

MASTERKOOOL

Master of Innovative Cooling

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

2022



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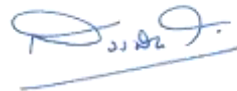
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Message from the Chairman

In 2022, the economy began to recover from the policy of opening the country and relaxation of measures to prevent the spread of the coronavirus disease 2019 (COVID-19) after the world had to face a crisis over the past 3 years. The new way of life of consumers and business have been changed. It is an important factor that has a widespread impact on all businesses and industries both domestically and globally. Challenges from changes in technology climate fluctuations and changing environment. These factors are considered opportunities for businesses to adapt in order to survive and create sustainability.

The main business of the company is still the business of distributing misting fans and evaporative cooling, which has intense competition causing lower profit margins. The company has adjusted both marketing strategies, focus on online sales adjust internal processes and continuous personnel development for business results Including joint ventures in financial business which has a high profit margin It has good growth prospects in the future. in order to increase the profits of the company and be able to generate returns for the company and shareholders of the Company in the long term. Such adjustments in business strategies enabled the Company to weather the crisis as a result, the Company's performance return to profit

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 Audit 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 2022, 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 2022, 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

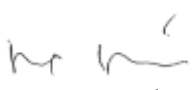
5. **Review of Internal Control System and Internal Auditing Oversight:** The Audit Committee employed ACC-PLUS Consultant Co., Ltd., the third-party internal auditor, to be the company's internal auditor for the independence of the inspection work. Internal audit results were reported directly to the Audit Committee, and therefore continuous monitoring of internal auditing results is required. In the year 2022, the Audit Committee found no significant internal control deficiencies within the year.

6. **Considering on Auditor and Audit Fee:** The Audit Committee has considered C & A Auditing Office Company Limited 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.

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.


นายมงคล เกษมสันต์ ณ ออยุธยา
ประธานคณะกรรมการตรวจสอบ

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 2022, 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. Policies and Business Overview

Masterkool International Public Company Limited ("the Company") was established on 3 June 2002 by Mr. Noppachai Veeraman and friends. The Company has been listed on the Market for Alternative Investment (mai) with the security name as KOOL since 23 September 2015. 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. In addition, the Company also operates in finance, lending, asset management and real estate development as well.

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 shared 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.

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 2022, 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 the main market groups, namely retail customers. foreign customers, corporate customers and services. In the past, it was found that the retail customer market had the highest proportion of income but the compensation conditions of the modern trade channel as a result, gross profits are not high, the Company has considered closing all Modern trade channels by the end of 2022 by pushing Online channel, Dealer and Corporate channel instead.

The export market does not growth due to the impact of the coronavirus pandemic. The company continues to pursue large potential distributors and still looking for new agents to create sales opportunities in the future, Air purifier products were also presented along with the evaporative cooling fans.

For corporate customers, the Company has opened sales to expand the market base to grow continuously to generate continuous income from providing solutions in the form of project work.

● 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 3 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 23rd 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	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	On 16 June 2021, the Company registered a change in paid-up capital from 120,000,000 baht to 180,000,000 baht, divided into 720,000,000 ordinary shares at 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) Subsequently, the Company has registered the change of paid-up capital from the private placement of newly issued shares for 2 more times as follows: On 27 August 2021, the registered capital was changed from 180,000,000 baht to 198,000,000 baht, divided into 792,000,000 ordinary shares at a par value of 0.25 baht per share. On 21 December 2021, registered to change the paid-up capital from the original amount of 198,000,000 baht to 214,250,000 baht, divided into 857,000,000 ordinary shares at a par value of 0.25 baht per share.
2022	The Company has acquired the business in the Capital Link Holding Company Limited, holding 99.99% in the total value of 61.28 million baht, paid for with 68,620,381 newly issued ordinary shares of the Company instead of payment. with cash and purchased shares of Capital Link Udon Thani Co., Ltd., paid for by newly issued ordinary shares of the Company in the amount of

114,456,887 shares, resulting in the Company having a total of 5 subsidiaries and 2 joint ventures, namely

subsidiaries

- 1) Innov Green Solutions Company Limited The objective is providing consulting services, designing, installing, distributing and providing services related to energy-saving systems and conserve the environment. The Company holds 99.99% shares
- 2) Capital Link Holding Limited is investment business The Company holds 99.99% shares
- 3) Capital Link Advisory Limited is Operate a financial business advisor. The Company holds 99.99% shares, held indirectly through Capital Link Holding Limited.
- 4) Capital Link Leasing Public Company Limited has changed its name to Capital Link Land Public Company Limited on 26 August 2022 is financial business The Company holds 99.99% shares, held indirectly through Capital Link Holding Limited.
- 5) Capital Link Udonthani Company Limited is real estate development business. The Company holds 99.99% shares

Joint venture

- 1) H-DO (THAILAND) Limited. the objective is Operate real estate business and a real estate broker. The Company holds 49.00% shares,
- 2) H-DO Asset Management Limited., held indirectly through H-DO (THAILAND) Limited, the objective is asset management business. The Company holds 99.99% shares
Subsequently, the company has registered the change of paid-up capital from the private placement of newly issued shares for 4 times as follows

7 January 2022 registered to change the paid-up capital from 214,250,000 baht to amount 230,500,000 baht, divided into 922,000,000 ordinary shares with a par value of 0.25 baht per share

17 January 2022 registered to change the paid-up capital from 230,500,000 baht to amount 244,380,000 baht, divided into 977,520,000 ordinary shares with a par value of 0.25 baht per share

19 January 2022 registered to change the paid-up capital from 244,380,000 baht to amount 290,149,317 baht, divided into 1,160,597,268 ordinary shares with a par value of 0.25 baht per share

8 february 2022 registered to change the paid-up capital from 290,149,317 baht to amount 300,000,000 baht, divided into 1,200,000,000 ordinary shares with a par value of 0.25 baht per share

14 June 2022 The Company has registered the change of paid-up capital from the offering of new shares to the existing shareholders in proportion to their shareholding (Right Offering) from the original 300,000,000 baht to 618,067,925.75 baht divided into 2,472,271,703 ordinary shares with the value at a par value of 0.25 baht per share

10 August 2022 Capital Link Holding Limited which is a subsidiary of the Company entered into a transaction to purchase ordinary shares of Thanatawee Asset Management Company Limited operates asset management business. with 100% shareholding

25 August 2022 The company has established 2 new companies as follows:

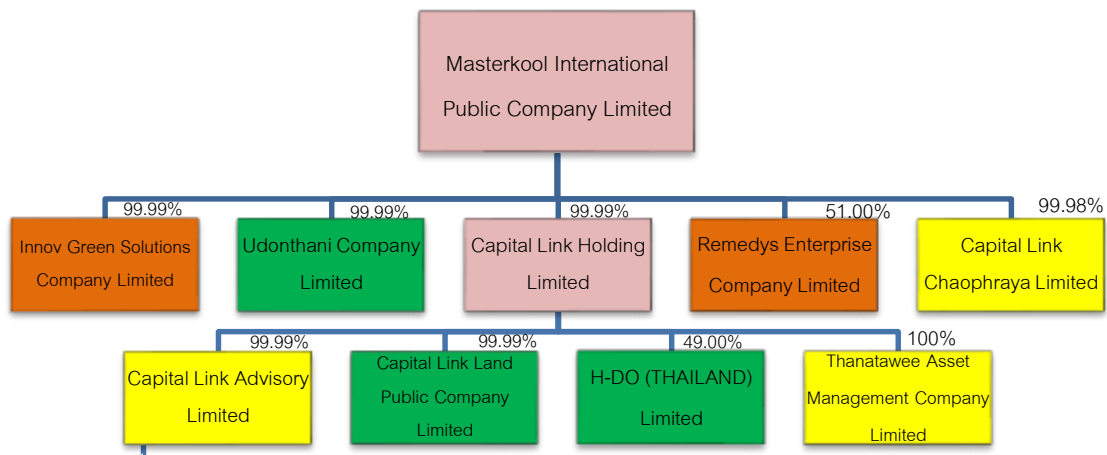
1) Metta Pharma Company Limited. Production and distribution of healthy food, beverages and supplements, with 50.99% shareholding (the Extraordinary General Meeting of Shareholders No. 2/2022 of Meta Pharma Company Limited on 26 December 2022 resolved to approve the dissolution of the business)

2) Remedys Enterprise Company Limited. Cultivation of cannabis plants and selling cannabis related products with 50.99% shareholding

19 December 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 resolved to approve the transfer of production business and sales of cooling products control air quality and disinfection Including related services to Innow Green Solution Co., Ltd.

