooling is the new technology that can evaporate water through cooling pad for heat reduction. This technology uses water as heat exchanger with air, then can reduce ambient temperature around 4-15 degree Celsius, increase internal circulation for purer air. The evaporative air cooling is designed for using with general air conditioner. It not only has high efficiency in cooling and energy saving, but also has ozone sterilization system that can clean the air.

The Evaporative Air Cooling are available in both mobile and through-the-wall types under the trademark "MASTERKOOL". Mostly the Company's products are designed by our team, and manufactured for finished goods in China by the Company's partner-contractors. Those finished goods are imported into domestic and export abroad. By the models that designed by the Company, all products had been applied for the design patents with the Department of Intellectual Property, Ministry of Commerce. There are 2 types of evaporative air cooling: Mobile MASTERKOOL I-Kool ("MIK"), and Through-the-wall MASTERKOOL U-Kool ("MUK") (Large Size) which designed for industrial applications. The Evaporative Air Cooling mobile are ideal for retail customers, household appliances, stores, restaurants, hotels, etc.

2.1.1.2.1 MASTERKOOL I-Kool ("MIK")

Mobile evaporative fan suitable for retail customers, household use, shops, hotels, restaurants, etc.



2.1.1.2.2 MASTERKOOL U-Kool ("MUK")

Large cold-wind generator is an air duct installation system suitable for installation in large buildings that cannot install air conditioners or not worth the installation of air conditioning such as industrial plants, Warehouses etc.



2.1.1.3 (Industrial Fan and Ventilation Fan)

Industrial fans: The company sells and supplies industrial fans under the trademark "MASTERKOOL". There are 3 sizes: 20", 24" and 30 inches wide fans, which use high durability materials. It can be adjusted 90 degrees and adjustable wind speed of 3 levels to covering 30-50 square meters, which can be used to cool, easy airflow and reduce the temperature as well.



Ventilation fans: The Company sells and supplies ventilation fan for controlling ventilation direction in desired area, e.g. exchanging the air outside and inside, blowing the air inside to outside, or controlling circulation or movement of the air to cover all area in a building. The Company applies a ventilation fan in cooling system installed to our customers.



Propeller Fan

Axial Fan

Centrifugal Fan

Roof

Home fans: The Company plans to introduce a fan for housing in the year 2019. The company will continue to focus on efficiency and quality with differences with the speed adjustment function of up to 15 levels and save electricity. By now, the brand has been awarded the energy saving symbol of "NUMBER 5 WITH 3-STAR RATING"



House Fan

2.1.2 Ozone System Product

2.1.2.1 Ozone for Cooling Tower

The calculation of Ozone design for cooling tower must be designed to have the residual ozone residue in the water that is reversed from the condenser set to be not less than 0.02 ppm by Measuring the amount of ozone in the water flowing through the filler sheet of the cooling tower to ensure sufficient ozone content and remain in the water throughout the cooling system



2.1.2.2 Ozone for Water Quality Improvement

The design of the ozone system for water quality improvement is based on the principle Corona Discharge in the production of ozone in water by oxidation for wastewater treatment or water quality improvement which before the system design requires the collection of data and calculations as well.



2.1.2.3 Cold Plasma for Air Quality Improvement

Cold Plasma system will create a high level of Plasma until the high performance Active Oxygen; released into the air mass by the active oxygen that will cause severe oxidation reaction, causing germs, fungi, odors, dust or toxic smoke Disintegrate or change to a state that is not dangerous or not being



polluted in the air anymore. All of these processes use only a small amount of electrical energy to operate

In addition to the large ozone system, the company has also applied ozone to develop products for household use, including 1) ozone vegetable washing machine, which has introduced ozone technology for washing fruits and vegetables. With this machine is fresh, clean, free from disease and residual chemicals Where the company Be the designer of the product itself and hire foreign manufacturers to produce 2) Ozone deodorizing machine which the company Have brought products to sell Which applied ozone to destroy bacteria quickly Making it possible to eliminate bacteria that accumulate in the shoes very well The products are sold under the trademark "Ingreen" online.

2.1.3 Other Products

Apart from water dispensers, air purifiers and disinfectants, in the year 2021, the Company has introduced high-quality air filters with medical standards which sold through Innov Green Solutions Co., Ltd. (the Subsidiary)



2.1.4 Rental Services

The Company provides equipment, products, or system for reducing hot and making cool for outside a building or outdoor, where cannot install air conditioner, suitable for any event. The Company's rental services also include other equipment to provide one-stop service, which includes consultancy service and offering suitable options for each customer, run by skill and expert engineers.



In addition, the Company provides rental service for other products such as misting fan, evaporative fan, industrial fan, fog generation, and other related equipment such as air conditioner, stage, tent, table, chair for outdoor activities, e.g. party, sport day, publication, etc

2.1.5 After-sales Services

The Company has 1-year warranty that provides repair and replacement of spare parts free of charge. The Company has service center nationwide by contacting our Call Center at 02 953 8800 or our Service Hotline 08 1353 1848. The Company also allows warranty renewal, including annual maintenance package for out-of-warranty products

2.2 Marketing and Competition

2.2.1 Business Strategy

The company the goal is to be a leading manufacturer and distributor of mist fans and evaporative fans. Therefore, focus on marketing communication under the slogan "Masterkool, the true leader, new era of coldness" to emphasize that The company's products Is the product of choice between fans and air conditioners Which combines the advantages of both Providing cool air more than fans and save electricity costs more than air conditioners.

In addition, the company Will focus on designing and recruiting quality products and good performance with product warranty and have customer service centers covering all regions throughout the country in order to impress the customers when receiving the experience of using the products of the company under the slogan "Cool, heart, can save", in which the company has set important strategies in business operations as follows: -

2.2.1.1 Marketing and Advertising Strategy

The Company always updates advertisement, promotion, and information on its website (www.masterkool.com) to make all customers reach information and create their awareness about the Company and its products. Moreover, the Company provides other specified website for niche requirement that are www.masterkoolevent.com (for retail services), <https://ingreen.co.th> for energy and environment saving solutions, and <https://shop.masterkool.com> for online sales. The Company also communicates through social medias: -

- Facebook: <http://www.facebook.com/MasterkoolFan>
- YouTube: <http://www.youtube.com/user/masterkoolfan>
- Line ID: MasterkoolFan
- Instagram: <https://www.instagram.com/masterkoolfan>

In addition to the above channels, the Company also concerns about direct approach to customers to create more awareness. The Company assigns our sales and product consultants (PC) to work at the booths in modern trades' branches for promoting products and creating of brand awareness.

Apart from the above marketing and public relations channels, the company recognizes the importance of direct access to customers in order to create awareness of the company's products. By arranging for staff to be at the sales point at the branches of Modern Trade Mall to publicize Give advice and create awareness about the products and brands of the company.

2.2.1.2 Product Development and Product Selection Strategy

The company focuses on the process of research, development and selection of quality products that meet the needs of customers continuously with the cooperation of all parties in the company. In some projects, it cooperated with King Mongkut's Institute of Technology Ladkrabang and the National Science and Technology Development Agency. The demand of customers is an important goal.

In addition, The Company also has product and service control process by selecting reliable manufacturers who have production standard according to the Company's regulation. The Company shall perform random testing regularly to ensure that consumers to create customers' acceptance and reliability on the Company, then cause word-of-mouth and create the Company's reputation, which attract new customer.

2.2.1.3 Pricing Strategy: Reasonable Price

The Company positions its product as good quality and worthwhile for consumers, including provision of after-sale service, warranty, having repair and service centers nationwide. This makes the Company different from some small competitors those focuses on low price product with a few repair centers.

In addition to quality and service, the Company also has pricing strategy that concerns its target group, i.e. home user and corporate user or warehouse. The Company may consider the price of products with high competition and sale in comparison with similar model of competitors.

The Company believes that good quality and suitable pricing can be one factor that makes the Company and its brand is acceptable in both local and international market of evaporative fan.

2.2.1.4 Sales and Distribution Management Strategy

While having good quality with reasonable price product, the Company will consider the procedure to deliver good products to customer and also product distribution. There are 4 distribution channels: -

- Direct sales
- Moderntrade
- Local Dealers
- Overseas agents

The Company has the policy to assign one PC for each branch of modern trades where sell the Company's products and enhance knowledge and skill development,

1. Provide training before work so that they can have some knowledge and understand the products, then can offer and suggest suitable products for customer.
2. Set appropriate goal and compensation for motivation
3. Monitor sales' performance closely to support and help them solve some problem, including arrange monthly meeting for information exchange and build up good relationship
4. Mobile Application Reporting on Sales Inventory at the point of sale to optimize inventory management and marketing planning.

2.2.1.5 After-sale and customer satisfaction strategy

Generally, the Company shall provide 1-year warranty for customers because it concerns about product quality, after-sale service, and customer satisfaction as they are key factor to create product reliability, reorder, and word-of- mouth, resulting to high sales in the future. The Company deems customer satisfaction as key target, thus it makes satisfaction survey either by using questionnaire or via phone call then use analysis result for making product and service development plan.

2.2.2 Target Customers

The Company has various target groups, i.e. industrial, public sector, education institute, hotel, hospital, department store, touring place, restaurant, home appliance customers, etc. The target group can be categorized by products as follows:

Products	Target Customers
Misting fan	Outdoor activities, touring places, hotel, restaurant, outdoor area, temple, sport field, factory, etc.
Evaporative Air Cooling	Individual customers, touring place, hotel, restaurant, hospital, temple, sport field, factory, school, warehouse, etc.
Ventilation Fan and Industrial Fan	Touring place, restaurant, hospital, temple, sport field, factory, warehouse, etc.
Ozone system	Department store, hotel, hospital, pipe water plant, Individual customers (for ozone vegetable washer and ozone shoe deodorizer) etc.

2.2.3 Sales and Distribution Channels

The company has organized the sales structure into 3 main channels: Retail Channel, Corporate Customer Channel, and Export Channel with the expected proportion of income at 40 percent, 20 percent and 40 percent, respectively. Details of the channels are as follows:

2.2.3.1 Retail Channel

This channel manages sales operations for the B2C (Business-to-Consumer) segment, which is distributed from the company. Directly to retail customers or through distribution channels to retail customers which can be divided into business units as follows: -

1) BU: Moderntrade

Modern Trade Business Unit is responsible for managing sales through modern trade retail stores. The company distributed through HomePro Department Stores, Mega Home Department Stores. The company has implemented the plan of screening points of modern trade department stores that have sufficient potential to match by opening sales, according to the virus epidemic situation.

Moderntrade	2019	2020	2021	P2022
HomePro	70	73	49	32
Makro	35	46	19	-
MegaHome	12	12	6	3
Thaiwasadu	-	-	-	-
Global House	-	-	-	-
Big C	-	14	4	-
Boonthavorn	-	-	-	-
The Mall	5	5	3	-
Power Buy	-	-	-	-
Tesco Lotus	-	-	-	-
Baan & Beyond	-	-	-	-
Grand Home Mart	-	-	-	-
Homework	-	-	-	-
Tops	-	-	--	--
Chic Republic	-	-		
Central Food Retail	-	-	-	-
Total (Branches)	122	150	81	35
<i>Growth (%)</i>	-53%	23%	-46%	-56%

For further operating plan, the Company operates the business of retail sales channels with a strategy to maintain the stability of the existing market by selecting only a strong selling point and enough potential. The company has brought in the air purifier and disinfection products to sell, which is a product that can be sold all year round. (Non-Seasonal Product) to help reduce the fluctuation of income during the off-season.

2) BU: Dealer

This business unit is distributed through local distributors with agents in major provinces throughout the country. Which some dealers serve as repair centers for customers and there is a service for renting Masterkool fans in their own province and surrounding areas as well. For distribution through local distributors, there is not much value. But in order for the Company's products to be accessible to all groups of consumers the Company therefore maintains this channel continuously.

3) BU: Online

The company has opened online distribution channels in the form of distribution through online shopping websites such as Lazada, Shopee, Top Value, JD Central, etc., and the company has started to focus more on online sales in response to the behavior of Consumers changing The Company therefore has established its own website for direct online sales as well. <https://shop.masterkool.com>

Products distributed through the retail channel (Retail Channel) are air cooling fans. And mobile industrial fans are the main as most of the channel's customers are retail customers. Both residences and shops

2.2.3.2 **Corporate Channel**

In addition to products for cooling and ventilation which are proposed as a installation system to corporate customers, the channel is responsible for ozone products and concerning services for energy saving and environmental protection.

Currently, Innov Green Solutions Co., Ltd., a subsidiary, is the key unit for presenting products and services to corporate customers; due to the business model is different from other sales units and requires specialized expertise in applying ozone production technology to solve problems or for saving energy in various ways which shall present specified details to individual customer. Thus the channel runs its business in forms of Project Management with long-term sales cycle,

2.2.3.3 **Export Channel**

The company has exported evaporative air cooling to overseas which the main market is the countries of the ASEAN Economic Community (AEC), Europe, South America, Asia, America and Africa including the countries of the Southern Hemisphere, Oceania countries, but due to the epidemic situation of the corona virus 2019, exports in the year was no growth.

In addition to selling products according to the above main channels, the company also offers rental services for fans and equipment for organizing activities both outdoor and indoor. Also warranty services and maintenance services are provided as well.

2.2.4 **Industry and Competition**

2.2.4.1 **Industry Information**

The Company's main products and services are evaporative cooling fan and misting fan which are new alternative to cooling and energy saving. Anyhow, there is no agency to survey the data on the market value in the country. At present, most of the distributors of evaporative fan products are imported from abroad; especially from China due to the lower cost than domestic production, but because the situation in 2021 affects the overall industry from the rising cost of container shortage, increased freight rates and the cost of raw materials increased especially the volatility of the world crude oil price, which is the raw material of plastic pellets. As a result, the cost of goods and import costs increased from the same period of the previous year.

However, when considering the import value Evaporative fan for an area of approximately 20-50 sq m. It shows that the overall picture of the evaporative fan industry in 2021 has significantly decreased imports due to the impact on the industry.

Million Baht

Import of Evaporative Fan	2017	2018	2019	2020	2021
Import Value of Evaporative Air Coolers	1,130.19	510.61	646.41	745.35	255.09
Growth (%)	-8.97%	-54.82%	26.60%	15.31%	-65.78%

Source: Thai Customs Department

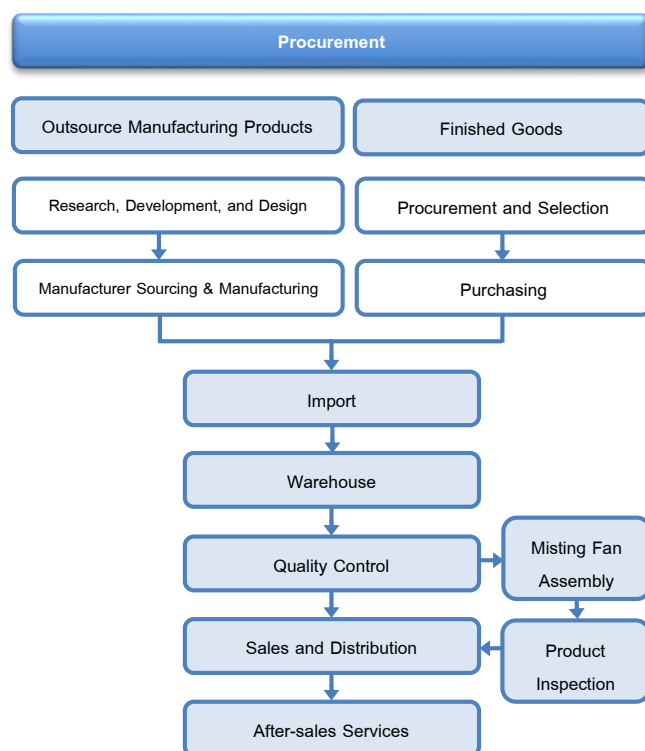
2.2.4.2 **Competitor**

Operators selling misting fans and evaporative fans which are the main products of the company That could be considered to be a competitor of the Company The number has been declining since the end of 2017 in 2020, the impact of the coronavirus outbreak 2019, many small competitors operating trading business is affected.

However, the company focuses on selling products online and shipping to countries that are not much affected due to the outstanding brand “MASTERKOOL” it has been recognized in the market for quality refrigeration products both at home and abroad.

2.3 Procurement of Product and Service

2.3.1 The Company has the following procedures for product procurement



The company attaches importance to product quality that needs continuous improvement and innovation. But the production cost of some products is not worth the investment due to many reasons such as investment in machinery or equipment with high value, high level of expertise and experience required in the production of machine operators And labor used in production, etc., causing the company to choose to order various parts to be assembled into finished products and order the finished products to be sold The ordered product must have quality and standard as according to the company's regulations. And under reasonable costs.

Raw material procurement, the components and finished products of the company are divided into purchasing for the products that the company designed by themselves and the purchasing is the finished products. The company procures the finished products and finished product parts for assembling, mainly from traders or manufacturers. (Supplier) in China mainly.

The company procures products from suppliers or suppliers by considering the quality and price of the products. Including reliability, supply ability, delivery ability and expertise of the manufacturer is important. The company has set the process of procurement systematically which has a register of vendors or manufacturers that have been approved by the management of the company (Approved Vendor List) and the comparison of prices proposed by more than one supplier in order to maximize benefits to the company states.

2.3.1.1 Procurement of Designed Product

The Company invents, researches, and designs products by referring to information from many sources, e.g. sale volume, customers' opinion, and the management's guideline. After that the Company selects and hires international outsource based on required quality and qualification under the lower cost than local production. The designed products can be categorized into 2 types as follows:

1. Finished goods are i.e. mobile evaporative fan (Masterkool I-Kool) and ozone vegetable washer. After outsource manufacturers produce the Company's products by compliance with the Company's specification, the Company shall import them as ready products with packaging. In addition, the Company makes agreement to have its 'outsourcing' guarantee quality of mobile evaporative fan. If the product fails to comply with the quality specify by the Company, then the Company is entitled to claim the 'outsourcing'
2. Part for assembly for misting fan that the Company purchases parts from many suppliers and assembly at the factory.

2.3.1.2 Procurement of Finished Goods

In term of finished goods, the Company will procure and select quality products from international suppliers by using the Company's brand and import finished goods with package. The examples of finished goods imported for sale are mobile evaporative air cooling, industrial and ventilation fan, and ozone shoe deodorizer.

Moreover, the Company also imports big evaporative air cooling for installation in system, which is in the range of U-KOOL Model MUK-30 MUK-18 and MUK-16. The Company will assembly and install at site as per agreement with customer.

For brand new products, if they are subjected to permit of Thai Industrial Standards Institute (TISI), the Company will proceed with TISI and may require sending sample for testing according to standard and examine quality control system at the manufacturing plant, including plant visit. If the product's quality and the manufacturing plant meet standard, TISI will issue the permit for the Company. However, TISI can monitor the result after permission by sampling products on sale and visit the plant time by time.

2.3.2 Product Import

When the products are ready, suppliers or the Company will hire a shipping agent who has export license, subjecting to agreement between the Company and manufacturer. The Company will always monitor products' quality to ensure that the products have certain quality and qualification as specified by the Company.

The Company manages transportation risk by identifying in the agreement that the Company acknowledge the products when they are shipped. In case the agreement has not the Clause of acknowledge, the Company will apply for transportation insurance to prevent some damage.

When the products are delivered to the port, the Company will hire custom clearance officer to make custom clearance and take goods from the port and deliver finished goods to warehouse and assembly parts to the Company's factory.

2.3.3 Warehouse Management

After goods are delivered to the Company warehouses, which located in 2 locations, Panasnikom and Pathumthani, a warehouse supervisor will check goods quantity to be matched with the number notified by the manufacturer; then, key-in details of goods receipt to Warehouse Management System Program. The products will be counted before storage and upon withdrawal, and monitored the inventory by using such program.

In case the inventory is lower than designed level (Minimum Safety Stock Level), the Company will purchase the product for replenishment to avoid shortage and any effect on sale. In addition, the Company will make physical check of the products in warehouse on monthly basis by reconcile with the system

2.3.4 Quality Control

The Company, by quality control department, will examine finished goods and assembly parts of misting fan when arrival the Company warehouse by checking readiness and completion. For finished goods with package, the Company will do random check. Moreover, the Company has the policy to provide 1-year warranty to customer, and then the Company shall be responsible for repair product until it completely works.

However, the Company has claimed either failure product or part to ask the manufacturer compensate to the Company at goods price or deliver replacement. Moreover, the Company specifies in the agreement that the manufacturer shall warranty mobile evaporative fan. If the product fails to meet specified quality, the Company is entitled to claim the manufacturer.

2.3.5 Product Assembly

For misting fan, after its parts pass quality checking, the Company will bring them for assembly at the Company's own factory at Panasnikom, under the standard of ISO 9001:2015. After assembly, the Company will examine the quality again before storage at the Company's warehouse for delivery to customer.

2.3.6 Product Sales and Distribution

2.3.6.1 Product Sales

The Company sells its products through many distribution channels, i.e. Direct sales, Modern trades, Dealers and Agents. Besides, the Company has Online Marketing for promoting sales.

2.3.6.2 Product Distribution

The Company distributes products to customers and distribution channels by either the Company's truck and via delivery service. The Company hires delivery service providers by paying delivery charge per distance, weight, and volume of products. If there is any damage during transportation, the service providers shall compensate any damage to the Company.

2.3.7 After-Sales Services

The Company has 1-year warranty that provides repair and replacement of spare parts free of charge. The Company has service center nationwide by contacting our Call Center at 02 953 8800. The Company also allows warranty renewal, including annual maintenance package for out-of-warranty products.

2.4 Work-in-process

At present, the group of companies Has focused on expanding the market base of corporate customers by consulting Sale and installation of ozone technology system for water treatment Deodorization and energy saving in which the operation is a project work which is Project Management as normal process Therefore, there may be projects that are in the process of installation during the year.

2.5 Environment Impact

None environment impact

3. Risk Factors

3.1 Risk of the Business

3.1.1 Risk of the Price War

The continued growth of our business by quality products of Masterkool that proved to our customers the real cooling efficiency, combining with the market growth opportunity, leads to a better-known of the misting fan and evaporative fan to the market. As a result, many new entrepreneurs had entered into the market and become our direct competitors; this may have a direct impact on the Company's performance.

However, the Company's perpetual marketing of the "MASTERKOOL" brand has caused it to become widely accepted in the market of open air cooling appliances. In addition, the company emphasizes on quality of products plus emotional design for the products in 2018. MIK-28EX with the minimal design, and also a memorable and worth-sharing advertisement are expecting to reduce a severe situation of a price war that may occur.

With our strong quality, strong brand and real cooling efficiency; along with an emotional design; the Company believes that it will be able to operate its business under increasing competition by low-pricing strategy and has no significant impact on the performance of the Company.

3.1.2 Risk of Income Fluctuations

Most of the products of Masterkool are air-cooling solutions; as such the Company may face with the seasonal income fluctuations during the year. The cooling business mostly has seasonal business model which the summer months, February-June, generate peak sales; resulting the first-half of the year earns higher than the second-half of the year; which the highest revenue is in the second quarter.

The company is well aware of the risks of income fluctuation and therefore there are measures in place to counter such risks. The company has its direct sales team, responsible on proposing cooling systems and/or energy saving solutions to large industrial factories, warehouses, or even retail outlets, which can lead off-seasonal revenue or concerning revenue. Typically, the installation of these systems / solutions are done throughout the year; and as these customers are direct customers of the company, this makes the direct sales channel less affect on seasonal fluctuations when compared to the other channels. Furthermore, if the sales of the systems are higher, the Company will earn more from non-seasonal services as well.

With reference to the 2018 plan for selling of non-seasonal products, the Company has launch HOME-FAN and AIR-PURIFIER to sell via moderntrade channel in the second half of 2019. Also the Company planned to launch further appliabce in the year 2021. As well as, the Company has planned to increase in the proportion of export sales revenue by expansion of the market in the countries in the Southern Hemisphere.

The above measures with the close control of expenses can reduce the impact of fluctuations in revenue during the year. The Company expects that the fluctuations in revenue during the year will not have a significant impact.

3.1.3 Risk of counterfeited products

Most of the company's products are related to innovation and new products are constantly designed and invented and there is always the possibility that the products will be imitated by competitors, which will directly impact revenue sales. The company will apply for patents and petty patents over the products that the company invents, designs, and produces, through the Department of Intellectual Property, Ministry of Commerce, in order to be the sole patentee. In which case, if the Patent Act of 1979 is violated, the company may take legal action.

3.1.4 Risk of inventory damage

From the fourth quarter of the previous year to the first quarter of the current year, the company will prepare finished goods in our warehouses in order to accommodate for sales during the summer season. If damage to the product occurs, such as through fire, earthquakes, or other natural disasters; the company must recognize losses of such damage in term of recognition in accounting; including a lost selling opportunity. Therefore, the Company deposits the finished goods by separating to two warehouses, namely warehouse in Phanatnikhom and warehouse in Pathumthani, in order to reduce the impact of risk from the aforementioned disasters. In addition, the company has insured inventories to reduce the risk of damage to the goods.

3.1.5 Risk from dependency of a major manufacturing contractor and product distributor exceeding 50% of the Company's product purchase volumes

The Company has had a major manufacturing contractor and product distributor of evaporative air cooler product in foreign country. In 2018, the Company's product purchase volumes from such manufacturing contractor and distributor of evaporative air cooler product was estimated over 50% of total of product ordering volumes in 2018 which was the OEM manufacturing for evaporative air cooler in I-Kool family. Thus, in case that there is any cause making such major manufacturing contractor cannot produce or deliver product to the Company, it may result in short supply of the product in the market and opportunity loss in product sales. This will affect the Company's turnover. However, the Company always assesses product demand and plans production orders in advance. In case of forecast for high product demand, the Company will prepare products in advance to prior-support these demands in order to support sales in summer since Q3 of former year. This will help abate the impact in case that the product manufacturing contractor cannot deliver products to the Company on schedule.

Moreover, the Company also prepares plan to support manufacturing discontinuity from such major manufacturing contractor through employment of other manufacturer for replacement, having the same nature of product manufacturing capability. The Company then believed that the impact from dependency of major manufacturing contractor will not significantly affect the Company's turnover.

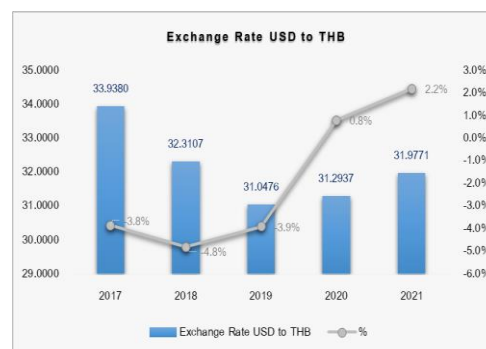
3.2 Risk on Investment of securities holders

3.2.1 Financial risk on currency rate fluctuations

Fluctuations in foreign exchange rates have had an impact on the Company's earnings due to the fact that the Company operates mainly by importing goods from abroad and paying for them in US Dollars, while the income will be converted to the Thai Baht. In the case that the US Dollar inflates - or the Thai Baht deflates, the product costs will immediately become higher, while the Company will be unable to adjust their own prices with the same rapidity, causing a loss and affecting the Company's performance.

However, the Company has a part of the revenue in US dollars from sales to distributors abroad. In the past year, the company has screened specific agents that have the potential and can generate export revenue for the company. At present, there are active agents in more than 34 countries around the world. States that has both income and expenses in US dollars causing the business operations of the company Natural hedge is managed at the same time, which will help reduce the impact of exchange rate fluctuations to a certain extent. In the year 2019, the Thai baht fluctuates depending on the statistical chart from the Bank of Thailand.

At present, the Company keeps a close track on the fluctuations of the US Dollar and manages the risk of the exchange rate volatility by primarily using the foreign exchange forward contracts. The Company will consider the financial cost of entering into forward foreign exchange contracts together with the fluctuation of exchange rates in the market for consideration of entering into future contracts.



4. Property for Business Purpose

4.1 Fix Assets

As of 31 December 2021, the Company and its subsidiaries have the following main fixed assets used in business operations:

Types of assets	Ownership	Obligation	Net book value
			31 December 2021
Land which located in Phanatnikhom, Nawanghin sub-district, Phanatnikhom District, Chonburi with total area of 6 Rai and 1 Ngan	Owner	Mortgage collateral for loan	900,000.00
Building, Leasehold Improvements	Owner	-	7,597,833.31
Molds, Machinery, tools and Equipments	Owner	-	31,863,907.43
Renting-out assets	Owner	-	5,689,887.43
Computers, Furnitures, and Office equipments	Owner	-	1,717,754.40
Vihecles	Owner	Some are in leasing contracts	4,122,644.16
Assets under installation			164,257.05
Total			52,056,283.78

4.1.1 Trademarks

The Company and its subsidiaries have fixed assets used for business purposes; which details shown:

Trademark	Registration	Product	Protection Period
	Kor 184112	Misting Fans, Evaporative Air Coolers, Industrial Fans and Ventilation Fans	In renewal process
	Kor 394331	Misting Fans, Evaporative Air Coolers, Industrial Fans and Ventilation Fans	9 April 2015 to 8 April 2025
	Kor 311567	Misting Fans	30 April 2019 to 29 April 2029
	Kor 311568	High Pressure Misting Fans	Renewal Requisition 15 January 2019*
	Kor 311569	Centrifugal Forced Misting Fans	30 April 2019 to 29 April 2029
	Kor 311570	High Pressure Misting Fans	28 June 2019 to 27 June 2029
	18117698	Other Equipments and Appliances (Vacuum Cleaner)	25 July 2018 to 24 July 2028
	161113104	Static Pressure Industrial Fans - Cool Top	19 December 2016 to 18 December 2026

* Renewal of certificate of trademark registration for a period of 10 years

4.1.2 Patent / Petty Patent

4.1.2.1 Patent

Registration No.	Patent	Type	Patented Inventions	Protection Period
1302003212	52159	Design Patent	Water purifier	12 November 2013 to 11 November 2023
1702000097	69309	Design Patent	Air-Cooling (09EX)	10 January 2014 to 9 January 2024
1802003798	74302	Design Patent	Air-Cooling (02EX)	7 September 2018 to 6 September 2028
1702003279	67460	Design Patent	Air-Cooling (14EX)	24 August 2017 to 23 August 2027
1502001255	60159	Design Patent	Air-Cooling (45EX)	23 April 2015 to 22 April 2025
1502002112	-	Design Patent	Air-Cooling	2 July 2015 to 1 July 2025
1702000098	67459	Design Patent	Air-Cooling (55EX)	24 August 2017 to 23 August 2027
1402001972	53590	Design Patent	Air-Cooling (25EXN)	24 July 2014 to 23 July 2024
1302002540	51773	Design Patent	Air-Cooling (20EX)	12 September 2013 to 11 September 2023
1302002542	51775	Design Patent	Air-Cooling (70EX)	12 September 2013 to 11 September 2023
1502002220	-	Design Patent	Air-Cooling	9 July 2015 to 8 July 2568
1302002543	51776	Design Patent	Air-Cooling (U-Kool)	12 September 2013 to 11 September 2023
1702003278	67458	Design Patent	Air-Cooling (28EX)	24 August 2017 to 23 August 2027
1802003797	74303	Design Patent	Air-Cooling	7 September 2018 to 6 September 2028
1502003063	58711	Design Patent	Air-Cooling (07EC)	12 September 2015 to 11 September 2025
1502001256	60158	Design Patent	Air-Cooling	23 April 2015 to 22 April 2025
1302002541	51774	Design Patent	Air-Cooling (35EX)	12 September 2013 to 11 September 2023
1402000402	53589	Design Patent	Ozone Vegetable Washer	4 March 2014 to 3 March 2024
1002002474	42234	Design Patent	Pump Control	9 September 2010 to 8 September 2020
1502001601	58708	Design Patent	Fan	18 May 2015 to 17 May 2025

4.1.3 Important contract in business

4.1.3.1 Rental contracts of office and warehouse as of 1 January 2021

Location	Monthly Fee	Area	Period
<u>Contract for showroom and office</u> Three commercial buildings at 12/16-17, 12/20 Thesabansongkro Road, Ladyao, Chatuchak, Bangkok	96,000 Baht	3 commercial buildings	1 January 2020 to 31 December 2022
<u>Contract for warehouse in Patumthani</u> 39 Moo 6 Phaholyothin Rd, Klong Nueng, Klong Luang, Patumthani	492,000 Baht	6,480 Sq.m.	1 October 2019 to 30 September 2022
<u>Contract for service office</u> 22 Soi 2 Thesabanrangsang Nua Road, Ladyao, Chatuchak, BKK	57,727 Baht	98 Sq.wah	16 November 2020 to 15 November 2023
<u>Contract for event rental business office</u> 795 Pracharat 1, Bangsue, Bangsue District, Bangkok	57,895 Baht	435 Sq.wah	1 January 2021 to 31 December 2023
<u>Contract for the subsidiary's business office</u> 3 South-Thessabanrungsang, Ladyao, Chatuchak, BKK	42,000 Baht	41 Sq.wah	1 September 2019 to 31 August 2022

4.1.3.2 Key Insurance Policy

Insurer	Bangkok Insurance PLC
The assured	Masterkool International PLC
Insured property	Warehouse
Location of property	Warehouse A2, 39 Moo 6 Phaholyothin Road, Klong Nueng, Klong Luang, Patumthani 12120
Protection limit	40,000,000 Thb
Protection period	14 October 2021 to 14 October 2022
Protection	<ol style="list-style-type: none"> 1. Wind storm 12,000,000 Thb 2. Earthquake or volcanic eruption 12,000,000 Thb 3. Water hazard (Flood is excluded) 40,000,000 Thb 4. Explosion 40,000,000 Thb

Insurer	Bangkok Insurance PLC
The assured	Masterkool International PLC
Insured property	Buildings include furnitures, fixtures, tools, electrical appliances, inventory
Location of property	<ol style="list-style-type: none"> 1. Service office, 22 Thesabanrangsang Nua Road, Ladyao, Chatuchak, Bangkok 2. Assembly Factory, 184 Moo 10 Nawanghin sub-district, Phanutnikhom, Chonburi 20240 3. Showroom and Office, 12/16-17 and 12/20 Thesabansongkro Road, Ladyao, Chatuchak, Bangkok
Protection limit	53,375,000.00 Thb
Protection period	5 January 2022 to 5 January 2023
Protection	<ol style="list-style-type: none"> 1. Disaster from fire and lightning 2. Disaster from Explosion, storm, water hazard 3. Aerial disaster 4. Disaster from earthquake, volcanic eruption, seismic sea waves from underwater landslide, tsunami 5. Disaster from hail or smoke 6. Disaster from collision of vehicles 7. Threat of strikes, riots, malicious acts or accidental external factors 8. Damage from robbery, which appeared evidence 9. Disaster to electrical appliances Electrical injury

4.1.3.3 Four production contracts with a Manufacturer

Contractual Party	<ol style="list-style-type: none"> 1. A manufacturer who is not a related person ("the Contractual Party") 2. Masterkool International PLC ("the Company")
Type of Products	Evaporative air cooler; both wall type and portable which its model is specified in each contract.
Contractual Duration	10 years (the first contract will be ended on 31 December 2022)
Pricing	Price and payment condition are agreed upon in each contract
Contractual Cancellation	<ol style="list-style-type: none"> 1. In case any failure by a party to perform any of its obligations under the contract 2. In case the party cannot deliver goods or cannot pay the payment in agreed time
Credit Term	Number of days agreed upon in each delivery
Conclusion of Contractual Essence	<ol style="list-style-type: none"> 1. The Company is the exclusive distributor for the above products for sale in Thailand and other countries worldwide; except in some countries as agreed and specified in each contract. 2. The Contractual Party and the Company agreed in term of investment in mold for each product; and ownership of the mold after the contract termination. 3. The Company agreed to purchase some models of the products from the Contractual Party at the minimum volume; and some models of the products, the Contractual Party agreed to manufacture them according to the Company's purchase order without a minimum quantity. 4. The Contractual Party agreed to control the quality of products at the standard level of the product as prescribed by the Company; so that the product life is at least 1 year-warranty which the Company provided to customers.^{/1} 5. The Company agreed to inspect the product at 10% of delivered number; and the Contractual Party agreed to pay compensation within 30 days after receiving of product defect report^{/1} 6. In case of products do not meet the Company's requirements over 1% of delivered number of products as a cumulative amount for 15 months after delivery; the Contractual Party shall pay compensate to the Company as agreed.^{/1}

4.1.3.4 Vendor contract with Moderntrade

The Company has entered into vendor agreements with moderntrade stores, mostly are consignment agreements of evaporative air coolers, misting fans, and industrial fans; include water dispenser and air purifier. The summary is as follows:

Contractual Party	<ol style="list-style-type: none"> 1. Moderntrade stores who are not related persons ("the Contractual Party") 2. Masterkool International PLC ("the Company")
Contractual Duration	1 Year with automatic contractual renewal until contractual cancellation from any party
Contractual Cancellation	When any party violates the Contract or cancels the Contract in advance in defined duration.
Credit term	As mutually agreed with each Contractual Party.
Conclusion of Contractual Essence	<ol style="list-style-type: none"> 1. The distributed product shall be the product that is legal and correctly paid for taxation. The Company complies with relevant laws such as trademark, copyright, patent, industrial standard safety and rights of other intellectual properties with other products, etc. The product shall be the product that meets the standard without damage and defect. If the product is not in line with aforesaid guarantee, the Company shall get the product in return or replacement without condition or with compensation of fine and damage to the Contractual Party.