27 December 2022, the Company entered into the transaction. purchased ordinary shares of Capital Link Chaophraya Limited to conduct asset management business. with 99.98% shareholding after changing the name to Khonkaen AMC Limited

1.3 Shareholder Structure



1.4 Relationship with Major shareholders' Business Group

Event 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

□ Products and services Innov Green Solutions Company Limited

The company's products are divided into 3 main categories, namely products for reducing heat and ventilation. Ozone-related products in the form of energy saving/environmental solutions and other products and also has air purifiers/disinfection products There is a fan rental service. and after sales service as well.

1) Cooling and ventilation products

Misting Fan It is a cooling system consisting of a fan and a mist generator. Suitable for outdoor areas

Evaporative Air It is a cooling system without causing water mist.

Cooling There are both mobile types. suitable for housing and system installation type suitable for factories



Industrial Fan and Ventilation Fan

can be used for cooling make it easy to ventilate and reduce the temperature very well.



Propeller Fan



Axial Fan



Centrifugal Fan



พัดลมสำหรับที่อยู่อาศัย ยังคงเน้นประสิทธิภาพ และคุณภาพ พร้อมความแตกต่าง ด้วยฟังก์ชันการปรับความเร็วได้ถึง 15 ระดับ และประหยัดไฟฟ้าโดยได้รับตราสัญลักษณ์ประหยัดไฟเบอร์ 5 สามดาวเป็นที่เรียบร้อยแล้ว

Home fans: The Company 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) Ozone System Product



Ozone System for Cooling Tower
Use with large air conditioners



Ozone system for water quality
improvement for wastewater treatment



Cold Plasma System
for improving air quality

3) **Other products** In addition to the water dispenser air purifier and disinfection machines that have been introduced to the market, the company has also brought high-quality air filters medical standards also available

4) Fan rental service

In addition to the fans that the company provides for rent, the company also provides equipment for organizing a full range of services as well.

5) After sales service

The company has a team of expert technicians to provide after-sales service throughout the lifetime.



Distribution channel

1) Retail

Moderntrade: Mainly sold through retail stores, HomePro and Mega Home. by screening specific points of sale in potential branches in addition to evaporative cooling fans, the company has also introduced products in the air purifier and disinfection group, which are products that can be sold throughout the year. This helps reduce revenue volatility during the off-season. However, the department store channel is still a high-cost channel. As a result, the proportion of profits is not large, the company therefore considers selling through department stores only during the summer.

Dealer: Sold through distributors in major provinces and countries Some of them are service repair centers for customers. And there is a service for renting a Master Cool fan in the province. and surrounding areas For the past year, it was a channel that customers could easily access.

Online: The company has opened an online distribution channel in the form of distribution through online shopping websites such as, Lazada, Shopee, Top Value, JD Central etc. , and has expanded the potential of reaching consumers through more online channels in response to changing consumer behavior by having the company's website. itself to sell products online directly through <https://shop.masterkool.com>

2) Corporate customers

In addition to products to reduce heat and ventilation. There are also ozone-related products mainly for energy saving and environmental protection. which is presented to specific customers In addition, the sales management of this channel is project management style with a long-term sales cycle, so it must be managed differently from other channels.

3) Export

The company also has large potential dealers. And continue to find new dealers to increase sales opportunities continuously.

In addition to selling products through the aforementioned main channels, the company also provides fan rental services and equipment for organizing events both outside and on site. as well as warranty and product maintenance services.

☐ Business operations of subsidiaries and joint venture

Capital Link Holding Limited. The holding Company. Currently, the company has been registered for dissolution on 27 January 2023 and is in the process of liquidation. According to the resolution of the Company's Extraordinary General Meeting of Shareholders No. 1/2023 held on 16 January 2023 it was approved to accept the entire business transfer from Capital Link Holding Limited under the entire business transfer process in order to reorganize the structure within the group of companies to be more flexible.

Financial business group The main services can be divided into 3 services

1) Credit service business

Capital Link Land Public Company Limited (original name Capital Link Leasing Public Company Limited) Real estate lending services and/or real estate as collateral

2) Financial business advisor

Capital Link Advisory which is a financial advisory firm approved by the Securities and Exchange Commission. Conduct financial advisory business. The Company's financial advisory services can be divided into.

Advisory, including being an independent financial advisor (Shareholder Advisor) Valuation of the Company Project Feasibility Study merger company structure and debt restructuring, etc.

Fundraising, namely listing the company on the SET (Initial Public Offering), issuing and offering listed securities to the general public (Public Offering), and issuing and offering securities to specific investors (Private Placement), including procuring co-investors, etc.

3) Asset management business

Thanatawee Asset Management Company Limited and Khonkaen AMC Limited. Procurement and management of non-performing assets and foreclosed assets by purchasing non-performing assets from financial institutions and financial business operators in Thailand and managed by negotiating debt restructuring with debtors

Real estate development business group

Initially operated under Capital Link Udonthani Company Limited. (Currently registered for dissolution on 16 January 2023 and is in the process of liquidation. According to the resolution of the Company's Extraordinary General Meeting of Shareholders No. 1/2023 held on 16 January 2023, it was approved to accept the entire business transfer under the process of entire business transfer (EBT) to Capital Link Land Public Company Limited in order to organize the structure within the group of companies to be more flexible)

There are currently projects that have been completed. and projects under development as follows:

- Completed developed projects: Sittarom Park Life Udon Thani
- Projects under development, namely Sasira Udon Thani (35 residential houses) and Sasira Park (commercial rental real estate).

Joint venture

1) Hemp and cannabis business Companies operating in the hemp and cannabis business are:

1.1) Remedys Enterprise Company Limited (the Company holds 51% of shares)

Running a cannabis cultivation business and sells cannabis-related products

1.2) Metta Pharma Company Limited (the Company holds 51% of shares)

Operates the business of selling and distributing Healthy food and beverages and supplements

at present, the company has been registered for dissolution on 28 December 2022 and is in the process of liquidation

Real estate business

H-DO (THAILAND) Limited. The Company holds 49.00% shares, It is a joint venture with And Do Holdings (Japan) Co., Ltd. (&Do Holdings Co., Ltd), a company listed on the Tokyo Stock Exchange No. 1, conducting business of buying, selling, renovating for sale, brokering and providing complete real estate advice. circuit, including franchise business Real estate broker under the brand "House Do"

3. Risk Management

Risk Management Policy

The Company realizes the importance and necessity of adopting a risk management system that meets international standards in its management. with the aim that the company to be an important organization that creates customer satisfaction. have a good image and develop the operations of the company to be in the same direction throughout the organization Therefore, the risk management policy has been established as follows:

1. Assign risk management as the responsibility of employees at all levels to be aware of the risks in their operations in their departments and the organization. It places importance on managing risks in various areas, being managed under systematic internal control. to be at an adequate and appropriate level
2. To have an enterprise risk management process that meets good standards in line with international practices. To achieve risk management that may affect the operations of the company effectively. The development and operation of risk management throughout the organization in the same direction. by incorporating risk

management systems into decision making Strategic planning, plans and operations of the company. Including focusing on achieving objectives, goals, visions, missions, strategies. To create operational excellence and build the confidence of those involved.

3. Guidelines for preventing and mitigating risks from the Company's operations are established. to avoid damage or losses that may occur Including regular monitoring and evaluation of risk management results

4. Promote and develop the use of modern information technology systems in the Company's risk management process. and encourage personnel at all levels to access risk management information resources thoroughly. as well as setting up a risk management reporting system for the Company's risk management working group. Board of Directors and the Audit Committee effectively.

Retail business risks that may be affected by changing circumstances

The company's revenue in the past year It comes from the retail business channel, which is the Company's main distribution channel. But at present, due to market conditions and changing consumer behavior Consumers are shopping online and there is price competition that can affect sales and profits of the company. The company therefore changed the sales team structure. and expand opportunities in other sales channels to be close to the original main distribution channels using strategies to drive sales Corporate customers and solution sales of products and services. Marketing with a focus on creating target audience reach target group allow the company to increase sales and generate profits at a competitive level from other distribution channels, in addition, the company has restructured its business group. by increasing opportunities in the financial business group through the Company and its subsidiaries

Risk from Fluctuations in Foreign Exchange Rates

Due to the company It operates its business mainly by importing goods from foreign countries and paying mainly in US dollars. while the main income of the company in Thai baht in the event that the US dollar rises or the baht depreciates will result in higher product costs while the company Unable to increase selling price with business partners immediately which made the company Losses from exchange rates affecting the Company's operating results.

However, the Company earns part of its revenue in US dollars from sales to overseas distributors. In the past year, the company Has screened only agents who have the potential and can generate income from exports for the company. At present, there are more than 34 countries of active agents in total. However, due to the nature of the Company's business operations with both income and expenses in US dollars make the business of the company Simultaneous exchange rate risk management (Natural Hedge) This will reduce the impact of exchange rate fluctuations to some extent. In addition, the company has hedged the risk by setting a policy of pre-ordering in order to fix the same product price. And proceed to reserve the forward rate every time a credit limit (LC&TR) is made to order products. and before ordering and pricing of products using RMB currency to mitigate exchange rate volatility on the part of the Company and trade partners, most of whom are manufacturers in China.

4. Property for Business Purpose

4.1 Fix Assets

As of 31 December 2022, 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 2022
Land which located in Phanatnikhom, Nawanghin sub-district, Phanatnikhom District, Chonburi with total area of 6 Rai and 1 Ngan	Owner	Mortage collateral for loan	2,240,146.72
Building, Leasehold Improvements	Owner	-	41,962,416.26
Molds, Machinery, tools and Equipments	Owner	-	92,693,908.65
Renting-out assets	Owner	-	21,372,423.57
Computers, Furnitures, and Office equipments	Owner		12,929,801.54
Vihecles	Owner	Some are in leasing contracts	18,020,686.13
Assets under installation			108,247.43
Total			189,327,630.3

4.2 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

4.3 Patent

Registration No.	Patent	Patented Inventions	Protection Period
1702003279	67460	Air-Cooling (14EX)	24 August 2017 to 23 August 2027
1702000098	67459	Air-Cooling (55EX)	24 August 2017 to 23 August 2027
1702003278	67458	Air-Cooling (28EX)	24 August 2017 to 23 August 2027
1902004004	88086	Air-Cooling (06EX)	19 May 2022 to 2 October 2029

4.4 Important contract in business

Rental contracts of office and warehouse as of 31 December 2022

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 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

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	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

Four production contracts with a Manufacturer

Contractual Party	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	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	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}
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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	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	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. 2. 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. 3. 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.

	4. 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. 5. 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. 6. The Company shall not provide any assets, privileges, reward or commission or other benefits to employees or the representative of the Contractual Party. 7. 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. 8. 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. 9. 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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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	1. Dealer* ("the Contractual Party") 2. Masterkool International Public Company Limited ("the Company")
Contractual Duration	Until the contract will be cancelled by any party.
Contractual Cancellation	1. In case that the dealer defaults the contract or does not comply with dealership rule, the Company is entitled to cancel the Contract. 2. 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	1. The Contractual Party is the local dealer of the Company's products in Thailand only. 2. The Contractual Party uses MASTERKOOL trademark with the product, integral part, spare part and equipment particularly for the Company's product only. 3. 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.

4.5 Policy of Investment in its Subsidiaries and Associates

The Company has a mechanism to supervise its subsidiaries and associated companies both directly and indirectly. Including measures to monitor the management of subsidiaries and associated companies. to maintain the benefits of the investment of the Company and can control and manage and be responsible for the operation of the subsidiary as if it were a unit of the Company by focusing on investing in businesses that support and contributing to the business of the Company by considering the returns and other benefits that the Company Expected to receive from the investment is important. In order to support and promote the business of the group of companies, the Company has set investment policies in subsidiaries and associated companies. And the said policy is regularly reviewed every year. The essence is as follows.

In order to maximize the benefit of the Company, the Company will supervise by sending a person who has been approved by the Board of Directors' meeting. Become a director and/or an executive of a subsidiary and associated companies Become a representative at least according to the shareholding proportion by requiring that directors and executives have qualifications, roles, duties and responsibilities by taking into account the interests of the subsidiaries. or that associated company and not having untrustworthy characteristics as announced by the SEC Office in order to participate in the management of that business, including having the right to vote in the Board of Directors' meeting. and/or the shareholders' meeting of subsidiaries and associated companies according to the guidelines or resolutions set by the Board of Directors or at the shareholders' meeting of the Company have approved The appointed directors and executives are able to exercise discretion and vote in the meetings of subsidiaries. and associated companies in terms of general management but in the case of important matters, approval must be obtained from the Board of Directors' meeting. Or the shareholders' meeting of the company first, such as connected transactions. Acquisition or disposition of assets Actions that reduce the Company's shareholding in subsidiaries and associated companies or dissolution of subsidiaries and associated companies.

5. Legal Dispute

As at 31 December 2022, 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

General Information as of 31 December 2022

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 12/16-17, 20 Thesabansongkro Road, Ladyao Sub-district, Chatuchak District, Bangkok Branch 1 Factory: 184 Moo 10 Tumbol Nawanghin, Amphur Panat-nikhom, Chonburi

- **Branch 2 Warehouse (Pathumthani):**
39 Moo 6 Tumbon Klong Nueng, Klong Luang, Pathumthani
- **Branch 3 Rental Services:**
795 Pracharat 1, Bangsue, Bangsue, Bangkok

Co. Registration 0107557000365

Registered Capital 750,000,000 THB

Paid-Up Capital 618,067,925.75 THB Total 2,472,271,703 Shares, 0.25 THB/share

Telephone (66) 2953 8800

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

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

Subsidiary Name	: Innov Green Solutions Company Limited
Objective	: Consulting services, design, installation, distribution and service about energy saving systems and environmental protection such as ozone system for air-conditioning system, Ozone system for large washing systems, Ozone system to eliminate unwanted odors
Location	: 12/16-17, 20 Thesabansongkroa Road, Ladyao Sub-district, Chatuchak District, Bangkok
Registered No.	: 0105554064743
Registered Capital	: 30,000,000 baht
No. of Share	: 300,000 shares
Par Value	: 100 baht
Shareholding Proportion	: Masterkool International Public Company Limited held 99.99%
Subsidiary Name	: Capital Link Holding Limited
Objective	: Investment Business
Location	: 356 W1 Building 2 nd Floor, Narathiwat-Ratchanakarin Road, Chong Nonsi, Yannawa, Bangkok 10120
Registered No.	: 0105555155670
Registered Capital	: 22,727,300 baht
No. of Share	: 227,273 shares
Par Value	: 100 baht
Shareholding Proportion	: Masterkool International Public Company Limited held 99.99%
Subsidiary Name	: Capital Link Advisory Limited
Objective	: operate a financial business advisor
Location	: 35 Soi Sathorn 9 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered No.	: 0105552129571

Registered Capital	:	10,000,000 baht
No. of Share	:	1,000,000 shares
Par Value	:	10 baht
Shareholding Proportion	:	Masterkool International Public Company Limited held 99.99% by holding shares through Capital Link Holding Limited
Subsidiary Name	:	Capital Link Land Public Company Limited
Objective	:	Financial Business
Location	:	35 Soi Sathorn 9 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered No.	:	0107545000063
Registered Capital	:	6,610,571.25 baht
No. of Share	:	10,576,914 shares
Par Value	:	0.625 baht
Shareholding Proportion	:	Masterkool International Public Company Limited held 99.99% by holding shares through Capital Link Holding Limited
Subsidiary Name	:	Capital Link Udonthani Company Limited
Objective	:	Real Estate Development Business
Location	:	35 Soi Sathorn 9 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered No.	:	0105550057238
Registered Capital	:	40,000,000 baht
No. of Share	:	40,000 shares
Par Value	:	1,000 baht
Shareholding Proportion	:	Masterkool International Public Company Limited held 99.99%
Subsidiary Name	:	Thanatawee Asset Management Company Limited
Objective	:	Asset Management Business
Location	:	349 SJ Infinite I Business Complex, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900
Registered No.	:	0105559110964
Registered Capital	:	25,000,000 baht
No. of Share	:	250,000 shares
Par Value	:	100 baht
Shareholding Proportion	:	Masterkool International Public Company Limited held 100% by holding shares through Capital Link Holding Limited
Subsidiary Name	:	Remedys Enterprise Company Limited
Objective	:	Cultivation of cannabis plants and selling cannabis related products
Location	:	35 Soi Sathorn 9 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered No.	:	0105565137879
Registered Capital	:	5,000,000 baht
No. of Share	:	50,000 shares
Par Value	:	100 baht
Shareholding Proportion	:	Masterkool International Public Company Limited held 51%