	<ol style="list-style-type: none"> The Contractual Party shall pay according to condition and agreement within defined credit term period from the date of receiving Receipt or Tax Invoice from the Company and in line with the payment date of the Contractual Party. The negotiation on trade discount shall be made for once a year, depending on ordering quantity and sales volume target mutually defined in each year except special discounts such as programming product and sales promotion items shall be occasionally negotiated. The Company shall support other expenses such as allowance for sales promotion items, marketing allowance, festival discounts, annual special discount based on purchase target, product distribution service charge to branches and service charges of different systems, etc. The Company shall get the products that are not in line with the agreement in return and the Company has duty to get the product in return within defined duration from the notification date from the Contractual Party to get products in return. If it is overdue as notified, the Contractual Party shall be irresponsible for any damages occurred with the Company's products. The Company shall not provide any assets, privileges, reward or commission or other benefits to employees or the representative of the Contractual Party. The Company shall not persuade the customer of the Contractual Party to directly buy products from the Company and shall not directly sell products to general customers in cheaper price than the price already distributed by the Contractual Party. The Company shall arrange salespersons stationed at the branches throughout office hours under responsibility of the Company on damages occurred from the Company's salespersons. If the Company defaults the Contract, the Contractual Party is entitled to postpone the product cost payment and reserves its right to claim for damage that may occur from contractual default, and also is entitled to cancel the Contract right away.
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4.1.3.5 Local Dealer Appointment Contract

The Company enters to make the contract with the business entrepreneur. The contract is made in in term of dealer to grant the right in being the local dealer of the Company's products. Below is the summary for the essence of the agreement

Contractual Party	<ol style="list-style-type: none"> Dealer* ("the Contractual Party") Masterkool International Public Company Limited ("the Company")
Contractual Duration	Until the contract will be cancelled by any party.
Contractual Cancellation	<ol style="list-style-type: none"> In case that the dealer defaults the contract or does not comply with dealership rule, the Company is entitled to cancel the Contract. Any party is entitled to cancel the dealership according to the Contract upon the requirement of written notification for prior-acknowledgement of the other party for at least 30 days in advance.
Credit Term	Number of days as mutually agreed
Conclusion of Contractual Essence	<ol style="list-style-type: none"> The Contractual Party is the local dealer of the Company's products in Thailand only. The Contractual Party uses MASTERKOOL trademark with the product, integral part, spare part and equipment particularly for the Company's product only. If the Party defaults the payment or delays payment, the Contractual Party agrees to pay fine to the Company for 2% per month of debt value exceeding defined value.

	4. If the Contractual Party defaults the Contract, causing the Company damaged, the Company is entitled to suddenly cancel the Contract whereas the Contractual Party is entitled to pay all outstanding product prices without discount and has duty to pay interest, fine or damage occurred to the Company.
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* An exclusive dealer who is the individual related to the Company. However, the contractual condition is indifferent from other dealers

4.1.3.6 Product Transportation Hiring Contract

Contractual Party	1. The local product transport contractor who is not the individual related to the Company ("the Contractual Party") 2. Masterkool International Public Company Limited ("the Company")
Contractual Duration	As mutually agreed with each Contractual Party.
Contractual Cancellation	When any party violates the Contract or cancels the Contract in advance in defined duration.
Price and Payment Condition	It depends on weight and distance as mutually agreed by each Contractual Party.
Conclusion of Contractual Essence	1. The Contractual Party shall be responsible for damage or loss of product during transportation as mutually agreed, or the party shall arrange insurance for product damage or loss whereas the Company is the beneficiary. 2. The Contractual Party shall deliver products in local final area zones in the duration mutually agreed with each Contractual Party. 3. Transport cost is increased according to increase in diesel oil price to be line with mutual agreement of each Contractual Party.

4.2 Policy of Investment in its Subsidiaries and Associates

The company has mechanism to supervise subsidiary and affiliation directly and indirectly as well as measures to follow up management of the subsidiary and affiliation to maintain benefit of investment of the company and be able to manage and take responsibility of operation of subsidiary as a part of the company by emphasizing on investment in business that supports and makes benefit for the company by considering returns and other benefits the company expects to receive from investment. It is to support and promote business of corporations. However, the company has specified policy of investment in subsidiary and affiliation approved by the Board of Directors' meeting 1/2020 arranged on 27 February 2020.

The Company has a policy to consider investing in subsidiaries, and associates by focusing on supporting business and benefits of the company; whereas considering on the return and other benefits of the company such as expected return on investment, were made. The Company considers the appropriate proportion of investment and expected return on investment for the benefit of the shareholders of the Company

The company will supervise by sending people approved by the committee's meeting to be the committee and/or executive of subsidiary and affiliation as the representative by proportion of shareholding for ultimate benefit of the company, subsidiary or affiliation. The committee and executives shall have quality, role, duty and responsibility without lacking reliability as the Notice of SEC Office to take part in such business management.

Committees and/or executives have right to vote in committee's meeting and/or shareholder's meeting of the subsidiary and affiliation according to guidelines or resolution that the committee or shareholder's meeting of the Company has approved. The appointed committees and/or executives can apply discretion to vote in the meeting of the subsidiary and affiliation associated with general management but in case of material matters, they shall be approved by the committee's meeting or shareholder's meeting of the Company first. Essential matters include connected transaction, obtainment and distribution of asset, any actions that reduce proportion of shareholding of the company in subsidiary and affiliation or even business termination of subsidiary and affiliation with following details.

5. Legal Dispute

As at 31 December 2021, the Company had none of legal dispute of which the lawsuit might significantly and negatively affect the Company's business operation.

6. General Information and Other Key Information

6.1 General Information as of 31 December 2021

Company Name	Masterkool International Public Company Limited
Type of Business	Supply and distribution of Evaporative Air Cooler, Mist Fan and Industrial Fan Products under "MASTERKOOL" and "Cooltop" Brands, and provision of rental services for use of such products in event organizing and designing and installing heat extracting system inside the plant and warehouse, as well as designing and installing ozone system for energy saving and environmental conservation. The Company distributes products through modern retail shops, foreign dealers and local dealers, and directly distributes and provides services through the Company
Office Location	Head office and Service center: 22, Soi 2, Thetsabanrangsang Nua, Ladyao Sub-district, Chatuchak District, Bangkok <ul style="list-style-type: none">● Branch 1 Factory: 184 Moo 10 Tumbol Nawanghin, Amphur Panat-nikhom, Chonburi● Branch 2 Sales Office: 12/16-17, 12/20 Thesabansongkro Road, Ladyao Sub-district, Chatuchak District, Bangkok● Branch 3 Warehouse (Pathumthani): 39 Moo 6 Tumbon Klong Nueng, Klong Luang, Pathumthani● Branch 4 Rental Services: 795 Pracharat 1, Bangsue, Bangkok
Co. Registration	0107557000365
Registered Capital	312,500,000 THB
Paid-Up Capital	214,250,000 THB Total 857,000,000 Shares, 0.25 THB/share
Telephone	(66) 2953 8800
Fax	(66) 2589 8586
Website	www.masterkool.com

References

Share Registrar	Thailand Securities Depository Company Limited Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Khlong Toei District, Bangkok 10110 Telephone (66) 2009 9000, Facsimile (66) 2009 9991
Auditor	Jintana Mahavanich C.P.A. (Thailand) No. 4687 C & A Auditing Office Company Limited 53 Narathiwat Ratchanakarin Road Chong Nonsi Sub-District, Yannawa District, Bangkok Tel (66) 2687 0750

6.2 Details of Juristic Persons that the Company directly holds the shares from and over 10% of the number of issued and sold shares

Company Name	Innov Green Solutions Company Limited
Type of Business	Design, installation and provision of service relating to environmental conservation and energy saving such as application of ozone system with air-conditioner, washing machine, vegetable washer and shoe deodorizer, etc.
Office Location	22, Soi 2, Thetsabanrangsang Nua, Ladyao, Chatuchak District, Bangkok
Co.Registration	0105554064743
Registered Capital	30,000,000 THB
Paid-Up Capital	30,000,000 THB
	Total 300,000 Shares , 100 THB/share
Company's Shareholding	99.98%
Telephone	(66) 2953 8800
Fax	(66) 2591 9849

Part 2 Management and Corporate Governance

7. Securities and Shareholders Information

7.1 Registered and Paid-up capital

As of 31 December 2021, the Company has registered capital of 312,500,000 baht, divided into 1,250,000,00 ordinary shares with 214,250,000 baht in paid-up shares, divided into 857,000,00 ordinary shares.

7.2 10 Major Shareholders as at 5 November 2021

Shareholders	No. of Shares	%
1. Mr. Noppachai Veeraman	150,190,898	19.0%
2. Mr. Fung Meng Hoi	77,061,100	9.7%
3. Dr. Sunthorn Sriphratchayaan	10,633,650	1.3%
4. Mr. Sanchai Sriwiboon	9,153,940	1.2%
5. Ms. Fahsai Phuathavornskul	8,118,600	1.0%
6. Mr. Nakornchai Arunyananon	7,000,000	0.9%
7. Mr. Wattana Poonjeen	6,650,360	0.8%
8. Mrs. Jittima Yongpongsa	4,897,050	0.6%
9. Mrs. Siriporn Manapojanawong	4,888,800	0.6%
10. Mr. Kanok Pichitthanaset	4,697,900	0.6%
11. Others	508,707,702	64.0%
รวม	792,000,000	100%

7.3 Other securities issued

-None-

7.4 Dividend payment policy

As of December 31, 2021, the Company has a registered capital of 312,500,000 baht, divided into 1,250,000,00 ordinary shares, 214,250,000 baht in paid-up shares, divided into 857,000,00 ordinary shares. The dividend payment policy of the Company and its subsidiaries has set by not less than 40% of net profit after tax of separate financial statement and deduction of legal reserve and other deposits. However, the Company and its subsidiaries may consider paying the dividend less than the above rate or not to pay the dividend, subjecting to economy, performance, financial status, and liquidity of the Company and its subsidiaries, including their necessity in utilization of working capital for business operation and expansion.

However, resolution of the Board of Directors on approval of the dividend payment must be presented to a shareholders meeting for consideration of approval such dividend payment; except on interim dividend payment. The Board of Directors is authorized to approve the interim dividend payment, and then report to the next general meeting of shareholders.

8. Management Structure

8.1 The Board of Directors and Subcommittee

As of 31 December 2021, the management structure of the company consisting of 4 sets of committees: The Board of Directors, Audit Committee, Nomination and Remuneration Committee, and the Executive Committee the details are as follows:

8.1.1 The Board of Directors

Name	Position	No. of meeting attended/ Total no. of meeting in 2021
1. Mr. Sanpat Sapon	Chairman, independent director and member of the Audit Committee, and member of the Nomination and Remuneration Committee	10/10
2. Assoc. Prof. Dr. Prakrit Tangtisanon	Independent director and member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee	10/10
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Independent director and Chairman of the Audit Committee, and member of the Nomination and Remuneration Committee	10/10
4. Mr. Kritsana Thaidumrong	Director	10/10
5. Mr. Fung Meng Hoi	Director	7/10
6. Mr. Noppachai Veeraman	Director and Managing Director	10/10
7. Ms. Benjarat Hattachanchai	Director	10/10
8. Ms. Sunanta Wanwat ¹⁾	Director	5/5
9. Mr.Kriangkrai Siravanichkan ²⁾	Director	4/5

Remarks: ¹⁾ Ms. Sunanta Wanwat has resigned from the position of director before the end of on May 12, 2021.

²⁾ Mr.Kriangkrai Siravanichkan was appointed as a director on May 12, 2021 to replace the director who resigned before the end of his term.

The authorized directors who are authorized to sign to bind the company's certificate are Mr. Noppachai Viraman, Ms. Sunantha Wanwat, Ms. Benjarat Hattachanchai and Mr. Fung Meng Hoi, two directors in four people sign together and affix the company's seal. In 2021, Mr. Fung Meng Hoi attended the meeting by teleconferences through an electronic device from Malaysia due to the COVID situation.

In addition, Ms. Mallika Trakoolthai, the Executive Director, had been appointed as the Company secretary and Secretary of the Board of Directors

In addition to these meetings, the number of times specified above. The independent committee held a meeting for self-assessment of the control self assessment and the annual organization assessment with 1 time.

8.1.2 Audit Committee

Independent directors had been appointed as members of the Audit Committee who have complete qualifications according to the Notification of the Capital Market Supervisory Board No. Tor Jor.28/2008 Re: Approval for Issuance and Offering for Sale of Shares dated 16 November 20016 (include any revision)

Name	Position	Number of meeting attended/ Total numbers of meeting in 2021
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Chairman	5/5
2. Mr. Sanpat Sapon	Member	5/5
3. Assoc. Prof. Dr. Prakrit Tangtisanon	Member	5/5

Member of the Audit Committee who has full understanding of, and experience in, accounting or finance, for reviewing the reliability of the financial statements is Mr. Mongkol Kasaemsun Na Ayudthaya. The secretary of the Audit Committee is Miss Jariyaporn Akkarawong

8.1.3 The Nomination and Remuneration Committee

Name	Position	Number of meeting attended/ Total numbers of meeting in 2021
1. Assoc. Prof. Dr. Prakit Tangtisanon	Chairman	2/2
2. Mr. Sanpat Sapon	Member	2/2
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Member	2/2

Ms. Mallika Trakoolthai, the Secretary to the Nomination and Remuneration Committee, since 26 February 2019.

In accordance with the Code of Conduct and the Charter of the Nomination and Remuneration Committee, the Nomination and Remuneration Committee Meeting should be held twice a year. In the year 2021, the Nomination and Remuneration Committee held only one meeting to be in line with the business situation. Anyhow, the Committee regularly monitors the progress of its work on a regular basis.

8.1.4 Executive Committee

Name	Position	Number of meeting attended/ Total numbers of meeting in 2021
1. Mr. Noppachai Veeraman	Chairman of the Executive Board *	11/11
2. Ms. Benjarat Hattachanchai	Executive Director *	10/11
3. Ms. Sunanta Wanwat	Executive Director *	10/11
4. Ms. Phornphan Nilprasit	Executive Director	10/11
5. Mr. Komin Krodmee	Executive Director	10/11
6. Mr. Sanchai Sriwiboon	Executive Director	10/11
7. Mr. Thammasak Chobchai	Executive Director	11/11
8. Ms. Mallika Trakoolthai	Executive Director **	11/11
9. Ms. Tunwa Anguravirutt	Executive Director	10/11

Remarks: * The Board of Directors of the Subsidiary **The Secretary to the Executive Committee

In this regard, Mr. Komin Krodmee and Ms. Phornphan Nilprasit, the executive directors whom assigned to take care of Phanat Nikhom Factory and Pathum Thani warehouse, attended the meeting by teleconferences through an electronic device due to the COVID situation.

8.2 Management

Name	Position
1. Mr. Noppachai Veeraman	Managing Director
2. Ms. Benjarat Hattachanchai	Assistant Managing Director, Finance and Accounting
3. Ms. Sunanta Wanwat	Assistant Managing Director, Business (The Subsidiary)
4. Ms. Phornphan Nilprasit	Assistant Managing Director, Logistics
5. Mr. Komin Krodmee	Assistant Managing Director, Production Management
6. Mr. Sanchai Sriwiboon	Assistant Managing Director, International Business
7. Mr. Thammasak Chobchai	Assistant Managing Director, Engineering and Customer Services
8. Ms. Tunwa Anguravirutt	Assistant Managing Director, Business Quality

8.3 Company Secretary

The Board of Directors' meeting No.6/2013 had the resolution to appoint Miss Mallika Trakoolthai to be the Company secretary starting from October 21, 2013. The scope of work, authority, and responsibilities according to section 89/15 and section 89/16 of Securities and Exchange Act (Volume 4) B.E. 2551 (A.D. 2008), which was effective since 31st August 2008. The Company secretary has the following legal roles.

- 1) Preparing and maintaining the following documents
 - A. Director profile
 - B. Notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting
 - C. Notice and minutes of shareholders meeting
- 2) Maintaining directors and management's report on conflict of interest, and submit the report according to section 89/14 to the president and chairman of the Audit Committee within 7 working days after receipt of the report.
- 3) Performing other duties as required by the Capital Market Supervisory Board

In case the Company secretary resign or fail to perform the duty, the Board shall appoint new secretary within 90 days from the date of resignation or failure to perform the duty. However, the Board is entitled to assign one of directors to perform the work during such period.

In addition, the Company secretary also has the other responsibilities upon the Company's assignment as follows:

- 1) Arranging the Board of Directors' meeting and shareholders' meeting
- 2) Coordinate with other departments in the Company to make them comply with the resolutions of the Board of Directors' meeting and shareholders' meeting
- 3) Coordinate with the government section such as the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and control for completion and accuracy of information disclosure and report submitted to the government section and public according to law.
- 4) Providing orientation to new appointed director
- 5) Performing other duties as assigned by the Board.

Miss Mallika Trakoolthai has passed the training course for the Company secretary (Class of 28) and the course of fundamental law for registered company (class of 10) from Thai Listed Companies Association also continuous self-development by the training course Corruption Risk & Control Technical Update (CRC) form Thai Institute of Directors (IOD), the Company Secretary Information is in Appendix

8.4 Remuneration for the Board and Management

The annual general meeting of shareholders' 2021 held on 22 April 2021 had the resolution to approve remuneration for independent directors and the non-executive directors, by considering based on roles and responsibilities to supervise and control the Company's operation. The consideration has been made in comparison to the industry, experience, duty, scope of role and responsibility, including benefits expected to be received from each directors as per the following details:

8.4.1 Remuneration for the Board of Directors

	Attendance fee for chairman	Attendance fee for member
Board of Directors	30,000 Baht/Meeting	20,000 Baht/Meeting
Independent director as member of Audit Committee	30,000 Baht/Meeting	20,000 Baht/Meeting
Nomination and Remuneration Committee	30,000 Baht/Meeting	20,000 Baht/Meeting

Remuneration for the board comprises meeting attendance fee, which is subjected to number of meeting attended. However, subject to the rule of remuneration consideration, members of the board and/or any subcommittee, the Company's director and/or member of sub-committee who are the Company's executives or employees shall not receive the remuneration for the board and/or member of subcommittee. In 2021, the Company paid remuneration for the board and member in subcommittee as follows

	คณะกรรมการบริษัท	คณะกรรมการตรวจสอบ	คณะกรรมการสรรหาและกำหนดค่าตอบแทน	กรรมการอิสระ	รวม
1. Mr. Sanpat Sopon	240,000	80,000	40,000	30,000	390,000
2. Mr. Prakit Tangtisanon	160,000	80,000	60,000	20,000	320,000
3. Mr. Mongkol Kasaemsun Na Ayudthaya	160,000	120,000	40,000	20,000	340,000
4. Mr. Kritsana Thaidumrong	160,000	-	-	-	160,000
5. Mr. Fung Meng Hoi ¹⁾	-	-	-	-	-
6. Mr. Noppachai Veeraman ²⁾	-	-	-	-	-
7. Ms. Benjarat Hattachanchai ²⁾	-	-	-	-	-
8. Ms. Sunanta Wanwat ^{2) 3)}	-	-	-	-	-
9. Mr. Kiangkrai Siravanichkan ⁴⁾	60,000	-	-	-	60,000
รวม	780,000	280,000	140,000	70,000	1,270,000

Remark: ¹⁾ Mr. Fung Meng Hoi attended the meeting by teleconferences through an electronic device from Malaysia due to the COVID situation, therefore expressed his intention not to request the remuneration of directors.

²⁾ Members who are the Company's executives or employees those shall not receive remuneration for the board and member of sub committee are Mr. Noppachai Veeraman, Ms. Sunanta Wanwat, and Ms. Benjarat Hattachanchai

³⁾ Ms. Sunanta Wanwat has resigned from the position of director before the end of on May 12, 2021.

⁴⁾ Mr. Kiangkrai Siravanichkan was appointed as a director on May 12, 2021 to replace the director who resigned before the end of his term.

8.4.2 Remuneration of the Executive Committee and Management

Annual General Meeting of the Shareholders for the Year 2020 on 9 July 2020, passed a resolution approving the directors' remuneration Which the remuneration will be the meeting allowance of the committee according to the number of meetings attended The chairman of the sub-committee will receive an attendance fee of 30,000 baht per meeting while the committee will receive an attendance fee of 20,000 baht per person per meeting.

The executive directors who are executives or employees of the company will not receive compensation as executive directors. The company has paid executive compensation in the form of monthly salary, position allowance, allowances and contributions to the Social Security Fund.

8.5 Employee

The Company strives on human resource management and development to retain employees who have skill, capability, and experience for enhancement competitiveness of the Company.

Number of employees of the company and its subsidiaries as of 31 December 2021 with a total of 204 employees, with the remuneration for the employees of the company and subsidiaries not including PC employees, the total amount is 5,316,317.07 Baht per month, which such compensation, such as salary, overtime, commission, bonus, position allowance, allowances, diligence, social security. The number of employees in each line consists of:

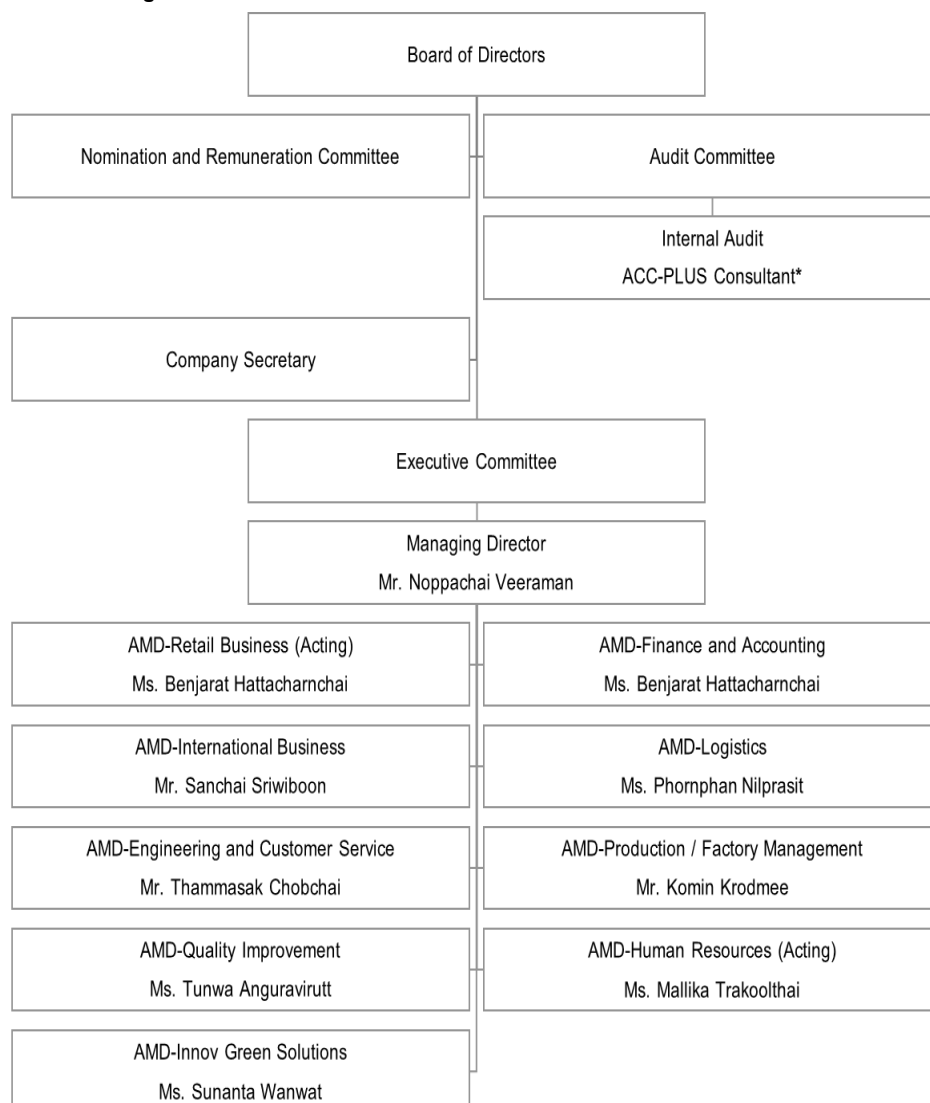
Department	Persons	Department	Persons
Management (Executives)	9	Production Management	9
Middle Management	21	Purchase	2
Retail Business	39	Finance and Accounting	13
Export	2	Research and Development	2
Event Rental Business	15	IT and Quality Assurance	7
Engineering & Customer Services	43	HR and Company Secretary	8
Logistics	20	INGREEN (the subsidiary)	14
Total			204

The Company and its subsidiary have no labor dispute and devote to develop skill, knowledge, capability, and competency of employees at all level. The details of employee development plan are as follows:

- Continuously develop the board and executives, i.e the Board of Directors, the Audit Committee, Management, and the Company/Corporate Secretary, to increase their work capability by enhancing and supporting them in term of education, training, seminar, and domestic and international field study.
- Prepare training road map for each position to recruit right person with good career path, including ready for replacement, including succession plan for the Executives.
- Build up employee awareness for working based on code of conduct and good governance by admiration and support good person.
- Enhance employee's development by mean of coaching and on the job training. Also enhance employee to engage in organization culture, ownership attitude, hold team work concept, provide good service, and bring satisfaction to either inside or outside customers.

8.6 Management Structure

Management Structure as of 31 December 2021



* The Company hires ACC-PLUS Consultant Company Limited to perform internal audit of the Company and its subsidiary. Miss Wanna Maluengnont (Managing Director of ACC-PLUS Consultant Company Limited) is head of internal audit team

Remark: Ms. Sunanta Wanwat, Asst. MD of the Subsidiary is the member of the Executive Committee

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors approved policy of corporate governance which is in line with “the Code of Best Practices for Directors of Listed Company” stipulated by Stock Exchange of Thailand. The principle consists of the following 5 chapters as follows

Chapter 1: The Right of Shareholders

The company gives precedence to basic rights of shareholders such as rights to trade and transfer their own shares, rights of receiving profit dividend of the company, right of receiving information of the company sufficiently, rights of shareholder's meeting, giving opinions, appointing or removing committee, appointing auditor and matters affecting the company like dividend allocation, specification or amendment of regulation and memorandum of association etc. without any actions that violate or deprive rights of the shareholders as well as promotes shareholder to use their rights.

Apart from basic rights, the company has a policy for operations that promote and facilitate using rights of shareholders as follows

1) Providing annual general meeting by it is arranged within 4 months from the end date of each accounting year by providing information, date, time, place and agendas along with delivery of the supporting documents of each agenda to shareholders in advance for at least 7 days and publish in newspaper to appoint date and time of meeting for 3 consecutive days before the meeting starts 3 days prior. It is specified that each agenda requires comments of the committee and complete minutes so that the shareholders can audit it.

2) The company will publish information supporting agenda to shareholders in advance on website of the company including inform rights and regulations in meeting as well as procedures of voting of shareholders in meeting to give a chance for shareholders to study information before the meeting.

3) In case the shareholders cannot attend the meeting, the company gives a chance for them to give a proxy to independent committee or any person to attend the meeting as the substitute to support using rights of shareholders to vote by using power of attorney delivered by the committee together with the invitation to meeting i.e. proxy (form B) which is the specific proxy form and proxy (form C) which is the proxy form for the foreign investor appointing the custodian in Thailand.

4) Before the meeting, shareholders can send opinions, suggestions and inquiries in advance through E-mail: comsec@masterkool.com สามารถส่งความคิดเห็น ข้อเสนอแนะ ข้อซักถามได้ล่วงหน้าก่อนวันประชุมผ่าน E-mail: comsec@masterkool.com

For meeting, the company will allocate proper time to promote shareholders to give opinions or suggestions including inquiries in each agenda relevant to the company.

Chapter 2: Equal Treatment to Shareholders

The company has a policy to treat every shareholder equally to monitor and give opinions about operation of the company by independent committee is responsible for taking care of minor shareholders and that they can give suggestion, opinions, or complaint to independent committee. The independent committee will consider for appropriate operation. For instance, if it is complaining, the independent committee will verify fact and find proper treatment.

The company's committee has specified a measure to prevent using internal data for undesirable purpose of the relevant people including committee, executives, officers and employees of the association related to data (including to spouse and immature children of those people) not to use internal data that has not been published to trade, transfer and accept transfer securities of the company for 30 day during the period before presenting tranche financial statement to SEC or before such data is publicized and the punishment has been stipulated for disclosing data of the company or using company's information for personal benefit according to the policy of Internal Data Utilization Prevention along with giving knowledge to committees and board of directors of the company about reporting security possession to Office of Security

Chapter 3: Roles of Stakeholders

The company has recognized rights of all stakeholders relevant to the company including internal stakeholder such as shareholder, employees and board of directors of the company or external stakeholders including opponent, trade partner, community and society etc. The company has deeply realized that supporting and listening to opinion as well as building good relationship with all shareholders would be beneficial to business operation and development of the company with growth and expansion in the future. The company provided rights of all groups to be treated fairly and equally along with complying with regulations of law and rules as follows

Shareholder: The company emphasized on being a good representative of shareholders to operate business for satisfaction of shareholders by being aware of long-term value growth of the company along with having good control system and internal audit system that can disclose information transparently, correctly and completely enough for decision to invest

Employee: The Company will support potential development of human resource for ultimate benefit as the company realized that employees are a part of major resources essential to develop the organization. The company then treats every employee fairly and equally without discrimination along with providing proper returns and welfares. In addition, the Company has done the employee survey on the workplace health, and develop in various matters by "The Happy Workplace" initiative project which guided and supported by Thai Health Promotion Foundation for sustainability of well-being for Masterkool's employees.

Trade Partner: The Company will treat all trade partners with integrity by holding principles of trade agreement, terms, and promise given to trade partner for good business relationship and benefit to all parties.

Opponent: The Company will treat opponents/competitors with ethics of good competition by avoiding dishonest competition to destroy the opponent.

Customer: The Company is determined to provide good service and give satisfaction to customers by providing quality product and service with honest and fair trade with customers. In addition, The Company provides channels for receiving complaints from customers through central agency that is the Company/Corporate Secretary.

Community: The Company gives precedence to taking care of environment of nearby community, location of & Society the office with campaigns to save energy as well as operating business that is not contrary to custom and tradition or causing damages to company. Besides, the company also has a policy to hire local labors nearby the factory of the company in Panat-nikhom, Chonburi Province

Chapter 4: Disclosure of Data and Transparency

The company realizes importance of correct data disclosure with that is complete, punctual and transparent including financial report and general report according to principles of data and information disclosure of SEC Office and Stock Exchange of Thailand as well as any other matters data affecting security cost of the company that had effect on decision process of company's stakeholders. The company will propagate information and data of the company to shareholders, investors and public through channels and media of Stock Exchange of Thailand including website of the company, newspaper so that shareholders can access data equally.

The company assigns the Company/Corporate Secretary, or a person authorized by the CEO to be responsible for essential data and information disclosure and communicating with investors, shareholders, as well as analysts and the relevant persons.

For convenience of contact, the prior mentioned persons are invited to contact the Company at the phone number: 0 2953 8800 or facsimile: 0 2589 8586 or E-mail: comsec@masterkool.com

Chapter 5: Responsibility of the Board of Directors

● Structure of the Board of Directors

The Board of Directors consists of persons with knowledge, skills, and experiences that can benefit the Company by being an important player in approving policies and business plans. Besides, The Board gives importance to the internal control system and internal audit for the benefit of the company and overall shareholders.

The Board of Directors of the Company has 8 persons which consist of the executive directors, the non-executive directors and three (3) independent directors or at least one-third (1/3) of the Board to balance in voting and considering matters along with auditing management for utmost benefit of the company.

The term of office of the members of the Board shall be three (3) years, and with no more than three (3) consecutive terms (total of 9 years from the date of appointment). After completing a nine-year term, in case of the board members shall serve staggered terms, the Board of Directors shall carefully consider any reasonable means before proposing for shareholders' voting on election of members of the Board for staggered terms.

Directors can hold position in other listed companies; but not more than 5 companies. Besides, directors shall not be partner or executive or employee or consultant who receive regular salary or hold more than one (1) percent of total voting shares of any company that operates the same business and is a significant business competitor to the Company's or its subsidiary.

In addition, the Company appointed subcommittee i.e. the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee as well as clearly specifying scope of duty and responsibility of operation for such subcommittee.

The Risk Management Task Force, consisting of the Executives of the Company and its subsidiary, had been set up and chaired by the CEO. The task force was established to support works of the Audit Committee and the Board of Directors, regarding to risk management that could affect the business

● Roles and Responsibilities of the Board of Directors

The Board of Directors has duty to consider and approve on important matters related to operation of the Company such as vision and mission, strategy, risk, initiative plan and budget; along with provides supervisory on management to meet the target under regulations, laws and business ethics for benefit of the Company and all relevant

(1) Corporate Governance Policy

The Company has set a written policy on corporate governance which has been approved by the Board of Directors and used as guideline for directors, executives and employees in implementing such policy to their operation.

(2) Business Ethics

The Company has set a written business ethics for operating its business transparently, correctly and fairly and publishes to directors, executives and employees to operate their duties in compliance with such policy strictly.

(3) Conflict of Interest

The Company has stipulated a policy on conflict of interest with principle that any decisions to operate business activities shall be made for utmost benefit of the Company and they should avoid any actions that cause conflict of interest by defining that the relevant or those who are involved in considered transaction shall inform the company about relation or connection in such transaction and they shall not participate in considering judgment and has no authority to approve that transaction.

Audit committee will propose to the Board of Directors the report of related-party transactions and transactions with conflict of interest persons or juristic persons that have been properly and circumspectly determined. The Company complies with principles of cross-transaction of SEC Office and Stock Exchange of Thailand strictly in term of defining price and terms with people who possibly have conflict of interest seemingly like transaction with outsiders and submit the report within specific time stipulated by SEC Office and Stock Exchange of Thailand and there shall be disclosing financial budget, annual report an annual list form (Form 56-1)

(4) Internal Audit

The Company gives precedence to providing good internal control system by issuing working manuals and procedures in writing by dividing duty and responsibility along with authority table for operation and approval of the Board of Director, Subcommittee and Executives.

The Board of Director has assigned the Audit Committee to be responsible for verifying internal control process to ensure propriety and effectiveness of the Company's internal control; including operations, financial report, and compliance with rule, regulation, policy and corporate governance. The Company established the Internal Audit Unit and procured the outsource IA, as the head of internal audit, to evaluate and inspect internal control system of the Company and report the result of such inspection directly to the Audit Committee.

The Board of Directors stipulated policy of corporate governance; along with the business ethics and the Code of Conduct as well as other policies. The mentioned policies shall be regularly reviewed on the year basis.

● Meeting of the Board of Directors

The Company will arrange the meeting of company's committee at least in every quarter and may arrange additional meeting if necessary; totally not less than 6 times a year by specifying clear agenda in advance including agenda to monitor performance regularly. The Secretary of the Board of Directors' meeting will provide agendas and deliver documents to the Board's members at least 7 days before the meeting starts so that the directors have enough time to consider and study information along with recording minutes and submitting reports to the committee individually as well as storing the minutes of committee's meeting certified by the committee systematically and they are prepared to be audited or inspected by the company's committee or the relevant people

● Remuneration of Directors

The company has specified returns for committee clearly and it will be propagated in annual list form. Such return shall be approved by annual general meeting. However, the company has defined principles and returns of committee and executive depending on knowledge expertise and experience along with duty and responsibility by comparing with the company in same industry to retain the skillful and experienced people to work with the company for long time.

● Development of the Directors and Executives

The Company supports all directors and executives to develop their knowledge and capacity to continually improve their works by encouraging the directors and executives to participate in trainings. In case of replacement of directors or executives, the Company will provide documents and information beneficial to their duties as well as attending curriculum seminars that are advantageous to such newcomers.

In addition, the Board of Directors who oversees the organization is committed to continue on applying good corporate governance principles for listed companies of the year 2017 to their oversight of the Company to ensure creating sustainable value for the Company; and is reliable for shareholders, all involved parties, and meeting the aspirations of the business, shareholders, investors and society. Details of the development of directors and executives appear in their profile attached.

9.2 The Subcommittee

The Management Structure of the Company includes the Board of Directors, Executive, and three Subcommittees i.e. the Audit Committee, Nomination and Remuneration Committee, and the Executive Committee.

The Board of Directors, the Audit Committee and the Executives of the Company are completely qualified and have no prohibited characteristics according to section 68 of Public Company Limited Act B.E. 2535 and have no traits showing that they lack of qualification to be trustable in management with public as shareholders as in section 89/3 and section 89/6 of Securities and Exchange Act B.E. 2535 and Notice of Securities and Exchange Commission.

The Board of Directors has specified in the Articles of Association of the Company and the Corporate Governance Policy that the term of office of the directors shall be three (3) years with one-third (1/3) of the directors or the nearest number of one-third of the directors shall retire from office each year. The directors to retire by rotation at every annual general meeting shall be those who have the longest term in office since their last appointment. The directors who retire can be re-elected for one more term of office.

The Audit Committee and the Nomination and Remuneration Committee hold the term of office for three (3) years, while the Executive Committee holds the term of office according to the term of service as an executive director. In case the member of the Executive Committee is the Non-Executive Director, the term of office is three (3) years, unless the Board of Directors otherwise resolved.

9.2.1 The Board of Director and Roles & Responsibilities

The Board of Directors consists of 8 directors, including executive directors, non-executive directors and non-executive directors who are qualified as the independent directors, in numbers of at least three independent directors or one-third of the total number of directors, in order to balance the voting and to review the management's performance to maximize the benefits to the Company.

Roles and Responsibilities of the Board of Directors

- 1) Supervising the Company and conduct in undertaking their duties complying to laws, the Company's objectives and the Company Articles of Association; also follow the resolutions of the shareholders with integrity and being aware of benefit of the Company and Accountability to Shareholders.
- 2) Setting corporate policies, objectives and directions of the company, also monitoring and supervising of the Executives' to conduct their duties in compliance to policies and regulations of the Company with effectiveness and efficiency for the Maximize Economic Value and Shareholders' Wealth.
- 3) Controlling and supervising management department to practice with all stakeholders with ethnics and equality.
- 4) Considering and defining annual budgetary plan and revising annual budgetary plan to be suitable and corresponding to policy and trend of operation including inspecting and controlling management department to use budget according to annual budgetary plan.
- 5) Following up operations of the company to meet targets regularly and realizing compliance with law and regulations in agreement related to the company by determining management department to report overall operation along with material matters of the company to company's committee in every quarterly meeting so that the operations of the company are conducted efficiently.
- 6) Operating for the company to have accounting system, financial report, Internal Control, and Internal Audit that are efficient and reliable.

7) Playing a great role to operate risk management by providing guidelines and measures to manage risk suitably and sufficiently including monitoring such operation regularly.

8) Considering and approving and/or giving opinions to be proposed in the shareholder's meeting to consider approving significant transaction along with related-person transaction according to principles, terms and legal methods and regulations.

9) Providing annual report of the Company and/or Company's committee to be in accordance with law and regulations and reporting to shareholders regularly and completely regarding to current condition of business and trends of operation in the future positively and negatively with supporting reasons.

10) Considering and appointing managing director and defining scope of duty and responsibility of the managing director.

11) Considering and specifying annual remuneration structure of the company and principles of remuneration payment of committees, executives and employees by recognizing proper factors such as performance, position, scope of duty and responsibility, quality, knowledge, capability and suitable return rate in same industry.

12) Considering amount of remuneration of the committee according to principles of return payment stipulated by company's committee to be proposed in shareholder's meeting for considering approval.

13) Considering procuring people with knowledge, capacity and experience along with qualification by applicable law and regulations to be proposed in shareholder's meeting for considering appointment as committee.