Subsidiary Name : **Khonkaen AMC Limited**
 Objective : Asset Management Business
 Location : 88/256 Naradhiwas Rajanagarindra Road, Yannawa, Sathorn, Bangkok 10120
 Registered No. : 0105565054892
 Registered Capital : 1,000,000 baht
 No. of Share : 10,000 shares
 Par Value : 100 baht
 Shareholding Proportion : Masterkool International Public Company Limited held 99.98%

Joint venture Name : **H-DO (THAILAND) Limited**
 Objective : Operate Real Estate Business and a Real Estate Broker.
 Location : 35 Soi Sathorn 9 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
 Registered No. : 0105562034742
 Registered Capital : 73,000,000 baht
 No. of Share : 730,000 shares
 Par Value : 100 baht
 Shareholding Proportion : Masterkool International Public Company Limited held 49.00%

Part 2 Management and Corporate Governance

7. Securities and Shareholders Information

7.1 Registered and Paid-up capital

As of 31 December 2022, the Company has registered capital of 750,000,000 baht, divided into 3,000,000,000 ordinary shares with 618,067,925.75 baht in paid-up shares, divided into 2,472,271,703 ordinary shares.

7.2 10 Major Shareholders as at 25 November 2022

รายชื่อผู้ถือหุ้น	No. of Shares	%
1. Mr.Kriangkrai Siravanichkan	615,600,000	24.90%
2. Mr. Noppachai Veeraman	201,490,898	8.15%
3. MR.FUNG MENG HOI	77,061,100	3.12%
4. Ms.Nittaya Aniwattanakhun	50,000,000	2.02%
5. Mr.Nithi Tarvorn	40,000,000	1.62%
6. Mr.Kumphol Tatiyakawee	39,000,000	1.58%
7. Mr.Chockchai sarunkarnchayatawat	34,000,000	1.38%
8. Ms.Rujira Jamnoi	31,000,000	1.25%
9. Ms.Supassorn Chaowisit	29,774,600	1.20%
10. Mr.San Jessadaarackkul	27,000,000	1.09%
11. Others	1,327,345,105	53.69%
Total	2,472,271,703	100.00%

7.3 Other securities issued

-None-

7.4 Dividend payment policy

The company has set dividend payment policy of the company and its subsidiaries to shareholders. At the rate of not less than 40% of the net profit after corporate income tax of the separate financial statements and after legal reserve deduction and other accumulations

However, such dividend payment is subject to change. It may consider paying dividends at a rate lower than the rate specified above. or no dividend payment depending on economic conditions performance financial status Company liquidity and its subsidiaries and the necessity of using it as working capital for business management and business expansion of the Company and its subsidiaries under the condition that The Company must have sufficient cash to run its business and such action must be in the best interests of the shareholders. According to the Board of Directors and/or shareholders of the Company deem appropriate. In this regard, the resolution of the Board of Directors which approved the dividend payment Must be presented for approval at the shareholders' meeting. Unless it is an interim dividend payment. The Board of Directors has the authority to approve the interim dividend payment. Then report to the general meeting of shareholders for acknowledgment at the next meeting.

8. Management Structure

8.1 The Board of Directors and Subcommittee

As of 31 December 2022, the management structure of the company consisting of 5 sets of committees: The Board of Directors, Audit Committee, Nomination and Remuneration Committee, and the Executive Committee the details are as follows:

The Board of Directors

Name	Position	No. of meeting attended/ Total no. of meeting in 2022
1. Mr. Sanpat Sapon	Chairman, independent director	11/12
2. Assoc. Prof. Dr. Prakrit Tangtisanon	Independent director	12/12
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Independent director	12/12
4. Mr. Kritsana Thaidumrong	Director	12/12
5. Mr. Fung Meng Hoi	Director	4/12
6. Mr. Noppachai Veeraman	Director and Managing Director	12/12
7. Mr. Kriangkrai Siravanichkan	Director	12/12
8. Ms. Benjarat Hattachanchai	Director	12/12

The authorized directors who are authorized to sign to bind the company's certificate are Mr. Noppachai Veeraman, Mr. Fung Meng Hoi, Ms. Benjarat Hattachanchai, two directors in four people sign together and affix the company's seal. In 2022, Mr. Fung Meng Hoi attended the meeting by teleconferences through an electronic device from Malaysia due to the COVID situation.

The Board of Directors' Meeting No. 10/2022 held on 11 November 2022 resolved to appoint Ms. Jariyaporn Akkarawong as the 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 and the annual organization assessment with 1 time.

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.39/2016 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 2022
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

The Nomination and Remuneration Committee

Name	Position	Number of meeting attended/ Total numbers of meeting in 2022
1. Assoc. Prof. Dr. Prakrit Tangtisanon	Chairman	2/2
2. Mr. Sanpat Sapon	Member	2/2
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Member	2/2

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 2022, 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.

Investment Committee

Name	Position	Number of meeting attended/ Total numbers of meeting in 2022
1. Mr. Noppachai Veeraman	Chairman	6/6
2. Mr. Kritsana Thaidumrong	Member	6/6
3. Mr. Kriangkrai Siravanichkan	Member	6/6
4. Ms. Benjarat Hattachanchai	Member	6/6

Executive Committee

Name	Position	Number of meeting attended/ Total numbers of meeting in 2022
1. Mr. Noppachai Veeraman	Chairman	12/12
2. Ms. Benjarat Hattachanchai	Executive Director	12/12
3. Ms. Sunanta Warwat	Executive Director	12/12
4. Mr. Komin Krodmee	Executive Director	12/12
5. Mr. Sanchai Sriwiboon	Executive Director	12/12
6. Mr. Thammasak Chobchai	Executive Director	12/12
7. Ms. Tunwa Anguravirutt	Executive Director	12/12

Management

Name	Position
1. Mr. Noppachai Veeraman	Managing Director
2. Ms. Benjarat Hattachanchai	Assistant Managing Director, Finance and Accounting
3. Mr. Komin Krodmee	Assistant Managing Director, Production Management
4. Mr. Sanchai Sriwiboon	Assistant Managing Director, International Business
5. Mr. Thammasak Chobchai	Assistant Managing Director, Engineering and Customer Services
6. Ms. Tunwa Anguravirutt	Assistant Managing Director, Business Quality
7. Ms. Sunanta Warwat	Assistant Managing Director, Innov Green Solutions Company Limited

8.3 Company Secretary

The Board of Directors' meeting No.10/2022 had the resolution to appoint Miss Jariyaporn Akkarawong to be the Company secretary starting from 11 November 2022. 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 Jariyaporn Akkarawong has passed the training course of the Fundamentals for Corporate Secretaries No.1/2016 from Thai Listed Companies Association. the Company Secretary Information is in Appendix.

8.4 Remuneration for the Board and Management

The Annual General Meeting of Shareholders 2022 held on 29 April 2022 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:

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
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 2022, the Company paid remuneration for the board and member in subcommittee as follows

	BD	AC	NRC	IC	Total
1. Mr. Sanpat Sapon	300,000	80,000	20,000	30,000	430,000
2. Mr. Prakit Tangtisanon	220,000	80,000	30,000	20,000	350,000
3. Mr. Mongkol Kasaemsun Na Ayudthaya	220,000	120,000	20,000	20,000	380,000
4. Mr. Kritsana Thaidumrong	220,000	-	-	-	220,000
5. Mr. Fung Meng Hoi ¹⁾	-	-	-	-	-
6. Mr. Noppachai Veeraman ²⁾	-	-	-	-	-
7. Mr. Kriangkrai Siravanichkan ²⁾	20,000	-	-	-	20,000
8. Ms. Benjarat Hattachanchai ²⁾	-	-	-	-	-
รวม	980,000	280,000	70,000	70,000	1,400,000

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 and Ms. Benjarat Hattachanchai

In this regard, the directors and executives who are employees of the Company Will receive salary, bonus, position allowance, allowance, contribution to the social security fund only.

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.

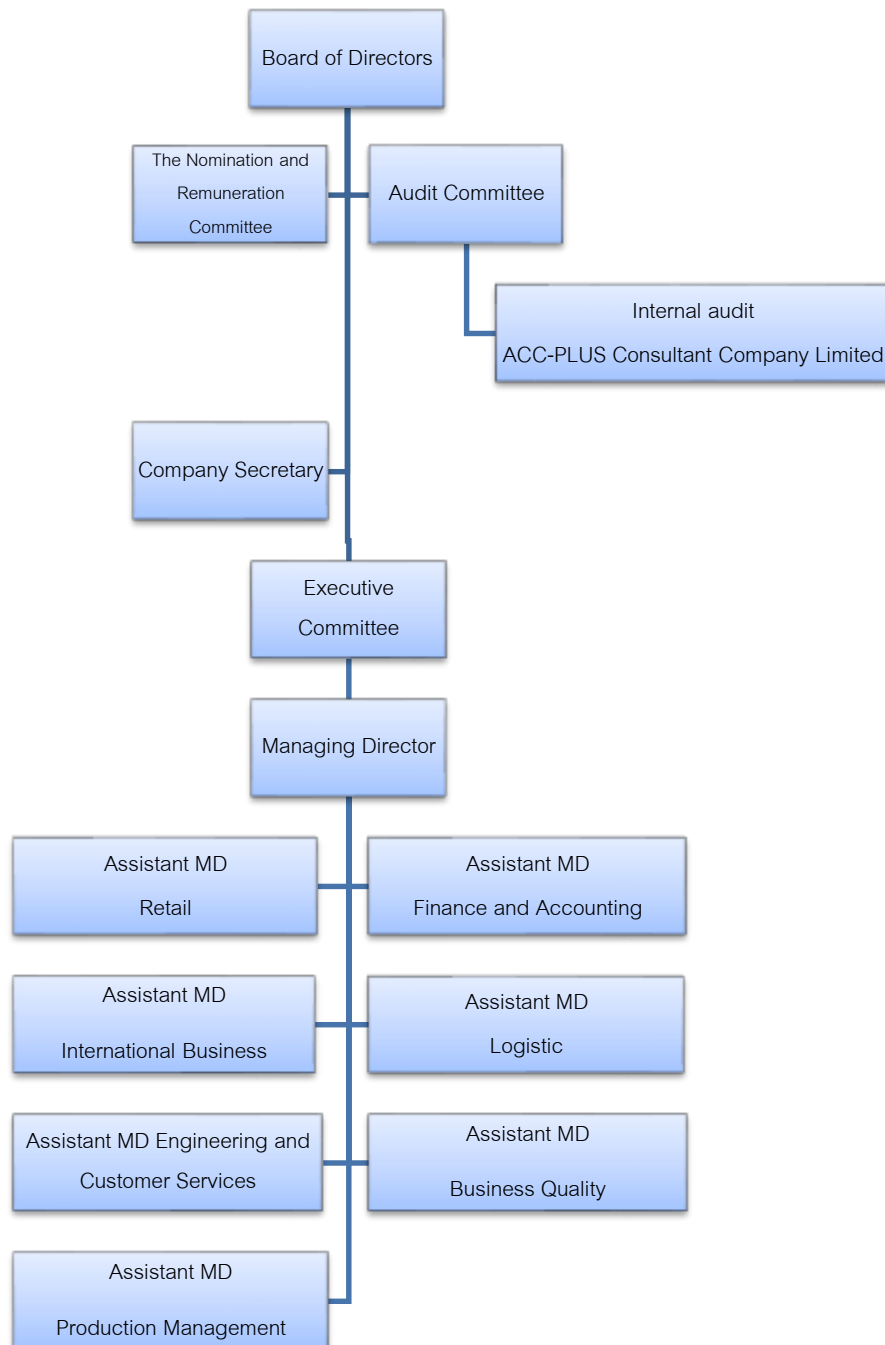
The number of employees of the company as of 31 December 2022 with a total of 138 employees, with the remuneration is 3,669,894 Baht per month.

The Company and its subsidiaries 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.

8.5 Management Structure as of 31 December 2022



The Company hires ACC-PLUS Consultant Company Limited to perform internal audit of the Company and its subsidiaries.

Miss Wanna Maluengnont (Managing Director of ACC-PLUS Consultant Company Limited) is head of internal audit team

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

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.

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

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.

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

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.

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) Adminstrating 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.

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.

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

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.

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.

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.

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 1/2022 arranged on 25 February 2022 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 SJ. 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 SJ. 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

The Company and its subsidiaries paid annual audit fees and the review of interim financial statements for C&A Audit Office Company Limited, which is the Company's audit firm and its subsidiaries for the fiscal year ended 31 December 2022 in the total amount of 3,280,000 baht.

The Annual Shareholders' Meeting 2022 held on 29 April 2022 had a resolution to appoint the C&A Audit Office Company Limited, names of auditors are as follows:

- | | | |
|----|---------------------------------|-------------------------------|
| 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 2022 and review of quarterly financial statements of the company and subsidiaries.

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 2022, the Board of Directors reviewed the corporate governance policy at the Board of Directors Meeting No. 2/2022 on 25 February 2022, 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 Microsoft Dynamic AX and The company has established communication between departments. and branches of the Group located in different areas (Locations) including head office/service center, sales office, rental business office, warehouse and factory with E-meeting system mainly through the Company's network system.

- **Board effectiveness**

The composition of the Board of Directors according to the latest review of the corporate governance policy in the Board of Directors Meeting No. 2/2022 on 25 February 2022 found that the corporate governance structure is still effective. and in accordance with the Public Companies Act and the Securities Act as well as announcements from relevant regulatory agencies.

The Board of Directors conducts a self-assessment at least once a year for the purpose of developing and improving the performance of the Board of Directors in accordance with the principles of good corporate governance for listed companies according to the self-assessment form provided by the Stock Exchange of Thailand. as a guideline Both the committee self-assessment form and the individual self-assessment form The performance assessment results of the Board of Directors were satisfactory.

In addition, the Audit Committee has scheduled meetings of independent committees who are also audit committee without management. and Secretary of the Faculty attend a meeting At least once a year to exchange opinions on the internal control system. and management system before notifying the results of the assessment of the adequacy of the internal control system and management system evaluation results to the Managing Director which is the highest level of management and company secretary who is the secretary of the committee, has been informed of the conclusions to be taken into account in order 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 also devotes his time to attend as a special guest speaker on occasions.

- **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
- 22) Investment 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 2022, 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 2021.

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 applied the guidelines for developing corporate governance according to the principles of CG Code 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 Activities for the benefit of society and the environment through

Social responsibility is integrated through business processes.

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.

Corporate Social Responsibility Beyond Business Operations

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

In addition, the Company participated in many social activities, such as the project “Dream reading project”, a project that promotes and encourages children's development with stories according to their ages through activities organized within the Child Development Center under the Ministry of Interior and promoting family relationships by reading stories at home, donating fans and light bulbs to temples, 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.2/2022 on 25 February 2022, 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 Audit and External Audit

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 Audit committee.

Observations of internal audit departments regarding the internal control system of the company

In 2025, 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 plans to implement recommendations with no significant defects found.

Observations of External Audit

Auditing the financial statements for the year 2022, 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 28 February 2023, appeared in the auditor's report in the annual financial statements as attached.