14) Defining policy, target, strategy and trend of operation of the subsidiary as well as considering appointment of people with knowledge, capability and experience relevant to the operations of subsidiary as the committee of subsidiary by proportion of holding shares of the company in subsidiary.

15) The committee may authorize a committee or many people or even anybody to operate substituting for the committee or may authorize those people to have power as agreed by the committee and within approved duration. The committee may provoke, terminate, change or amend such power of attorney when seeing appropriate. Nevertheless, such proxy shall be conducted in writing or recorded as resolution in the minutes of committee's meeting with clear scope of that authority and duty of the proxy. However, the proxy shall not have power to approve lists that such people or people with conflict of interest have stakes or may have conflict of any other interests with the company unless, it is approval following the policy and principles in shareholder's meeting or the company's committee has approved.

16) Having any other duties and responsibilities stipulated by law and regulations of the company and resolution of shareholder's meeting.

17) Considering and approving essential operations of the company for ultimate benefit of the company except following authority that can be conducted when being agreed by the committee's meeting with majority vote of the committees who attend the meeting and have rights to vote and from at least 3/4 of all votes in shareholder's meeting of shareholders who attend the meeting and have rights to vote:

- A. Selling or transferring business of the company, wholly or partially.
- B. Purchasing or accepting transfer business of other companies or private companies belonging to the company.
- C. Making, amending or terminating an agreement related to business lease of the company, wholly or partially, assigning any persons to manage business of the company or consolidating with other people with purpose of profit and loss share.
- D. Amending Memorandum of Association or regulations.
- E. Adding or reducing capital including debenture issue.

F. Merger or Company Termination.

G. Any activities stipulated under the legal provision associated with securities and exchange and/or Regulations of Stock Exchange of Thailand shall be agreed by committee's meeting and shareholder's meeting with at least $\frac{3}{4}$ votes of all shareholders who attend the meeting and have right to vote such as cross-transaction and obtainment or distribution of asset etc

Nevertheless, any operations that the committee or the proxy or stakeholders may have conflict of interest with the company, those people have no right to vote in such matter

9.2.2 Audit Committee and Roles & Responsibilities

Audit committee is set up to Support Company's committee to supervise and inspect financial report, internal audit, and internal control, risk management including good corporate governance so that the operations and data disclosure of the company are conducted transparently and reliably. The audit committee consists of skillful and experienced independent committee that can dedicate time for operation at least 3 people and an audit committee has knowledge and experience in finance and accounting. The audit committees will select a committee as the audit committee chairman. Who will position as the audit committee chairman shall be considered by qualification circumspectly as the audit committee chairman will be a person that gives confidence in effectiveness of the audit committee.

The period of position as audit committee is equal to the company's committee and it will due position in annual general meeting along with due of positioning as company's committee. When they leave position, they can be reelected for another term of office

Roles & Responsibilities of the Audit Committee

(1) Verifying that the company has procedures to make and disclose data in financial report of the company correctly and completely that it is reliable, punctual and sufficient. The project to coordinate with outsourcing auditors and the executives that are responsible for making both annual and quarterly financial report, the audit committee may suggest the auditor to verify or check any list that are necessary and essential during auditing of the company.

(2) Auditing that the company has suitable and effective Internal Control system and Internal Audit system and considering independence of internal audit institute along with approving the appointment, transferring, denoting or dismissing the leader of internal audit institute or any other institutes responsible for internal audit.

(3) Verifying that the company has complied with law associated with Securities and Exchange, regulations of Stock Exchange of Thailand and law related to business of the company.

(4) Considering, selecting and appointing people with independence to act as the auditor of the company and proposing returns of those people by being aware of reliability and sufficiency of resources and audit wok of the auditor office and experience of personnel assigned to audit including performance in previous year and considering denoting the auditor including participating in meeting of auditor without management department for at least once a year.

(5) Considering and disclosing data related to cross-transaction that may have conflict of interest completely and correctly to be corresponding to law and regulations of Stock Exchange of Thailand. Nevertheless, it is to ensure that such transaction is necessary, reasonable and brings maximum benefit for the company.

(6) Making a report of audit committee and propagating it in annual report of the company. Such report shall be signed by audit committee chairman and shall consist of following data

- A. Opinions about correctness, completeness, and reliability of data disclosure in financial report of the company
- B. Opinions about sufficiency of internal control system of the company

- C. Opinions about compliance with law associated with Securities and Exchange, regulation of Stock Exchange of Thailand or law involved in business of the company
- D. Opinions about suitability of the auditor
- E. Opinions about transaction with conflict of Interest
- F. Number of audit committee's meeting and attendance of each audit committee
- G. Opinion or Notice that the audit committee received from performance according to the Charter
- H. Any other lists that the shareholders and investors should know within scope of duty and responsibility assigned by the company's committee

(7) Any operations assigned by the company's committee with agreement of audit committee such as reviewing policy of financial and risk management, reviewing compliance with business ethics of the executives and reviewing together with executives about essential reports that will be publicized as the law stipulates such as Report and analysis of management department etc.

(8) Having power to audit and investigate as necessary matters that may significantly affect financial statement and overall operation of the company such as:-

- A. Transaction with Conflict of Interest
- B. Doubt or assumption that there may be corruption or abnormality or defect in internal controls system
- C. The doubts that there may be violating law associated with Securities and Exchange, regulations of Stock Exchange of Thailand or laws relevant to business of the company

(9) Having power to seek for opinions free from professional consultants when seeing that it is necessary to consider expense of the company so that the operation under duty and responsibility is achieved.

(10) Reporting the result of auditing and investigation to company's committee to revise within time approved by the audit committee. However, if the audit committee finds that there is negligence to operate revision without reasonable support, any audit committee may report such occurrence to SEC and Stock Exchange of Thailand.

In this regard, the authority of the said audit committee will not include the power causing the audit committee or a representative from the audit committee able to vote on the items that that audit committee or a representative from the audit committee or persons with potential conflicts as defined in the Capital Market Supervisory Board announcement have interests or conflicts of interest with the company and / or subsidiaries.

9.2.3 Nomination and Remuneration Committee and Roles & Responsibilities

The Board of Directors has appointed the Nomination & Remuneration Committee by selecting from some company's committee and/or the expert. The Nomination & Remuneration Committee shall consist of 3 but not over 5 committees. Nevertheless, the independent committee acts as the Nomination & Remuneration Committee chairman

Roles & Responsibilities of the Nomination and Remuneration Committee

1. Recruiting, selecting and proposing a person to take position as independent committee, committee chairman, and company's committee to present to company's meeting and/or shareholders to consider approving in case of the vacant position due to the due or other cases.

2. Recruiting, selecting and proposing a person to act as the managing director, chief executive office, and secretary of the company in case of the vacant position to present to company's meeting for further approval including specifying principles to inherit the position of chief executive officer

3. Considering and screening organization structure which suitable and supporting to business operation prior to propose to the Board of Directors for consideration of approval.

4. Proposing policy of remuneration and other benefits for directors, managing director and top executives to be suitable for duty and responsibility corresponding to overall operation of the company and market condition.

5. Considering annual bonus and salary adjustment for executives and employees based on the Company's performance.

6. Considering and screening salary structure and principles of allowance payment

7. Check qualification of people who are nominated to be company's committee to be in accordance with applicable law and regulations.

8. In case of nomination of the retiring director, the committee should present the retiring director's performance and contribution along with the attendance record of the Board of Directors 'meetings and shareholders' meetings for consideration by the shareholders

9.2.4 Executive Committee and Roles & Responsibilities

Executive Board appointed by the Board of Directors; and the Chairman of the Executive Committee is the Managing Director. The Committee is responsible on managing the business on behalf of the Board in accordance with the direction, policy and goals set by the Board of Directors.

Roles & Responsibilities of the Executive Committee

1) Considering and screening business plan and annual budgetary plan to present to company' committee

2) Specifying policy of finance and investment of the company and defining trend of investment policy to be corresponding to policy of the company and approving principles of investment including proposal of investment according to regulations of the company

3) Considering and operating material matters relevant to operation of the company

4) Considering and screening and giving suggestion all work types proposed to company's committee

5) Considering and appointing committee of the affiliated company or joint venture by proportion of shareholding or according to agreement between shareholders of the affiliated company or joint venture (if any)

6) Supervising and monitoring result of management of the company to correspond the policy, operation plan and annual budget stipulated by the company's committee and approving as well as reporting to company's committee regularly.

7) Considering risk management policy of the company to present to audit committee

A. Identifying and evaluating risk to cover Strategic Risks, Operational Risks, Financial Risks and Legal Risks

B. Considering and reviewing guidelines and tools to manage risk effectively and suitable for risk size and quality of the transactions operated by the company

C. Monitoring result of risk evaluation in both normal condition and Stress Testing

D. Evaluating possible risks from new product or risks that happen for new transaction as well as specifying guidelines to prevent possible risks

8) Considering and screening matters that the managing director proposes to management committee to consider approving or agreeing

9) Approving matters of finance and asset of the company under scope of approval authority

10) Assigning or suggesting the managing director to determine or practice any transaction agreed by the management committee

- 11) Appointing the work team to consider any matters agreed by the management committee
- 12) Considering and proposing matters agreed by management committee or determining approval or agreement
- 13) Considering any matters or doing any duties assigned by the company's committee.

The approval authority of the Executive Committee must not be authorization of approval on any concerns on conflict of interest or related-party transaction of the Company and/or its subsidiary.

The Executive Committee holds the term of office according to the term of service as an executive director. In case the member of the Executive Committee is the Non-Executive Director, the term of office is three (3) years, unless the Board of Directors otherwise resolved.

9.2.5 Executive and Roles & Responsibilities of Managing Director

Roles & Responsibilities of the Managing Director

- 1) Managing, supervising, and approving on operations related to the normal/general management of the Company.
- 2) Considering of approval, the appointment, dismissal and transfer of senior management levels i.e. deputy managing director, assistant managing director, or equivalent position in accordance with the approved organizational structure; including their salary, compensation, or other benefits
- 3) Administrating the Company following the policy and target as well as business plan and strategic plan stipulated by the Board of Directors, or the Executive Committee.
- 4) Authorizing or assigning a person or do particular task within scope complied with approval authority (authority table) or regulations or even commands stipulated by the Board of Directors.
- 5) Holding of supervisory power of issuing commands, regulations, notices, memorandum, and etc to keep good practices which corresponding to policies, the Company's benefits, and maintain work disciplines in the Company.
- 6) Holding of authorization to representing the Company in relating to the business to public or the third party for the benefits of the Company.
- 7) Approving the appointment of consultants which necessary for operation of the Company.
- 8) Performing other duties as assigned by the Executive Committee and / or the Board of Director

Nevertheless, the power of managing director along with authorizing other people approved by the managing director does not include power or authorizing to approve transaction that he or the relevant may have conflict of interest contrary to benefit of the company or subsidiary or even transactions that are not under normal operation of the company or subsidiary. To approve such transaction, it shall be proposed in the company's meeting and/or shareholder's meeting of the company to consider and approve according to regulations of the company or applicable law.

9.2.6 Authorization Levels and Monetary Limits

The Board of Directors' meeting has reviewed and resolved to authorize the approval of important credit lines which the company called The "Authority Table" will continue to be effective until a change is made. Whereby the approval authority of the Executive Committee Managing Director and Deputy Managing Director in important matters can be summarized as follows:

Power of the Company Prepared as a delegation of authority and approval of credit line at the managing director level. Board of Directors and Board of Directors by specifying the proposal for approval as follows:

1) In case requiring of the authorization of upper levels of the Management, i.e. the Executive Committee, the Board of Directors, then delegated or assigned persons shall collect all concerned documents and propose to the Executive Committee and/or the Board of Directors for consideration of approval

2) In case requiring of the authorization of lower levels of the Managing Director, i.e. the Assistant Managing Director and the lower levels authorized in the Authority Table, then delegated or assigned persons shall collect all concerned documents and propose to the Managing Director for consideration of approval. This Authority Table shall be review every 2 years; or when appropriate

For the budget of the company, it shall be presented to the Board of Directors for consideration of approval. If any transaction is deemed the related-party transaction or deemed as the acquisition or disposition of assets of the Company or its subsidiary, the Board of Directors and Management of the Companies are responsible for compliance with the relevant regulations of the SEC and the Stock Exchange of Thailand. In addition, the related persons which may have conflicts of interest, or any other benefits which deemed conflict of interest of the company or its subsidiary shall not vote such matters.

9.3 Recruitment, Nomination and Appointment of the Directors, Subcommittee, and Top Executive

To recruit a person as the directors, subcommittee and top executive of the Company is conducted by the Nomination and Remuneration Committee who responsible on recruiting and selecting persons to take such positions and nominate qualified persons to the Board of Directors and/or the Shareholder's meeting (depending on each). For selection of lower levels of the Managing Director positions, the selection is in the scope of roles and responsibilities of the Managing Director as the top executives of the Company.

However, persons who are appointed to act as the directors and executives shall have suitable qualification according to section 68 of Public Company Limited Act B.E. 2535, and amendments in accordance with the Securities and Exchange Act (No. 5), 2016, effective from 12 December 2016 (including amended versions) and Securities and Exchange Act, Notice of Capital Market Supervisory Board as well as other relevant laws; such as the Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2016 Re: Application for Permission and Permission to Offer Newly Issued Shares Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee, 2015. Besides proficiency and work experiences are counted.

In addition, directors can hold position in other listed companies; but not more than 5 companies. Besides, directors shall not be partner or executive or employee or consultant who receive regular salary or hold more than one (1) percent of total voting shares of any company that operates the same business and is a significant business competitor to the Company's or its subsidiary. The Nomination and Remuneration Committee considers knowledge, ability, experience, work and skills that are in line with the direction and characteristics of the business, such as the supervision and management of engineering organizations in the areas of investment, investment. By considering the person who holds the position of the company director, must pass a resolution from the shareholders' meeting more than half of the total votes of the shareholders attending the meeting and having the right to vote by way of appointing each director individually.

In addition, the position of director will hold positions in other listed companies. But not more than 5 companies and must not operate or not a significant partner in the partnership or being a director who is involved in the management of employees, employees, consultants who receive regular salary or holding more than 1% of the total voting rights of other companies Which operates a business that has the same conditions and is a significant competition with the business of the company or the subsidiary and the company does not have a policy to encourage the managing director to serve as a director in other businesses.

Recruitment and selection of senior management positions is in the scope, the power and responsibility of the highest level executive; which means the current Managing Director position.

9.3.1 Recruitment of the Directors

The Board of Directors has the order of precedence to recruiting and appointing the directors that have expertise and experience to supervise benefit of the company and shareholders.

The Nomination and Remuneration Committee granted the minority shareholders to propose an agenda of annual general meeting and director nominee in advance. The director nominee shall have following qualifications.

- a) Not having any prohibited characteristics under regulations of applicable law and notices such as Public Company Limited Act B.E. 2535, Notice of Capital Market Supervisory Board, Notice of Securities and Exchange Commission and Regulation of the company relevant to qualification of company's committee, etc.
- b) Having integrity, morality, initiative, excellence, responsibility, justice, independence, and providing equitable shareholder opportunities.
- c) Having educational background and work profile that is beneficial to the Company's business.
- d) Passing training related to corporate governance and high level of policy-making
- e) Having commitment to equal treatment of shareholders' interests
- f) Dedicating time and ability to enhance the business development of the Company.

The Board of Directors shall consist of independent committees at least 1/3 of the Board of Directors; and not less than 3 persons with qualifications stipulated by Notice of Stock Exchange of Thailand, and Notice of Capital Market Supervisory Board.

The Board of Directors shall consider and screen a qualified person to be appointed as the director including directors who represent of shareholders or independent directors by considering on skill and experience to strengthen the Board of Directors' structure; reviewing when appropriate

Election of the Directors. The election of the directors in the shareholders' meeting follows principles and procedures as below: -

- a) Each shareholder has his/her votes equal to amount of shares by one-share per one-vote.
- b) Voting a nominee individually and shareholders shall make all votes they have to select the nominated as the director one by one. The election can be for one or many nominees but the votes cannot be shared.
- c) The persons who have the highest votes by order are elected as the director equal to numbers of directors to be selected in that time. In case an elected person in the next order has same vote beyond the amount of committee, the president will make another vote for final judgment.

In case the position of director is vacant due to any other reasons apart from retirement by rotation, the Board of Directors shall consider appointing a qualified person and he shall not have prohibited characteristics to be the director in next board of directors' meeting unless the period of retired director is less than 2 months. The director that replaces will be in position within left period. Nevertheless, the resolution to appoint a person as the committee shall require at least three-quarters (3/4) votes of all board members left.

In annual general meeting, one-third (1/3) of the directors or the nearest number of one-third of the directors shall retire from office each year. The directors to retire by rotation at every annual general meeting shall be those who have the longest term in office since their last appointment. The directors who retire can be re-elected for one more term of office

9.3.2 Recruitment of Independent Directors and Audit Committee

The company has a policy to specify qualification and recruitment of independent directors and audit committee in accordance with Notice of Capital Market Supervisory Board at T.J. 28/2008 associated with permission to offer newly issued share dated on 15 December 2008 (including amended version)

Nevertheless, the independent directors shall be at least 1/3 of all Board's members and not less than 3 persons while the audit committee consists of at least 3 independent directors with qualification stipulated by law, notice of Stock Exchange of Thailand and Notice of Capital Market Supervisory Board as follows:

Qualification of Independent Directors

a) Holding share not over 1% of all shares with right to vote of the company, headquarter, subsidiary, joint venture, major shareholder or authority of the company. However, it includes shareholding of the relevant of such independent directors.

b) Not or used to be a committee participating in administration, employee, staff that the consultant with regular salary or the authority of company, holding company, subsidiary or joint venture, joint venture or authority of the company unless retirement from such quality for 2 years before submitting forms to Office of Securities and Exchange Commission. Such incompatibility does not include the case that independent committee used to be bureaucrat or government's advisor that is the major shareholder or authority of the company.

c) Not being a person with consanguinity or relation by law such as parents, spouse, sibling and child along with spouse of other committee' children, executive, major shareholder, authority or a person proposed to be directors or regulator of the company or subsidiary.

d) Not having or used to have business connection with the company, holding company, subsidiary, joint venture, major shareholder, or regulator of the company that interrupts free discretion along with not being or used to be a shareholder or the regulator of those who have business connection with the company, holding company, subsidiary, joint venture, major shareholder, or regulator of the company unless retirement for not less than 2 years before submitting form to Office of Securities and Exchange Commission. Such business connection includes normal trade transaction to lease or rent out real estate, asset-related list or service or financial support by guaranteeing or loaning asset as settlement guarantee including similar behaviors resulting the company or signatory have liability to settle to another party from 3% of net tangible asset of the company or at least 20 million Baht. However, calculating such liability shall follow methods of value calculation of involved transaction according to notice of capital market supervisory board associated with involved transaction permitted to consider such liability including liability during a year before having business connection with the same person

e) Not being or used to be an auditor of the company, holding company, subsidiary, joint venture, major shareholder or regulator of the company and not being implicit shareholder, regulator or partners of auditing office in which the auditor of the company, holding company, subsidiary, major shareholder or regulator belongs to unless retirement from such characteristic not less than 2 years before submitting form to the Office of Securities and Exchange Commission

f) Not being or used to be any professional service providers including legal consulting service or financial consultant with service charge more than 2 million Baht per year from the company, holding company, subsidiary, joint venture, major shareholder, or the regulator of the company and not being an implicit shareholder, regulator or partner of such professional service providers unless retirement from such quality not less than 2 years before submitting form to the Office of securities and Exchange Commission

g) Not being a committee appointed to be representative of the company's committee, major shareholder or shareholders related to major shareholders.

h) Not running business with same condition and it is implicit opponent to the company or subsidiary and not being an implicit partner in partnership or a committee taking part in administration, employee, staff, and consultant with regular salary or holding share over 1% of all shares with voting rights of other companies that run the same business with implicit competition to the company or subsidiary.

i) Not having any other qualities that interrupt free comment about operation of the company

After appointed as the independent directors with qualification from a) to i), the independent directors shall be assigned by the Board to make decision for operations of the company, holding company, subsidiary, affiliation, subsidiary in same level, major shareholder or authorized person of the company with Collective Decision.

In case a person appointed by the company to be the independent directors that has or used to have business relation or professional service more than value specified in d) or f), the company can be extended limit of prohibitions to have business relation or professional service in case the company has provided opinions of the company's committee showing that it has been considered following section 89/7 of Securities and Exchange Act B.E. 2535 (including amended version) that such appointment has no effect on operations and comments that the independent directors provides following data disclosure in invitation letter to Shareholder's meeting for agenda considering independent committee appointment.

- (1) Business relation or professional service that makes such person disqualified as stipulated in principles
- (2) Reason and necessity to appoint such person as the independent directors
- (3) Opinion of company's committee to propose appointing such person as the independent directors

For benefit according to (e) and (f), the word "partner" is defined as a person assigned by auditing office or a professional service provider to be the signor in auditing report or professional service report (case by case) on behalf of that juristic person

Qualification of Audit Committee

- (A) Appointed by the committee or shareholder's meeting of the company as the audit committee
- (B) Independent Committee with quality of independent committee that
 - Not being a committee assigned by the committee to make decision for operation of the company, holding company, subsidiary, affiliation, subsidiary in same level, major shareholder or authorized person of the company and
 - Not being the committee of holding company, subsidiary, or subsidiary in same level that is the authorized company
- (C) Having duty as same as stipulated in Notice of Stock Exchange of Thailand associated with quality and scope of operation of audit committee
- (D) Having sufficient knowledge and experience to act as the audit committee; however, there must be at least an audit committee with proficiency and experience to verify credibility of financial budget

Appointment of Independent Directors/ Audit Committee

Recruitment and Return Specification Committee selects a qualified person to propose to Company's committee or shareholders to appoint the independent committee/ audit committee (case by case). The audit committee shall be the independent committee appointed from the completely qualified people as in the law, regulations, Notice of Stock Exchange of Thailand and Notice of Capital Market Supervisory Board. There must be at least 1/3 of all committees

that are independent committee and 3 audit committees. The independent committee/ audit committee has period of positioning equal to the company's committee. When the due comes, they can be reelected to take that position again. However, at least an audit committee shall have proficiency and experience in finance and accounting.

9.3.3 Recruitment of Executive Committee

The Board of Directors appoints the executive committee by selecting from those who have knowledge and experience and understanding about business quality, normal operation of the business and management of the company. The component of executive committee consists of the management team with a managing director as the executive committee chairman.

9.3.4 Recruitment of Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee by selecting from some of the Board's members and/or experts with amount of not less 3 people but not over 5 people. Nevertheless, the independent director is the Nomination and Remuneration Committee chairman.

9.3.5 Recruitment of Executive

The Board of Directors appoints a managing director by the Nomination and Remuneration Committee selects those who are qualified to take such positions by considering from knowledge, experience, and proficiency of management to present to the Board of Directors for further appointment

The Nomination and Remuneration Committee has established a Succession Plan for the position of managing director. Which is the highest level executive of the organization the recruitment process considers both approaches, namely recruiting executives within the organization. By assessing high potential executives which everyone will develop as planned and recruiting outsiders with outstanding talents to participate in the event.

9.4 Subsidiary and Affiliation's Operation Supervision

The company has mechanism to supervise subsidiary and affiliation directly and indirectly as well as measures to follow up management of the subsidiary and affiliation to maintain benefit of investment of the company and be able to manage and take responsibility of operation of subsidiary as a part of the company by emphasizing on investment in business that supports and makes benefit for the company by considering returns and other benefits the company expects to receive from investment. It is to support and promote business of corporations. However, the company has specified policy of investment in subsidiary and affiliation approved by the Board of Directors' meeting 1/2020 arranged on 27 February 2020 with following details.

The Company has a policy to consider investing in subsidiaries, and associates by focusing on supporting business and benefits of the company; whereas considering on the return and other benefits of the company such as expected return on investment, were made. The Company considers the appropriate proportion of investment and expected return on investment for the benefit of the shareholders of the Company.

The company will supervise by sending people approved by the committee's meeting to be the committee and/or executive of subsidiary and affiliation as the representative by proportion of shareholding for ultimate benefit of the company, subsidiary or affiliation. The committee and executives shall have quality, role, duty and responsibility without lacking reliability as the Notice of SEC Office to take part in such business management.

Committees and/or executives have right to vote in committee's meeting and/or shareholder's meeting of the subsidiary and affiliation according to guidelines or resolution that the committee or shareholder's meeting of the Company has approved. The appointed committees and/or executives can apply discretion to vote in the meeting of the subsidiary

and affiliation associated with general management but in case of material matters, they shall be approved by the committee's meeting or shareholder's meeting of the Company first. Essential matters include connected transaction, obtainment and distribution of asset, any actions that reduce proportion of shareholding of the company in subsidiary and affiliation or even business termination of subsidiary and affiliation

9.5 Control of Internal Data Usage

The company and subsidiary realize and give precedence to operation according to Good Corporate Governance) and Check and Balance to strengthen confidence of shareholders and every relevant institute for continual operation by being aware of long-term value growth of the company. The committee and executives of the company agree to specify internal data usage control measure so that the company has transparent operation according to good corporate governance approved by the company's meeting 1/2020 arranged on 27 February 2020 that can be summarized as follows:

1. Committee, executives and employees shall keep secret/ internal data of the company and subsidiary and shall not disclose such data or gain personal benefit or other's interest from it no matter it is direct or indirect or receive returns or not.

2. The company provides knowledge for the committee and executives of the company to realize duty of reporting securities holding of themselves, spouse, and immature children according to section 59 of Securities and Exchange Act B.E. 2535 including amended version ("Securities Act") and Notice of Securities and Exchange Commission at S.J. 12/2009 dealing with Making and disclosing Security Holding Report of the committee, executives and auditor and punishment according to Section 275 of Securities and Exchange Act B.E. 2535

3. The company specifies that the committee and executives shall report changing of security holding of the company to Securities and Exchange Commission according to section 59 of Securities Act and Notice of Securities and Exchange Commission at S.J. 12/2009 associated with making and disclosing Security Holding Report of Committees, executives and auditors and delivers the duplicate of this report to the company on the exact same date that this report is submitted to Securities and Exchange Commission

4. The company and Subsidiary specifies not allowing committee, executives or practitioners of the company and the subsidiary to perceive internal data and disclose to outsiders or irrelevant people and they should abstain from trading shares of the company within a month before the company publicizes financial statement or essential information.

5. The committees, executives and employees of the company and the subsidiary shall not trade, transfer or accept transfer securities of the company by using internal data of the company' subsidiary and/or do any other transactions using internal data of the company or subsidiary that may result in damages to the company directly or indirectly. This specification includes the spouse and immature children of the committee, executives and employees of the company and subsidiary. Those who infringe such regulation will be deemed as severe offence and the company has defined penalty for people who gain benefit from using or revealing internal data that defames the company and the Company will liaison with relevant supervisory institute for further legal action.

9.6 Audit Fee & Non-Audit Fee

9.6.1 Audit Fee

The company and subsidiary pays remuneration for annual auditing and interim reviewing of financial statements to C&A Audit Office Co, Ltd which is the auditing office of the company and subsidiary for accounting years ended on 31 December 2021 for 1,900,000 Baht.

The Annual Shareholders' Meeting 2021 held on 22 April 2021 had a resolution to appoint the following CPA of C&A Audit Office Co, Ltd as the auditors of the company and subsidiary for interim reviewing and annual auditing of financial statements for accounting year ended on 31 December 2021.

- | | | |
|----|---------------------------------|-------------------------------|
| 1. | Ms. Jintana Techamontreekul | C.P.A. (Thailand) No. 5131 or |
| 2. | Ms. Jintana Mahavanic | C.P.A. (Thailand) No. 4687 or |
| 3. | Mr. Nitheephong Techamontreekul | C.P.A. (Thailand) No. 1030 |

Any one of the aforementioned auditors is to audit and certify the financial statements of the company and its subsidiaries for the period ended 31 December 2021 and review of quarterly financial statements of the company and subsidiaries.

9.6.2 Non-audit Fee

-None-

9.7 Compliance with Principle of Good Corporate Governance 2017 in Other Terms

The Board of Directors attaches importance to compliance with the principles of good corporate governance. By assigning the company secretary take the agenda to review the corporate governance policy and other important policies to regularly consider the agenda at least once a year. The review is based on the principles of good corporate governance for listed companies 2012 of the Stock Exchange of Thailand and good corporate governance principles for listed companies 2017 or CG Code 2017 of the Securities and Exchange Commission.

For the year 2021, the Board of Directors reviewed the corporate governance policy at the Board of Directors Meeting No. 1/2021 on 24 February 2021, which was the latest time and found that the company has adopted most practices. And at present, the corporate governance policy and related policies have been updated to comply with the CG Code in order to develop developments that are in pace with changes. The implementation of good corporate governance principles for listed companies can be summarized as follows:

- Creating sustainable value for the business as an organization leader

The Board of Directors requires a review of the vision, mission and business goals. By compiling and creating a 3-year strategic plan and annual business plan in which the top management assigns the line management to consider the operation plan and is defined as the target of the organization according to the principles of OKRs (Objectives and Key Results) which currently have created OKRs of the agency and reported on a quarterly basis By the Managing Director communicating the operational results to the executives and employees in the overall picture.

In this regard, the overall operation results Along with the analysis of environmental factors as well as guidelines for improvement and risk management guidelines The management is presented to the Board of Directors on a quarterly basis in the Audit Committee meeting. And the Board of Directors to acknowledge the progress and / or acknowledge the performance to the Board of Directors to give opinions and recommendations, as well as to vote for important matters or adjusting the strategic plan.

- Determining the objectives and goals of the business for sustainability

Objectives and goals of the company Set up in the same direction as the vision and mission which part of the vision and mission has identified the message "Masterkool Family" is based on the meaning that has been communicated in the organization; including all stakeholders, such as shareholders, partners, employees, etc.

Reflecting on whether the performance is in accordance with the objectives and goals or not, the company has taken on the big picture which is the implementation of the information technology system. Used in operations from the beginning to the accounting system Which is currently a Microsfot Dynamic AX and has performed sub-images Means communication about goals obstacles And finding solutions or collaborating between departments By providing a Morning Talk, which is called only for the company group "KOOL Talk" to be a communication channel between agencies And the branch of the group of companies that are located in different locations (Locations), head office / service center, sales office, business office, warehouse and factory rental with Line VDO Call application via the company's WIFI system.

● Board effectiveness

The composition of the Board as reviewed by the latest Corporate Governance Policy at the Board of Directors' Meeting No. 1/2562 on 26 February 2019, it was found that the corporate governance structure remained effective. And according to the Public Company Act and the Securities Act as well as the announcement of the relevant regulatory agencies The Board of Directors has conducted self-assessment at least once a year in order to use in developing and improving the performance of the Company's directors in accordance with the good corporate governance principles for listed companies according to the self-assessment form of the Stock Exchange of Thailand. As a guide both the self-assessment form of the faculty committee and the individual self-assessment form the results of the assessment of the performance of the Board of Directors are good, with a score of more than 80 percent.

In addition, the Audit Committee has scheduled the Audit Committee meeting without management. And the Faculty Secretary join the meeting At least once a year to exchange opinions on internal control systems And management system Before reporting the evaluation results of the adequacy of the internal control system And evaluation results of the management system to the Managing Director Which is the highest level executive And company secretary Which is the secretary of the board of directors has been informed of the conclusion to be taken into consideration to proceed to achieve continuous development

● Recruitment and development of senior management And personnel management

The Board of Directors, which is an independent committee, is responsible for evaluating the performance according to the scope of authority and responsibility of the Managing Director. At least once a year, this has appointed the Managing Director to acknowledge the evaluation results. For improving or enhancing the performance of top management

As well as the guideline for the implementation of the succession plan (position of Managing Director) by assigning the executive development plan within the organization and the recruitment of potential or qualified outsiders to join the event to enter the succession plan of the senior management

In addition, the Chairman of the Board of Directors and the Chairman of the Audit Committee devoted time to participate as a special invitation to the Executive Development Program in 2020 as well.

● Promotion of innovation and business operation with responsibility

According to the vision and mission of the organization, the direction of innovation is defined. To allow directors, executives and employees to realize the creation of valuable innovations Along with creating benefits for customers and society as well as the environment by using existing technology And expertise in technology to create added value, such as the application of ozone technology that the company has already mastered to design both products and services To help save energy Helps reduce chemical use of large air conditioning systems. As well as the application of ozone to help eliminate pollution from unwanted odors and pollution from dust, etc.

From the highly competitive business situation the Company has developed a reporting system from the point of sale in front of the modern trade department through Applications on mobile phones which helps to manage the risk of overstock or out of stock of the products that are sold in the modern trade department store

● Appropriate risk management and internal control systems

Risk Management Committee the Managing Director is the Chairman of the Board. Will assess risk indicators and follow the action plan to manage risks on a quarterly basis and report to the Audit Committee and the Board of Directors every quarter the risk assessment is evaluated according to COSO guidelines, including strategic risk, operational risk, financial risk and compliance risk (Compliance Risk) which includes compliance with the company policy.

As well as checking and monitored by the company's internal auditor and internal auditors from outside companies, which are audited by the operational reporting system and the compliance with the rules and policies which the Board of Directors has issued as announcements and communicate through internal channels Both posted on the announcement board Electronic mail delivery Communication via group lines Transfers from executives / managers / supervisors etc. The important policies include: -

- 1) Corporate Governance Policy Business Ethics Requirements and working practices
- 2) Risk management policy and risk management framework
- 3) Policy on supervision of the use of internal information
- 4) Connected transaction policy
- 5) Policy on the acquisition or disposal of assets
- 6) Internal and external communication policy
- 7) Conflict of interest policy
- 8) Development policy for directors, executives and employees
- 9) Anti-corruption policy
- 10) Access control policy for information use
- 11) Policy to prevent incidents that may lead to corruption
- 12) Incident reporting policy or suspected fraud
- 13) Policy for finding executives to inherit important positions
- 14) Transaction policy with subsidiaries
- 15) Policy to report the purchase or sale of shares
- 16) Policy on measures to monitor the operation of the company according to the law
- 17) Investment policy of companies in subsidiaries and associates
- 18) Nomination and Remuneration Policy for Directors and Executives
- 19) Dividend payment policy
- 20) Environmental policy
- 21) Privacy Policy

In the event that customers or employees find clues, improper actions include illegal actions Accuracy of financial reports Internal control system is defective Non-compliance with standards Non-compliance with business ethics and practices that are against the policy in order to have an investigation Whistleblowers can choose not to reveal their identity. By requiring the Company Secretary to act as a unit to receive complaints and to supervise the business and business ethics of the Company by reporting to the independent director / audit committee of the company which has already determined the procedures and processes

● **Financial reliability and disclosure**

The Board oversees that the financial reporting system and the disclosure of important information are accurate, adequate and timely in accordance with the rules and guidelines of the relevant regulatory agencies. The Audit Committee will listen to details and comments from the auditor. And internal auditors every quarter without the management attending the meeting while the auditor and internal auditors present the report unless there is information that the Audit Committee deems necessary to consider, it will consider inviting the relevant person to be the case and only for the agenda. Opinion of the Audit Committee, the Audit Committee has assigned the Secretary of the Audit Committee to present the guidelines for improvement to the management at the Board of Directors' meeting.

● **Supporting shareholder participation And communication with shareholders**

The Board of Directors supervises the company to comply with the SET suggested in the additional guidelines on granting minority shareholders the right to propose agenda items in advance. In the previous year, the Company announced the invitation to minority shareholders to propose matters to be included in the agenda. Together with proposing a list of qualified persons to be considered as directors of the company as well which was published through the Company's website and has also been published through the SET Portal information dissemination system

For the Annual General Meeting of Shareholders for the year 2021, the Company has announced the invitation to minority shareholders to propose matters to be included in the agenda, participating in proposing a list of qualified persons to be considered for selection as directors of the company during 1 October-31 December 2020.

In addition, the Chief Executive Officer of Accounting and Finance (CFO), Company Secretary (CS) and Assistant Secretary of the Company (Asst.CS) are the working groups for investor relations, and assigned to carry out the dissemination of information to help make investment decisions for investors through the Quarterly Snapshot Company of the Stock Exchange of Thailand, and published via the company website which is a guideline other than the dissemination of information in accordance with the rules of the Stock Exchange of Thailand and the relevant regulatory authorities that the company has normally performed.

9.8 Compliance with good corporate governance principles in other matters

The company has adopted the guidelines for the development of corporate governance according to the CGR project of the year 2018 to develop operations in the following categories.

● **Taking into account the role of stakeholders**

The Board of Directors has considered guidelines for improving personnel development. By assigning the Company Secretary who is the secretary of the Board of Directors to issue a letter to relevant agencies to consider the following matters.

- 1) Care and practice regarding safety and hygiene within the organization As well as reporting accidents statistics stop rate and the rate of illness from work.
- 2) Personnel development of the company which, in addition to the normal annual personnel development plans The Board of Directors has an additional opinion, reporting the average number of hours of employee training to compare the previous year. And compare the performance of that year for the development of personnel to be more effective.
- 3) Promoting employees to have knowledge of the environment and practices regarding efficient use of resources.

In this regard, the department responsible for human resource management has prepared a report to the Nomination and Remuneration Committee; through the Secretary of the Nomination and Remuneration Committee.

● **Disclosure and transparency**

The Board of Directors has considered guidelines for improving the disclosure report of shareholding of directors and executives and indirectly, such as holding shares of spouses. Underage children of directors and executives which are separated from each other by direct shareholding by assigning the Office of Corporate Secretary to prepare a report in the annual report

For the history of directors, The Board of Directors agreed that it was fully disclosed.

● **Responsibilities of the Board**

The Board of Directors has assigned the Audit Committee which is independent to manage the evaluation of the entire Board of Directors, Individual director According to the guidelines of the Stock Exchange of Thailand As well as evaluating the annual performance of the highest executive (Managing Director) regularly at least once a year.

10. Corporate Social Responsibilities: CSR

10.1 Overview Policy

With business locations all personnel must accelerate the recovery of the business situation. Therefore obstructing human resources and the time to form an anti-corruption formally, but the company has a policy and concept in conducting business with transparency, morality, adherence to social responsibility and all stakeholders Group according to good corporate governance principles As well as policies and guidelines for various groups of stakeholders in order to ensure that the company Can create stability and sustainability in business operations Including the confidence for all stakeholders. The company has operated by focusing on social responsibility as follows.

1) Fair Business Operation

- The Company determines policy and practical guideline to all groups of customers. The fair and clear condition under laws is notified and the precedence is given to customer satisfaction together with fair business operation.
- The Company equally and fairly treats its business partners and creditors through strict compliance with commercial condition and/or commercial agreement.
- The Company fairly treats the competitor companies without violation of business ethics as well as non-execution in the way of criticism, malevolence or defamation of the competitor companies.