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 internal 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 2022

Who may have conflict of interest	Relationship	RPT Details	Thousand Baht	
			2021	2022
Site Preparation Management Company	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:	73.79	-
		- Revenue	13.50	-
		- AR (Beginning)	-	-
		- AR (Ending)		

Who may have conflict of interest	Relationship	RPT Details	Thousand Baht	
			2021	2022
Acdee Co, Ltd.	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			
	AC's Comment:			
	Normal business under price and condition indifferent from other customers			
	Mr. Thanapat Thaidumrong and Mr. Thammathat Thaidamrong, the Director and Major Shareholders in Actdee 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 Actdee 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	2284.44	2,653.63
		- Promotion expenses	-	-
		- AR (Beginning)	4742.70	2,542.70
		- AR (Ending)	2542.70	-
Human Soft Co.,Ltd.	Necessity and Reasonability:			
	The Company has sold products of air cooler system to Actdee Co., Ltd. under price and condition indifferent from other dealers			
	AC's Comment:			
	Normal business under price and condition indifferent from other customers			
	Mr.Noppachai Veeraman Director	The company has entered into a salary program service fee agreement. The value of purchases and outstanding payable balances at the end of the period are as follows:		
		- Sevice	78,44	67.13
		- AR (Beginning)	-	-
		- AR (Ending)	-	-

Who may have conflict of interest	Relationship	RPT Details	Thousand Baht	
			2021	2022
Mr.Noppachai Veeraman	Director	The company sold products and received debt payments in the period.		4.39
	Necessity and Reasonability: The director bought the company's product to use.			
	AC's Comment: Normal business under price and condition indifferent from other customers			
Mr. Kriangkrai Siravanichkan	Director	The company sold products and received debt payments in the period.		5.14
	Necessity and Reasonability: The director bought the company's product to use.			
	AC's Comment: Normal business under price and condition indifferent from other customers			

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 Financial information and performance

13. Important financial information

Revenue share

Source of income	As of 31 December 2022	As of 31 December 2021	As of 31 December 2020
Sales revenue	345,087,769.67	455,349,593.35	646,600,360.61
Service revenue	173,471,652.70	64,194,743.49	85,626,993.78
Interest income *	45,179,328.53	5,923,061.90	-
Other income	11,089,048.33	20,164,439.08	1,611,108.06
Total revenues	574,827,799.23	545,631,837.82	733,838,462.45

* Interest income is income from lending and loans

Financial Ratio

	Consolidated	
	Jan-Dec 2022	Jan-Dec 2021
Liquidity Ratio		
Current Ratio	9.76	1.76
Quick Ratio	8.45	0.77
Profitability Ratio		
Gross Profit Margin (%)	26.64%	25.26%
Operating Profit Margin (%)	6.17%	(2.32%)
Net Profit Margin (%)	7.12%	(3.92%)
Efficiency Ratio		
ROE (%)	4.41%	(2.35%)
ROA (%)	3.61%	(1.92%)
Total Asset Turnover	0.53	0.95
Financial Policy Ratio		
Debt to Equity Ratio	0.12	0.57

14. Management's Discussion and Analysis

วันที่ 28 February 2023

Subject: Management's Discussion and Analysis of Operating Results for the year ended 31 December 2022

Attention: The President
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 2022 which has been reviewed in the Board of Directors' Meeting No. 1/2023 arranged on 28 February 2023 as following: -

Statement of Financial Position (Consolidated)

Unit: Million Baht

Description	As of			
	31/12/2022	31/12/2021	Changes	%
Assets				
Current assets				
Cash and cash equivalents	126.29	66.50	59.79	89.91%
Loans to debtors	363.15	0.37	362.78	98,148.65%
Trade accounts and other receivables	93.77	86.75	7.02	8.09%
Contract assets	4.26	2.91	1.35	46.39%
Inventories	164.78	201.00	(36.22)	(18.02%)
Real-estate development project cost	34.24	0.00	34.24	-
Foreclosed properties	5.10	0.00	5.10	-
Other current financial assets	430.44	0.44	430.00	97,827.27%
Other current assets	8.04	0.51	7.53	1476.71%
Total current assets	1,230.07	358.49	871.58	243.13%
Non-current assets				
Deposits at financial institutions pledged as collateral	66.55	79.85	(13.30)	(16.67%)
Investments in associates	41.78	0.00	41.78	-
Loans to debtors	22.97	119.91	(96.94)	(80.84%)
Investment property	91.99	0.00	91.99	-
Land, building and equipment	52.95	41.26	11.69	28.33%
Land awaiting development	33.59	0.00	33.59	-
License assets	13.91	13.00	0.91	7.00%
Intangible assets	2.25	2.41	(0.16)	(6.64%)
Deferred tax assets	0.18	0.00	0.18	-
Other non-current assets	2.42	15.34	(12.92)	(84.22%)
Total non-current assets	328.59	271.77	56.82	20.91%
Total assets	1,558.66	630.26	928.40	147.30%
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loan from financial institutions	20.93	121.32	(100.39)	(82.75%)
Trade and other current payables	69.45	43.77	25.68	58.67%
Liabilities arising from current contracts	5.72	24.76	(19.04)	(76.90%)
Liabilities under the lease agreement due within one year	5.21	9.07	(3.86)	(42.56%)

Description	As of			
	31/12/2022	31/12/2021	Changes	%
Short-term loans	20.00	0.00	20.00	-
Provision for warranty	3.07	4.47	(1.40)	(31.32%)
Other current financial liabilities	1.35	0.00	1.35	-
Accrued corporate income Tax	0.29	0.00	0.29	-
Total current liabilities	126.02	203.39	(77.37)	(38.04%)
Non-current liabilities				
Liabilities arising from non-current contracts	1.53	0.33	1.20	363.64%
Long-term provision for warranty	0.00	0.23	(0.23)	(100.00%)
Lease liabilities	8.79	2.26	6.53	288.94%
Non-current debt estimates for employee benefits	14.81	17.36	(2.55)	(14.69%)
Deferred tax liabilities	16.74	0.67	16.07	2,398.51%
Other non-current liabilities	0.00	3.89	(3.89)	(100.00%)
Total non - current liabilities	41.87	24.74	17.13	69.24%
Total liabilities	167.89	228.13	(60.24)	(26.41%)
Total shareholders' equity of parent company	1,389.28	402.13	987.15	245.48%
Non-controlling interests	1.49	0.00	1.49	-
Total shareholders' equity	1,390.77	402.13	988.64	245.85%
Total liabilities and shareholders' equity	1,558.66	630.26	928.40	147.30%

Details of significant changes are as follows

1. Increase in loans to debtors because capital increase to expand credit business.
2. Inventory decreased due to accelerating sales of products and efficient inventory management.
3. Cost of real estate development projects increased due to the purchase of real estate to develop for sale.
4. Other current financial assets increased due to depositing the capital increase for short-term with financial institution
5. Investment in Joint venture company is an acquisition of investment in H-DO (THAILAND) Limited 49%.
6. Real estate for investment increased due to purchase of land to develop a project for rent of a subsidiary in Udonthani Province
7. Land awaiting development arising from bidding for purchase of land of a subsidiary company's debtor from the public auction of the Legal Execution Department.
8. Bank overdrafts and short-term loans from financial institutions decreased due to the Company use the proceeds from the capital increase to pay for reducing financial costs.
9. Decreased liabilities arising from current contracts due to
10. Liabilities arising from revolving contracts decrease due to deposits received in advance for foreign customers who purchase products and advance income from real estate development project costs.

Income Statement Consolidated

Unit: Million Baht

Description	2022	2021	Changes	%
Sales revenue	345.09	455.35	(110.26)	(24.21%)
Service revenue	173.47	64.19	109.28	170.24%
Interest income	45.18	5.92	39.26	663.18%
Other income	10.91	20.17	(9.26)	(45.91%)
Total revenues	574.65	545.63	29.02	5.32%
Cost of sales	288.01	369.72	(81.71)	(22.10%)
Cost of services	133.54	38.10	95.44	250.50%
Selling expenses	63.20	72.14	(8.94)	(12.39%)
Administrative expenses	50.85	70.75	(19.90)	(28.13%)
Loss from exchange rate	3.77	7.57	(3.80)	(50.20%)
Total expenses	539.37	558.28	(18.91)	(3.39%)
Profit (loss) from operating activities	35.28	(12.65)	47.93	(378.89%)
Share of profit (loss) from investment in JV	10.24	0.00	10.24	-
Profit from buying at a price below fair value	0.18	0.00	0.18	-
Profit (loss) before finance costs and income tax	45.70	(12.65)	58.35	(461.26%)
Financial cost	6.14	8.38	(2.24)	(26.73%)
Profit (loss) before income tax	39.56	(21.03)	60.59	288.11%
Tax expense	(1.35)	0.34	(1.69)	497.06%
Profit (loss) for the period	40.91	(21.37)	62.28	291.44%

Details of significant changes are as follows

1. Revenue from sales decreased due to the reduction of branches in the retail channel while service revenue increased from the expansion of customer base through corporate channels as a result, the overall income is similar to the same period of the year 2021.
2. Interest income increased due to the granting of credit in the financial business which is a new business of the Company.
3. Selling and administrative expenses decreased due to the overall cost control is in line with the sales revenue.