2) Anti-Corruption

- The Company's policy is to define responsibility, practical guideline, and requirement in proper operation for prevention of anti-corruptions with all of the Company's business activities and for proper and circumspect consideration and practice on decision making and business operation that may have anti-corruption risk
- The Company's anti-corruption policy covers the prohibition of the Company's directors, executives and employees to execute or accept all forms of corruption both of direct or indirect. It also covers the businesses in all countries and all relevant agencies with regular verification on compliance with anti-corruption policy as well as review of practical guideline and operating requirement to be consistent with the change of business, rule, regulation and legal provision.
- The Audit Committee has set guidelines for auditing the internal control system by the third-party auditors to be able to conduct a thorough audit on the key issues of neutrality and independence.

3) Respect on Human Rights

- The Company gives precedence and respects human right through promotion and protection of liberty and rights as well as fair and equitable treatment without the policy of discrimination on individuals who are divergent in races, females, children and disabled.
- The Company employs the disabled to work for the Company as equitable treatment, enabling to create jobs and revenues to such disabled.

4) Fair Employee Treatment

- Human resources are considered a major backlash in driving the business of the company. To achieve the goal. Besides, the company performs basic tasks such as a good work environment Have a human resource management system that is fair and promote the development of personnel to be progressive as appropriate in all lines of work. By providing an assessment of the "health" of the worker and from 2016 until the present, the company has started to follow the guidelines of the organization of happiness or Happy Workplace by participating in the project with the Office of Health Promotion Foundation

5) Responsibility to Customers

- The customer satisfaction is regarded as one of the Company's main strategies in stepping into being "The Real Leader for Modern Cool" according to the Company's slogan. However, apart from maximum sales volume value in Thailand, the Company also emphasizes on customer responsibility.
- The Company has been certified for international standard of ISO 9001:2015 quality system management as the seal on well care in the Company's product and service quality. Moreover, the Company also has the assurance of the Company's product and service quality so that the customers are assured that they will get quality products and services from the Company with customer responsibility.
- The Company provides customers on direct complaint about products and services of the employees to the Company via telephone no. 02-953-8800 and 02-015-5920. Besides, the customers may contact the independent unit i.e. the corporate secretary office via email: comsec@masterkool.com
- The Company has clear discount and selling pricing policy for each group of customers. Moreover, the Company also controls selling price with its dealers in every distribution channel to be in proper level.

6) Environment Care

- The Company realizes on the significance of environmental care in order not to cause pollution problems that may affect life quality of human and ecosystem. The Company then does not perform any acts that affect damage toward natural resources and environmental condition.

7) Co-Development for Community and Society

- The Company promotes the use of business process for benefit on quality of life development, helps build economy and strength to community and society, supports the employment in the community, implants employee conscious in environmental and social responsibility, and regularly seeks for opportunity in support of social and community activities.

8) Availability of Innovation and Propagation of Innovation Derived from Operation with Responsibility on Society, Environment and Stakeholders

- The Company continuously dedicates resources in research and development in order to invent environmentally friendly products and services, and helps in energy saving. The Company's evaporative air cooler product is one

of the proofs for such dedications with energy saving capability of air cooler when compared with air-conditioner; moreover, the Company also accepts to completely advise energy saving.

10.2 Operation and Reporting Preparation

Social responsibility according to aforesaid policy and practical guideline is the part of the Company's business operations that have been continuously practiced from fair treatment to business partner, quality product manufacture and service provision based on Management Quality of ISO 9001:2015, clear selling pricing for customer, fair appraisal of employee performance until participation in community development through employment to people in community. Apart from compliance with policy and ongoing practical guideline, the Company also regularly reports social responsibility activities at the Company's website <http://www.masterkool.com>

10.3 Operation of Business Affecting Social Responsibility

The Company has no activities that affect the social responsibility.

10.4 CSR in Process and CSR after Process

10.4.1 CSR in Process

Commencing from 2017, the project in the form of CSR in Process has become more apparent after joining the Health Organization Project of the Health Promotion Foundation (ThaiHealth) with the initial idea of helping and sharing with outside society as well as operating the business to grow stably and sustainably.

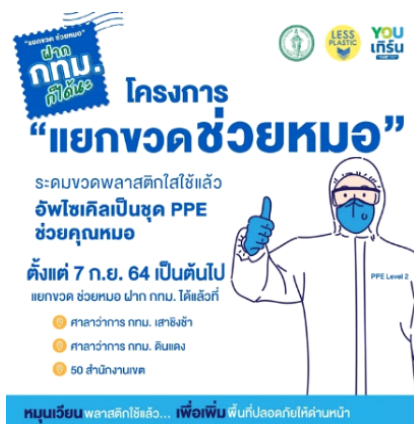
The welfare of employees of the Company is available to employees, such as provident funds, accident insurance, annual health check, loan providing and birthday holiday as an additional holiday as well as training to develop employees' potential in various fields.

The company has given the opportunity to each department to organize activities to enhance happiness both inside and outside the event. According to the suitability of the environment and time of each department, which is different in terms of space, time and appropriateness of activities such as pre-work activities (Morning exercise, Morning Talk meeting), smoking cessation activities, etc.

10.4.2 CSR after Process

The company regularly organizes activities for the benefit of society and the environment. The Company has continued the happiness project for preparing drinking water dispensers to serve people in the community and nearby during the COVID situation and has continued to do so until now.

In addition, the company participated in many social activities such as the bottle separation project to help doctors by collecting used clear plastic bottles come upcycled into PPE kits to help medical personnel Project to donate rice and dry food to the Mirror Foundation, etc.



10.5 Prevention of corruption involve me

The company has a policy of defining responsibility. Guidelines and requirements for appropriate actions in order to prevent corruption against all business activities of the company and to make business decisions and actions that may have a risk of corruption being considered and treated carefully and appropriately.

Anti-Corruption Policy of the Company Covering the prohibition of directors, executives and employees of the company Conduct or accept corruption in all forms, either directly or indirectly Which covers businesses in all countries and all relevant agencies and to regularly review compliance with the anti-corruption policy as well as reviewing guidelines and procedures for compliance with business changes, regulations and legal requirements.

The Audit Committee has established guidelines for internal control system auditing. By the external auditor who is the inspector in order to be able to conduct an audit to cover all important and independent risks The Company.

In addition, the company has evaluated business risks on a quarterly basis, and assigned the Risk Management Task Force or the Chairman of the Executive Committee to be the Chairman and the company secretary, who is a person from the central agency, performs follow-up on the operations of various agencies to eliminate or reduce risk.

11. Internal Control and Risk Management

11.1 Opinion of the Board of Directors on Internal Control System

The Company and its subsidiary have the order of precedence to good internal control system management for supporting effective operations of the Company and its subsidiary under internal control system that is adequate, effective and extensive to all areas in order to be in line with the relevant laws and rules for the listed companies in the Stock Exchange. The Board of Directors always arranges the adequate and effective check and balance mechanism for protection and well-management of the properties of the Company and its subsidiary under authorization level of approval and specifies roles and responsibility of the executives and staff by check and balance mechanism with written work procedures. The independent internal audit work unit is available. The Company has hired Acc-Plus Consultant Company Limited ("Acc-Plus Co., Ltd.") to perform auditing work of all units of the Company and its subsidiary; and directly report to the Audit Committee

Moreover, the Company and its subsidiary also arranges proper and sufficiently circumspect Internal Control System and Internal Audit System for protecting assets of the Company and its subsidiary from improper use as well as prevention of fraud that may take place in the Company and its subsidiary under clear and accountable work process in consistency with the guideline of the Stock Exchange of Thailand.

In the Board of Directors' Meeting No. 1/2021 on 24 February 2021, the Board of Directors which included the Audit Committee considered adequacy of internal control system of the Company and its subsidiary based on Assessment Form of the Office of SEC in accompany with further inquiries for additional information from the management and related officers. The internal control system of the Company and its subsidiary in all 5 areas has been assessed based on Guideline of COSO (Committee of Sponsoring Organizations of the Tread way Commission) as follows

- 1) Control Environment
- 2) Risk Management
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The Board of Directors commented that the Company and its subsidiary have proper and adequate internal control system according to existing control environment. Moreover, the Company has also arranged the sufficient personnel for effective system operation and has also proper internal control system in the issue of monitoring and controlling the operations of the Company and its subsidiary to enable to sufficiently protect the properties of the Company and its subsidiary from the unauthorized or wrongful use of their directors or executives; including related-party transaction and transaction who may have conflict of interest. In conclusion, the Audit Committee and the Board of Directors have had aligned comment.

11.2 Observations of Internal Auditor and Financial Audi

The Company and its subsidiaries recognize the importance of good internal control systems in order to support the operations of the Company. And subsidiaries Is Effective by providing adequate internal control systems Effective and covers all aspects In order to comply with relevant laws, rules and regulations for being a listed company on the stock exchange The Board of Directors provides a check and balance mechanism that is efficient enough to protect the company's assets. And subsidiaries always by determining the level of approval authority and the responsibility of the executives and employees with checks and balances; there is a written work regulation. There is an independent internal audit unit which the company has hired ACC-Plus Consultant Company Limited (ACC-Plus Company Limited") to inspect the operations of various departments within the company and subsidiaries and report directly to the examination committee.

11.2.1 Observations of internal audit departments regarding the internal control system of the compa

In 2021, the internal auditor has inspected and monitored the internal control system and compliance with the system covering all systems of the company and subsidiaries which includes: -

1. Domestic sales system Accepting Payment and dunning
2. International sales system Accepting Payment and dunning
3. Warehouse management system
4. Asset Management System
5. Appropriateness of using authority and policy implementation

In this regard, the findings that the inspector has suggested for improvement, the company has implemented and / or plans to implement recommendations. With no significant defects found.

11.2.2 Observations of External Audit

Auditing the financial statements for the year 2021, the auditor has reviewed the important internal control systems of the company. And subsidiaries and report to the Audit Committee of the Company No. 2/2022 on 25 February 2022, appeared in the auditor's report in the annual financial statements as attached.

11.2.3 Report of the Audit Committee

As detailed on page 3

11.3 Head of Internal Audit and Head of Compliance

Miss Wanna Maluengnont, the Managing Director of Acc-Plus Consultants Co., Ltd has been appointed as the head of interna audit of the Company. Details are attached

12. Related Party Transactions

12.1 Nature of related transactions and the necessity and reasonableness of the related party transactions in 2021

Who may have conflict of interest	Relationship	RPT Details	Thousand Baht	
			2020	2021
Site Preparation Management Company ("Site Prep Co., Ltd.")	Mr. Kritsana Thaidumrong, the Director and Major Shareholder in Site Prep Co., Ltd. and the Company's director	The company sells products and the installation of a cooling fan system for Site Prep Co., Ltd. with value of sales and services and have outstanding receivables at the end of the period as follows: - Revenue - AR (Beginning) - AR (Ending)	71.12 - 13.50	73.79 13.50 -
<p>Necessity and Reasonability: The Company has sold products and installation services of air cooler system to Site Prep Co., Ltd. under price and condition indifferent from other customers</p> <p>AC's Comment: Normal business under price and condition indifferent from other customers</p>				
Acdee Co, Ltd. ("Acdee Co, Ltd.")	Mr. Thanapat Thaidumrong and Mr. Thammathat Thaidamrong, the Director and Major Shareholders in Acdee Co., Ltd. Mr. Thanapat Thaidamrong and Mr. Thammathat Thaidamrong are the close relatives of Mr. Kritsana Thaidumrong who is the Company's Director	The company has sold its products to Acdee Co., Ltd., which is a distributor of the company. With the trading value during the period and have outstanding receivables at the end of the period as follows: - Revenue - Promotion expenses - AR (Beginning) - AR (Ending)	5563.97 - 4522.54 4742.70	2284.44 - 4742.70 2542.70
<p>Necessity and Reasonability: The Company has sold products of air cooler system to Acdee Co., Ltd. under price and condition indifferent from other dealers</p> <p>AC's Comment: Normal business under price and condition indifferent from other customers</p>				

12.2 Measure and Procedure of Approving on Related Party Transaction

The Company has set up measures to enter into related party transactions with people who may have conflicts. The Audit Committee is required to give an opinion on the necessity of entering into the transaction with reasonableness and the price suitability of the item; based on the conditions in the normal course of the market. This can be compared to the price charged to third parties. In the event that the Audit Committee is unqualified in considering potential inter-transactions, the Company will provide persons with special expertise such as auditor, financial advisor. Property appraiser law Office Independent experts, independent of the company. And a person who has no conflict of interest as a facilitator of such connected transaction to be used for the decision of the Audit Committee; for the Audit Committee to present to the Board meeting and / or shareholders as depending on each case.

In addition, the Company has imposed measures not to the management and / or stakeholders can participate in approving directly or indirectly their own interests. Also, the Board of Directors is responsible for the Company to comply with the laws governing securities and stock exchange and regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand; including compliance with the disclosure requirements of connected transactions, and acquiring or disposing of important assets of the Company or its subsidiary, moreover, comply with the accounting standards set by the Federation of Accounting Professions and the Certified Public Accountants of Thailand. The disclosure of related party transactions is included in the notes to financial statements that have been audited or reviewed by the Company's auditor.

12.3 Policy and Trend of Future Related Party Transaction

The Company will continue to do such transactions in the future with ACTDEE Co. Ltd, a major dealer of the Company, and relatives of the directors are major shareholders in such companies. By entering into the related transaction, it will be according to the ordinary course of business. There is a clear policy on entering into inter-company transactions i.e. the normal price and terms of business; likely to a transaction with an unrelated party by entering into an interim transaction in the future. It is necessary for the business operations and benefits of the Company

The Audit Committee will review the compliance with the rules and give an opinion on the reasonableness of transactions occurring quarterly.

For related party transactions between the Company or its subsidiaries and the person who may have conflict of interest that are not in line with normal commercial condition, the Company shall assign the Audit Committee to be the person who advises the necessity, Reasonability and appropriateness of price of connected transactions occurred to be in line with market price. The price occurred with outsiders is compared. However, if the Audit Committee is unskilled in consideration on related party transactions that may occur, the Company shall bring the person who possesses knowledge and special skill such as auditor and asset estimator, etc. that is independent from the Company and is the person who has no conflict of interest to enter for consideration and giving opinion about such related party transactions in order to be used as support on decision making of the Audit Committee.

Nevertheless, according to related party transactions that may cause conflict of interest possibly occurred in the future, the Company has prescribed the measure on prohibition of the participative ability of the executive, director or stakeholder in approval of the transaction with self-interest both direct and indirect. However, the Board of Directors shall enter to control the Company to perform in accordance with the law of Securities and Stock Exchange, regulation, proclamation, order or requirement of the Board of the Stock Exchange of Thailand and Capital Market Supervisory Board as well as the compliance with criteria about disclosure of information of connected transactions and acquisition or disposal of the Company's and its subsidiaries' assets according to the Proclamation of the Board of the Stock Exchange of Thailand and the Proclamation of Capital Market Supervisory Board and/or related agencies as well as compliance with the accounting standard required by Federation of Accounting Professions and Certified Public Accountant of Thailand.

Part 3 Important Financial Information

13. Important Financial Information

13.1 Statement of Financial Position as of 31 December 2021

(Unit : Baht)

	Consolidated		Separate financial statement	
	2021	2020	2021	2020
Assets				
Current assets				
Cash and cash equivalents	66,500,190.52	29,497,202.32	59,173,677.96	8,879,005.95
Trade and other current receivables	86,861,151.65	85,033,685.49	80,842,198.02	82,783,340.76
Current portion of receivables of finance lease	200,733.57	40,251.51	200,733.57	28,858.27
Contract assets	2,914,653.44	1,331,207.53	-	-
Inventories	56,160.53	-	56,160.53	-
Inventories	200,999,400.00	237,793,158.27	184,284,244.99	233,079,943.63
Other current financial assets	440,160.00	90,135.13	440,160.00	90,135.13
Other current assets	513,118.54	537,405.81	73,144.94	99,350.44
Total current assets	358,485,568.35	354,323,046.06	325,070,320.01	324,960,634.18
Non-current assets				
Deposits at financial institutions pledged as collateral	79,850,000.00	81,750,000.00	78,850,000.00	80,750,000.00
Investment in the subsidiary	-	-	30,000,000.00	30,255,410.25
Receivables of finance lease	119,906,650.50	-	119,906,650.50	-
Property, plant and equipment	41,264,911.30	48,426,700.05	33,766,239.12	37,929,975.96
Right-of-use assets	12,998,996.46	22,366,815.28	12,697,204.24	21,612,334.72
Intangible assets	2,405,150.58	3,235,433.32	2,062,149.72	3,091,329.27
Other non-current assets	15,344,236.06	13,117,648.08	14,291,508.28	11,953,091.15
Total non-current assets	271,769,944.90	168,896,596.73	291,573,751.86	185,592,141.35
Total assets	630,255,513.25	523,219,642.79	616,644,071.87	510,552,775.53
Liabilities and Shareholders' Equity				
Current Liabilities				
Bank overdrafts and short-term loan from financial institutions	121,319,376.25	174,496,531.67	120,631,373.51	174,496,531.67
Trade and other current payables	43,768,801.44	84,293,137.52	36,137,021.33	73,491,998.75
Contract liabilities	24,756,467.14	23,222,893.83	21,919,060.71	22,793,539.54
Lease liabilities due within one year	9,067,678.40	9,421,927.70	8,739,114.10	8,965,999.67
Provision for warranty	4,474,479.17	6,416,801.78	3,387,131.53	5,845,322.52
Other current financial liabilities	-	2,950,491.28	-	2,950,491.28
Total current liabilities	203,386,802.40	300,801,783.78	190,813,701.18	288,543,883.43
Non - current liabilities				
Non-current contract liabilities	331,425.90	-	156,664.78	-
Long-term provision for warranty	232,710.28	574,229.59	-	-
Lease liabilities	2,256,458.82	9,844,127.06	2,256,458.82	9,515,562.77
Employee benefit obligations	17,356,329.61	17,235,485.47	16,070,614.10	16,058,431.96
Deferred tax liabilities	672,209.15	974,740.93	-	-
Other non-current liabilities	3,890,117.50	3,323,516.49	3,890,117.50	3,323,516.49
Total non - current liabilities	24,739,251.26	31,952,099.54	22,373,855.20	28,897,511.22
Total liabilities	228,126,053.66	332,753,883.32	213,187,556.38	317,441,394.65

(Unit : Baht)

	Consolidated		Separate financial statement	
	2021	2020	2021	2020
Shareholders' equity				
Share Capital				
Registered capital				
1,250,000,000 ordinary shares of Baht 0.25 each	312,500,000.00	-	312,500,000.00	-
576,000,000 ordinary shares of Baht 0.25 each	-	144,000,000.00	-	144,000,000.00
Paid up Capital				
875,000,000 ordinary shares of Baht 0.25 each	214,250,000.00	-	214,250,000.00	-
480,000,000 ordinary shares of Baht 0.25 each	-	120,000,000.00	-	120,000,000.00
Surplus				
Premium on ordinary shares	319,821,962.93	183,030,332.93	319,821,962.93	183,030,332.93
Surplus on share-based payment transactions	3,063,936.73	3,063,936.73	3,063,936.73	3,063,936.73
Accumulated profit (loss)				
Appropriated - legal reserve	8,256,778.85	8,256,778.85	8,256,778.85	8,256,778.85
Unappropriated	(143,263,218.92)	(123,885,289.04)	(141,936,163.63)	(121,239,667.63)
Total shareholders' equity	402,129,459.59	190,465,759.47	403,456,515.49	193,111,380.88
Total liabilities and shareholders' equity	630,255,513.25	523,219,642.79	616,644,071.87	510,552,775.53

13.2 Statement of Comprehensive Income ended 31 December 2021

(Unit: Baht)

	Consolidated		Separate financial statement	
	2021	2020	2021	2020
Revenues				
Revenue from sales	455,349,593.35	646,600,360.61	440,901,551.18	639,840,052.57
Revenue from services	64,194,743.49	85,626,993.78	27,849,368.99	47,346,353.95
Other income	26,087,500.98	1,611,108.06	28,347,190.89	5,679,004.89
Total revenues	545,631,837.82	733,838,462.45	497,098,111.06	692,865,411.41
Expenses				
Cost of sales	369,724,997.55	522,817,795.63	362,790,889.49	522,389,247.26
Cost of services	38,100,044.29	48,634,826.98	9,327,592.55	17,162,199.64
Cost of distribution	72,136,669.19	100,328,825.13	65,409,665.59	94,795,034.28
Administrative expenses	70,749,116.55	54,165,968.40	66,033,910.93	44,913,432.72
Foreign exchange loss	7,572,319.71	-	7,572,319.71	-
Total expenses	558,283,147.29	725,947,416.14	511,134,378.27	679,259,913.90
Profit (loss) from operating activities	(12,651,309.47)	7,891,046.31	(14,036,267.21)	13,605,497.51
Financial cost	8,380,644.10	11,295,915.30	8,621,761.70	11,241,258.50
Profit (loss) before income tax expense	(21,031,953.57)	(3,404,868.99)	(22,658,028.91)	2,364,239.01
Income tax expense	339,461.04	110,323.29	-	-
Profit (loss) for the year	(21,371,414.61)	(3,515,192.28)	(22,658,028.91)	2,364,239.01
Items must not be classified into profit or loss in the future				
Actuarial gain (loss)	1,993,484.73	(234,176.43)	1,961,533.52	(494,820.24)
Other comprehensive profit (loss) for the year	1,993,484.73	(234,176.43)	1,961,533.52	(494,820.24)
Total comprehensive profit (loss) for the year	(19,377,929.88)	(3,749,368.71)	(20,696,495.39)	1,869,418.77
Weighted average number of ordinary shares	637,860,274	480,000,000	637,860,274	480,000,000
Basic loss per share (Baht per share)	(0.034)	(0.007)	(0.036)	0.005

13.3 Consolidated Statements of Changes in Shareholders' Equity ended 31 December 2021

Consolidated						(Unit: Baht)
	Shareholders' equity of the parent company					
	Issued and paid-up share capital	Premium on ordinary shares	Surplus from share-based payment	Accumulated profit (loss)		Total Shareholders' Equity
				legal reserve	Unappropriated	
Balance as at 1 January 2021	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,885,289.04)	190,465,759.47
Increased and paid-up capital	94,250,000.00	136,791,630.00	-	-	-	231,041,630.00
Total comprehensive income(loss) for the year	-	-	-	-	(19,377,929.88)	(19,377,929.88)
Balance as at 31 December 2021	214,250,000.00	319,821,962.93	3,063,936.73	8,256,778.85	(143,263,218.92)	402,129,459.59
Balance as at 1 January 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(120,135,920.33)	194,215,128.18
Total comprehensive income(loss) for the year	-	-	-	-	(3,749,368.71)	(3,749,368.71)
Balance as at 31 December 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,885,298.04)	190,465,759.47

13.4 Separate Statements of Changes in Shareholders' Equity ended 31 December 2021

Separate financial statement						(Unit: Baht)
	Shareholders' equity of the parent company					
	Issued and paid-up share capital	Premium on ordinary shares	Surplus from share-based payment	Accumulated profit (loss)		Total Shareholders' Equity
				legal reserve	Unappropriated	
Balance as at 1 January 2021	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,239,667.63)	193,111,380.88
Increased and paid-up capital	94,250,000.00	136,791,630.00	-	-	-	231,041,630.00
Total comprehensive income(loss) for the year	-	-	-	-	(20,696,495.39)	(20,696,495.39)
Balance as at 31 December 2021	214,250,000.00	319,821,962.93	3,063,936.73	8,256,778.85	(141,936,163.02)	402,456,515.49
Balance as at 1 January 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,885,289.04)	194,241,962.11
Total comprehensive income(loss) for the year	-	-	-	-	1,869,418.77	1,869,418.77
Balance as at 31 December 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,239,667.63)	193,111,380.88

13.5 Statement of cash flows for the year ended 31 December 2021
(Unit: Baht)

	Consolidated		Separate financial statement	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before income tax expense	(21,031,953.57)	(3,404,868.99)	(22,658,028.91)	2,364,239.01
Adjustments to reconcile profit (loss) before income tax expense for cash provided by (used in) operating activities				
Depreciation and amortization	20,140,990.95	21,315,827.77	17,659,629.58	18,140,754.17
Allowance for expected credit loss	1,310,462.56	5,170,764.04	1,611,980.60	291,490.54
Impairment loss on assets (Reversal)	(329,338.87)	19,558.36	(329,338.87)	19,558.36
Unrealised gain from exchange rates	(1,282,998.43)	(7,011,959.26)	(1,276,666.07)	(7,012,420.50)
(Gain) Loss from revaluation of other current financial assets	12,985,920.00	(5,360.33)	12,985,920.00	(5,360.33)
(Gain) loss on amortization of fixed assets	977,433.87	88,484.75	(464,994.06)	87,529.35
Loss from devaluation of inventories	2,001,886.32	2,343,402.98	1,618,927.73	2,106,528.23
Loss from diminution of investment in subsidiary	-	-	255,410.25	-
Employee benefit obligations	2,249,006.67	2,173,934.11	2,100,405.66	1,995,156.91
Estimated after-sales expenses (Reversal)	(2,283,841.92)	1,301,058.19	(2,458,190.99)	952,054.73
Difference from rental reduction	-	4,710.32	-	4,710.32
Dividend income	(14,579,840.00)	-	(14,579,840.00)	-
Interest earned	(5,923,061.90)	(846,992.19)	(5,919,762.86)	(637,123.10)
Financial cost	8,380,644.10	11,295,915.30	8,621,761.70	11,241,258.50
Profit (loss) from operations before changes in operating assets and liabilities	2,615,309.78	32,444,475.05	(2,832,786.24)	29,548,376.19
Operating assets (increase) decrease				
Trade accounts receivable and other current receivables	(3,181,938.02)	6,617,441.49	288,631.00	677,395.45
Receivable under the finance lease agreement	(160,482.06)	131,117.35	(171,875.30)	(6,170.34)
Contract assets	(1,583,445.91)	1,179,814.15	-	13,333.33
Inventories	34,759,650.31	(44,795,829.72)	47,176,770.91	(40,573,122.74)
Other current assets	24,287.26	-	26,205.50	-
Other non-current assets	(323,234.99)	(94,917.01)	(1,445.00)	(15,000.00)
Operating liabilities (increase) decrease				
Trade and other current payables	(42,812,465.13)	19,678,986.03	(36,311,832.50)	15,159,073.72
Contract liabilities	5,196,446.58	(13,794,018.50)	(717,814.05)	(13,274,877.48)
Cash received (paid) from operations	(5,465,872.18)	1,367,068.84	7,455,854.32	(8,470,991.87)

(Unit : Baht)

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
Cash paid for employee benefit obligations	(126,690.00)	(133,950.00)	(126,690.00)	(133,950.00)
Cash received from interest	5,964,475.22	951,660.01	5,957,698.02	646,136.41
Cash paid for financial cost	(8,153,165.39)	(11,271,151.51)	(8,394,282.00)	(11,216,494.71)
Cash paid for corporate income tax	(3,457,065.12)	(2,182,215.09)	(2,336,972.13)	(1,157,266.10)
Cash received from corporate income tax	903,731.51	1,160,582.85	-	-
Cash received (paid) for operations	(10,334,585.96)	(10,108,004.90)	2,555,607.22	(20,332,566.27)
Cash flow from investing activities				
(Increase) in other current financial assets	(13,335,944.87)	(84,774.80)	(13,335,944.87)	(84,774.80)
Cash paid for loan providing	(119,962,811.03)	-	(119,962,811.03)	-
Cash paid for acquisition of land, buildings, and equipments	(3,251,664.26)	(4,951,293.39)	(2,889,099.94)	(3,139,156.81)
Cash paid for right-of-use assets	-	(284,683.74)	-	(284,683.74)
Cash received from disposition of land, building and equipment	993,621.41	29,386.45	993,621.41	29,386.45
Cash paid for purchased intangible assets	(380,000.00)	(596,000.00)	(100,000.00)	(591,000.00)
Cash received from dividends	14,579,840.00	-	14,579,840.00	-
Increase of bank deposits pledged as collateral	1,900,000.00	(8,000,000.00)	1,900,000.00	(8,000,000.00)
Net cash received (used) from investment activities	(119,456,958.75)	(13,887,365.48)	(118,814,394.43)	(12,070,228.00)
Cash flows from financing activities				
Increase (decrease) in overdrafts and short-term loans from financial institutions	(53,906,331.18)	27,413,445.83	(54,600,585.97)	27,413,445.83
Cash received from short-term loans from related parties	-	-	13,000,000.00	-
Cash paid for short-term loans from related parties	-	-	(13,000,000.00)	-
Cash paid for lease liabilities	(9,840,576.67)	(8,934,443.32)	(9,387,315.28)	(8,511,766.75)
Cash paid for dividends	(110,835.40)	-	(110,835.40)	-
Cash received from capital increase	231,041,630.00	-	231,041,630.00	-
Net cash received (used) from financial activities	167,183,886.75	18,479,002.51	166,942,893.35	18,901,679.08
Effect of exchange rates on cash and cash equivalents	(389,353.84)	-	(389,434.13)	-
Increase (decrease) in cash and cash equivalents	37,002,988.20	(5,516,367.87)	50,294,672.01	(13,501,116.09)
Cash and cash equivalents at the start of the year	29,497,202.32	35,013,570.19	8,879,005.95	22,380,122.04
Cash and cash equivalents at year-end	66,500,190.52	29,497,202.32	59,173,677.96	8,879,005.95

13.5 Financial Ratio

	Consolidated		
	Jan-Dec 2021	Jan-Dec 2020	+ / (-)
Liquidity Ratio			
Current Ratio	1.76	1.18	0.29
Quick Ratio	0.77	0.38	0.26
Profitability Ratio			
Gross Profit Margin (%)	21.50%	21.96%	(1.27%)
Operating Profit Margin (%)	(4.05%)	(0.47%)	(4.77%)
Net Profit Margin (%)	(3.92%)	(0.48%)	(4.78%)
Efficiency Ratio			
ROE (%)	(7.21%)	(1.19%)	(9.73%)
ROA (%)	(3.71%)	(0.61%)	(4.69%)
Total Asset Turnover	0.95	1.27	(0.36)
Financial Policy Ratio			
Debt to Equity Ratio	0.57	1.75	(0.95)

14. Management's Discussion and Analysis

25 February 2022

Subject: Management's Discussion and Analysis of Operating Results for the year ended 31 December 2021

Attention: The President of the Stock Exchange of Thailand

Masterkool International Public Company Limited ("the Company") would like to announce the operating results of the Company for the year ended 31 December 2021 which has been reviewed in the Board of Directors' Meeting No. 2/2022 arranged on 25 February 2021 as following: -

Table 1: Overall performance for the year ended 31 December 2021

Million Baht

Description	FY2021	FY2020	Increase (Decrease)	
	(12 Months)	(12 Months)	Amount	%
Net Product Sales	455.35	646.60	(191.25)	(29.58)
Net Service Sales	64.19	85.63	(21.44)	(25.04)
Other Revenue *	26.09	1.61	24.48	1,520.50
Total Revenues	545.63	733.84	(188.21)	(25.65)
Cost of Goods Sold	369.72	522.82	(153.10)	(29.28)
Cost of Service	38.10	48.63	(10.53)	(21.65)
Selling Expenses	72.14	100.33	(28.19)	(28.10)
Administrative Expenses	70.75	54.17	16.58	30.61
Loss from Exchange Rate	7.57	-	7.57	100.00
Financial Cost	8.38	11.30	(2.92)	(25.84)
Total Cost	566.66	737.25	(170.59)	(23.14)
Profit(Loss) before Income Tax	(21.03)	(3.41)	17.62	516.72
Tax Expense(Tax Income)	(0.34)	(0.11)	0.23	209.09
Net Profit (Loss)	(21.37)	(3.52)	17.85	507.10
EPS (Baht/Share)	(0.034)	0.007	(0.027)	(585.71)

* Other income such as interest income, foreign exchange gains and government subsidies, etc.

Business Overview

Overview of operating results for the year ended December 31, 2021, the Company's total revenue decreased by 191.25 million baht or approximately 29.58% compared to the operating results for the same period of 2020. Factors affecting the economy of countries that have been affected by the epidemic situation of COVID-19 thus affecting the retail market especially sales channels through modern-trade stores sales have dropped considerably mainly due to the closure of department stores under the Covid-19 epidemic control measures, resulting on shrinkage of market demand and changing of consumer behavior.

During the year 2021, the company has continuously adjusted its sales strategy; both driving sales through online channels and create marketing campaigns to reach target consumers on an ongoing basis, including focus of other sales channels that drive sales. But due to the proportion of main income according to the normal business of the company, the revenue comes from selling through modern-trade stores; causing the overall revenue of the Company to decrease by 197.75 million baht or approximately 29.22% when compared to the same period last year.

In the year 2021, the company has continuously adjusted its sales strategy; both driving sales through online channels and create marketing campaigns to reach target consumers on an ongoing basis including using other sales channels that drive sales, Anyhow the proportion of main income according to the normal business of the company comes from selling through Moderntrade stores causing the overall revenue of the Company decreased.

However, the Company has continued to strictly control expenses, including adjusting the marketing budget to suit the situation and adjusting the point of sale plan, resulting in a decrease in overall expenses of 28.19 million baht or a decrease of 28.10% compared to the same period last year.

Operating results for the year ended December 31, 2021, the Company has a net loss of 21.37 million baht.

Economic and industrial conditions affecting operations

The COVID-19 pandemic has affected the World and consequently affect the overall economy of Thailand causing most businesses to slow down or temporarily suspend and some businesses are closed. Since the first half of 2021 the company and its subsidiaries have been affected by the epidemic situation of Covid 19 as well, either retail market (B2C), corporate market (B2B), and exports.

Exporting through foreign dealers, although the Company was able to export to some countries that were not greatly affected by the COVID-19 epidemic situation, the overall exports of the Company decreased by 32.41% compared to the same period in year 2020.

Linkage of policies, strategies and goals

Although the COVID-19 epidemic is an uncontrollable negative factor, the company has adjusted its strategy to drive exports to countries least affected by the COVID-19 epidemic; along with management according to changed situations, such as driving sales through online channels to create opportunities in new markets to replace sales revenues from modern-trade stores that has dropped dramatically; as well as to continuously increase the customer base of the corporate market to increase opportunities in energy-saving business and solve the problem of hot weather which is doing business through Innov Green Solutions Company Limited, which is a subsidiary.

Analysis on the performance of the company by key business units

The company has various distribution channels; in which the main channels are retail channel, export channel, sales channel for corporate customers, and services. The operating results are as follows:

Table 2 : Sales summary by segments for the year ended 31 December 2021

Million Baht			
Sales Channel	Jan-Dec 2021	Jan-Dec 2020	% YOY
Retail Channel	212.57	312.73	(32.03)
Corporate Channel	33.36	24.05	38.71
Export	209.42	309.82	(32.41)
Service	64.19	85.63	(25.04)
Other Revenue*	26.09	1.61	1,520.50
Total Revenue	545.63	733.84	(25.65)

Retail Market

The retail channel consists of selling through modern trade stores, online, dealers and selling booths compared to the same period of 2020, sales of retail channel decreased by 100.17 million baht, or a decrease of 32.03% , which is a direct impact of the COVID-19 epidemic that has a chain effect on the economy of Thailand; resulting income from modern-trade stores has dropped dramatically. When considering the sub-channels of the retail business group, it was found that the consumers still relied on the Masterkool brand in the evaporative fan group for both products and services which consumers who have enough purchasing power, some of them have changed their behavior according to the new normal by purchasing through online channels, and some bought through the local dealer shop.

Corporate Market

In the year 2021, the epidemic situation of COVID-19 affects the operation of normal sales processes, causing obstacles/problems in entering the presentation job, site survey and the installation of an ozone system to save energy that does not achieve according to plan, including many private organizations to slow down investment in the crisis. Anyhow, the company has continuously expanded its target customer base, which is an individual organization. As a result, operations with some corporate clients were still operational and positively impacted the year operating results' cumulative revenue by 38.71% compared to the same period last year.

The company is confident that the company's ozone technology is efficient to meet the needs of corporate customers in terms of energy saving and environmental conservation. This will result in this sales channel for corporate customers as a way to generate sales and profits in the future. Therefore, the company continues to expand its customer base in the corporate market even more to cover the planned sales targets. When the crisis situation returns to normal, the company will be able to operate stably; and can strengthen the business by reducing the overall revenue volatility of the group because it is a channel that can generate recurring revenue from the service.

Export

For the year 2021, the International Sales and Marketing (ISM) which operates exports has a revenue of 209.42 million baht. When compared to the same period of the year 2020, the income has decreased by 100.4 million baht or a decrease of approximately 32.41% , but sales management is still in an appropriate direction under the epidemic crisis and economic downturn. The said revenue came from expanding the market base for a while in the countries that were not affected or less affected by the spread of COVID-19.

Comparative analysis to the budgeting plan

As usual of the revenue estimation plan, the Company has divided the sales percentage according to the main channels which are divided into 40% of the retail channel, and 40% of the export channel, and 20% of the corporate-customer channel and services. It turned out that the export was able to generate revenues that exceed the projected percentage. While the retail business channels and corporate-customer sales channels cannot meet the estimated revenue plan.

The Company has operational plans for future strength by focusing on expanding customer base for sales channels for corporate customers in order to reduce the risk of overall revenue fluctuation; and focusing on selling products online as a new market base for new products that are health and hygiene category such as disinfection products, air purifier products to address the health concerns of small consumers as well as pushing products that have no restrictions on the season (Non-seasonal products) enter to the market in order to become more comprehensive and meet the broader needs of consumers.