Please be informed accordingly.

Sincerely yours,

-Noppachai Veeraman-

(Mr. Noppachai Veeraman)

Managing Director

Board Responsibilities for Financial Reports

The Board of Directors of Masterkool International Public Company Limited is responsible for the Company's financial statements, and consolidated financial statements of the company and its subsidiaries including financial information appearing in one report. Such financial statements have been prepared in accordance with generally accepted accounting standards in Thailand. It has considered and selected appropriate accounting policies, and practice it regularly with careful discretion, caution and the most appropriate estimate in the preparation including sufficient disclosure of important information in the notes to the financial statements, and comply with the regulations of the Securities and Exchange Commission including the Stock Exchange of Thailand and related regulatory agencies. These financial statements have been audited, and provide an unqualified opinion on the financial statements from an independent certified public accountant. Therefore, it reflects the financial status and operating results that are true, transparent and verifiable for the benefit of the Company's shareholders, and general investors.

The Board of Directors has established a policy and a risk management system, and appropriate internal control systems to ensure that accounting information is reliable. It is worthwhile to use and maintain the company's assets. As well as to improve the operation and prevent risks that may have a significant impact and has appointed an Audit Committee consisting of independent committees to oversee the quality of financial reporting, and internal control system. The opinions of the Audit Committee on this matter have already appeared in the Report of the Audit Committee.

The Board of Directors is of the opinion that the overall internal control system of the Company and its subsidiaries is satisfactory. And can confirm the reliability of information in the financial statements and consolidated financial statements of the Company and its subsidiaries as of 31 December 2022.

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

-Noppachai Veeraman-
(Mr. Noppachai Veeraman)
CEO / Managing Director

Details of Director, Executive, Regulator and the Company Secretary

Mr. Sanpat Sopon
Chairman of the Board, Independent Director

Age: 68



Appointed on 26 February 2019

- Chairman of the Board

Appointed on 8 November 2013

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

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
(AAP 23/2016) Thai Institute of Directors (IOD)

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

Educational Qualification:

- Appointed on 8 November 2013

- Director
- Independent Director
- Audit Committee Member

Director Training:

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

Proportion of Shareholding in the Company: None

- 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: 62

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
- 2022 – Present Independent Director, Chairman of the Audit Committee,
Big Prisan Project 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: 60



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)

Appointed on 8 November 2013

Director

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



Appointed on 3 June 2002
Director

Age : 62

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%

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: 59

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: 201,490,898 Shares, 8.15%

Last 5 Years of Experience:

- 2002-Present Director, Chairman of Executive Committee and Managing Director, Masterkool International Public Company Limited
- 2021-Present Chairman of Investment Committee
Masterkool International Public Company Limited
- 2011-Present Managing Director, Innov Green Solutions Company Limited
- 2022-Present Chairman of the Board
Capital Link Land Public Company Limited
- 2022-Present Chairman of the Board,
Remedys Enterprise Company Limited
- 2022-Present Director, Thanatawee Asset Management Company Limited
- 2022-Present Director, Khonkaen AMC Limited
- 2565-Present Director, Human Soft Company Limited
- 2022-2022 Director, Capital Link Holding Limited
- 2022-2022 Director, Capital Link Udonthani Company Limited
- 2022-2022 Director, Metta Pharma Company Limited

Mr.Kriangkrai Siravanichkan

Director



Appointed on 12 May 2021

Director

Age 41

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)

Proportion of Shareholding in the Company: 615,600,000 Shares 24.90%

Last 5 Years of Experience:

- 2021 - Present Director, Masterkool International Public Company Limited
- 2009 Present Chairman of the Board, Capital Link Advisory Limited
- 2019 - Present Director, H-DO (Thailand) Limited
- 2014 – Present Chairman of the Board, Capital Link North Sathorn Company Limited
- 2014 - Present Chief Executive Officer, Capital Link Credit Foncier Limited
- 2022 – Present CL Asset Management Limited
- 2022 – Present Chief Executive Officer, Capital Link Financial Group Public Company Limited
- 2012 - 2022 Director, Capital Link Holding Limited
- 2018 - 2022 Chairman of the Board, Capital Link Udonthani Company Limited
- 2018 - 2565 Chairman of the Board, Asset Five Group Public Company 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 49

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 Compan : 450,000 Shares, 0.02%

Last 5 Years of Experience:

- 2016 - Present Director, Executive Director, Assistant Managing Director of
Finance & Accounting, Masterkool International Public Company
Limited
- 2021-Present Member of Investment Committee
- 2016 - Present Director, Innov Green Solutions Company Limited
- 2022-Present Director, Capital Link Land Public Company Limited
- 2022-Present Director, Capital Link Advisory Limited

Controller

The Company does not have a controlling person who can influence management policy formulation. or operations of the Company

Company secretary details

The Company Secretary shall perform duties as prescribed in Section 89/15 and Section 89/16 of the Securities Act. and the Stock Exchange of Thailand (No. 4) B.E. 2551 which is effective since 31 August 2008 with responsibility caution and honesty Including having to comply with the law, objectives, company regulations. board resolution as well as the resolutions of the shareholders' meeting Including other duties as assigned by the Board of Directors.

Name-Surname / Position	Educational qualifications	Training course
Ms.Jariyaporn Akkarawong	• Master of Business Administration	• Fundamentals for Corporate
• Company Secretary	Ramkhamhaeng University	Secretaries Class 1/2016
• Audit Committee Secretary	• Bachelor of Humanities,	by Thai Listed Companies Association
• Executive Committee Secretary	Ramkhamhaeng University	
		• Accounting course for executives who are not accountants for planning, control and decision making. by Dharmniti Training and Seminar Co., Ltd.
		• Capacity Building Program: Understanding and Awareness of High Level Structure (HLS) ISO 9001:2015 by TUV NORD (Thailand) LTD.

Details of Directors of the Subsidiaries and Joint Venture

Subsidiaries	Proportion	Objective
Innov Green Solutions Company Limited	99.99%	Consulting services, design, installation, distribution and service about energy saving systems and environmental protection such as ozone system for air-conditioning system, Ozone system for large washing systems, Ozone system to eliminate unwanted odors
Capital Link Holding Limited	99.99%	Investment Business
Capital Link Udonthani Company Limited	99.99%	Real Estate Development Business
Capital Link Advisory Limited	held 99.99% by holding shares through Capital Link Holding Limited	operate a financial business advisor
Capital Link Land Public Company Limited (Original name, Capital Link Leasing Public Company Limited)	held 99.99% by holding shares through Capital Link Holding Limited	Financial Business
Thanatawee Asset Management Company Limited	held 100% by holding shares through Capital Link Holding Limited	Asset Management Business
Remedys Enterprise Company Limited	50.99%	Cultivation of cannabis plants and selling cannabis related products
Metta Pharma Company Limited (the Extraordinary General Meeting of Shareholders on 26 December 2022 resolved to approve the dissolution of the business)	79.99%	Cultivation of cannabis plants and selling cannabis related products
Khonkaen AMC Limited (Original name, Capital Link Chaophraya Limited)	99.98%	Asset Management Business

Joint Venture	Proportion	Objective
H-DO (THAILAND) Limited	49%	Operate Real Estate Business and a Real Estate Broker

Details of Directors of the Subsidiaries and Joint Venture

Directors	Subsidiaries								Joint Venture
	ING	CLH	CLU	CLA	CLL	TTA	RED	KKA	H-DO
1. Mr.Sanpat Sapon									
2. Mr. Mongkol Kasaemsun Na Ayudthaya	X								
3. Assoc. Prof. Dr. Prakit Tangtisanon									
4. Mr. Kritsana Thaidumrong									
5. Mr. Fung Meng Hoi									
6. Mr. Kriangkrai Siravanichkan		/	X	X				/	/
7. Mr. Noppachai Veeraman	/	/	/		X	/	X	/	
8. Ms. Benjarat Hattachanchai	/			/	/				
Remark: X Chairman / Director									

the Subsidiaries

ING	Innov Green Solutions Company Limited
CLH	Capital Link Holding Limited
CLU	Capital Link Udonthani Company Limited
CLA	Capital Link Advisory Limited
CLL	Capital Link Land Public Company Limited
TTA	Thanatawee Asset Management Company Limited
RED	Remedys Enterprise Company Limited
KKA	Khonkaen AMC Limited

Joint Venture

H-DO	H-DO (THAILAND) Limited
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Details of the Head of Internal Audit

Internal Auditor (Outsource)	Acc-Plus Consultant Co., Ltd. 33 Soi Chat San, Thanon Suthisan Winitchay, Sam Sen Nok, Bangkok Tel 0-2693-3581-2
Chief of Internal Auditor	Ms. Wanna Maluangnon
Education Qualifications	1994 Master of Business Administration, Chulalongkorn University 1991 Diploma of Auditing, Thammasat University 1990 Bachelor of Accounting, Chulalongkorn University 1986 Secondary School, Rajini School
Related Training	☐ Training - Update TFRSs 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>
Work experience	☐ Auditor License No. 4170 ☐ 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	☐ None
Family relations between directors and executives	☐ None

**Masterkool International Public Company Limited
and Subsidiaries**

**The financial statements
and
Auditor's report**

As at December 31, 2022

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, 2022, 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 and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above 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, 2022, 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 group and the Company's in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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.