Financial Status

Summary Statement of Financial Position as of September 30,2021 (Unit: Million Baht)	Consolidated Statement			
	30 Dec 2021	31 Dec 2020	+/(−)	%
Cash and cash equivalents	66.50	29.50	37.00	125.42
Trade and other receivables	86.86	85.03	1.83	2.15
A/R under finance lease agreements due within one year	0.20	0.04	0.16	400.00
Asset under contract	2.92	1.33	1.59	119.55
Short-term loans	0.06	0.00	0.06	100.00
Inventories	201.00	237.79	(36.79)	(15.47)
Other current financial assets	0.44	0.09	0.35	388.89
Other current assets	0.51	0.54	(0.03)	(5.56)
Total Current Assets	358.49	354.32	4.17	1.18
Deposits with financial institutions that are pledged	79.85	81.75	(1.90)	(2.32)
Investments in subsidiaries	0.00	0.00	0.00	0.00

Summary Statement of Financial Position as of September 30,2021 (Unit: Million Baht)	Consolidated Statement			
	30 Dec 2021	31 Dec 2020	+/(-)	%
Long-term loans	119.91	0.00	119.91	100.00
Property, plant and equipment	41.26	48.43	(7.17)	(14.80)
Rights-of-use assets	13.00	22.37	(9.37)	(41.89)
Intangible assets	2.41	3.23	(0.82)	(25.39)
Other non-current assets	15.34	13.12	2.22	16.92
Total non-current assets	271.77	168.90	102.87	60.91
Total assets	630.26	523.22	107.04	20.46
Bank over drafts and short - term loans from financial institution	121.32	174.50	(53.18)	(30.48)
Trade and other payables	43.77	84.29	(40.52)	(48.07)
Contractual liabilities	24.76	23.22	1.54	6.63
Financial leased liabilities due within one year	9.07	9.42	(0.35)	(3.72)
Product Warranty <i>Estimated</i> Liabilities	4.47	6.42	(1.95)	(30.37)
Other current financial liabilities	0.00	2.95	(2.95)	(100.00)
Accrued corporate income tax	0.00	0.00	0.00	0.00
Total current liabilities	203.39	300.80	(97.41)	(32.38)
Liabilities arising from non-current contracts	0.33	0.00	0.33	100.00
Estimated long-term quality guarantee	0.23	0.57	(0.34)	(59.65)
Finance lease liabilities	2.26	9.84	(7.58)	(77.03)
Employee benefit obligations	17.36	17.24	0.12	0.70
Deferred tax liabilities	0.67	0.97	(0.30)	(30.93)
non-current liabilities	3.89	3.33	0.56	16.82
Total non-current liabilities	24.74	31.95	(7.21)	(22.57)
Total liabilities	228.13	332.75	(104.62)	(31.44)
Ordinary capital 576,000,000 shares, value 0.25 baht per share	312.50	144.00	168.50	117.01
Paid-up capital	214.25	120.00	94.25	78.54
Share premium	319.82	183.03	136.79	74.74
Surplus from share-based payment	3.06	3.06	0.00	0.00
Retained earnings (loss)				
- Appropriated for legal reserve	8.26	8.26	0.00	0.00
- Un-appropriated retained earnings	(143.26)	(123.89)	19.37	15.63
Total shareholders' equity	402.13	190.47	211.66	111.13
Total liabilities and shareholders' equity	630.26	523.22	107.04	20.46

Assets

As of December 31, 2021, the company had total assets of 630.26.84 million baht, compared to the value of assets as of December 31, 2020, which was worth 523.22 million baht. The company's total assets increased by 107.04 million baht, or an increase of 20.46% which the main details consists of: -

- Cash and cash equivalents: value as of December 31, 2021 increased from capital increase.
- Long-term loans: value at the year ended December 31, 2021 increased by 119.91 million baht when compared to the total assets as at the end of 31 December 2020.
- Inventories: value at the end of the period December 31, 2021 is 201.00 million baht, a decrease of 36.79 million baht or a decrease of 15.47% when compared to the value at the end of the period December 31, 2020, which comes from selling products as normal business.

Liabilities

As of December 31, 2021, the Company had total liabilities of 228.13 million baht, which when compared with total liabilities as of December 31, 2020, the company had total liabilities decreased by 104.62 million baht or a decrease of 31.41%, the main details consist of: -

- Bank overdrafts and short-term loans from financial institutions: value as of December 31, 2021 was 121.32 million baht, a decrease of 53.18 million baht or a decrease of 30.48% from repayment of short-term loans to financial institutions.
- Trade and other payables: value as of December 31, 2021 is 43.77 million baht, a decrease of 40.52 million baht or a decrease of 48.07% in accordance with normal business operations
- Other current financial liabilities: as of December 31, 2021, the company has no other current financial liabilities.

Shareholders' Equity

As of December 31, 2021, the company had total shareholders' equity of 402.13 million baht, an increase of 211.66 million baht, representing an increase of 111.13% when compared to shareholders' equity as of December 31, 2020 due to the company's capital increase.

Table 4: Financial Ratio

	Financial Ratio (Consolidated)		+ / (-)
	Jan-Dec 2021	Jan-Dec 2020	
Liquidity Ratio			
Current ratio	1.76	1.18	0.29
Quick ratio	0.77	0.38	0.26
Profitability Ratio			
Gross profit margin %	21.50%	21.96%	(1.27)
EBIT margin %	(4.05%)	(0.47%)	(4.77)
Net profit margin %	(3.92%)	(0.48%)	(4.78)
Efficiency Ratio			
Return on equity (ROE) %	(7.21%)	(1.19%)	(9.73)
Return on asset (ROA) %	(3.71%)	(0.61%)	(4.69)
Total assets turnover	0.95	1.27	(0.36)
Financial Policy Ratio			
Debt to equity ratio	0.57	1.75	(0.95)

Liquidity Ratio

From factors affecting operating results for the year ended December 31, 2021, the liquidity ratio increased by 0.29 times when compared to the ratio at the end of the period December 31, 2020 due to capital increase, as well as the quick liquidity ratio increased by 0.26 times compared to the ratio at the end of the period ended December 31, 2020.

Profitability Ratio and Efficiency Ratio

As the year operating results of the year 2021, the company's gross profit margin decreased by 1.27% due to the selling price structure, which is a bulk sales of the export channel with not much gross profit, coupled with the epidemic situation of COVID-19, resulting costs which related to shipping both sea and air have increased.

Financial Policy Ratio

The Company's debt to equity ratio decreased from the previous year. The debt to equity ratio for the year ended December 31, 2021, was 0.57 times, a decrease of 0.95 times when compared to the same period in year 2020 as a result of the Company's recent capital increase.

Board Responsibilities for Financial Reports

The Board of Directors of Masterkool International Public Company Limited is responsible for the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries. Including financial information that appears in the annual report such financial statements are prepared in accordance with generally accepted accounting standards in Thailand. The Board of Directors considers choosing to use appropriate accounting policies and consistently adheres to With prudent discretion and the most appropriate estimate of preparation Including adequate disclosure of important information in the notes to the financial statements And comply with the requirements of the Securities and Exchange Commission Including the Stock Exchange of Thailand And related regulatory agencies Such financial statements have been audited And giving opinions on unconditional financial statements from independent auditors Therefore reflecting the financial status and operating results that are real, transparent, and can be checked for the benefit of the shareholders of the company and general investors.

The Board of Directors has set a policy and provides a risk management system. And appropriate internal control systems to ensure that the accounting data is reliable It is worthwhile to use and maintain the assets of the company. As well as for the development of operations and prevention of risks that may have a significant impact

The Board of Directors has appointed the Audit Committee, which is from the Independent Committee, to oversee the quality of financial reporting and internal control systems. The opinion of the Audit Committee regarding this matter has already appeared in the report of the Audit Committee in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company and its subsidiaries is at a satisfactory level. And can confirm the reliability of the information in the financial statements and consolidated financial statements of the company and subsidiaries as at 31 December 2021

(Mr. Sanpat Sopon)
Chairman of the Board of Directors

(Mr. Noppachai Veeraman)
CEO / Managing Director

Certification of Accuracy

Masterkool International Public Company Limited by the Board of Directors Have reviewed the information in this annual information form with prudence. The company hereby certifies that such information is accurate, true and complete in the important matter that should be notified and reported In addition, the company certifies that:-

1. Financial statements and financial information summarized in the annual registration statement and that annual report The Company has displayed the information correctly. Complete about financial position, cash flow, operating results as well as analyzing the environmental factors of the Group in essence.
2. The Company has provided the disclosure of important information of the Group according to the criteria correctly and completely.
3. The Company has provided an internal control system and supervise the operation to comply with the system and report important changes Including practices that may affect the preparation of financial reports of the Company and its subsidiaries The information obtained from the assessment of internal control and auditing for the year 2021 has been presented to the Audit Committee Meeting No.1/2022, which was held on 25 February 2022.

Therefore, as evidence that the information presented is this report, it is a document that the company has been verified by the company assigned Ms. Mallika Trakoolthai, Executive Director and Company Secretary or Ms. Jariyaporn Akkarawong, Senior Assistant Company Secretary, has already signed this document.

Name	Position	Signature
Mr. Noppachai Veeeraman	Director/ Assistant Managing	<u>-Noppachai Veeeraman-</u>
Ms. Benjarat Hattacharnchai	Director/ Assistant Managing Director	<u>-Benjarat Hattacharnchai-</u>
Authorized Person		
Miss Mallika Trakoolthai	Executive Director / Company Secretary	<u>-Mallika Trakoolthai-</u>
Miss Jariyaporn Akkarawong	Senior Assistant Company Secretary	<u>-Jariyaporn Akkarawong -</u>

Details of Director, Executive, Regulator and the Company Secretary

Mr.Sanpat Sopon

Chairman of the Board, Independent Director



Age : 67

Educational Qualification :

- Master of Business and Administration, Western Michigan University, USA
- Bachelor of Law, Ramkhamhaeng University

Director Training :

- Certificate Course for Role of the Chairman Program (RCP 30/2013)
Thai Institute of Directors (IOD)
- Certificate Course for Executive Director Course (EDC 1/2012)
Thai Institute of Directors (IOD)
- Certificate Course for the Directors Certification Program (DCP 49/2004)
Thai Institute of Directors (IOD)
- Certificate Course for Advanced Audit Committee Program
(AACP 23/2016) Thai Institute of Directors (IOD)

Appointed on 26 February 2019

- Chairman of the Board

Appointed on 8 November 2013

- Independent Director
- Audit Committee Member
- Nomination and Remuneration Committee Member

Proportion of Shareholding in the Company : None

Last 5 Years of Experience:

- 2019 – Present Chairman of the Board
Masterkool International Public Company Limited
- 2013 – Present Director, Independent Director, Audit Committee Member
Nomination and Remuneration Committee Member
Masterkool International Public Company Limited
- 2017 - Present Independent Director, Chairman of the Audit Committee
Vintcom Technology Public Company Limited
- 2014 – Present Director, Moustache Trang Co., Ltd.
- 2012 – Present Director, Sanpat and Associates Co., Ltd.
- 2010 – Present Director, Ratchaburi Future Co., Ltd.
- 2010 – 2021 Director, Moustache Ratchaburi Co., Ltd.
- 2009 – 2021 Director, Moustache Co., Ltd.
- 2013 – 2019 Chairman of the Audit Committee
Masterkool International Public Company Limited
- 2013 - 2017 Chairman of the Board, Independent Director
Planet Communication Asia Public Company Limited

Assoc. Prof. Dr. Prakit Tangtisanon
Independent Director



Age : 79

Educational Qualification :

- Honorary Doctorate Degree, Tokai University, Japan
- Master of Communication Engineering, Faculty of Engineering
The University of Electro-Communications, Japan
- Bachelor of Communication Engineering Program, Faculty of Engineering,
Tokai University, Japan

Director Training :

- Certificate Course for Directors Certification Program (DCP 185/2014)
Thai Institute of Directors (IOD)
- Certificate Course for Advanced Audit Committee (AACP 25/2017)
Thai Institute of Directors (IOD)

Appointed on 8 November 2013

- Director
- Independent Director
- Audit Committee Member

Appointed on 26 February 2019

- Chairman of the Nomination
and Remuneration Committee

Proportion of Shareholding in the Company : None

Last 5 Years of Experience:

- 2013 – Present Director, Independent Director, Audit Committee Member
Nomination and Remuneration Committee Member
Masterkool International Public Company Limited
- 2019 – Present Chairman of the Nomination and Remuneration Committee
Masterkool International Public Company Limited
- 2017 - Present Director, College of Asian Scholars Council
- 2017 - Present Chairman of the Board, Independent Director
Nova Organic Public Company Limited
- 2019 – 2021 Director, Santapol College Council
- 2019 - 2021 President, Old Japan Student's Association, Kindom of Thailand
- 2016 - 2021 Director, Bangkokthonburi University Council
- 2016 - 2019 Vice President, Old Japan Student's Association, Kindom of
Thailand

Mr. Mongkol Kasaemsun Na Ayudthaya
Independent Director



Age : 61

Educational Qualification :

- Master of General Management (Administrative Studies),
Southeastern Oklahoma State University, USA
- Bachelor of Agricultural Engineering Program, Kasetsart University

Director Training :

- Certificate Course for Directors Accreditation Program (DAP 70/2008)
Thai Institute of Directors (IOD)

Appointed on 8 November 2013

- Independent Director
- Nomination and Remuneration
Committee Member

Appointed on 26 February 2019

- Chairman of the Audit Committee

Proportion of Shareholding in the Company : None

Last 5 Years of Experience:

- 2013 – Present Independent Director, Audit Committee Member
Nomination and Remuneration Committee Member
Masterkool International Public Company Limited
- 2019 – Present Chairman of the Audit Committee
Masterkool International Public Company Limited
- 2017 - Present Chairman of the Board, Independent Director
Innov Green Solutions Company Limited
- 2017 - Present Independent Director, Chairman of the Audit Committee
Nomination and Remuneration Committee Member
Nova Organic Public Company Limited
- 2017 - Present Director, PPM Advisory Company Limited
- 2020 – 2020 Chief Finance Officer, PatRangsit Hospital
- 2013 – 2019 Chairman of the Nomination and Remuneration Committee
Masterkool International Public Company Limited
- 2017 - 2019 Independent Director, Digital Focus Company Limited
- 2014 - 2018 Director of Private Teacher Aid Fund, Private Teacher Aid
Fund, Ministry of Education

Mr. Kritsana Thaidumrong

Director

Age : 58



Appointed on 8 November 2013

Director

Educational Qualification :

- Master of Business Administration Program, Thammasat University
- Bachelor of Engineering, Electric Power Engineering Program, King Mongkut's Institute of Technology Ladkrabang

Director Training :

- Certificate Course for Directors Certification Program (DCP 191/2014) Thai Institute of Directors (IOD)

Proportion of Shareholding in the Company : None

Last 5 Years of Experience:

- 2013 - Present Director, Masterkool International Public Company Limited
- 2019 – Present Director, Modernkool Dh Company Limited
- 2016 - Present Director, Sitem Holding Company Limited
- 2015 - Present Director, Carboncor (Thailand) Company Limited
- 2011 - Present Director, Bangkok Tire Trading Company Limited
- 2008 - Present Director, Bangkok Tire Refinery Company Limited
- 2007 - Present Director, Folding Gate Company Limited
- 2006 - Present Director, Metis Management Company Limited
- 1994 - Present Director and Chairman of Executive Committee Site Preparation Management Company Limited

Mr. Fung Meng Hoi

Director

Age : 61

Educational Qualification :

- Bachelor of Business Administration Program, Ottawa University, USA

Director Training :

- Certificate Course for Director Certification Program (DCP 189/2014)
Thai Institute of Directors (IOD)

Proportion of Shareholding in the Company : 77,061,100 Shares, 9.73%



Appointed on 3 June 2002

Director

Last 5 Years of Experience:

- 2002 - Present Director, Masterkool International Public Company Limited
- 2016 - Present Director, Dionysus Asia Sdn Bhd , Malaysia
- 2016 - Present Director, The Wine Poetry Sdn Bhd, Malaysia
- 2016 - Present Director, Sensetech Properties Sdn Bhd, Malaysia
- 2003 - Present Director, SenseTech Sdn Bhd, Malaysia

Mr. Noppachai Veeraman

Director



Appointed on 3 June 2002

- Director
- Chairman of Executive Committee
- Managing Director

Age : 58

Educational Qualification :

- Bachelor of Electronics and Electrical Engineering Program
King Mongkut's Institute of Technology Ladkrabang

Director Training :

- Certificate Course for Directors Certification Program (DCP 185/2014)
Thai Institute of Directors (IOD)
- Certificate Course for Director Accreditation Program (DAP 82/2010)
Thai Institute of Directors (IOD)

Proportion of Shareholding in the Company : 150,190,898 Shares, 18.96%

Last 5 Years of Experience:

- 2002–Present Director, Chairman of Executive Committee and Managing Director, Masterkool International Public Company Limited
- 2011–Present Director, Managing Director
Innov Green Solutions Company Limited

Mr.Kriangkrai Siravanichkan

Director



Appointed on 12 May 2021
Director

Age 40

Educational Qualification :

- Bachelor of Economics Financial and International Program
Chulalongkorn University

Director Training :

- Certificate Course for Director Accreditation Program (DAP 70/2008)
Thai Institute of Directors (IOD)
- Certificate Course for the impact of the corona virus outbreak on financial statements (2020), Investment Banking Club, Association of Thai Securities Companies
- Certificate Course for Personal Data Protection Act and Roles and Duties of the Business (2020), Investment Banking Club, Association of Thai Securities Companies
- Certificate Course for Update Debt Instrument Rules (2020)
Investment Banking Club, Association of Thai Securities Companies
- Certificate Course for Share-based Payment : Accounting and Case Study (2021)
Investment Banking Club, Association of Thai Securities Companies

Proportion of Shareholding in the Company : None

Last 5 Years of Experience:

- 2021 - Present Director, Masterkool International Public Company Limited
- 2019 - Present Director, H-DO (Thailand) Limited
- 2018 - Present Chairman of the Board, Capital Link Udonthani Company Limited
- 2018 - Present Chairman of the Board, Asset Five Group Public Company Limited
- 2014 - Present Chairman of the Board, Capital Link North Sathorn Company Limited
- 2014 - Present Chief Executive Officer, Capital Link Credit Foncier Limited
- 2012 - Present Director, Capital Link Holding Limited
- 2009 - Present Chairman of the Board, Capital Link Advisory Limited
- 2016 - 2020 Chairman of the Board, Capital Link South Sathorn Company Limited
- 2014 - 2020 Director, Capital Link Asset Management Limited
- 2013 – 2020 Director, Capital Link Leasing Public Company Limited
- 2016 - 2019 Director, Capital Link Fund Management Limited

Ms.Benjarat Hattacharnchai

Director

Age 48



Appointed on 12 May 2016

- Director
- Executive Director
- Assistant Managing Director of Finance & Accounting

Educational Qualification :

- Master of Business Administration, Executive Program, Kasetsart University
- Bachelor of Education, Business Education Program, Kasetsart University

Director Training :

- Certificate Course for Director Accreditation Program (DAP 84/2010)
Thai Institute of Directors (IOD)
- Certificate Course for Company Secretary Program (CSP 50/2013)
Thai Institute of Directors (IOD)
- Certificate Course for Effective Minute Taking (EMT 25/2013)
Thai Institute of Directors (IOD)
- Executive Financial Management Certificate Program Class 1
Chulalongkorn University
- Trends, directions for doing M&A, important issues to consider and strategies for doing M&A The Stock Exchange of Thailand

Proportion of Shareholding in the Company : 285,626 Shares, 0.04%

Last 5 Years of Experience:

- 2016 - Present Director, Executive Director, Assistant Managing Director of Finance & Accounting, Masterkool International Public Company Limited
- 2020 - Present Acting Assistant Managing Director of Retail Business, Masterkool International Public Company Limited
- 2016 - Present Director, Innov Green Solutions Company Limited

Miss Mallika Trakoolthai

Company Secretary



Appointed on 8 November 2013

- Executive Director
- Company Secretary

Age : 54

Educational Qualification :

- Bachelor in English Program, Faculty of Humanities, Srinakharinwirot University

Training

- Fundamental Practice for Corporate Secretaries Class 28, Thailand Listed Companies Association (TLCA)
- Fundamentals of Law for Corporate Secretaries Class 10, Thailand Listed Companies Association (TLCA)
- Management Development Program, Thailand Management Association
- Advances for Corporate Secretaries Class 1/2016, Thailand Listed Companies Association (TLCA)
- How to Develop a Risk Management Plan HRP, Class 12/2017 Thai Institute of Directors (IOD)
- Corruption Risk & Control Technical Update (CRC) Thai Institute of Directors (IOD)
- Trends, directions for doing M&A, important issues to consider and strategies for doing M&A The Stock Exchange of Thailand

Proportion of Shareholding in the Company : 1,413,704 Shares, 0.16%

Last 5 Years of Experience:

- 2013 - Present Executive Director and Company Secretary
Masterkool International Public Company Limited
- 2021 - Present Acting Assistant Managing Director of Human Resources
Masterkool International Public Company Limited

Details of Directors of the Subsidiary

Directors	Position	Innov Green Solutions Company Limited
1. Mr.Sanpat Sapon	Chairman of the Board, Independent Director, Audit Committee Member, Nomination and Remuneration Committee Member	-
2. Mr. Mongkol Kasaemsun Na Ayudthaya	Independent Director, Chairman of the Audit Committee, Nomination and Remuneration Committee Member	Chairman of the Board Independent Director
3. Assoc. Prof. Dr. Prakit Tangtisanon	Independent Director, Audit Committee Member, Chairman of the Nomination and Remuneration Committee	-
4. Mr. Kritsana Thaidumrong	Director	-
5. Mr. Fung Meng Hoi	Director	-
6. Mr. Noppachai Veeraman	Director, Chairman of Executive Committee	Director Chairman of Executive Committee
7. Ms. Benjarat Hattachanchai	Director, Executive Director	Director Executive Director
8. Mr. Kriangkrai Siravanichkan	Director	-

Details of the Head of Internal Audit

Internal Auditor (Outsource)	<p>Acc-Plus Consultant Co., Ltd.</p> <p>33 Soi Chat San, Thanon Suthisan Winitchay, Sam Sen Nok, Bangkok</p> <p>Tel 0-2693-3581-2</p>
Chief of Internal Auditor	Ms. Wanna Maluangnon
Education Qualifications	<p>1994 Master of Business Administration, Chulalongkorn University</p> <p>1991 Diploma of Auditing, Thammasat University</p> <p>1990 Bachelor of Accounting, Chulalongkorn University</p> <p>1986 Secondary School, Rajini School</p>
Related Training	<ul style="list-style-type: none"> • Training - Update TFRs for PAEs and TFRs for NPAEs required and changes in 2021. • Managing the Internal Audit Function, The Institute of Internal Auditors of Thailand • Fraud Risk & Control. The Institute of Internal Auditors of Thailand • Certificate Risk Management Program for Corporate Leader (RCL5/2016) Thai Institute of Directors (IOD) • Training on Internal Auditing on Fraud Detection Organized, organized by the Federation of Accounting Professions • Workshop on COSO2013 framework for internal control, the latest version, Class 3/56, organized by the Federation of Accounting Professions • Workshop on the evaluation of Risk Assessment Methods for Planning Internal Audit Class 3/55, organized by the Federation of Accounting Professions • Workshop on the evaluation of internal control system design COSO-ERM of each application (December 2011) • Audit Committee Program – ACP, Class 42/2013, organized by The Thai <i>Institute of Directors Association (IOD)</i> • Director Accreditation Program – DAP, Class 99/2012, organized by The Thai <i>Institute of Directors Association (IOD)</i> • Auditor License No. 4170
Work experience	<ul style="list-style-type: none"> • 1994 – Present Managing Director, Audit and internal control system assessment Audit accounting service accounts and financial advisor for Due Diligence, Acc-Plus Consultant Co., Ltd. • 2021 – Present Independent Director, Chairman of the Audit Committee Sky Tower Public Company Limited • 2018 - Present Director, Siam Biomass Supply Company Limited • 2016 - 2021 Independent Director, Chairman of the Audit Committee Dimet (Siam) Public Company Limited • 2016 – 2018 Chairman of the Board, Ocean Commerce Public Company Limited.
Proportion of Shareholding in the Company	<ul style="list-style-type: none"> • None
Family relations between directors and executives	<ul style="list-style-type: none"> • None

Independent Auditor's Report

To the Shareholders of Masterkool International Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Masterkool International Public Company Limited and its subsidiary (the Group), which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Masterkool International Public Company Limited and its subsidiary and of Masterkool International Public Company Limited as at December 31, 2021, and its consolidated and separate financial performance and its consolidated and separate 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 Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories

According to the note to financial statements 3.3.4 regarding the accounting estimates and assumptions of devaluation, obsolescence, and deterioration of inventory and the note to financial statements 14 regarding inventory,

As at December 31, 2021, the Group had inventory amounted to Baht 201 million and allowance for devaluation of inventory amounted to Baht 29.69 million in consolidated financial statements. The recognition of the transaction was significant impact to the financial statements and had a risk as the estimation relying solely on judgements of the Group's management which used the assumptions and other information to consider the adequacy and appropriateness as followed;

- Historical data or future sales forecast i.e. the capability and opportunity to sell in the future including the business strategies for change in product to sell the slow-moving inventory
- Storing period of inventory and inventory life cycle
- Slow-moving inventory that exceeds the policy
- Inventory report by comparing cost and net realizable value and/or Slow-moving inventory report.

Audit procedures

I specified audit procedures to provide a reasonable assurance to judgements of management regarding an adequacy and appropriateness of allowance for devaluation of inventory in consolidated financial statements of the Group as followed;

- Analyzing and evaluating the gross profit (loss) from sales transaction
- Understanding policies and evaluate assumptions of allowance for devaluation of inventory of the Group
- Observing the inventory count to ensure whether they are existent and the Company has a proper inventory process, especially, the separation of slow-moving or obsolete inventory
- Testing the accuracy of the report used to reserve allowance for devaluation of inventory
- Reviewing the policy of allowance for devaluation of inventory of the Group whether it complies with Financial Reporting Standard

Other matter

The consolidated and separate statements of financial position of Masterkool International Public Company Limited and its subsidiary as at December 31, 2020, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, were audited by another auditor who expressed an unqualified opinion as report dated on 24 February 2021

Other information

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

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

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

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

Responsibilities of Management and Those Charge with Governance for the financial statements

Managements 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 and the Company'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 and the Company's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company'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 Standards on Auditing, I exercise professional judgment 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 and the Company'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 have required to draw attention in my auditor's report to the related disclosures in the consolidated and Separate 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 and the Company's 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 and the Company's to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group and the Company's audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

C&A Audit Office Co., Ltd.

(Miss. Jintana Mahavanich)

Certified auditor no.4687

Bangkok: February 25, 2022

Masterkool International Public Company Limited and Subsidiaries

Statement of Financial Position

As at December 31, 2021

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Assets					
Current assets					
Cash and cash equivalents	9	66,500,190.52	29,497,202.32	59,173,677.96	8,879,005.95
Trade and other current receivables	10, 36	86,861,151.65	85,033,685.49	80,842,198.02	82,783,340.76
Current portion of lease receivables	11	200,733.57	40,251.51	200,733.57	28,858.27
Contract assets	12	2,914,653.44	1,331,207.53	-	-
Short-term loans	13	56,160.53	-	56,160.53	-
Inventories	14	200,999,400.10	237,793,158.27	184,284,244.99	233,079,943.63
Other current financial assets	15	440,160.00	90,135.13	440,160.00	90,135.13
Other current assets	36	513,118.54	537,405.81	73,144.94	99,350.44
Total current assets		358,485,568.35	354,323,046.06	325,070,320.01	324,960,634.18
Non-current assets					
Deposits at financial institutions					
pledged as collateral	16	79,850,000.00	81,750,000.00	78,850,000.00	80,750,000.00
Investment in subsidiaries	17	-	-	30,000,000.00	30,255,410.25
Long-term loans	13	119,906,650.50	-	119,906,650.50	-
Property, plant and equipment	18	41,264,911.30	48,426,700.05	33,766,239.12	37,929,975.96
Right of use assets	19	12,998,996.46	22,366,815.28	12,697,204.24	21,612,334.72
Intangible assets	20	2,405,150.58	3,235,433.32	2,062,149.72	3,091,329.27
Other non-current assets	36	15,344,236.06	13,117,648.08	14,291,508.28	11,953,091.15
Total non-current assets		271,769,944.90	168,896,596.73	291,573,751.86	185,592,141.35
Total assets		630,255,513.25	523,219,642.79	616,644,071.87	510,552,775.53

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

Masterkool International Public Company Limited and Subsidiaries

Statement of Financial Position

As at December 31, 2021

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	21	121,319,376.25	174,496,531.67	120,631,373.51	174,496,531.67
Trade and other current payables	22, 36	43,768,801.44	84,293,137.52	36,137,021.33	73,491,998.75
Current contract liabilities	23, 36	24,756,467.14	23,222,893.83	21,919,060.71	22,793,539.54
Current portion of lease liabilities	24	9,067,678.40	9,421,927.70	8,739,114.10	8,965,999.67
Provision for warranty	25	4,474,479.17	6,416,801.78	3,387,131.53	5,845,322.52
Other current financial liabilities	35.4, 36	-	2,950,491.28	-	2,950,491.28
Total current liabilities		203,386,802.40	300,801,783.78	190,813,701.18	288,543,883.43
Non-current liabilities					
Non-current contract liabilities	23	331,425.90	-	156,664.78	-
Long-term provision for warranty	25	232,710.28	574,229.59	-	-
Lease liabilities	24	2,256,458.82	9,844,127.06	2,256,458.82	9,515,562.77
Non-current provisions for employee benefits	26	17,356,329.61	17,235,485.47	16,070,614.10	16,058,431.96
Deferred tax liabilities	27	672,209.15	974,740.93	-	-
Other non-current liabilities		3,890,117.50	3,323,516.49	3,890,117.50	3,323,516.49
Total non-current liabilities		24,739,251.26	31,952,099.54	22,373,855.20	28,897,511.22
Total liabilities		228,126,053.66	332,753,883.32	213,187,556.38	317,441,394.65

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

Masterkool International Public Company Limited and Subsidiaries

Statement of Financial Position

As at December 31, 2021

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Shareholders' equity					
Share capital					
Registered	28				
1,250,000,000 ordinary shares of Baht 0.25 each		312,500,000.00		312,500,000.00	
576,000,000 ordinary shares of Baht 0.25 each			144,000,000.00		144,000,000.00
Issued and paid up share capital	28				
857,000,000 ordinary shares of Baht 0.25 each		214,250,000.00		214,250,000.00	
480,000,000 ordinary shares of Baht 0.25 each			120,000,000.00		120,000,000.00
Premium on share capital					
Premium on ordinary shares	28	319,821,962.93	183,030,332.93	319,821,962.93	183,030,332.93
Surplus on share-based payment transactions		3,063,936.73	3,063,936.73	3,063,936.73	3,063,936.73
Retained earnings					
Appropriated					
Legal reserve		8,256,778.85	8,256,778.85	8,256,778.85	8,256,778.85
Unappropriated		(143,263,218.92)	(123,885,289.04)	(141,936,163.02)	(121,239,667.63)
Total shareholders' equity		402,129,459.59	190,465,759.47	403,456,515.49	193,111,380.88
Total liabilities and shareholders' equity		630,255,513.25	523,219,642.79	616,644,071.87	510,552,775.53

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

Masterkool International Public Company Limited and Subsidiaries

Statement of Comprehensive Income

For the year ended December 31, 2021

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenues					
Revenue from sales		455,349,593.35	646,600,360.61	440,901,551.18	639,840,052.57
Revenue from services		64,194,743.49	85,626,993.78	27,849,368.99	47,346,353.95
Other income	29	26,087,500.98	1,611,108.06	28,347,190.89	5,679,004.89
Total revenues		545,631,837.82	733,838,462.45	497,098,111.06	692,865,411.41
Expenses					
Costs of sales		369,724,997.55	522,817,795.63	362,790,889.49	522,389,247.26
Cost of services		38,100,044.29	48,634,826.98	9,327,592.55	17,162,199.64
Cost of distribution		72,136,669.19	100,328,825.13	65,409,665.59	94,795,034.28
Administrative expenses		70,749,116.55	54,165,968.40	66,033,910.93	44,913,432.72
Loss on exchange rate		7,572,319.71	-	7,572,319.71	-
Total expenses		558,283,147.29	725,947,416.14	511,134,378.27	679,259,913.90
Profit (loss) from operations activities		(12,651,309.47)	7,891,046.31	(14,036,267.21)	13,605,497.51
Finance cost		8,380,644.10	11,295,915.30	8,621,761.70	11,241,258.50
Profit (loss) before income tax expenses		(21,031,953.57)	(3,404,868.99)	(22,658,028.91)	2,364,239.01
Income tax expenses	30	339,461.04	110,323.29	-	-
Profit (loss) for the period		(21,371,414.61)	(3,515,192.28)	(22,658,028.91)	2,364,239.01
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial losses	26, 30	1,993,484.73	(234,176.43)	1,961,533.52	(494,820.24)
Total other comprehensive income for the year		1,993,484.73	(234,176.43)	1,961,533.52	(494,820.24)
Total comprehensive income for the year		(19,377,929.88)	(3,749,368.71)	(20,696,495.39)	1,869,418.77
Number of share		637,860,274	480,000,000	637,860,274	480,000,000
Basic loss per share (Unit : Baht)	31	(0.034)	(0.007)	(0.036)	0.005

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

Masterkool International Public Company Limited and Subsidiaries

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2021

(Unit : Baht)

Consolidated financial statements

	Note	Equity attributable to the parent company					
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on share-based payment transactions	Retained earnings (deficits)		Total shareholders' equity
					Legal reserve	Unappropriated	
Balance as at January 1, 2021		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,885,289.04)	190,465,759.47
Increase and paid up share capital	28	94,250,000.00	136,791,630.00	-	-	-	231,041,630.00
Comprehensive income for the year		-	-	-	-	(19,377,929.88)	(19,377,929.88)
Balance as at December 31, 2021		214,250,000.00	319,821,962.93	3,063,936.73	8,256,778.85	(143,263,218.92)	402,129,459.59
Balance as at January 1, 2020		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(120,135,920.33)	194,215,128.18
Comprehensive income for the year		-	-	-	-	(3,749,368.71)	(3,749,368.71)
Balance as at December 31, 2020		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,885,289.04)	190,465,759.47

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

Masterkool International Public Company Limited and Subsidiaries

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2021

(Unit : Baht)

Separate financial statements						
Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on share-based payment transactions	Retained earnings (deficits)		Total shareholders' equity
				Legal reserve	Unappropriated	
Balance as at January 1, 2021	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,239,667.63)	193,111,380.88
Increase and paid up share capital	28 94,250,000.00	136,791,630.00	-	-	-	231,041,630.00
Comprehensive income for the year	-	-	-	-	(20,696,495.39)	(20,696,495.39)
Balance as at December 31, 2021	214,250,000.00	319,821,962.93	3,063,936.73	8,256,778.85	(141,936,163.02)	403,456,515.49
Balance as at January 1, 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,109,086.40)	191,241,962.11
Comprehensive income for the year	-	-	-	-	1,869,418.77	1,869,418.77
Balance as at December 31, 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,239,667.63)	193,111,380.88

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

Masterkool International Public Company Limited and Subsidiaries

Statements of Cash Flows

For the year ended December 31, 2021

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash flows from operating activities				
Profit (loss) before income tax expenses	(21,031,953.57)	(3,404,868.99)	(22,658,028.91)	2,364,239.01
Adjustments to reconcile earnings before income tax expense to cash provided by (used in) operating activities :				
Depreciation and amortisation	20,140,990.95	21,315,827.77	17,659,629.58	18,140,754.17
Expected credit loss allowance	1,310,462.56	5,170,764.04	1,611,980.60	291,490.54
Impairment loss on assets (Reversal)	(329,338.87)	19,558.36	(329,338.87)	19,558.36
Unrealised gain from exchange rates	(1,282,998.43)	(7,011,959.26)	(1,276,666.07)	(7,012,420.50)
(Gain)Loss from diminution of other current financial assets	12,985,920.00	(5,360.33)	12,985,920.00	(5,360.33)
(Gain)loss from disposals of fixed assets	977,433.87	88,484.75	(464,994.06)	87,529.35
Loss from allowance for diminution in value of inventories	2,001,886.32	2,343,402.98	1,618,927.73	2,106,528.23
Loss from diminution of investment in subsidiary	-	-	255,410.25	-
Provisions for employee benefits	2,249,006.67	2,173,934.11	2,100,405.66	1,995,156.91
Provision for warranty (reversal)	(2,283,841.92)	1,301,058.19	(2,458,190.99)	952,054.73
Difference from rental reduction	-	4,710.32	-	4,710.32
Dividend income	(14,579,840.00)	-	(14,579,840.00)	-
Interest income	(5,923,061.90)	(846,992.19)	(5,919,762.86)	(637,123.10)
Finance cost	8,380,644.10	11,295,915.30	8,621,761.70	11,241,258.50
Profit (loss) from operating activities before changes in operating assets and liabilities	2,615,309.78	32,444,475.05	(2,832,786.24)	29,548,376.19
Operating assets (increase) decrease				
Trade and other current receivables	(3,181,938.02)	6,617,441.49	288,631.00	677,395.45
Lease receivables	(160,482.06)	131,117.35	(171,875.30)	(6,170.34)
Contract assets	(1,583,445.91)	1,179,814.15	-	13,333.33
Inventories	34,759,650.31	(44,795,829.72)	47,176,770.91	(40,573,122.74)
Other current assets	24,287.26	-	26,205.50	-
Other non-current assets	(323,234.99)	(94,917.01)	(1,445.00)	(15,000.00)
Operating liabilities increase (decrease)				
Trade and other current payables	(42,812,465.13)	19,678,986.03	(36,311,832.50)	15,159,073.72
Contract liabilities	5,196,446.58	(13,794,018.50)	(717,814.05)	(13,274,877.48)
Cash received (paid) from operating activities	(5,465,872.18)	1,367,068.84	7,455,854.32	(8,470,991.87)

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

Masterkool International Public Company Limited and Subsidiaries

Statement of Cash Flows

For the year ended December 31, 2021

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash paid for employee benefit obligations	(126,690.00)	(133,950.00)	(126,690.00)	(133,950.00)
Cash received from interest income	5,964,475.22	951,660.01	5,957,698.02	646,136.41
Cash paid for finance cost	(8,153,165.39)	(11,271,151.51)	(8,394,282.99)	(11,216,494.71)
Cash paid for corporate income tax	(3,457,065.12)	(2,182,215.09)	(2,336,972.13)	(1,157,266.10)
Cash received from corporate income tax	903,731.51	1,160,582.85	-	-
Net cash flows from (used in) operating activities	(10,334,585.96)	(10,108,004.90)	2,555,607.22	(20,332,566.27)
Cash flow from investing activities				
(Increase) in other current financial assets	(13,335,944.87)	(84,774.80)	(13,335,944.87)	(84,774.80)
Cash paid for loans from other person	(119,962,811.03)	-	(119,962,811.03)	-
Cash paid for purchase of property, plant and equipment	(3,251,664.26)	(4,951,293.39)	(2,889,099.94)	(3,139,156.81)
Cash paid for purchase of right-of-use assets	-	(284,683.74)	-	(284,683.74)
Cash received from disposals of property, plant and equipment	993,621.41	29,386.45	993,621.41	29,386.45
Cash paid for purchase of intangible assets	(380,000.00)	(596,000.00)	(100,000.00)	(591,000.00)
Cash received from dividend	14,579,840.00	-	14,579,840.00	-
Increase in deposits at financial institutions				
pledged as collateral	1,900,000.00	(8,000,000.00)	1,900,000.00	(8,000,000.00)
Net cash flows from (used in) investing activities	(119,456,958.75)	(13,887,365.48)	(118,814,394.43)	(12,070,228.90)
Cash flows from financing activities				
Increase (Decrease) in bank overdrafts and short-term				
loans from financial institutions	(53,906,331.18)	27,413,445.83	(54,600,585.97)	27,413,445.83
Cash received from short-term loans from related parties	-	-	13,000,000.00	-
Cash paid for short-term loans from related parties	-	-	(13,000,000.00)	-
Cash paid for lease liabilities	(9,840,576.67)	(8,934,443.32)	(9,387,315.28)	(8,511,766.75)
Dividend paid	(110,835.40)	-	(110,835.40)	-
Cash received from increase of shares capital	231,041,630.00	-	231,041,630.00	-
Net Cash flows from (used) in financing activities	167,183,886.75	18,479,002.51	166,942,893.35	18,901,679.08
Effects of exchange rates on cash and cash equivalents	(389,353.84)	-	(389,434.13)	-
Net increase (decrease) in cash and cash equivalent	37,002,988.20	(5,516,367.87)	50,294,672.01	(13,501,116.09)
Cash and cash equivalents at the beginning of the balance	29,497,202.32	35,013,570.19	8,879,005.95	22,380,122.04
Cash and cash equivalents at the ending of the balance	66,500,190.52	29,497,202.32	59,173,677.96	8,879,005.95

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

Masterkool International Public Company Limited and Its subsidiaries

Notes to Consolidated financial statements

For the year ended December 31, 2021

1. General information

Masterkool International Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The address of the Company’s registered office is 22 Soi 2 Thetsaban Rangsan Nuea Road, Latyao, Chatuchak Bangkok. The Company has administrative office branches as follows :

- The 1st office branch is 184 Moo 10, Nawanghin, Panusnikhom, Chonburi
- The 2nd office branch is 12/16-17 & 20 Thesabansongkro Rd., Ladyao, Chatuchak, Bangkok
- The 3rd office branch is 39 Moo 6, Klongneung, Klongluang, Pathumthani
- The 4th office branch is 795 Soi 23 Pracharat 1 Rd., Bang Sue, Bang Sue, Bangkok

The principal activities of the Company and subsidiary (“the Group”) involve supply, sale and service of cooling products such as evaporative air cooler, misting fans industrial fans and ozone generator and sale and service for ozone system and provide general-renovation and repairment service.

2. Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except some transactions are valued at fair price as disclosed in the accounting policies below.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3.2 Presentation currency

The financial statements are prepared and presented in Thai Baht.

3.3 Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the effect on the amount recognised in the financial statements is included in the following notes :

3. Basis of preparation (continue)

3.3.1 Leases

Determining the lease term with extension and termination options - The Group as a lessee

The lease term with the option to extend the lease or cancel the lease. The group of business as the lessee in determining the lease term. Management needs to use judgment when assessing whether the group is it reasonable to exercise the option to extend or terminate the lease. Taking into account all relevant facts and circumstances that create the economic incentive for the group to exercise that option. After the effective date of the lease agreement. The Group reassesses the lease term if there is a significant event or situation under control and that affects the reasonable certainty of which option will be exercised.

Classification of the lease - the Group is the lessor

In determining whether a lease is to be classified as an operating lease or finance lease, Management makes judgment in assessing the terms and details of the contract to determine whether the group has transferred the risks and rewards of ownership over the leased assets.

3.3.2 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.

3.3.3 Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

3.3.4 Allowance for obsolete, slow-moving and defective inventories

The Group maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

3.3.5 Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary incremental rate, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

3.3.6 Estimated Service costs

The Group estimate costs of service projects based on details of the service work, taking into account the volume and value of materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

3.3.7 Provision for warranty

The Group estimate provision for warranty based on actual historical warranty expenses and/or currently available information related to the cost of various types of repair work.

3. Basis of preparation (continue)

3.4 Basis of consolidation

3.4.1 The accompanying consolidated financial statements include the financial statements of "The Company" represents

"Masterkool International Public Company Limited" and "Subsidiaries" represents its subsidiaries. The details of subsidiaries are as follows :

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			As at	
			December 31, 2021	December 31, 2020
Innov Green Solutions Co., Ltd.	Sale and service for ozone system	Thailand	100	100

3.4.2 Significant accounting policies about basis of consolidated Note to the financial statement no. 5.21

4. New financial reporting standards

4.1 Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2021. These financial reporting standards are aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impacts on the Group's financial statements.

4.2 Financial reporting standard that will become effective for fiscal years beginning on or after January 1, 2022

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

The management of the group is assessing the impact that it may have on the financial statements in the year when it is adopted.

5. Significant accounting policies

5.1 Revenue and expenses recognition

Revenue from sales of goods

The Group recognizes the revenue from sale of goods to the customers, dealers and modern trade malls identified as a performance obligation satisfied at a point in time when the Group transfers to the customers, dealers and modern trade malls the control of goods and recognizes the revenue from sale of goods through some modern trade malls under the consignment sale when the modern trade malls sells to their customers the goods according to the transaction price, which is the fixed amount net from the consideration payable to a customer (if any), and also recognizes a warranty provision based on the best estimate of the expenditure required to settle the obligation because the Group has a policy to provide a warranty in connection with the goods sold within the specified time in type of an assurance-type warranty that provides a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications.

5. Significant accounting policies (continue)

Revenue from sale and installation

The Group sells the goods with the installation service in some contracts. The installation service is sold bundled together with the sale of goods. The installation service does not make a significant modifies or customizes to the goods and is not complex which can be provided by any other service provider. The Group separates the sale of goods as a performance obligation and the provision of installation service as another performance obligation. The Group allocates the transaction price to performance obligations on a relative stand-alone selling price basis. The Group recognizes the revenue from sale of goods when the Group transfers to the customer the control of promised goods identified as a performance obligation satisfied at a point in time according to the allocated transaction price and also recognizes the revenue from provision of installation service identified as a performance obligation satisfied over time according to the allocated transaction price based on the progress towards complete satisfaction of that performance obligation measured with the input method on the basis of the costs incurred relative to the total expected costs for the satisfaction of that performance obligation.

Product warranty

The Group recognizes the revenue from a provision of a warranty sold in addition to the customer after the period of the assurance-type warranty expired. Such warranty is treated as providing the customer with a service in addition to the assurance that the goods complies with agreed-upon specifications and is identified as a performance obligation satisfied over time according to the transaction price, which is the fixed amount, based on the progress towards complete satisfaction of that performance obligation measured with the input method on the basis of the warranty period provided relative to the total warranty period for the satisfaction of that performance obligation.

Revenue from maintenance

The Group recognizes the revenue from provision of a short-term repair service identified as a performance obligation satisfied over time according to the transaction price, which is the fixed amount, when the Group completes satisfaction of that performance obligation.

Revenue from other services

The Group recognizes the revenue from provision of an event management service for any event performed outside a building or outdoor with the Group's goods and equipment identified as a performance obligation satisfied over time according to the transaction price, which is the fixed amount, based on the progress towards complete satisfaction of that performance obligation measured with the input method on the basis of the period of service provided relative to the total period of service provided for the satisfaction of that performance obligation.

Revenue from construction service

The Group recognizes the revenue from sale of equipment with design and installation service of the large ozone system identified as a single performance obligation satisfied over time according to the amount of the transaction price which includes the fixed amounts and the estimate variable amounts by using the expected value method only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved based on the progress towards complete satisfaction of the performance obligation with the input method on the basis of the costs incurred relative to the total expected costs for the satisfaction of that performance obligation.

Interest income

Revenue from interest are recognized by timing which concern the effective interest rate and other income are recognized

Cost of sales and expenses

Cost of sales and expenses are recognized by accrual basis of accounting.

Estimated Service costs

The Group estimate costs of service projects based on details of the service work, taking into account the volume and value of materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

5. Significant accounting policies (continue)

5.1 Revenue and expenses recognition (continue)

Provision for warranty

The Group estimate provision for warranty based on actual historical warranty expenses and/or currently available information related to the cost of various types of repair work.

5.2 Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. Cash and cash equivalents comprise cash on hand, deposits held at call at banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition and are not used as collateral.

5.3 Trade receivable

Accounts receivables shown all total amount that customers need to pay as usual. Its subsidiaries record accounts receivable initially at the amount of consideration that is unconditional unless that is involved significantly financing factors, subsidiaries record it as present value.

The Group use Simplified under TFRS9 Approach for measuring expected credit losses all over the time and recognize losses since the first time that accounts receivables have been recorded. Accounts receivables would be grouped by due of payment. The rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Subsidiaries show impairment losses in profit/loss statement as a part of administrative expenses.

5.4 Inventories

Finished goods, work in process and raw materials are valued at the lower of cost and net realizable value. Inventories are calculated by First-in-First-out (FIFO) method.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

The cost of purchase comprises both the purchase price and direct cost which related to that purchase, such as transportation charge less all attributable discounts and allowances or rebates (if any).

The cost of finished goods and work in progress comprise of direct materials, direct labour, other direct costs and overhead costs which allocated on the basis of normal operation activities.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

5.5 Investments in subsidiaries

Investments in subsidiaries undertaking are accounted for in the seporate financial statements by using the cost method of accounting less an allowance for impairment in value. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

5.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lifes :

Building	10 - 20 years
Building improvement	Upon contract
Mold	Unit of production
Equipment	3 - 10 years
Assets for rent	2 - 10 years
Furniture and office equipment	3 - 5 years
Vehicles	10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

5. Significant accounting policies (continue)

5.6 Property, plant and equipment (continue)

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other (losses)/gains – net' in profit or loss.

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

The interest costs of borrowings to finance the construction of asset, are capitalized as part of the asset, during the period of time requirement so that the asset is properly prepared for use.

5.7 Leases

Where a Group company is the lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Company Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability by discounting the revised lease payments using a revised discount rate when there is a change in the lease term, there is a change in the assessment of an option to purchase the underlying asset.

The Group re-measures the lease liability by discounting the revised lease payments using an unchanged discount rate when there is a change in the amounts expected to be payable under a residual value guarantee, and there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments (Unless the change in lease payments results from a change in floating interest rates. In that case a revised discount rate that reflects the change in the interest rate is used).

The Group re-measures the lease liability by discounting the revised lease payments using a revised discount rate when there is a lease modification that is not accounted for as a separate lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

5. Significant accounting policies (continue)

Where the Group is the lessor

The Group classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and classifies a lease as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Group recognizes assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease and recognizes finance income over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

The Group recognizes lease payments from operating leases as income on a straight-line basis and adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognizes those costs as an expense over the lease term on the straight-line basis.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group.

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.

5.8 Intangible assets

Intangible assets in type of computer software, which have finite useful lives, are stated at cost less accumulated amortization and impairment losses (if any). Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives 5 - 10 years.

Intangible assets are recorded at cost and will not be revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered as necessary.

5.9 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the assets' recoverable amounts are estimated. For assets and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year, at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increases in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

5.10 Financial instruments

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

Classification and measurement of financial assets

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

5. Significant accounting policies (continue)

5.10 Financial instruments (continue)

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. Dividends on listed equity investments are recognised as other income in profit or loss.

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 company 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.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.

Derecognition of financial instruments

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

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

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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.

Derivatives

The group initially recognized derivative contracts at fair value on the execution date and subsequently measured at fair value at the end of the reporting period. When the derivative contract expires available for sale or discontinuation The Company recognizes the gain or loss on changes in the fair value of the derivative contracts in profit or loss.

5. Significant accounting policies (continue)

5.11 Employee benefits

The Group has employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation. The related accounting policies for employee benefits can be summarized as follow;

Defined Contribution Plan - Provident Fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the profit or loss in the year to which they relate.

Post-employment benefits (defined contribution plans)

The Group provides for post employment benefits, payable to employees under the Labor Law. The present value of employee benefit liabilities recognised in the financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Group is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the market yield at the financial position date based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

5.12 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

5.13 Income tax

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.

5. Significant accounting policies (continue)

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 or highly probable to be effective at the end of the reporting period.

Deferred tax is not recognised for the following temporary differences : the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss ; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

At each reporting date, the Group review and reduce 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

5.14 Basic earnings per share

Basic earnings per share is determined by dividing the net earnings for the period by the weighted average number of issued and paid-up of common stock during the period.

5.15 Ordinary shares

Ordinary shares are classified as equity.

5.16 Legal reserve

Parent company

Section 116 of the Public Companies Act B.E. 2535 requires that the Company shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Subsidiaries company in Thailand

The subsidiaries companies shall allocate not less 5 percent of its annual net profit each time a dividend is declared, to a reserve account ("legal reserve") until the reserve reaches 10 percent of authorized share capital. The legal reserve is not available for dividend distribution.

5.17 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

5.18 Management benefit expenses

Management benefit expenses represents the benefits paid to the company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

5.19 Segment reporting

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.

5. Significant accounting policies (continue)

5.20 Provision

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

5.21 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised incomes or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

6. Related party transactions

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

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

Relationships between the Group and the Company with related parties as of December 31, 2021 and 2020 are as follows:

Company's name and related person	Nature of relationship
Innov Green Solutions Co., Ltd.	Subsidiaries
Site Preparation Management Co., Ltd.	Co-Shareholder & Co-director
Actdee Co., Ltd.	Relative of Shareholder & Director

The pricing policies among the Group and related companies are as follows;

Transactions	Policy of pricing
Revenue from sales and services	Price charge as similar as third party
Interest income	Rate approximate rate charge to Financial institutions
Other income	Contract price
Purchase of goods	Price charge as similar as third party
Purchase of fixed assets	Price charge as similar as third party
Rental service cost	Price charge as similar as third party
Management fees	Cost plus margin
Finance costs	Contract price (5.125% p.a.)

6.1 Revenue and expense transactions as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statement	
	For the year ended December 31,			
	2021	2020	2021	2020
Subsidiary Company				
Revenue from sales of products	-	-	18,890,248.61	17,403,455.31
Revenue from services	-	-	748,833.52	753,479.26
Other income	-	-	4,251,906.46	4,359,232.67
Disposal of assets	-	-	-	1,550.00
Cost of sales	-	-	22,359.80	-
Rental service cost	-	-	1,896,247.00	857,990.90
Finance cost	-	-	281,804.80	-
Related companies				
Revenue from sales of products	2,358,239.41	5,576,583.84	2,358,239.41	5,576,583.84
Revenue from services	-	58,500.00	-	58,500.00

6. Related party transactions (continue)

6.2 Assets and liabilities with related entities as follows :

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables					
Subsidiary Company		-	-	7,744,848.77	914,801.83
Related companies		2,542,703.73	4,756,204.19	2,542,703.73	4,756,204.19
Total		2,542,703.73	4,756,204.19	10,287,552.50	5,671,006.02
<u>Less</u> Allowance for expected credit losses		-	(1,710.23)	(2,877.18)	(1,900.34)
Net		2,542,703.73	4,754,493.96	10,284,675.32	5,669,105.68
Other current receivables					
Subsidiary Company		-	-	-	374,500.00
Director		-	200,000.00	-	-
Total		-	200,000.00	-	374,500.00
Trade payables					
Subsidiary Company		-	-	-	-
		-	-	1,248,172.98	321,000.00
Total		-	-	1,248,172.98	321,000.00
Contract liabilities					
Subsidiary Company		-	-	-	-
		-	-	354,150.44	55,141.67
Total		-	-	354,150.44	55,141.67

During 2021, movements of loans from related parties are as follows :

		(Unit : Baht)	
		Separate financial statements	
		As at	
		December 31, 2021	December 31, 2020
Balance as at December 31, 2020		-	-
Addition during the year		13,000,000.00	-
Repayments of loans during the year		(13,000,000.00)	-
Balance as at December 31, 2021		-	-

6.3 Management benefit expenses

		(Unit : Baht)	
		Consolidated financial statements	
		Separate financial statements	
		For the year ended December 31,	
		2021	2020
		2021	2020
Short-term employee benefits		14,230,602.84	16,401,224.72
Post-employment benefits		790,800.56	816,464.94
Total		15,021,403.40	17,217,689.66
		12,001,650.00	12,993,129.03
		719,096.30	693,692.08
		12,720,746.30	13,686,821.11

6. Related party transactions (continue)

6.4 Commitments

Parent company

As at December 31, 2021 and 2020 the Company has performed contract of management services to a subsidiary for 1 year. The subsidiary constitutes obligation commitment that has to repay service fee by Baht 350,000.00 per month.

7. Additional information of expenses by nature

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Changes in finished goods and work in progress	41,758,985.42	(34,910,843.75)	52,750,315.66	(37,645,575.67)
Allowance for diminution in value of inventories	2,001,886.32	2,343,402.98	1,618,927.73	2,106,528.23
Purchase of finished goods	288,468,467.92	527,860,380.86	272,025,501.69	525,220,539.43
Raw materials and consumable used	27,365,616.44	13,006,295.27	27,201,421.04	12,056,190.09
Outsourcing production cost	31,350,820.66	40,215,119.36	9,386,004.66	13,603,104.10
Depreciation and amortization	20,140,990.95	21,315,827.77	17,659,629.58	18,140,754.17
Staff costs	67,403,654.57	88,062,635.29	60,404,022.51	83,000,596.83
Management remunerations	15,021,403.40	17,217,689.66	12,720,746.30	13,686,821.11
Others	73,151,965.71	62,132,824.00	65,989,570.80	60,332,214.11
Total	566,663,791.39	737,243,331.44	519,756,139.97	690,501,172.40

8. Supplement information on the statement of cash flow

The Group has the following significant non-cash transaction :

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Purchase equipment on credit	0.38	3.41	0.38	3.41
Transfer from equipment to right-of-use assets	-	9.29	-	9.29
Transfer from right-of-use assets to equipment	2.45	2.35	2.45	2.35
Increased lease liabilities	2.18	23.60	2.18	22.39
Transfer from other current receivable to other non-current assets	-	0.18	-	0.18
Transfer from inventory to equipment	0.87	3.02	-	1.58
Transfer from equipment to inventory	0.84	0.04	-	0.04
Decommissioning cost	-	0.05	-	-

9. Cash and cash equivalents

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash	601,866.69	948,818.98	575,757.07	943,936.93
Cash at bank-saving accounts	2,622,036.48	2,583,614.05	2,157,742.32	2,278,924.52
Cash at bank-current accounts	58,406,874.97	22,130,383.86	52,447,306.41	1,882,698.63
Fixed deposits	4,869,412.38	3,834,385.43	3,992,872.16	3,773,445.87
Total	66,500,190.52	29,497,202.32	59,173,677.96	8,879,005.95

Cash at banks has interest at the floating rate according to bank notification.

10. Trade and other current receivables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables				
Related parties	2,542,703.73	4,756,204.19	10,287,552.50	5,671,006.02
Third parties	45,717,414.48	51,065,232.98	35,202,445.09	48,419,978.40
Total	48,260,118.21	55,821,437.17	45,489,997.59	54,090,984.42
<u>Less</u> Allowance for expected credit losses	(7,333,656.12)	(5,594,428.44)	(7,286,712.36)	(5,572,507.36)
Net	40,926,462.09	50,227,008.73	38,203,285.23	48,518,477.06
Other current receivables				
Other receivables	5,511,016.30	1,302,654.58	4,792,548.90	970,411.34
Prepaid expense	1,266,219.20	1,134,429.33	1,116,640.38	919,645.35
Deposit payments	35,521,158.95	26,053,828.09	33,828,158.95	26,053,828.09
Retention receivables	911,361.38	872,401.29	-	-
Revenue department receivable	3,332,458.71	5,267,566.32	2,958,014.81	5,267,566.32
Advance payments	317,010.75	1,529,098.00	317,010.75	1,529,098.00
Total	46,859,225.29	36,159,977.61	43,012,373.79	34,740,549.10
<u>Less</u> Allowance for expected credit losses	(924,535.73)	(1,353,300.85)	(373,461.00)	(475,685.40)
Net	45,934,689.56	34,806,676.76	42,638,912.79	34,264,863.70
Total trade and other current receivables	86,861,151.65	85,033,685.49	80,842,198.02	82,783,340.76

10. Trade and other current receivables (continue)

Outstanding trade receivables can be aged as follows :

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Related parties				
Within credit term	-	108,019.62	4,992,251.84	1,022,821.45
Overdue				
Not over 3 months	-	481,747.78	2,752,596.93	481,747.78
3 months to 6 months	-	1,962,842.10	-	1,962,842.10
6 months to 12 months	108,019.62	2,203,594.69	108,019.62	2,203,594.69
Over 12 months	2,434,684.11	-	2,434,684.11	-
Total	2,542,703.73	4,756,204.19	10,287,552.50	5,671,006.02
<u>Less</u> Allowance for expected credit losses	-	(1,710.23)	(2,877.18)	(1,900.34)
Net	2,542,703.73	4,754,493.96	10,284,675.32	5,669,105.68
Third parties				
Within credit term	20,880,993.56	11,168,945.19	11,908,478.46	9,299,219.56
Overdue				
Not over 3 months	9,906,399.02	17,157,423.41	8,369,963.48	16,569,863.55
3 months to 6 months	7,271,274.00	17,127,832.60	7,265,255.25	17,127,832.60
6 months to 12 months	2,724,292.68	2,211,332.87	2,724,292.68	2,023,363.78
Over 12 months	4,934,455.22	3,399,698.91	4,934,455.22	3,399,698.91
Total	45,717,414.48	51,065,232.98	35,202,445.09	48,419,978.40
<u>Less</u> Allowance for expected credit losses	(7,333,656.12)	(5,592,718.21)	(7,283,835.18)	(5,570,607.02)
Net	38,383,758.36	45,472,514.77	27,918,609.91	42,849,371.38
Total trade receivables	48,260,118.21	55,821,437.17	45,489,997.59	54,090,984.42
<u>Less</u> Allowance for expected credit losses	(7,333,656.12)	(5,594,428.44)	(7,286,712.36)	(5,572,507.36)
Total	40,926,462.09	50,227,008.73	38,203,285.23	48,518,477.06

11. Lease receivables

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Due within 1 year				
Minimum to be received within one year	210,000.00	43,555.39	210,000.00	28,858.27
Deferred interest	(9,266.43)	(3,303.88)	(9,266.43)	-
Present value of minimum payment	200,733.57	40,251.51	200,733.57	28,858.27
Total	200,733.57	40,251.51	200,733.57	28,858.27

11. Lease receivables (Continue)

As at December 31, 2021, the Company entered into a short-term financial leased contract with customer. The leased contracts was stated the leased repayment as monthly installment of Baht 32,100 with the total periods of 10 months. In addition, the ownership of such goods will be transferred to customers when the company received the final installment in accordance with the leased contract.

As at December 31, 2020, the Company entered into two long-term financial leased contracts with customers. The leased contracts were stated the leased repayment as monthly installment of Baht 7,348.82 to Baht 13,941.12 with the total periods of 3 to 7 years. In addition, ownership of such goods will be transferred to ownership to customers when the company received the final installment in accordance with the leased contracts.

12. Contract assets

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue from accrued service	2,914,653.44	1,331,207.53	-	-

13. Loans

	(Unit : Baht)		
	Consolidated and Separate financial statements		
	Contract	Deferred	
	Loan	interest	Loans-net
Loans during the year	174,000,000.00	(54,000,000.00)	120,000,000.00
<u>Less</u> Payment received during the year	(5,700,000.00)	5,662,811.03	(37,188.97)
Loans at end of year	168,300,000.00	(48,337,188.97)	119,962,811.03
<u>Less</u> Current portion of loans	18,000,000.00	(17,943,839.47)	56,160.53
Long-term loans	150,300,000.00	(30,393,349.50)	119,906,650.50

During the year 2021, the Company lent money to others by entering into a contract of Baht 120 million at an interest rate of 15% per year, for 3 year. Principal of loan is paid by monthly basis which divided into the 1st payment of Baht 1.20 million and the 2nd-36th payment is Baht 1.50 million per month, and the last installment is the remaining of principal and interest starting from September 30, 2021. The borrower used this land and building as a collateral.

14. Inventories

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Finished goods	186,190,663.27	205,170,307.95	170,492,184.83	200,602,566.11
Raw materials	38,573,311.46	31,606,197.89	36,434,344.78	30,860,800.03
Goods in transit	5,921,592.33	28,700,933.07	5,921,592.33	28,561,526.71
Total	230,685,567.06	265,477,438.91	212,848,121.94	260,024,892.85
<u>Less</u> Allowance for diminution in value of inventories	(29,686,166.96)	(27,684,280.64)	(28,563,876.95)	(26,944,949.22)
Net	200,999,400.10	237,793,158.27	184,284,244.99	233,079,943.63

14. Inventories (continue)

The movement of allowance for diminution in value of inventories for the year end December 31, 2021 and 2020 is as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2564	2563	2564	2563
Balance as of beginning	27,684,280.64	25,340,877.66	26,944,949.22	24,838,420.99
Added during the year	11,652,324.69	8,669,655.48	11,259,625.08	8,292,796.59
Transfers out during the year	(9,650,438.37)	(6,326,252.50)	(9,640,697.35)	(6,186,268.36)
Balance as of Ending	29,686,166.96	27,684,280.64	28,563,876.95	26,944,949.22

For the years ended December 31, 2021, the Group has reversed allowance for diminutions in the value of inventories are Baht 9.65 million in the consolidate and Baht 9.64 million in separate financial statement. (2020 : Baht 6.33 million in the consolidated and Baht 6.19 million in the separate financial statement).

15. Other current financial asset

	Note	(Unit : Baht)	
		Consolidated and Separate financial statements	
		As at	
		December 31, 2021	December 31, 2020
Financial assets at FVTPL			
Unit trust		440,160.00	90,135.13
Derivatives Assets	30.2	-	-
Total		440,160.00	90,135.13

The movement of unit trust for the year ended December 31, is as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Beginning book value	90,135.13	-
<u>Plus</u> Purchase during the year	28,494,240.00	47,400,000.00
<u>Less</u> Disposal during the year	(90,135.13)	(47,315,225.20)
Average cash return from the reduction of investment unit	(15,068,160.00)	-
Changes in fair value of unit trust	(12,985,920.00)	5,360.33
Ending book value	440,160.00	90,135.13

During the year 2021, the Company invested 1.6 million units in Samui Airport Leasehold Property Fund (SPF). The value of each unit is Baht 17.80, totaling Baht 28.49 million for this investment. Subsequently, the Company received dividends from investments Baht 9.1124 per unit, totaling Baht 14.58 million, and received a refund from the devaluation of the investment units at Baht 9.4176 per unit, totalling Baht 15.07 million. The reason for the devaluation of the investment was due to the termination of the Samui Airport contract which was considered as a sale of the leasehold right that invested by the Fund.

From the above information, the value of investment units decreased by Baht 0.2751 per unit, resulting in the investment value at the end of the period was Baht 0.44 million. The Company recognized the devaluation of unit trusts by Baht 12.99 million in the statement of comprehensive income.

16. Deposits at financial institutions pledged as collateral

All deposits at financial institutions pledged as collateral of are used as collateral against the credit facilities from financial institutions in accordance with the note 21 and 34.1

17. Investments in subsidiaries

Company's name	Separate financial statements					
	Paid-up capital (Thousand Baht)		Shareholding (%)		Cost method (Baht)	
	As at		As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Innov Green Solutions Co., Ltd.	30,000	30,000	100	100	30,000,000.00	30,255,410.25
Total					30,000,000.00	30,255,410.25

18. Property, plant and equipment

(Unit : Baht)

Consolidated financial statements								
	land	Building and improvement	Mold and Equipment	Assets for rent	Furniture and office equipment	Vehicles	Assets under construction	Total
Cost								
As at December 31, 2020	900,000.00	31,651,433.96	87,512,311.99	19,210,791.23	11,408,544.27	10,032,652.99	40,169.09	160,755,903.53
Addition	-	-	711,885.55	470,771.43	609,690.32	-	316,922.45	2,109,269.75
Transfer ownership of assets	-	-	-	1,878,476.00	-	1,462,663.55	-	3,341,139.55
Transfer in/(out)	-	-	(71,797.04)	(1,194,575.57)	(6,757.71)	-	(192,834.49)	(1,465,964.81)
Disposal/Write - off	-	-	(224,692.25)	(1,784,021.56)	(325,631.76)	(1,325,323.68)	-	(3,659,669.25)
As at December 31, 2021	900,000.00	31,651,433.96	87,927,708.25	18,581,441.53	11,685,845.12	10,169,992.86	164,257.05	161,080,678.77
Accumulative Depreciation								
As at December 31, 2020	-	23,073,552.40	52,021,782.40	10,902,305.93	9,252,442.88	5,958,408.52	-	101,208,492.13
Depreciation for the year	-	980,048.25	4,257,163.52	3,393,053.86	1,022,371.10	650,645.52	-	10,303,282.25
Transfer ownership of assets	-	-	-	329,372.20	-	559,676.97	-	889,049.17
Transfer in/(out)	-	-	(16,693.54)	(483,190.18)	(6,891.83)	-	-	(506,775.55)
Disposal/Write - off	-	-	(198,451.56)	(1,249,987.71)	(299,831.43)	(1,121,382.31)	-	(2,869,653.01)
As at December 31, 2021	-	24,053,600.65	56,063,800.82	12,891,554.10	9,968,090.72	6,047,348.70	-	109,024,394.99
Allowance for impairment								
As at December 31, 2020	-	-	11,120,711.35	-	-	-	-	11,120,711.35
Increase/(Decrease)	-	-	(329,338.87)	-	-	-	-	(329,338.87)
As at December 31, 2021	-	-	10,791,372.48	-	-	-	-	10,791,372.48

18. Property, plant and equipment (continue)

(Unit : Baht)

	Consolidated financial statements							
	Building and							
	Building	Mold and	Furniture and			Assets under		
	land	improvement	Equipment	Assets for rent	office equipment	Vehicles	construction	Total
Net Book Value								
As at December 31, 2021	900,000.00	7,597,833.31	21,072,534.95	5,689,887.43	1,717,754.40	4,122,644.16	164,257.05	41,264,911.30
As at December 31, 2020	900,000.00	8,577,881.56	24,369,818.24	8,308,485.30	2,156,101.39	4,074,244.47	40,169.09	48,426,700.05
Depreciation included in the consolidated statement of comprehensive income for the year ended December 31,								
2021		10,303,282.25						
2020		11,900,713.75						

18. Property, plant and equipment (continue)

(Unit : Baht)

		Separate financial statements					
		Building and					
		Building	Mold and		Furniture and		
		improvement	Equipment	Assets for rent	office equipment	Vehicles	Total
Cost		land					
As at December 31, 2020		900,000.00	30,485,450.13	72,905,760.15	14,368,467.19	10,758,244.47	139,450,574.93
Addition		-	-	677,142.84	470,771.43	601,631.16	1,749,545.43
Transfer ownership of assets		-	-	-	1,878,476.00	-	3,341,139.55
Transfer in/(out)		-	-	(71,797.04)	71,797.04	(10,922.00)	(10,922.00)
Disposal/Write - off		-	-	(224,692.25)	(1,230,196.88)	(317,689.76)	(3,097,902.57)
As at December 31, 2021		900,000.00	30,485,450.13	73,286,413.70	15,559,314.78	11,031,263.87	141,432,435.34
Accumulative Depreciation							
As at December 31, 2020		-	21,907,569.57	48,404,740.63	10,229,804.21	8,747,077.83	95,247,600.76
Depreciation for the year		-	980,048.25	3,111,820.63	2,693,134.34	920,063.67	8,355,712.41
Transfer ownership of assets		-	-	-	329,372.20	-	889,049.17
Transfer in/(out)		-	-	(16,693.54)	16,693.54	(6,891.83)	(6,891.83)
Disposal/Write - off		-	-	(198,451.56)	(1,151,207.33)	(291,892.43)	(2,762,933.63)
As at December 31, 2021		-	22,887,617.82	51,301,416.16	12,117,796.96	9,368,357.24	101,722,536.88
Allowance for impairment							
As at December 31, 2020		-	-	6,272,998.21	-	-	6,272,998.21
Increase/(Decrease)		-	-	(329,338.87)	-	-	(329,338.87)
As at December 31, 2021		-	-	5,943,659.34	-	-	5,943,659.34

18. Property, plant and equipment (continue)

(Unit : Baht)

		Separate financial statements						
		Building and						
		Building	Mold and	Furniture and				
		land	improvement	Equipment	Assets for rent	office equipment	Vehicles	Total
Net Book Value								
As at December 31, 2021		900,000.00	7,597,832.31	16,041,338.20	3,441,517.82	1,662,906.63	4,122,644.16	33,766,239.12
As at December 31, 2020		900,000.00	8,577,880.56	18,228,021.31	4,138,662.98	2,011,166.64	4,074,244.47	37,929,975.96
Depreciation included in the separate statement of comprehensive income for the year ended December 31,								
2021		8,355,712.41						
2020		9,252,998.61						

As at December 31, 2021 and 2020 certain building and equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 46.81 million and 31.91 million, respectively.

As at December 31, 2021 and 2020 The Group has pledged the land with structure in original cost of Baht 7.10 million and Baht 7.82 million, respectively to guarantee against credit facility of the Company that receives from a commercial bank in amount of Baht 282.50 million.

19. Right of use assets

(Unit : Baht)

		Consolidated financial statements			
		Buildings	Assets for rent	Vehicles	Total
Cost					
	As at December 31, 2020	20,024,554.92	1,878,476.00	9,567,136.11	31,470,167.03
<u>Add</u>	Increase/reassessment lease term	2,182,255.80	-	-	2,182,255.80
<u>Less</u>	Change in conditions/written-off	(1,108,414.03)	-	-	(1,108,414.03)
	Transfers out	-	(1,878,476.00)	(1,462,663.55)	(3,341,139.55)
	As at December 31, 2021	21,098,396.69	-	8,104,472.56	29,202,869.25
Accumulated depreciation					
	As at December 31, 2020	7,190,327.13	329,372.20	1,583,652.42	9,103,351.75
<u>Add</u>	Depreciation for the year	7,486,155.36	-	1,384,479.87	8,870,635.23
<u>Less</u>	Depreciation of change in conditions/ written-off	(881,065.02)	-	-	(881,065.02)
	Transfers out	-	(329,372.20)	(559,676.97)	(889,049.17)
	As at December 31, 2021	13,795,417.47	-	2,408,455.32	16,203,872.79
Net book value					
	As at December 31, 2021	7,302,979.22	-	5,696,017.24	12,998,996.46
	As at December 31, 2020	12,834,227.79	1,549,103.80	7,983,483.69	22,366,815.28

(Unit : Baht)

		Separate financial statements			
		Buildings	Assets for rent	Vehicles	Total
Cost					
	As at December 31, 2020	18,817,386.03	1,878,476.00	9,567,136.11	30,262,998.14
<u>Add</u>	Increase/reassessment lease term	2,182,255.80	-	-	2,182,255.80
<u>Less</u>	Change in conditions/written-off	(1,108,414.03)	-	-	(1,108,414.03)
	Transfers out	-	(1,878,476.00)	(1,462,663.55)	(3,341,139.55)
	As at December 31, 2021	19,891,227.80	-	8,104,472.56	27,995,700.36
Accumulated depreciation					
	As at December 31, 2020	6,737,638.80	329,372.20	1,583,652.42	8,650,663.42
<u>Add</u>	Depreciation for the year	7,033,467.02	-	1,384,479.87	8,417,946.89
<u>Less</u>	Depreciation of change in conditions/ written-off	(881,065.02)	-	-	(881,065.02)
	Transfers out	-	(329,372.20)	(559,676.97)	(889,049.17)
	As at December 31, 2021	12,890,040.80	-	2,408,455.32	15,298,496.12
Net book value					
	As at December 31, 2021	7,001,187.00	-	5,696,017.24	12,697,204.24
	As at December 31, 2020	12,079,747.23	1,549,103.80	7,983,483.69	21,612,334.72

20. Intangible assets

(Unit : Baht)

	Consolidated financial statements			Separate financial statements	
	Computer	Program under	Total	Computer	Total
	software	installation		software	
Cost					
As at December 31, 2020	13,315,906.20	1,540,000.00	14,855,906.20	12,921,638.77	12,921,638.77
Addition	380,000.00	-	380,000.00	100,000.00	100,000.00
Disposal	(300,936.00)	-	(300,936.00)	(300,936.00)	(300,936.00)
Transfer in / (out)	10,922.00	-	10,922.00	10,922.00	10,922.00
As at December 31, 2021	13,405,892.20	1,540,000.00	14,945,892.20	12,731,624.77	12,731,624.77
Accumulative amortisation					
As at December 31, 2020	10,080,472.88	-	10,080,472.88	9,830,309.50	9,830,309.50
Amortisation for the year	967,073.47	-	967,073.47	885,970.28	885,970.28
Disposal	(53,696.56)	-	(53,696.56)	(53,696.56)	(53,696.56)
Transfer in (out)	6,891.83	-	6,891.83	6,891.83	6,891.83
As at December 31, 2021	11,000,741.62	-	11,000,741.62	10,669,475.05	10,669,475.05
Allowance for impairment					
As at December 31, 2020	-	1,540,000.00	1,540,000.00	-	-
As at December 31, 2021	-	1,540,000.00	1,540,000.00	-	-
Net Book Value					
As at December 31, 2021	2,405,150.58	-	2,405,150.58	2,062,149.72	2,062,149.72
As at December 31, 2020	3,235,433.32	-	3,235,433.32	3,091,329.27	3,091,329.27
Amortisation included in the separate statement of comprehensive income for the year ended.					
As at December 31, 2021	967,073.47			885,970.28	
As at December 31, 2020	1,049,121.33			974,451.20	

As at December 31, 2021 and 2020 certain intangible assets items of the Group have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those assets amounted to Baht 8.38 million and Baht 6.31 million, respectively.

21. Bank overdraft and Short-term loans from financial institutions

(Unit : Baht)

	Interest rate	Period	Consolidated financial statements		Separate financial statements	
			As at		As at	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank overdraft	5.875	-	-	41,155,298.19	-	41,155,298.19
Short-term loans	5.25	3	10,700,000.00	16,000,000.00	10,700,000.00	16,000,000.00
Trust receipt payable	3.15 - 6.45	4 - 7	110,619,376.25	117,341,233.48	109,931,373.51	117,341,233.48
Total			121,319,376.25	174,496,531.67	120,631,373.51	174,496,531.67

Such the line of bank overdrafts and short-term loans from financial institutions are secured by bank deposits in accordance with the note 16 and land with structure in accordance with the note 18.

22. Trade and other current payables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade payables	27,908,573.46	64,966,752.89	24,542,184.40	56,777,987.86
Asset payables	378,522.47	1,624,310.27	378,522.47	1,621,271.47
Accrued expenses	14,640,301.88	16,104,291.89	10,921,781.89	14,900,993.15
Undue output vat	582,489.36	285,431.29	245,032.57	191,746.27
Other payables	158,688.73	817,812.32	-	-
Revenue department payables	49,500.00	494,538.86	49,500.00	-
Decommissioning cost	50,725.54	-	-	-
Total	43,768,801.44	84,293,137.52	36,137,021.33	73,491,998.75

23. Contract liabilities

(Unit : Baht)

	Consolidated financial Statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Advance revenue from sell goods	20,180,135.85	21,406,884.99	19,967,528.35	21,047,197.38
Advance revenue from service	4,907,757.19	1,816,008.84	2,108,197.14	1,746,342.16
Total	25,087,893.04	23,222,893.83	22,075,725.49	22,793,539.54
<u>Less</u> Current portion of contract liabilities	24,756,467.14	23,222,893.83	21,919,060.71	22,793,539.54
Non-current contract liabilities	331,425.90	-	156,664.78	-

24. Lease liabilities

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Not later than one year	9,440,283.76	10,280,822.01	9,104,283.76	9,790,155.38
Later than 1 year but not later than 5 years	2,314,823.36	10,182,914.93	2,314,823.36	9,846,914.93
Total	11,755,107.12	20,463,736.94	11,419,107.12	19,637,070.31
<u>Less</u> Future finance charges on finance leases	(430,969.90)	(1,197,682.18)	(423,534.20)	(1,155,507.87)
Present value of finance lease liabilities	11,324,137.22	19,266,054.76	10,995,572.92	18,481,562.44
<u>Less</u> Current portion of lease liabilities	(9,067,678.40)	(9,421,927.70)	(8,739,114.10)	(8,965,999.67)
Net	2,256,458.82	9,844,127.06	2,256,458.82	9,515,562.77

As at December 31, 2021, the Group has entered into the contract of long term leases with several lessor companies so as to lease vehicles by number of 8 contracts, building and warehouse by number of 5 contracts. The leased contracts determine leased fee repayment as monthly installment from Baht 8,468.00 to Baht 384,000.00 per month. The leased period is carried from 3 years to 4 years. Such leased contract comprises the Group directors as guarantors.

25. Provision for warranty

The movement of provision for warranty for the yearend December 31, 2021 and 2020 is as follows:

		(Unit : Baht)			
		Consolidated financial Statements		Separate financial statements	
		As at		As at	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Provision for warranty as at beginning of year		6,991,031.37	5,689,973.18	5,845,322.52	4,893,267.79
<u>Add</u> Increase during the year		3,951,991.08	6,299,771.10	3,387,131.53	5,154,148.01
<u>Less</u> Utilized during the year		(4,119,326.02)	(3,867,470.56)	(3,740,901.30)	(3,826,005.91)
Unused amount reversed during the year		(2,116,506.98)	(1,131,242.35)	(2,104,421.22)	(376,087.37)
Provision for warranty at end of year		4,707,189.45	6,991,031.37	3,387,131.53	5,845,322.52

Estimates of quality assurance broken down by warranty period are as follows:

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Within 1 years		4,474,479.17	6,416,801.78	3,387,131.53	5,845,322.52
2 year - 5 years		232,710.28	574,229.59	-	-
Total		4,707,189.45	6,991,031.37	3,387,131.53	5,845,322.52

26. Non-current provisions for employee benefits

		(Unit : Baht)			
		Consolidated financial Statements		Separate financial statements	
		As at		As at	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Employee benefit obligations at beginning of year		17,235,485.47	15,026,485.89	16,058,431.96	13,702,404.81
<u>Add</u> Employee benefit during the year		1,972,315.89	1,905,160.09	1,845,019.55	1,751,672.84
Financial cost (interest) during the year		276,690.78	268,774.03	255,386.11	243,484.07
<u>Less</u> Paid employee benefit during the year		(126,690.00)	(133,950.00)	(126,690.00)	(133,950.00)
<u>Add(less)</u> Actuarial (gains) losses arising					
from post-employment benefits		(2,001,472.53)	169,015.46	(1,961,533.52)	494,820.24
Employee benefit obligations at end of year		17,356,329.61	17,235,485.47	16,070,614.10	16,058,431.96

Long-term employee benefit expenses included in the consolidated statements of comprehensive income for the year ended December 31, 2021 and 2020, amounted to Baht 2.55 million and Baht 2.17 million, respectively and the Company statements of comprehensive income for the year ended December 31, 2021 and 2020, amounted to Baht 2.10 million and Baht 2 million, respectively.

26. Non-current provisions for employee benefits (continue)

Actuarial (gains) losses recognized in other comprehensive income arising from :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Change in demographic hypothesis	-	7,445.72	-	6,771.62
Changes in financial assumptions	(1,489,491.88)	362,839.45	(1,294,999.40)	345,102.95
Experience adjustment	(511,980.65)	(201,269.71)	(666,534.12)	142,945.67
Total	(2,001,472.53)	169,015.46	(1,961,533.52)	494,820.24

The principal actuarial assumptions used were as follows :

(Unit : Percentage)

	Parent company		Subsidiary	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Discount rate	2.38%	1.60%	2.83%	1.81%
Salary increases rate	6.00%	6.00%	5.00%	5.00%
Turnover rate	2.87%-34.38%	2.87%-34.38%	2.87%-34.38%	2.87%-34.38%

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.

(Unit : Baht)

		For the years ended December 31, 2021			
	Movement	Consolidated financial statements		Separate financial statements	
		Increase	Decrease	Increase	Decrease
Discount rate	0.5%	16,519,711.40	18,266,417.73	15,323,028.89	16,883,762.54
Salary increases rate	1%	19,160,393.35	15,794,974.54	17,678,646.78	14,678,389.66
Turnover rate	20%	15,820,700.98	19,242,760.89	14,696,325.11	17,759,808.56

(Unit : Baht)

		For the years ended December 31, 2020			
	Movement	Consolidated financial statements		Separate financial statements	
		Increase	Decrease	Increase	Decrease
Discount rate	0.5%	16,298,017.36	18,259,856.54	15,209,078.74	16,986,341.26
Salary increases rate	1%	19,246,100.78	15,508,594.94	17,875,579.00	14,496,988.37
Turnover rate	20%	15,461,184.17	19,471,733.24	14,449,171.59	18,089,574.27

27. Deferred tax liabilities

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at		As at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred tax liabilities	672,209.15	974,740.93	-	-
Total	672,209.15	974,740.93	-	-

The movement of deferred tax assets and liabilities arising as at December 31, 2021 and 2020 is as follows:

(Unit : Baht)

	Consolidated financial statements			
	As at	Movement Increase / (Decrease)		As at
	January 1, 2021	Profit or loss	OCI	December 31, 2021
Deferred tax liabilities				
<u>Deferred tax assets</u>				
Allowance for diminution in value of inventories	100,491.33	224,557.57	-	325,048.90
Provision for warranty	159,341.08	104,670.50	-	264,011.58
Employee benefit obligations	199,655.26	65,475.64	(7,987.80)	257,143.10
Total Deferred tax assets	459,487.67	394,703.71	(7,987.80)	846,203.58
<u>Deferred tax liabilities</u>				
Property, plant and equipment	1,434,228.60	84,184.13	-	1,518,412.73
Total Deferred tax liabilities	1,434,228.60	84,184.13	-	1,518,412.73
Net	(974,740.93)	310,519.58	(7,987.80)	(672,209.15)

(Unit : Baht)

	Consolidated financial statements			
	As at	Movement Increase / (Decrease)		As at
	January 1, 2020	Profit or loss	OCI	December 31, 2020
Deferred tax liabilities				
<u>Deferred tax assets</u>				
Allowance for expected credit losses	20,431.86	(20,431.86)	-	-
Allowance for diminution in value of inventories	100,491.33	-	-	100,491.33
Provision for warranty	159,341.08	-	-	159,341.08
Employee benefit obligations	264,816.22	-	(65,160.96)	199,655.26
Total Deferred tax assets	545,080.49	(20,431.86)	(65,160.96)	459,487.67
<u>Deferred tax liabilities</u>				
Property, plant and equipment	1,358,867.30	75,361.30	-	1,434,228.60
Total Deferred tax liabilities	1,358,867.30	75,361.30	-	1,434,228.60
Net	(813,786.81)	(95,793.16)	(65,160.96)	(974,740.93)

The Group has not recognized tax loss as deferred tax assets since managements assessed that there was economic uncertainty. Therefore, the Group cannot estimate certain future operating performance to determine future usage for such assets. Consequently, the Group will recognise deferred tax assets when tax obligations occurred.

27. Deferred tax liabilities (continue)

The deferred tax asset is not recognized in the statement of financial position consisted of :

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Unrecognized tax loss					
-	Expires in one year	8,689,520.48	-	8,689,520.48	-
-	Expires from 2-5 years	20,101,290.93	26,252,286.01	20,101,290.93	26,252,286.01
Temporary differences		17,461,862.59	19,653,971.52	14,244,848.75	17,249,539.62
Total		46,252,674.00	45,906,257.53	43,035,660.16	43,501,825.63

28. Share capital and Premium on ordinary shares

		(Unit : Baht)			
		Consolidated and Separate financial statements			
		As at December 31, 2021		As at December 31, 2020	
		Amount (Share)	Amount (Baht)	Amount (Share)	Amount (Baht)
Share capital					
Registered share capital					
	Beginning balance for the year	576,000,000	144,000,000.00	576,000,000	144,000,000.00
	<u>Less</u> Reduction of registered capital	(96,000,000)	(24,000,000.00)	(96,000,000)	(24,000,000.00)
	<u>Add</u> Increase of registered capital	770,000,000	192,500,000.00	96,000,000	24,000,000.00
	Ending balance for the year	1,250,000,000	312,500,000.00	576,000,000	144,000,000.00
Issued and paid-up share capital					
	Beginning balance for the year	480,000,000	120,000,000.00	480,000,000	120,000,000.00
	<u>Add</u> Increase of ordinary shares	377,000,000	94,250,000.00	-	-
	Total ordinary shares	857,000,000	214,250,000.00	480,000,000	120,000,000.00
Premium on ordinary shares					
	Beginning balance for the year	480,000,000	183,030,332.93	480,000,000	183,030,332.93
	<u>Add</u> Increase of premium on shares	312,000,000	137,419,000.00	-	-
	<u>Less</u> Equity issuance fees	-	(627,370.00)	-	-
	Total Premium on ordinary shares	792,000,000	319,821,962.93	480,000,000	183,030,332.93

Capital decrease/increase No.1

According to the minutes of the 2021 Annual General Meeting of Shareholders held on April 22, 2021, it was resolved to reduce capital under a general mandate and according to the resolution of the 2020 Annual General Meeting of Shareholders of 96 million shares that have not yet been sold amounted to Baht 24 million and approved to increase the registered capital of the amounted to Baht 60 million from the original registered capital of Baht 120 million to Baht 180 million by issuing 240 million ordinary shares at a par value of Baht 0.25 per share and offering price per share Baht 0.45 at the ratio of 2 common shares : 1 common share. The Company has registered the capital increase with the Ministry of Commerce on June 16, 2021 and has received the payment for the shares in full amounted to Baht 108 million.

28. Share capital and Premium on ordinary shares (Continue)**Capital increase No.2**

According to the minutes of the Extraordinary General Meeting of Shareholders No. 1/2021 on August 6, 2021, it was resolved to increase the registered capital to Private placement amounted to Baht 132.50 million from the original registered capital of Baht 180 million to Baht 312.50 million by issuing 530 million ordinary shares at a par value of Baht 0.25 per share. It was a capital increase on a specific purpose as the company has been approved for the acquisition of assets and related transactions by the entire business transfer of Sathorn Sinsub Company Limited (SS) and Capital Link Udonthani Company Limited (CLU) and allocating to other specific persons by 102.13 million shares, 170.35 million shares and 257.52 million shares, respectively, totaling 530 million shares. The Company registered the capital increase with the Ministry of Commerce on August 27, 2021

For this new capital increase of 530 million shares, the Company received payment of 72 million shares at the offering price of Baht 0.852 per share, totaling Baht 61.34 million on August 25, 2021.

Capital increase No.3

The Company offering to sell 530 million new shares, according to the Extraordinary General Meeting of Shareholder No. 1/2021 on August 6, 2021, allocating to other specified persons. Offering shares from 15-17 December 2021, 65 million shares, totaling 62.33 million baht, consisting of payment received for shares on December 16, 2021, amounting to 25 million shares, for 0.957 baht per share, totaling 23.93 million baht, and on December 17, 2021, amounting to 40 million shares, for 0.96 baht per share, totaling 38.40 million baht.

The Company had a registration fee, other regulatory fees, and legal advisory fees in the amount of Baht 0.63 million. Such expenses were deducted from the share premium in the shareholders' equity.

29. Other income**(Unit : Baht)**

	Consolidated financial Statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Dividend income	14,579,840.00	-	14,579,840.00	-
Interest income	5,923,061.90	846,992.19	5,919,762.86	637,123.10
Gain on exchange rate	18,198.51	463,900.21	-	463,900.21
Other income	5,566,400.57	300,215.66	7,847,588.03	4,577,981.58
Total	26,087,500.98	1,611,108.06	28,347,190.89	5,679,004.89

30. Income tax expense

Corporate income tax was calculated on profit before income tax for the year, using the estimated effective tax rate for the year, are summarized below :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Current income tax :				
Corporate income tax charge	649,980.62	14,530.13	-	-
Deferred tax :				
Expense deferred tax expense relating to the origination and reversal of temporary differences	(310,519.58)	95,793.16	-	-
Total income tax expense recognized in the Statements of comprehensive income	339,461.04	110,323.29	-	-

The income tax relating to each component of other comprehensive income for the year ended December 31 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Deferred tax expense on actuarial gains (losses)	7,987.80	65,160.96	-	-

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31 :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Accounting profit (loss) before tax	(21,031,953.57)	(3,404,868.99)	(22,658,028.91)	2,364,239.01
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(4,206,390.71)	(680,973.80)	(4,531,605.78)	472,847.80
Effects of :				
Temporary difference not recognized as a deferred tax asset	2,283,762.63	1,811,442.76	2,423,627.56	630,205.61
Previous temporary difference not recognized as a deferred tax asset	(68,746.95)	(54,347.88)	-	-
Income tax or expenses not treated as expenses under				
the Revenue Code	382,847.25	959,335.43	64,952.66	822,079.81
Revenues that are granted income tax exemption or				
expenses that are deductible at a greater amount	(790,877.51)	-	(605,538.00)	-
Tax losses for unrecognized deferred tax assets	2,738,866.33	-	2,648,563.56	-
Previous losses	-	(1,925,133.22)	-	(1,925,133.22)
Income tax expenses reported in the				
statements of comprehensive income	339,461.04	110,323.29	-	-

31. Earnings per share

Basic earnings per share for the year ended December 31, are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2021	2020	2021	2020
Basic earnings per share				
Net profit attributable to equity holders of				
the parent company (Unit : Baht)	(21,371,414.61)	(3,515,192.28)	(22,658,028.91)	2,364,239.01
Number of ordinary shares (Unit : Share)	637,860,274	480,000,000	637,860,274	480,000,000
Earnings per share (Unit : Baht)	(0.034)	(0.007)	(0.036)	0.005

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the year attributable to shareholders by the (excluding other comprehensive income) weighted average number of ordinary shares in issue during the year.

32. Revenue from contracts with customers

The amount of the transaction price allocated to the performance obligations that are unsatisfied as at the end of each reporting period are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Construction services	15,254,449.78	639,130.81	-	-
Installation service	2,378,138.89	948,935.39	-	-
Maintenance service	2,514,670.24	3,080,117.34	2,108,197.14	1,770,567.97
Total	20,147,258.91	4,668,183.54	2,108,197.14	1,770,567.97

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2021, as revenue in the future periods, as follow:

	(Unit : Baht)			
	Consolidated financial statements			
	2022	2023	2024	Total
Construction services	15,254,449.78	-	-	15,254,449.78
Installation service	2,378,138.89	-	-	2,378,138.89
Maintenance service	2,320,203.34	167,004.73	27,462.17	2,514,670.24
Total	19,952,792.01	167,004.73	27,462.17	20,147,258.91
(Unit : Baht)				
	Separate financial statements			
	2022	2023	2024	Total
Maintenance service	1,913,730.24	167,004.73	27,462.17	2,108,197.14
Total	1,913,730.24	167,004.73	27,462.17	2,108,197.14

32. Revenue from contracts with customers (continue)

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2020, as revenue in the future periods, as follow:

					(Unit : Baht)	
					Consolidated financial statements	
					2021	2022
					2023	Total
Construction services	639,130.81	-	-	639,130.81		
Installation service	948,935.39	-	-	948,935.39		
Maintenance service	2,758,988.07	275,253.66	45,875.61	3,080,117.34		
Total	4,347,054.27	275,253.66	45,875.61	4,668,183.54		
					(Unit : Baht)	
					Separate financial statements	
					2021	2022
					2023	Total
Maintenance service	1,770,567.97	-	-	1,770,567.97		
Total	1,770,567.97	-	-	1,770,567.97		

The amount of revenue recognized in the financial statement for the year ended on December 31, 2021 and 2020 that was included in the contract liability, are as follow:

					(Unit : Baht)	
					Consolidated financial statements	Separate financial statements
					For the year ended	For the year ended
					December 31, 2021	December 31, 2020
Advance revenue from service	1,826,234.60	2,080,816.92	1,756,567.95	1,739,061.81		

33. Segment financial information

The group of company refer to segment operation with reviewed internal report by management team who makes final decision such as chairman and resource management team who control and evaluate performance.

The Group classifies the operating segment in the form of type of business operated. The Group has 2 operating segments which are consists of the sale of products segment and the service of products segment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses and finance cost. The segment operation are as follows :-

(Unit : Million Baht)

Consolidated financial statements						
Sale of Products		Providing of Service		Total		
For the year ended December 31,						
2021	2020	2021	2020	2021	2020	
Revenue from sales and services	455.35	646.60	64.19	85.63	519.54	732.23
Cost of sales and services	(369.72)	(522.82)	(38.10)	(48.64)	(407.82)	(571.46)
Segment results				111.72	160.77	
Other income				26.09	1.61	
Cost of distribution				(72.14)	(100.33)	
Administrative expenses				(70.75)	(54.16)	
Loss on exchange rate				(7.57)	-	
Finance cost				(8.38)	(11.29)	
Profit (loss) before income tax expenses				(21.03)	(3.40)	
Income tax expenses				(0.34)	(0.11)	
Profit (loss) for the year				(21.37)	(3.51)	

33. Segment financial information (continue)

The Group has pricing policies as discussed in Note to financial statements no.6

For the Company and its subsidiaries share the same revenue-generated assets and liabilities, the Company and its subsidiaries do not allocate costs of providing services and assets and liabilities used between these two business segments.

Geographical segment information for the year ended December 31, 2021 and 2020 are as follows :

(Unit: Million Baht)

	Consolidated financial statements					
	Thailand		China		Total	
	For the year ended December 31,					
	2021	2020	2021	2020	2021	2020
Revenues from external customers	310.22	424.00	209.32	308.23	519.54	732.23
Non-current assets						
(excluding financial instruments						
and deferred tax)	52.70	67.38	14.94	15.87	67.64	83.25

Revenue about geographic area for the year ended December 31, 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Sale of products		Service		Total	
	For the year ended December 31,					
	2021	2020	2021	2020	2021	2020
Revenue from external customers						
- Thailand	246.03	338.37	64.19	85.63	310.22	424.00
- China	209.32	308.23	-	-	209.32	308.23
	455.35	646.60	64.19	85.63	519.54	732.23

Information about main client

The Group's revenues from major customers for the years ended December 31, as follows:

	Consolidated financial statements					
	2021			2020		
	Number of	Amount	Percentage of	Number of	Amount	Percentage of
	customers	(Million Baht)	net income (%)	customers	(Million Baht)	net income (%)
Revenue from sales and services	2	224.98	43.30	1	237.74	32.47

34. Commitments and contingent liabilities

34.1 Obligation about L/C and LG are as follows :

	Currency	Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		(Million)			
		2021	2020	2021	2020
Letter of credit	USD	0.34	0.30	0.34	0.30
Letter of guarantee	Baht	1.77	0.66	0.06	0.06

34.2 Producing Contract

The Company agrees to make producing contract with a foreign company, period of this contract last for 11 years, the contract would be ended in December 2025.

34.3 Distributor agreement

The Company entered into a distributor agreement with a foreign company for several agreements. The Company is authorized to sell the products of cooling machines business (detail of the products is in the contract) in the country around the world save except some country as specified in the agreement. The contractual period as follows:

- Period of contract is 11 years. The agreement term will be expired in December 2022. Under the agreement, the Company is committed to achieve certain distributor's sales requirement as specified in the agreements.
- Period of contract is 11 years. The agreement term will be expired in December 2023.

34.4 Producing and agency contract

The Company entered into a Producing and agency contract with a foreign company for several contracts. The Company is authorized to sell the products of cooling machines business (detail of the products is in the contract) in the country around the world save except some countries as specified in the agreement. period of contracts starts on August 2018 and 2019.

34.5 Service Contract

As at December 31, 2020 the Group of Company's hire obligation with unrelated persons for a year which costs monthly about 10,000 - 95,000 baht.

34.6 Hire unrelated persons contracts

The company has obligation for hiring unrelated persons to be a sales agent who are responsible for foreign sales, the contract starts November 2018, contract would be terminated when both parties agree to end the contract. Monthly cost is RMB 5,883. Since the Company has been affected by the epidemic situation of the Covid-19 virus, the agent fee will be reduced by 10% for a period of 7 months from June to December 2021.

35. Financial Instruments

35.1 Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved

35.2 Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure in order to support asset management plan and new investment opportunities which will create value and strengthen financial position for the whole group.

35. Financial Instruments (Continue)

34.3 Foreign currency risk

The Company has purchase and sales transactions using foreign currency. Sales and export received US dollar while the purchase and import finished goods and raw materials paid by US Dollar and Yuan. The Company's business structure has been partially hedged against natural hedge. However, the management believe that the risk does not have a significant impact on the Group's financial statements.

The balances of financial assets and liabilities denominated in foreign currencies as at December 31, 2021 and 2020, are summarized below :

Transaction	Currency (Million)	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial assets					
Cash and cash equivalents	USD	0.05	0.08	0.05	0.07
	RMB	0.02	0.01	0.02	0.01
Foreign trade receivables	USD	0.03	0.35	0.03	0.35
Financial liabilities					
Foreign trade payables	USD	0.59	1.93	0.59	1.93
Trust receipt payables	USD	3.29	3.89	3.29	3.89
loans	USD	0.12	0.11	0.12	0.11

35. Financial Instruments (Continue)

35.4 Risks of making forward contracts

The Group constitutes material risk from exchange rates in overseas currencies because there are trading transactions, cash at bank, trade receivable, trade payable and trust receipt that are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

The company has forward contracts with a financial institution by below :

Consolidated and separate financial statements							
As at December 31, 2020							
Fair values of							
Derivatives	Contract	Contract Value		Derivatives (Million Baht)		Value date	Contract rate
	Amount	(Million)	Currency	Asset	Liabilities		
Forward Contract	15	3.10	USD	-	2.95	12/01/2021 - 4/6/2022	30.16 - 31.65

35.5 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts and notes receivable. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentration of credit risk since they have large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts and notes receivables as stated in the statement of financial position.

35. Financial Instruments (Continue)

35.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to interest rate risk relates primarily to its cash at banks, loans, loans from financial institutions. So the company is exposed to the risk of the fluctuation in the future market rate.

Significant financial assets and liabilities as at December 31, 2021 and 2020, classified by type of interest rates are summarized as follows :

	Consolidated financial statements						(Unit : Million Baht)		(Unit : %)
	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Interest rate
	2021	2020	2021	2020	2021	2020	2021	2020	(% per annum)
<u>Financial assets</u>									
Cash and cash equivalent	65.90	28.55	-	-	0.60	0.95	66.50	29.50	0.05-0.5%
Trade and other current receivables	-	-	-	-	86.86	85.03	86.86	85.03	-
Current contract assets	-	-	-	-	2.91	1.33	2.91	1.33	-
Long-term loans	-	-	119.96	-	-	-	119.96	-	0.15
Deposits at financial institutions pledged as collateral	-	-	79.85	81.75	-	-	79.85	81.75	0.15-0.38%
<u>Financial liabilities</u>									
Bank overdrafts and short-term loans from financial institution	121.32	174.50	-	-	-	-	121.32	174.50	3.15-5.25%
Trade and other current payables	-	-	-	-	43.77	84.29	43.77	84.29	-
Lease liabilities	11.32	19.27	-	-	-	-	11.32	19.27	3.00-6.00%
Other current financial liabilities	-	2.95	-	-	-	-	-	2.95	-

35. Financial Instruments (Continue)

35.7 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As of 31 December 2021, the Group has of the liabilities, which will mature within one year, based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.

Maturity for the Group's financial liabilities as at December 31, 2021 based on the contractual undiscounted cash flow is as follows:-

(Unit : Baht)

Consolidated financial statements					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Trade and other current payables	-	43,768,801.44	-	-	43,768,801.44
Lease liabilities	-	9,067,678.40	2,256,458.82	-	11,324,137.22
Total	-	52,836,479.84	2,256,458.82	-	55,092,938.66

(Unit : Baht)

Separate financial statements					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Trade and other current payables	-	36,137,021.33	-	-	36,137,021.33
Lease liabilities	-	8,739,114.10	2,256,458.82	-	10,995,572.92
Total	-	44,876,135.43	2,256,458.82	-	47,132,594.25

35. Financial Instruments (Continue)

35.8 Fair value

Given that almost financial assets and financial liabilities are short-term which interest rate is under market interest rates, the Company's management estimates the fair value of financial assets and liabilities do not materially differ from their carrying value.

The carrying value and fair value of financial assets and financial liabilities are as follows:

(Unit : Baht)

	Consolidated financial statements					
	For the year ended December 31, 2021			For the year ended December 31, 2020		
	FVTPL	Amortized cost	Total	FVTPL	Amortized cost	Total
Financial assets						
Cash and cash equivalent	-	66,500,190.52	66,500,190.52	-	29,497,202.32	29,497,202.32
Trade and other current receivables	-	86,861,151.65	86,861,151.65	-	85,033,685.49	85,033,685.49
Long-term loans	-	119,962,811.03	119,962,811.03	-	-	-
Other current financial assets	440,160.00	-	440,160.00	90,135.13	-	90,135.13
Deposits at financial institutions						
pledged as collateral	-	79,850,000.00	79,850,000.00	-	81,750,000.00	81,750,000.00
Total financial assets	440,160.00	353,174,153.20	353,614,313.20	90,135.13	196,280,887.81	196,371,022.94
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	-	121,319,376.25	121,319,376.25	-	174,496,531.67	174,496,531.67
Trade and other current payables	-	43,768,801.44	43,768,801.44	-	84,293,137.52	84,293,137.52
Lease liabilities	-	11,324,137.22	11,324,137.22	-	19,266,054.76	19,266,054.76
Other current financial liabilities	-	-	-	2,950,491.28	-	2,950,491.28
Total financial liabilities	-	176,412,314.91	176,412,314.91	2,950,491.28	278,055,723.95	281,006,215.23

35. Financial Instruments (Continue)

35.8 Fair value (Continue)

(Unit : Baht)

	Separate financial statements					
	For the year ended December 31, 2021			For the year ended December 31, 2020		
	FVTPL	Amortized cost	Total	FVTPL	Amortized cost	Total
Financial assets						
Cash and cash equivalent	-	59,173,677.96	59,173,677.96	-	8,879,005.95	8,879,005.95
Trade and other current receivables	-	80,842,198.02	80,842,198.02	-	82,783,340.76	82,783,340.76
Long-term loans	-	119,962,811.03	119,962,811.03	-	-	-
Other current financial assets	440,160.00	-	440,160.00	90,135.13	-	90,135.13
Deposits at financial institutions						
pledged as collateral	-	78,850,000.00	78,850,000.00	-	80,750,000.00	80,750,000.00
Total financial assets	440,160.00	338,828,687.01	339,268,847.01	90,135.13	172,412,346.71	172,502,481.84
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	-	120,631,373.51	120,631,373.51	-	174,496,531.67	174,496,531.67
Trade and other current payables	-	36,137,021.33	36,137,021.33	-	73,491,998.75	73,491,998.75
Lease liabilities	-	10,995,572.92	10,995,572.92	-	18,481,562.44	18,481,562.44
Other current financial liabilities	-	-	-	2,950,491.28	-	2,950,491.28
Total financial liabilities	-	167,763,967.76	167,763,967.76	2,950,491.28	266,470,092.86	269,420,584.14

The Company had the following financial assets that were measured at fair value using different levels of inputs as follows :

(Unit : Million Baht)

	Consolidated and separate financial statements			
	As at December 31, 2021			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Unit trust	-	0.44	-	0.44

35. Financial Instruments (Continue)

35.8 Fair value (Continue)

(Unit : Million Baht)

Consolidated and separate financial statements				
As at December 31, 2020				
Fair value hierarchy				
	Level 1	Level 2	Level 3	Total
Financial assets				
Unit trust	-	0.09	-	0.09
Financial liabilities				
Forward Contract	-	2.95	-	2.95

The group measured fair value by financial instruments and conditions by below :

- Fair value of unit trusts are calculated by net value of itself on the last day of the year.
- Fair value of foreign exchange forward contracts measurement is determined using a valuation technique and model.

The inputs to this model are derived from observable market data, taking into consideration of exchange rate, discount rate, maturity, the underlying price and the volatility of the underlying item.

36. Reclassification

The statement of financial position as at December 31, 2020, has been reclassified to conform to the current year's classification but with no effect to previously reported profit or shareholders' equity.

The reclassifications are as follows :

							(Unit : Baht)
		Consolidated financial statements			Separate financial statement		
		Before	After		Before	After	
		Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
Statement of Financial Position							
As at December 31, 2020							
Current assets							
Trade and other current receivables	-	85,033,685.49	85,033,685.49	-	82,783,340.76	82,783,340.76	
Trade and other current receivables - related parties	4,954,493.96	(4,954,493.96)	-	6,043,605.68	(6,043,605.68)	-	
Trade and other current receivables - third parties	80,616,597.34	(80,616,597.34)	-	76,839,085.52	(76,839,085.52)	-	
Other current assets	-	537,405.81	537,405.81	-	99,350.44	99,350.44	
Non-current assets							
Revenue department receivables	3,902,480.25	(3,902,480.25)	-	3,902,480.25	(3,902,480.25)	-	
Other non-current assets	9,215,167.83	3,902,480.25	13,117,648.08	8,050,610.90	3,902,480.25	11,953,091.15	
Current liabilities							
Trade and other current payables	-	84,293,137.52	84,293,137.52	-	73,491,998.75	73,491,998.75	
Trade and other current payables - related parties	-	-	-	376,141.67	(376,141.67)	-	
Trade and other current payables - third parties	87,130,046.03	(87,130,046.03)	-	76,097,796.84	(76,097,796.84)	-	
Revenue department payables	494,538.86	(494,538.86)	-	-	-	-	
Current contract liabilities	22,841,937.74	380,956.09	23,222,893.83	22,762,091.06	31,448.48	22,793,539.54	
Other current financial liabilities	-	2,950,491.28	2,950,491.28	-	2,950,491.28	2,950,491.28	

37. Events after the reporting period

37.1 Allocation of newly issued shares to private placement after the reporting period

With reference to the minutes of the Extraordinary General Meeting of Shareholders No. 1/2021, dated 6 August 2021, it was resolved to approve the increase of the Company's registered capital to private placement in the amount of 530 million shares with the objectives of compensation payment for the transfer and acquisition; including supporting investments in finance and real estate businesses as detailed in Note 28 to the financial statements.

During 6-17 January 2022, and 7 February 2022, the Company has allocated new shares to private placement in accordance with the minutes of the additional shares to Extraordinary General Meeting of Shareholders No. 1/2021 in 4 additional times which details as follows:-

1. Allotment of newly issued shares to private placement no. 3, amounting to 65 million shares, at a share value of 0.903 baht per share, totaling a value of 58.70 million baht. The Company received the full payment of shares in cash on 6 January 2022.
2. Allotment of newly issued shares to private placement no. 4, amounting to 55.52 million shares, at a share value of 0.893 baht per share, totaling a value of 49.58 million baht. The Company received the full payment of shares in cash on 14 January 2022.
3. Allotment of newly issued shares to private placement no. 5, amounting to 183.08 million shares, at a share value of 0.893 baht per share, totaling a value of 163.49 million baht. The Company received the full payment of shares in cash on 17 January 2022.
4. Allotment of newly issued shares to private placement no. 6, amounting to 39.40 million shares, at a share value of 0.90 baht per share, totaling a value of 35.46 million baht. The Company received the full payment of shares in cash on 7 February 2022.

37.2 Acquisition of assets after the reporting period

Allotment of newly issued shares to private placement no. 5 is an acquisition of assets and connected transactions, i.e. the entire business transfer (EBT) of Sathorn Sinsub Company Limited (SS) and the acquisition of Capital Link Udonthani Company Limited (CLU) in the proportion of 99.99 percent by paying for the Company's newly issued ordinary shares, instead of cash payment; and it was successfully completed on 17 January 2022 with the following details:

1. The entire business transfer (EBT) of Sathorn Sinsub Company Limited (SS)

The company accepts the entire business transfer (EBT) of Sathorn Sinsub Company Limited (SS), both assets and liabilities; including rights, duties, obligations and liabilities existing at the date of business transfer.

Presently, SS has only one asset, which is an investment in Capital Link Holding Company Limited (CLH) with a proportion of 99.99% and has no liabilities. Compensation for business transfer with a total value of 61.28 million baht, paid by 68.62 million newly issued ordinary shares of the Company, with a share value of 0.893 baht per share, instead of cash payment.

After the transfer of business, SS will proceed to the dissolution of the company, and liquidation to return capital to the shareholders of SS by transferring 68.62 million shares of the company to the shareholders of SS in proportion to their shareholding.

37. Events after the reporting period (Continue)

CLH's investment transfers resulted in the Company having additional investments in 2 subsidiaries and 2 joint venture companies with the following characteristics of business relationship:

Connected Companies	Relationship Characteristics
Capital Link Advisory Company Limited	Subsidiary
Capital Link Leasing Public Company Limited	Subsidiary
H-Do (Thailand) Company Limited	Joint-venture Company
Capital Link Asset Management Company Limited	Subsidiary of H-Do (Thailand) Company Limited

2. Acquisition of shares in Capital Link Udonthani Company Limited (CLU)

The Company purchased 39,998 shares of CLU from director at a par value of 1,000 baht per share at an offering price of 2,555.58 baht per share, totaling 102.21 million baht, or 99.99% of all sold shares. The compensation was paid by 114.46 million newly issued ordinary shares of the Company, with a share value of 0.893 baht per share, totaling 102.21 million baht, instead of cash payment.

As a result of the acquisition of assets as mentioned above, the Company's shareholding structure has changed. However, there has been neither change in the control nor structure of the Board of Directors and Executives. The company continues its operation as usual by adding finance and real estate businesses.

38. Approval of the financial statements

These financial statements have been approved by the Company's director on February 25, 2022.

Corporate Governance Policy**Business Ethics and****Code of Conduct****MASTERKOO**L International Public Company Limited and Subsidiaries

22 Soi 2, Thessabanrungsan Nua Road, Ladyao, Chatuchak, Bangkok

Telephone: 0 2953 8800 Fax: 0 2589 8586 Website: www.masterkool.com

Dated 24 February 2021

Preface

The Board of Directors attaches great importance to compliance with the principles of good corporate governance for sustainable business, increase confidence for shareholders, investors and all related parties. This Corporate Governance Policy, Business Ethics and Code of Conduct has been prepared and reviewed in accordance with good corporate governance principles, and has been published to communicate to all executives and employees of Masterkool International Public Company Limited and its subsidiaries ("Company") for acknowledgment and adherence to guidelines for operation, guidelines for conducting one's conduct in accordance with the standards of quality, morality and transparency in accordance with the good governance principles of a public limited company, and in accordance with the principles of companies listed on the Stock Exchange of Thailand which is to maintain a good reputation and pride of employees as well as leading to an organization that has a good governance system and an overview of successful results of operations.

This policy has been reviewed and updated to comply with the Corporate Governance Guidelines for Listed Companies 2017 of the Securities and Exchange Commission or the Corporate Governance Code (CG Code 2017), which set out guidelines for the Code of Conduct of the Corporate as following: -

1. Being aware of the role and the responsibility of the Board of Directors as a leader of an organization that creates sustainable value for the business
2. Setting objectives and the main goals of the business for sustainability
3. Building an effective committee
4. Recruiting and developing top executives and personnel management
5. Promoting innovation and responsible business operations
6. Ensuring that there is a risk management system and appropriate internal controls
7. Maintaining financial credibility and disclosure
8. Encouraging participation and communication with shareholders

However, the Company has adapted as best suited to the Company's business. including the requirements of business ethics and work practices. This guide is therefore divided into two major sections

1. Corporate Governance Policy
2. Ethics and Code of Conduct

Directors, executives and employees of the Company are committed to implementing this corporate governance policies, business ethics and code of conduct in all cases to promote a good work culture.

Announcement Date: 24 February 2021

Mr. Sanpat Sopon
The Chairman of Director

General Information and Definitions

1. Definitions

“Company”	means	MASTERKOOOL International Public Company Limited and its subsidiaries, and includes those who are authorized to act on behalf of the Company. or the person who is assigned to work on behalf of the person who has the authority to act on behalf of the company
“Subsidiary”	means	INNOV GREEN Solutions Company Limited and any other companies that Masterkool International Public Company Limited may acquire in the future; until reaching the criteria specified by law to be considered as a subsidiary.
“Management”	means	Board Directors, Executive Directors, and Department Managers or equivalent positions of the Company
“Supervisory Level”	means	Employees who have the authority to give orders, assign tasks, direct or control work in accordance with the company's policies; including having the power to use disciplinary measures to punish the company's employees
“Employee”	means	Full-time employees who have been recruited as employees probationary worker and contract employees
“Related Person”	means	<p>Person who is related in any of the following manners:</p> <ol style="list-style-type: none"> 1) Person who has the power to control the business of the company and in the case of a juristic person, it shall include the directors of that juristic person 2) Spouse, child or adopted child who is not of legal age of director, executive or person under 1) 3) Juristic person in which the person under 1) or 2) has control over the business 4) Other persons having characteristics as specified in the notification of the Capital Market Supervisory Board
“Stakeholder”	means	Individuals and/or legal entities involved in the Company's operations including shareholders, executives and employees of the Company, customers, business partners, creditors, competitors and society, etc.
“ทรัพย์สิน”	means	Chattel, real estate, technology, copyrights, licenses, rights, patents, as well as any inventions and other intellectual property rights of the Company.
“Specific information”	means	Information which the Company own or control, that has economic value both now and in the future, that is known to a limited person and should not be disclosed to third parties without permission from the authorized

- person, such as customer and employee information, sales and marketing information, product and service information, accounting information, financial plans, business plans, marketing plans, development programs, creativity, etc.
- “Business ethics”** means Good business practices of the company, directors, executives and employees, which will lead the organization towards having a good governance system.
- “Upholding the rule of law”** means Making decisions and doing business in accordance with the provisions of the law or relevant requirements (Rules of Law)
- “Justice and Integrity”** means Performing duties with integrity
- “Morality”** means Equality and non-discrimination based on fairness and morality
- “Transparency”** means Transparency in decision making and methods of operation that can be disclosed to the public and can check within the framework of regulations and laws (Transparency)
- “Honesty”** means Integrity to comply with the regulations Good customs and morals (Integrity)
- “Sense of duty”** means Duty awareness to perform to the best of their ability and efficiency (Responsibility)
- “Accountability”** means Responsibility and Acceptance of the results of the performance of duties either positively or negatively
- “Visionary”** means Creative foresight to create added value for the business in the long run and aim for excellence in work (Vision)
2. This employee handbook consists of two important parts:
- Part 1: CG Policy
- Part 2: Ethics and Code of Conduct which shall be enforced from the date of the announcement onwards
3. Rules, regulations, announcements, orders or any other agreements that conflict with these work regulations, use the terms in this manual instead.
4. In the case of work regulations personal work regulations and requirements regarding business ethics and work practices. In this manual is not expressly specified. to obey any laws, regulations or other orders for state labor as a guideline.
5. The business ethics and work conduct requirements in this manual form part of the employment contract between the Company and its employees.

Part 1: Corporate Governance Policy

The company attaches great importance to good corporate governance, transparent management system and can check in order to strengthen confidence in the group of shareholders, investors and all related parties. The Company has adopted the Code of Best Practices as a guideline for the Company's operations. which covers the five sections of principles.

Section 1 Rights of shareholders

Encourage shareholders to exercise their basic rights without doing anything that violates or deprives the rights of shareholders

Section 2 Equitable treatment of shareholders

Supervise shareholders to receive basic rights and treated equally. There are measures in place to prevent the use of inside information to benefit oneself or others in a wrong way, which caused damage to the shareholders.

Section 3 Role of Stakeholders

Taking care of stakeholders according to their legal rights, not doing anything that violates the rights of stakeholders and to promote cooperation between the Company and its stakeholders to create sustainable financial stability of the Company. Anti-corruption policies are in place and bribery is prohibited for the Company's business sustainability.

Section 4 Disclosure and Transparency

Operations are transparent, disclosure with sufficient information to all concerned parties, as well as to ensure that important information related to the company is disclosed both financial information and non-financial information that is accurate, complete, timely and transparent so that shareholders can be equally informed.

Section 5 Board responsibilities

The Board of Directors perform their duties with honesty, caution and prudence for the best interest of the Company, and fair to all shareholders. There is a good internal control system and appropriate risk management and supervision and compliance with business ethics.

Section 1 The Right of Shareholders

The company places importance on the fundamental rights of shareholders such as the right to buy, sell and transfer the shares they hold, the right to receive a share of the company's profits the right to receive adequate information and news of the Company, including the right to attend the shareholders' meeting, comment, appointment or removal of directors, appoint an auditor and matters affecting the company such as dividend allocation, determination or amendment of bylaws and memorandum of association and reduction regulations without any action that violates or deprives the rights of shareholders including encouraging shareholders to exercise their rights.

In addition to the basic rights above, the Company has a policy to take action in various matters. that is promoting and facilitate the exercise of shareholders' rights as follows.

Annual General Meeting of Shareholders

1. The company organizes the annual general meeting every year within 4 months from the end of each accounting period which Thailand Securities Depository Co., Ltd., the registrar of the company. is the person who sends the invitation letter for the shareholders' meeting with complete details and supporting documents to all shareholders in electronic format via QR Code system for shareholders to conveniently access information It is also another way to reduce the use of resources for long-term sustainability, by delivering the meeting notice at least 7 days in advance of the meeting date and publishing in a newspaper notifying the meeting date for 3 consecutive days at least 3 days before the meeting date with the Board of Directors' opinions. However, the company avoids adding other agendas that need to be voted on at the meeting that are not specified in advance in the shareholders' meeting which may be regarded as unfair to shareholders who did not attend the meeting.
2. Notice of the shareholders' meeting, the company has specified details in meeting agenda, consisting of:
 - 2.1 Agenda to consider appointing directors. The company has specified the name, surname, age, educational background, work history, number of listed companies holding director positions including nomination criteria and the type of director position proposed, such as director or independent director, as well as information on attendance of the previous year's meeting, and the number of years that have held the position of the Company's director
 - 2.2 Agenda to consider appointing auditors. The name of the auditor is specified, affiliated company auditor license, experience and competence of auditors, number of years of auditing for the company including the issue of auditor independence and auditor's remuneration
 - 2.3 Agenda for approving dividend payment. The company's dividend payment policy has been informed, proposed dividend rate with reasoning information including in the case of an offer to consider refraining from paying dividends
 - 2.4 In the notice of the meeting, the facts are stated with reasons for each agenda and the opinions of the directors in each agenda.
3. The Company will disseminate information on the agenda of the shareholders' meeting in advance on the Company's website and 30 days in advance of the meeting date, as well as clarifying rights and rules used in the meeting including voting procedures of the shareholders to attend the meeting to give the shareholders an opportunity to have enough time to study the information supporting the meeting in advance.
4. In the event that shareholders are unable to attend the meeting in person, the company will provide an opportunity for shareholders to appoint independent directors or any other person, able to attend the meeting on their behalf to support the exercise of voting rights of the shareholders by using one of the proxy forms that the Company has sent along with the notice of the meeting, such as Proxy Form B, which is a form

- that shareholders can set their own voting direction, or Form C., which is used only in the case of shareholders, foreign investors, and appointed a custodian in Thailand to be a stock depository and keeper.
5. Prior to the meeting, shareholders are allowed to submit their opinions, suggestions, and inquiries prior to the meeting date via E-mail: comsec@masterkool.com
 6. The company presents the directors' remuneration at the annual general meeting of shareholders. for shareholders to consider and approve as well as presenting the remuneration policy and criteria for considering the remuneration for the Board of Directors for consideration of the shareholders.
 7. The Company allows shareholders to vote for individual directors by nominating the names of the directors for the shareholders to vote individually so that shareholders can choose the directors they truly satisfied.
 8. The company gives shareholders an opportunity to propose agenda for the shareholders' meeting, and nominate a person to be considered for appointment as a director by announcing it through the channels of the Stock Exchange of Thailand and notify through the company's website along with clearly informing the criteria for considering accepting the proposed matter for shareholders to be convenient in proposing the meeting agenda and nominating persons to be considered as directors in advance.
 9. The Company allows shareholders to ask questions and express opinions to the Board of Directors on matters related to the Company under the meeting agenda in advance for clarification and/or answering at the shareholders' meeting by announcing it through the channels of the Stock Exchange of Thailand and notify through the company's website Shareholders can submit their opinions and questions to the Company Secretary in advance directly through the Company's website or electronic mail comsec@masterkool.com
 10. During the meeting The company will allocate time appropriately and encourage shareholders to have the opportunity to express their opinions and suggestions. or ask questions on various agendas in matters related to the company or ask more questions about other issues besides the agenda after the meeting has completed the meeting according to the agenda.
 11. The company has adopted barcode technology and shareholder meeting program from reliable service providers. to be used in the shareholders' meeting from registration, voting, vote counting and computer screen displaying to enable accurate and quick meeting operations.
 12. The Company invites at least one person representing the shareholders at the meeting to act as witnesses in the vote counting for transparency Comply with laws and regulations. The Chairman of the Board of Directors, as the chairman of the meeting, has recommended or assigned a representative to recommend the investigator of the vote counting to the meeting. for recording in the minutes of the shareholders' meeting
 13. The display of resolutions to the meeting will show the results of agreeing, disapproving, abstaining and invalid ballots. Shareholders can check by the company disclosing the resolutions together with the voting results of each agenda to the meeting.
 14. The company prepares the minutes of the shareholders' meeting with efficiency. It covers important details in various subjects. which are as follows

- 14.1 Record of clarification of voting procedures by informing the method of voting and counting by using ballots including the method of displaying the votes to the shareholders before the meeting commences.
 - 14.2 Record questions and answers that allow shareholders to ask questions or offer opinions on various agendas in the meeting to give an opportunity for shareholders who did not attend the meeting to acknowledge.
 - 14.3 Record the resolutions of the meeting clearly, together with the number of votes in each agenda, both agreeing, disagreeing and abstaining including invalid ballots in every agenda requiring voting
 - 14.4 Contact record along with the positions of the directors who attended the meeting and those who left the meeting to be able to verify the participation of directors in each shareholder meeting.
15. The company has published the resolutions of the shareholders' meeting through the news system of the Stock Exchange of Thailand and through the company's website within the next business day and disseminating the complete minutes of the shareholders' meeting via the website www.masterkool.com within 14 days from the date of the shareholders' meeting so that shareholders can check such information without having to wait until the next meeting and a video of the shareholders' meeting has been published on the Company's website, so that shareholders who did not attend the meeting or interested persons can know the details of the meeting other than those recorded in the minutes of the meeting as well The video will be published until the next shareholder meeting.
16. The company has a policy to attend the meetings of the chairman of the board. The chairman of the sub-committees is the chairman of the audit committee. Chairman of the Nomination and Remuneration Committee Executive Chairman Managing Director and senior management in accounting and finance including auditors as well as the Company's legal advisor attended the annual general meeting of shareholders. to participate in answering inquiries and providing information to shareholders on related issues.
17. The Company considers that facilitating shareholders to attend the annual general meeting of shareholders is important. Therefore, focusing on suitable places for travel which is an area with convenient transportation close to the train station or near the expressway entrance and exit points, etc.

Section 2 The Equitable Treatment of Shareholders

The Company has a policy to treat all shareholders equally in examining and expressing their opinions on the Company's operations. Independent directors are assigned to take care of minority shareholders. whereby minority shareholders can suggest express opinions or complaints to independent directors The independent directors will consider taking appropriate action in each matter. The independent director will conduct a due diligence and find an appropriate remedy.

The Company has a policy for compliance as follows:

1. The Company gives all shareholders the right to vote on a one-for-one basis. for the equality of shareholders Considering that shares of the same type should have equal voting rights.
2. The Company allows minority shareholders to propose agenda for the Annual General Meeting of Shareholders. and nominate qualified persons to be considered as the Company's directors prior to the date of the shareholders' meeting by announcing details along with criteria for consideration for shareholders to know Through the channels of the Stock Exchange of Thailand and through the company's website for a period of 3 months in order to build confidence for minority shareholders to exercise their rights to propose matters relating to significant changes of the company and the right to elect independent directors to look after their benefits.
3. The Company has established measures to prevent the misuse of inside information by relevant persons, including directors, executives, employees and employees of the Group involved in information. (including spouse and underage children of such persons) use inside information that has not yet been disclosed for the purchase, sale, transfer or acceptance of transfer of the Company's securities for a period of 30 days during the period prior to the presentation of the periodic financial statements to the SEC or before that information is released to the public and has imposed penalties on the disclosure of the company's information or the use of company information have been used for their own benefit according to the policy to prevent the use of inside information.

It also provided knowledge and understanding to the Board of Directors and the Company's executives. In the duty of reporting securities holdings to the Office of the Securities and Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act 1992 or accepting transfer of securities as well as to inform the news and regulations of the SEC and the Stock Exchange of Thailand to the board of directors and executives of the company. As notified by the said agency on a regular basis

4. The Company discloses details of connected transactions. which is in the scope of having to disclose information or seek approval from shareholders according to the regulations of the Stock Exchange of Thailand by revealing the names and relationships of the connected persons Including the reasonableness of the transaction and the opinion of the Board of Directors involved in considering the said transaction to the shareholders for acknowledgment.
5. Requirements for the proxy of shareholders who are unable to attend the meeting in person The company does not stipulate any conditions that cause difficulty in appointing a proxy to attend the meeting instead. It is only certified by the proxy and confirmation of the person of the proxy attending the meeting only This is to confirm that the right has been exercised and given the right to attend the meeting properly in accordance with the rules that should be practiced.
6. The Company does not have a policy to distribute premiums, gifts and/or favors at meetings with shareholders in accordance with the best practices of the Securities and Exchange Commission. However, the Company has provided beverages and snacks for the shareholders and proxies attending the meeting.
7. Shareholders, both Thai and foreign shareholders will receive documents. The meeting invitation letter and all supporting documents must be completed within the time specified by law. The Company sends the invitation letter for the shareholders' meeting and supporting documents in Thai language to Thai

shareholders. And the company has prepared such documents in English for the convenience of foreign shareholders as well.

Section 3 Role of Stakeholders

The Company takes into account the rights of all groups of stakeholders related to the Company. Both internal stakeholders such as shareholders, employees and executives of the Company or external stakeholders such as customers, business partners, competitors, communities and society, etc. The Company realizes that the support and listen to opinions as well as building good relationships with all groups of stakeholders will be useful in operation and develop the company's business to grow and expanding in the future. The Company will provide all groups with the right to be treated equally and fairly. including complying with the requirements of laws and regulations related as follows:

1. Shareholders: The company focuses on being a good representative of shareholders in doing business in order to create satisfaction for shareholders, taking into account the long-term growth of the company's value as well as having a good internal control and audit system
Transparent Disclosure.
2. Employee: The company will support the development of human resources potential for maximum benefit. Because the company recognizes that employees are one of the key resources that are important in the development of the organization to grow. The Company therefore treats all employees equally, fairly, without discrimination. by providing appropriate compensation and welfare.
3. Customers: The company is committed to providing good service and satisfaction to customers, providing quality products and services. Trade with customers with honesty and fairness
4. Partners: The company will treat its partners in accordance with the fair trade framework. by adhering to the principle of compliance with contracts, trade conditions and commitment to partners to create a good business relationship that will benefit all parties.
5. Competitors: The company will treat its competitors ethically. Operate within the framework of good competition. and within the framework of the law without using dishonest methods or making false accusations to destroy competitors.
6. Communities: The company places importance on maintaining the environment of the surrounding communities. The location of the company's office with a campaign to save energy; including conducting business that is not contrary to tradition or no damage to society.

Section 4 Information Disclosure and Transparency

The Company realizes the importance of accurate, complete, timely and transparent disclosure of information. both financial and general reports according to the disclosure rules and information of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other important information that affects the price of the Company's securities which affects the decision-making process of investors and the stakeholders of the company The Company will disseminate its information to shareholders,

investors and the public through various channels and media of the Securities and Exchange Commission and the Stock Exchange of Thailand including the Company's website, newspapers, for shareholders to have equal access to information.

The company has assigned the company secretary to or persons assigned by the Chief Executive Officer is responsible for the disclosure of important information of the company and communicate with investors, shareholders, and analysts and related persons by calling 0 2953 8800, Fax 0 2589 8586 or E-mail: comsec@masterkool.com

Section 5 Responsibilities of the Board

Structure of the Board of Directors

1. The Board of Directors

The Board of Directors consists of persons with knowledge and abilities, and experiences that can benefit the company. It plays an important role in approving the planning of business policies and plans. It also pays attention to the internal control system and internal audit for the benefit of the company and shareholders.

The Board of Directors consists of Executive Director Non-Executive Director and non-executive directors in total, there are not less than seven but not more than fifteen people and has properties as "Independent Director" in accordance with the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand. At least 3 persons representing not less than one-third of the total number of directors of the Company to act as a counterbalance in voting on various matters, as well as to review the management of the management for the best benefit to the company.

Directors have a term of office of 3 years and independent directors may hold office for no more than 3 terms or not more than 9 years from the date of first appointment. In the case of appointing such independent directors to hold office, the Board shall reasonably consider such necessity. Directors may hold positions in other listed companies but must not exceed 5 companies and must not engage in business or not being a significant partner in the partnership or being a director who takes part in the management, an employee, an employee, 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 condition and is a significant competition with the Company's business or a subsidiary.

In addition, the company has appointed sub-committees consisting of Audit Committee, Nomination and Remuneration Committee and the Executive Committee. The scope of powers, duties and responsibilities of the Board of Directors have been clearly defined.

2. Sub-committees

The Board of Directors has established 3 sub-committees to closely supervise and monitor operations, and regularly report to the Board of Directors as follows:

- 1) Audit Committee perform duties to review the reliability of the Company's financial reports before submitting them to the Stock Exchange of Thailand, internal control system audit as well as consider the disclosure of connected transactions to be accurate and complete and giving useful advice to the management in good corporate governance.
- 2) Nomination and Remuneration Committee perform duties in considering the criteria and procedures for nominating qualified persons to serve as directors of the Company. and top management including setting the rules for the remuneration of such positions.
- 3) Executive Committee Perform duties in providing advice and recommendations that are useful to the management, and consider and scrutinize the work presented to the committee.

The Board of Directors has assigned the Chairman of the Executive Committee to Oversight of risk management and consider establishing a risk management committee to operate on the risk and follow up the operations of the unit according to the risk mitigation plan including presenting the report to the Audit Committee and the Board of Directors regularly.

3. Roles, duties and responsibilities of the Board of Directors

- 1) The Board of Directors is knowledgeable, capable, skilled and experienced in a variety of ways that can use independent judgment. act to determine and approve important matters related to the Company's operations such as vision, mission, strategic goals, risks, business plans and company budgets. as well as supervise the management to meet the goals under the requirements of the law and business ethics for the benefit of the company and all related parties.
- 2) The Board of Directors performs duties with honesty, integrity and fairness, taking into account both major and minor shareholders.
- 3) The Board provides "Corporate Governance Policy business ethics and work conduct requirements" as well as key policies. By requiring a review at least once a year, some of the key policies are as follows:

Corporate Governance Policy

The company has set a written policy on corporate governance. The said policy was approved by the Board of Directors meeting. This is to serve as a guideline for directors, executives and employees to comply with the said policy. Such policies will be reviewed regularly

Business Ethics

The company has a policy to conduct business with transparency. correct and fair There is a written code of business ethics. To disseminate to directors, executives and employees to strictly adhere to and abide by the said policy.

Conflicts of Interest

The Company has established a conflict of interest policy on the principle that Any decision in the conduct of business activities must be made solely in the best interests of the Company, and should avoid acts that cause conflicts of interest by requiring those who are involved or

connected with the considered transaction to inform the Company of the relationship or their connection in the said list and must not participate in the adjudication including no approval authority in that transaction.

The Audit Committee will present to the Board of Directors. About the connected transaction and items with conflicts of interest which has been carefully considered suitability including the company has strictly complied with the rules of the SEC and the Stock Exchange of Thailand regarding pricing and conditions with a person who may have a conflict of interest as a transaction with a third party and submits a report within the period specified by the Stock Exchange of Thailand and will be disclosed in the financial statements Annual report and annual registration statement (Form 56-1) as well.

Internal Control

The company attaches importance to establishing a good internal control system. A written manual on rules and procedures has been prepared by stipulating that there is a separation of duties and responsibilities Authority of operators and executives in various matters.

The Board of Directors has assigned the Audit Committee to be responsible for reviewing the suitability and efficiency of the internal control system provided by the Company. including establishing and reviewing the control system both operational financial reporting Compliance with rules, regulations, policies and governance The company has set up an internal audit unit. Serves to audit the internal control system of the company. and report the audit results directly to the Audit Committee.

- 4) The company has guidelines to promote compliance. "Corporate Governance Policy requirements on business ethics and work practices" and follow up on performance by assigning the Office of the Company Secretary to submit a compliance survey. "Corporate Governance Policy Requirements on Business Ethics and Code of Conduct" to the Executive Directors, Executives and Managers annually. to acknowledge the results of the practice as well as communication to employees throughout the organization and present the survey results to the Audit Committee. and Board of Directors to provide comments for further improvements in practice

4. Board Meeting

The Company will arrange the Board of Directors' meetings every quarter, totaling not less than 6 times per year and may have special meetings as necessary. by setting a clear agenda in advance and has regular agendas to consider and follow up on operating results Board of Directors' meeting will have a company secretary is the organizer of various agendas of the meeting and deliver meeting documents to the Board of Directors at least 7 days in advance of the meeting in order for the directors to have enough time to consider and study the information including meeting recordings and send the said report to the Company's directors individually as appropriate as well as to keep the minutes of the Board of Directors' meetings certified by the Board of Directors. systematically and ready for the Board of Directors and those involved can check.

5. Remuneration

The Company has set the directors' remuneration clearly and disclosed in accordance with the form prescribed by the Securities and Exchange Commission (SEC). Such remuneration must be approved by the shareholders' meeting. Annual General by comparison with companies in the same industry appropriately to keep the talent working with the company for the long term.

6. Development of Directors and Executives

The company encourages the board of directors and executives of the company to Knowledge and competence in the corporate governance system has been developed in order to continually improve operations. by supporting the Board of Directors have attended various training courses to have training and in the event of a change of directors or executives The company will provide documents and information that are useful for the performance of duties of new directors or executives. including attending seminars and courses that are beneficial to such new directors or executives.

Part 2: Business Ethics Requirements and work practices

Section 1: Business Ethics Requirements

The Company has business ethics which directors, executives and employees will adhere to as guidelines for working on behalf of the Company as follows:

1. Adhere to the rule of law

The company adheres to the rule of law in its business operations. It is also the duty of directors, executives and employees to know the Company's rules and regulations, relevant law including the laws that will be enacted in the future which affect the administration and work.

Practice

- Executives and employees must study, understand and prepare for compliance. Rules that are used as the principle of governmental operations that have come into force and that will come into force in the near future
- Executives and employees must not seek trade secrets of competitors. or competitor specifications by unlawful means such as theft, theft or breach of a competitor's non-disclosure agreement. whether from customers or other people

2. Be transparent

Company decisions and methods of operation It is with transparency that information can be disclosed to all stakeholders for acknowledgment and review. Under the laws and regulations, rules and procedures of the company related to preventing trade secrets from leaking to trade competitors.

Practice

- Executives and employees must prepare reports on accounting, finances, business conditions, results of operations. To show the financial position and performance of the company as a matter of fact correct and complete according to accounting standards and in accordance with the standards of companies listed on the Stock Exchange of Thailand It is reliable and can be audited as determined by the Audit Committee.
- Executives and employees must follow the procurement process in accordance with the company's policy. strictly There is transparency, clarity and fairness to all parties. In the event that a partner company has executives, sales staff or shareholders are relatives or persons residing under the same roof as the Company's executives or employees That executive or employee of the company Must notify the supervisor in writing immediately, and to avoid being involved in such procurement transactions.
- Executives and employees must comply with the scope of powers and duties of each level of management as specified, and strictly comply with the approval authority of the management at each level.
- Executives and employees involved in the procurement process. including relatives and residents under the same roof should avoid going to various activities including eating or playing sports with business partners If necessary, it is inevitable that there should be a representative of the company, join more than one person and must notify the supervisor first

3. Commitment to Justice and Integrity

The company is committed to fairness and integrity with its stakeholders. To build good relationship continuously in business and not discriminate against anyone unfairly, using judgment or personal relationship to judge and provide equal opportunities without distinction of race, nationality, religion or gender.

Practice

- Management and employees must be fair, not discriminate against stakeholders in business operations and provide benefits to customers, also adhere to the principles and policies of the company.
- Executives must manage their work with prudence to make the shareholders trust and accept the decision that any action act with fairness and taking into account the best interests of all shareholders.
- Executives and employees must be fair. and does not discriminate in employment terms, including recruiting Consideration of Compensation and Employment Benefits Promotion, Transfer, Performance Assessment, Training, Regulatory Compliance termination of employment layoffs and recruitment of employees back to work as well as participating in society and recreational activities, etc.
- Executives and employees must always strive to exceed customer expectations. including serving customers with honesty and fairness, not taking advantage of defrauding customers

- Executives and employees must comply with trade conditions with business partners and creditors honestly and fairly. In the event that the conditions cannot be complied with Notify business partners and creditors to jointly find a fair solution

4. Give importance to customers

Executives and employees of the company give importance and care to customers by controlling the quality of products and services to result in customer satisfaction.

Practice

- Executives and employees must know and understand the Company's products and services well, as well as provide complete and accurate information to customers.
- Executives and employees must study and understand the needs of customers in detail. before offering products or services to customers in order to properly meet the needs of customers as well as always be interested in pursuing information and knowledge and accumulate experience to work more efficiently to increase customer satisfaction.
- Executives and employees must treat customers with courtesy. respect for customers and use humble speech Always polite to customers.
- Executives and employees must have a positive attitude towards customer service; focus on fully service to the customers. As a result, service work is valuable and efficient, leading to service excellence.
- Executives and employees must respect the decision and customer comments as well as not infringing on the privacy rights of customers.

5. Social responsibility

The company realizes the responsibility to society and the community until it is considered as the main mission to create projects and activities that are beneficial to the development of society, communities. and the nation.

Practice

- Executives and employees should be involved. or arrange activities for the public benefit in developing/services to society.
- Executives and employees must be aware of their participation in the conservation of natural resources and environmental protection. as well as trying to make the company Able to avoid actions that will cause harm or pollution to natural resources. Environment and related ecosystems.

6. Political Neutrality

The company respects and supports its stakeholders to exercise their rights and freedoms under the Constitution without infringing on the rights of others. The company will remain politically neutral, not involved in politics and does not promote and support all kinds of violence.

Practice

- Executives and employees do not use their authority to persuade, pressure or force their colleagues, including subordinates to support any activities political or political organization or member of political organization.
- Do not participate in political rallies, or support whether directly or indirectly not financially supported and any other contributions to any political group.

Section 2: Code of Conduct

The company establishes a code of conduct for executives and employees as a guideline:

1. Leadership

Executives should be ethical and perform appropriate leadership roles, and behave in order to be accepted by society as well as being useful for the management of the company.

Practice

- Executives must demonstrate vision and leadership in management, have a sense of duty Responsibility for the results of the performance of duties to be trusted and accepted by society, including acting as a good example for subordinates and employees in the company
- Executives must investigate complaints, complaints of stakeholders or another person in order to obtain facts and solve problems that arise quickly and fairly. However, the management may not take any action in making complaints, complaints may be made by means of an anonymous letter.
- Executives must promote and support leadership among employees. It also encourages employees at all levels to participate in the development of the company.
- Executives must participate and encourage employees to participate in activities for the benefit of the community and society. Be a part of the community in developing and building good relationships with community members and society.

2. Honest

Executives and employees must perform their duties with honesty and carefully protect the interests of the company strictly.

Practice

- Executives and employees They must perform their duties with honesty, without prejudice, and do not use their powers and duties to seek personal benefits for themselves or others.
- Executives and employees must not intentionally make false or erroneous reports or records, including not knowingly concealing or presenting false or erroneous information to the Company. When a report or record that contains incorrect or incorrect information is found, it must be reported to the supervisor immediately.

- Executives and employees It takes time to work efficiently. and to be effective as stipulated in the regulations including not acting or influencing colleagues Subordinates to spend time working for other activities that are not related to the interests of the company.
- Executives and employees must perform their assigned tasks with full knowledge and competence. They also have a sense of duty and responsibility for the results of their duties.

3. Comply with laws and regulations

Executives and employees must perform their duties in accordance with the laws related to the Company's business. and regulations in the work of the company strictly and avoid any action This may have a negative impact on the reputation of the company's business operations.

Practice

- Management and staff Must not violate, circumvent, resist or ignore the rules, regulations, announcements or orders of the Company; including orders that are lawful and lawful with the duties of the supervisor.
- Executives and employees must not produce or have something illegal in their possession whether for own use for sale or for any other person.
- Executives and employees' communication system required and computer system Responsible and must not cause divisions annoyance Injuring others, demoralizing or promoting hostility in the workplace.
- Executives and employees must comply with the law on computer-related offenses and the relevant laws strictly.

4. Maintain the properties

Management and staff should have a duty to maintain and use the Company's assets To the full benefit of the company's business only and not to use it for the benefit of oneself or others in a wrong way

Practice

- Executives and employees must not use, sell, give, borrow, lend or dispose of the Company's assets without permission. Regardless of the value or condition of the property
- Executives and employees must not intentionally cause damage. Sabotage or destroy company assets
- Executives and employees must not use the Company's assets. for personal benefit or outside business, unless authorized by a supervisor
- Executives and employees must assist or endeavor to obtain copyrights, patents, petty patents, or protect trademarks that are intellectual property of the Company.

5. Treat yourself to your supervisor Associates and subordinates

Executives and employees should maintain a working environment free from violations of personal rights. or have mutual respect as well as to cooperate and help Suggest opinions and solve problems together in the work.

Practice

- Executives and employees must not incite slander or mock which caused the disunity and should refrain from bringing the works of others as their own.
- Executives and employees must not take any action. which is a sexual harassment against a co-worker. If sexual abuse is found or known among associates, it must be reported to the supervisor immediately.
- Executives and employees must be disciplined. no matter what action which is disrespectful to the supervisor treat coworkers and subordinates with politeness Be kind and have good human relations.

6. Be a good citizen

Management and staff should be a good citizen who can live with others in society with full pride.

Practice

- Executives and employees must develop themselves to have morals and ethics, as well as to learn more. in order to perform duties efficiently and effectively.
- Executives and employees must not behave in a way that is offensive to others. sexual harassment act like a thug Insolvency, gambling, drug use, drinking alcoholic beverages while working or take any action which implied that the deterioration in morality.
- Executives and employees must not bring weapons to the workplace, unless it is necessary for the safety of the company and employees to be authorized by a high-level supervisor.

7. Not accept anything in return that is beyond the norm

Executives, employees and close people Money, benefits, or things from business associates with the Company should not be accepted if such receipt could lead to the perception that the recipient is biased, or have a special business relationship with the giver which may cause damage to the company.

Practice

- Executives, employees and relatives or residents under the same roof. must not demand not accepting or participating in social activities, sporting events, entertainment, gifts, gifts or gratuities for oneself or for others from business associates.
- If the unavoidable case Management and employees may receive benefits or gifts. for business advertising or in accordance with customs and traditions If the benefit or gift does not exceed 5,000 (five thousand baht only). In the event that the gift exceeds 5,000 (five thousand baht

only), management and employees must notify their supervisors in writing and bring that benefit or gift to the company for charity or public benefit.

- In the case where the executives and employees are representatives of the company Go to a partner's party or travel to training see work outside and receive benefits or gifts with a value greater than 5,000 (Five thousand baht) whether obtained from sweepstakes, raffles, or receiving souvenirs to be treated as in the above case.
- When giving gifts, be mindful of giving in the traditions of non-luxury value. and refrain from giving or giving gifts If the aforementioned influence on the decision to conduct business with each other.

8. No conflict of interest

Management and staff should not behave in a manner that may cause a conflict of interest with the Company

Practice

- Executives, employees, families and residents under the same roof. must not run a business or any activity that may cause the general public to see that it is a business, any activity that has a conflict of interest with the Company whether directly or indirectly
- Executives and employees must not join with family members or close persons to operate any activities that may cause conflicts of interest with the Company whether directly or indirectly, to avoid such potential inappropriateness. Relationships of family members or any other person that may cause conflicts of interest, should be disclosed by reporting to the supervisor in writing.

9. Do not use specific information of the Company for any wrongful gain

Executives and employees do not use the company's specific information for wrongful gain

Practice

- Executives and employees who are responsible for implementing the specification. Be careful not to be heard by others, eavesdropping, eavesdropping, recording, and should not converse in public through communication devices or chat with family members and close persons that lead to disclosure to others.
- Executives and employees must manage, store and distinguish specifications in accordance with the Company's regulations.
- Executives and employees must not disclose company information to those who do not have the right to know according to regulations or business agreement; unless otherwise approved in writing by the competent authority and responsible agency.
- Executives and employees do not use the specific information for securities trading or to send such information to others for securities trading.
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Section 3: Complaints, suggestions and Penalties for non-compliance with work ethics and codes of conduct

To provide requirements on ethics and work practices have a concrete effect Board of Directors therefore giving opportunities to employees and stakeholders. There is a channel for complaints comment and report any illegal actions by requiring the company secretary, acts as a complaints unit and the corporate governance and business ethics of the company by reporting to the independent directors or the audit committee of the Company as follows:

1. Channels for complaints and suggestions

Email: **comsec@masterkool.com**
Mailing: The Company Secretary
MASTERKOOL International PLC
12/16-17 and 12/20 Thessabansongkroao Road
Ladyao, Chatuchak, Bangkok 10900

The Board of Directors has designated the Company Secretary to be the recipient of complaints, to act as coordinating and preliminary action in the case of product and service quality that affects customer satisfaction The Managing Director is the ultimate decision maker; unless unable to proceed until the complaint is settled or complaints that are in addition to the aforementioned matters such as whistleblowing of illegal actions acts that are contrary to business ethics, etc. The company secretary has a duty to present to the Audit Committee, Board of Directors orderly.

2. Process when receiving complaints

The Company provides opportunities for both third parties and employees to have independent channels for complaints or express opinions; as a guideline for development and sustainability for the organization as follows:

- Complaints gather facts about violations. or non-compliance with ethical requirements.
- The complainant reports facts to the Independent Director/Audit Committee to consider complaints and perform fact-finding duties by separating relevant matters into issues Management knowledge development fact checking, etc.
- When the Independent Director/Audit Committee has been informed of the facts Independent Directors/Audit Committee will determine measures to suspend violations or non-compliance with the law.
- If the complainant discloses himself or herself and/or has information that can be contacted back. The complaint recipient has the duty to notify the complainant of the result. In case it matters. The complaint recipient shall report the result to the Chairman and/or the Board of Directors for acknowledgment.

3. Measures to protect complainants

To protect the complainant and to ensure that the audit process is fair and transparent, the Company has established measures to protect complainants in accordance with the following criteria:

- The complainant can choose not to disclose himself or herself if it may affect the job duties. or that the revelation would be unsafe but if self-disclosure will allow the organization to report progress and clarify facts.
- Complaint recipient will keep the relevant information confidential consider safety Measures have been established to protect employees who make complaints and/or those who provide information and/or cooperation in data verification. They will be protected from unfair treatment such as change of position, job description, workplace, work suspension, intimidation, disruption to work, and dismissal due to the cause of complaints.

4. The Importance and Guidelines for Compliance with Ethics and Code of Conduct

This Code of Business Ethics and Work Conduct It is a discipline which executives and employees must understand and adhere to and do not allow executives and employees to act that violates the requirements of this Code of Business Ethics and Code of Conduct.

If there is any unclear or any problems other than those set out in practice Executives and employees should consult with their supervisors in the hierarchy to jointly consider a solution or find an appropriate practice.

5. Penalties for non-compliance with work ethics and codes of conduct

If the investigation result of the independent director/audit committee according to the process item 2. found that the executives or the employee actually commits an offense. The company will take disciplinary action; which will be subject to actual level of punishment as appropriate for the offenses as follows

- Verbal warning or probation
- Written warning or probation
- Breaks from work
- Cut wages for a specified period of time
- Termination of employment with compensation
- Termination of employment without compensation

Audit Committee Report

The Auditing Committee of Masterkool International PLC consists of 3 independent directors with qualifications and experience from various branches, as follows: -

- Mr. Mongkol Kasaemsun Na Ayudthaya Chairman of the Audit Committee
- Mr. Sanpat Sapon Audit Committee
- Assoc. Prof. Dr. Prakit Tangtisanon Audit Committee

The Audit Committee has performed its duties as specified in the Audit Committee Charter which the Board of Directors has assigned; and in accordance with the requirements of the Stock Exchange of Thailand. In 2021, the Audit Committee held 5 meetings of the Audit Committee. The Audit Committee meeting reviewed and discussed the essence of the operation with the management, internal auditor, and regular auditors Summary of duties as follows: -

1. Financial Report Review: The Audit Committee meets only with the financial auditors and internal auditors quarterly without management attended the meetings. If there are any items where the Audit Committee has to rely on the details for consideration, the Committee may invite relevant executives to clarify, before commenting and presenting to the Board of Directors.

For financial report of the year 2021, the Audit Committee considered that the company's financial report was prepared in accordance with generally accepted auditing standards, with sufficient disclosure of material information in the notes to the financial statements.

2. Reviewing Transactions that may lead to conflict of interests: The Audit Committee has reviewed the disclosure of information from transactions that may lead to conflict of interests, and they have been deemed to be adequate and in compliance with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

3. Management Review and Risk Management: The Audit Committee has considered risk policies and programs, as well as the risk performance report, by meeting with the Risk Management Task Force to provide better guidelines and suggestions for improvement.

4. Review of Good Corporate Governance: The Audit Committee has directed and reviewed the operations in accordance with the Corporate Governance Policy, as well as business ethics requirements and defined work practices, to ensure compliance with good corporate governance principles to ensure that all stakeholders are respected.

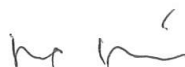
5. Review of Internal Control System and Internal Auditing Oversight: The Audit Committee employed ACC-PLUS Consultant Co., Ltd., the third-party internal auditor, to be the company's internal auditor for the independence of the inspection work. Internal audit results were reported directly to the Audit Committee, and therefore continuous monitoring of internal auditing results is required. In the year 2021, the Audit Committee found no significant internal control deficiencies within the year.

6. Considering on Auditor and Audit Fee: The Audit Committee has considered SP Auditing Co., Ltd by expertise, based on knowledge, ability, qualifications, and experience, by the standard auditing of listed companies in the Stock Exchange of Thailand. Moreover, the auditing fee is in line with the size of the company's budget. It has proposed to the Board of Directors to consider the appointment of the auditor and the remuneration of the auditor at this Annual General Meeting of Shareholders.

Summary of Audit Committee Report

The Audit Committee has performed its duties and responsibilities as its charter approved by the Board of Directors with full knowledge, ability, prudence, caution, and sufficient independence to equally benefit all stakeholders.

The Auditing Committee is of the opinion that the company's financial report is accurate and consistent with generally accepted accounting standards. The company also manages the risk from internal control and proper internal auditing with compliance to the law, good corporate governance principles and to the requirements in business.



Mr. Mongkol Kasaemsun Na Ayudthaya
Chairman of the Audit Committee

MASTERKOOL

Master of Innovative Cooling



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