Business acquisitions

As discussed in Note 17 to the financial statements, the Company acquired financial and real estate business during 2022, which the company is a domestic company amounted to Baht 164.48 million. The Group estimated the fair value of identifiable assets and liabilities amounted to Baht 164.66 million and recognised the difference between fair value and this transaction as gain from bargain purchase of Baht 0.18 million in the statements of comprehensive income for the year ended 31 December 2022.

Due to complexity in accounting for business combination, significant judgment required in determining the fair value of identifiable assets and liabilities including the materiality of the transactions, I considered this matter as a key audit matter.

Audit procedures

I have established audit procedures to provide a reasonable assurance regarding appropriateness in accounting records relating to business combinations, the following are:

- Checking the terms and conditions in the business purchase agreement and inquiring with the management about the nature and purpose of the transaction to assess whether the acquisition is in line with the definition of a business combination under IFRS 3 (revised 2019), Re: Business combination
- Reviewing the value of the acquisition and the supporting documents for the acquisition and payment to ensure that the value is correct at the fair value and considering the appropriateness of the method used by management in recording the acquisition and determines the appropriateness of recording the initial difference from the acquisition.
- Evaluating appropriateness of the identification of identifiable assets and liabilities and evaluating appropriateness of the assumptions and valuation approach used in determining fair value of identifiable assets and liabilities.
- Evaluating the competence, capabilities and independence of the independent valuers of the Group.
- Verifying the completeness and accuracy in the disclosure of information about the purchase transaction in the notes to the financial statements..

Allowance for expected credit losses on loan receivables

The Group provides credit facilities to financial business that are factoring business, financial lease and hire purchase business, and lending business. Such loans, including the allowance for expected credit losses, are material to the financial statements.

The calculation of the expected credit losses on loan receivables is complicated, which involves significant use of management judgement to be in accordance with the Thai Financial Reporting Standard. The key management's judgments are identification of criteria for assessing that there has been a significant increase in credit risk since initial recognition, probability that the receivables will default, damage that may occur when the debtor defaults on payment and the selection of future economic variables to be incorporated in the model. Therefore, I consider this an important matter in the key audit matter.

Audit procedures

I have established audit procedures. Provide a reasonable assurance regarding appropriateness at the involves significant use of management judgement to estimate is sufficient and appropriate of allowance for expected credit losses on loan receivables in financial statement of the group, the following are:

- Understanding, testing and assessing the effectiveness in relation to credit provision, debt collection and debt settlement processes that ensured the reliability of the data used for the development of the models.

- Randomly testing the accuracy and completeness of data used to develop such models, and assessing the appropriateness of assumptions of future forward-looking information.
- Testing the calculation present value of expected future cash flows discount to real interest rate used at the beginning of financial assets.
- Assessing of the appropriateness of calculation expected credit losses by comparing with the principles of the Thai Financial Reporting Standard No. 9 and evaluating appropriateness of the assessing the appropriateness of assumptions of future forward-looking information including assessing the allowance for expected credit losses on an individual receivable basis
- Verifying the classification of receivables according to changes in credit risk and testing the calculation of expected credit losses
- Considering the disclosures relating to allowance for expected credit losses on loans to debtors

Valuation of inventories

According to the note to financial statements 2.3.3 regarding the accounting estimates and assumptions of devaluation, obsolescence, and deterioration of inventory and the note to financial statements 12 regarding inventory,

As at December 31, 2022, the Group had inventory amounted to 182.61 million baht and allowance for devaluation of inventory amounted to 17.83 million baht 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 have established audit procedures to provide a reasonable assurance regarding appropriateness from 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 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.

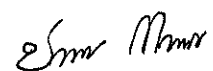
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting 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

Masterkool International Public Company Limited and Subsidiaries

Statement of Financial Position

As at December 31, 2022

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Assets					
Current assets					
Cash and cash equivalents	8	126,284,274.04	66,500,190.52	51,033,503.21	59,173,677.96
Current portion of loans to customers and accrued interest	9, 42	363,150,127.36	372,047.01	238,313,090.85	372,047.01
Trade and other current receivables	10, 42	93,774,266.40	86,745,998.74	375,602,649.37	80,727,045.11
Contract assets	11	4,261,926.81	2,914,653.44	-	-
Inventories	12	164,777,175.81	200,999,400.10	16,829,187.94	184,284,244.99
Real estate development costs	13	34,243,781.97	-	-	-
Properties foreclosed	14	5,100,000.00	-	-	-
Other current financial assets	15	430,440,160.00	440,160.00	430,440,160.00	440,160.00
Other current assets		8,037,025.76	513,118.54	4,159,053.60	73,144.94
Total current assets		1,230,068,738.15	358,485,568.35	1,116,377,644.97	325,070,320.01
Non-current assets					
Deposits at financial institutions pledged as collateral	16	66,550,000.00	79,850,000.00	60,550,000.00	78,850,000.00
Investments in subsidiaries	17	-	-	295,035,500.00	30,000,000.00
Investments in associate	18	41,779,235.89	-	-	-
Loans to customers	9, 42	22,969,052.17	119,906,650.50	22,969,052.17	119,906,650.50
Investment property	19	91,987,335.99	-	-	-
Property, plant and equipment	20	52,949,550.57	41,264,911.30	7,726,849.61	33,766,239.12
Land held for development	21	33,590,945.00	-	-	-
Right of use assets	22	13,909,499.49	12,998,996.46	330,719.89	12,697,204.24
Intangible assets	23	2,254,199.47	2,405,150.58	830,093.24	2,062,149.72
Deferred tax assets	31	179,276.52	-	-	-
Other non-current assets		2,420,529.22	15,344,236.06	490,545.00	14,291,508.28
Total non-current assets		328,589,624.32	271,769,944.90	387,932,759.91	291,573,751.86
Total assets		1,558,658,362.47	630,255,513.25	1,504,310,404.88	616,644,071.87

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, 2022

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Liabilities and Shareholders' Equity					
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	24	20,929,674.69	121,319,376.25	20,929,674.69	120,631,373.51
Trade and other current payables	25	69,453,990.79	43,768,801.44	37,907,512.56	36,137,021.33
Current contract liabilities	26	5,718,257.44	24,756,467.14	2,899,039.36	21,919,060.71
Current portion of leases liabilities	27	5,208,811.93	9,067,678.40	334,323.79	8,739,114.10
Short-term loans	28	20,000,000.00	-	20,000,000.00	-
Provision for warranty	29	3,071,870.77	4,474,479.17	-	3,387,131.53
Other current financial liabilities	39.3	1,352,314.71	-	1,352,314.71	-
Income tax payables		288,501.76	-	-	-
Total current liabilities		126,023,422.09	203,386,802.40	83,422,865.11	190,813,701.18
Non - current liabilities					
Non-current contract liabilities	26	1,523,265.41	331,425.90	-	156,664.78
Lease liabilities	27	8,792,471.56	2,256,458.82	-	2,256,458.82
Long-term provision for warranty	29	-	232,710.28	-	-
Non-current provisions for employee benefits	30	14,811,782.74	17,356,329.61	5,083,604.27	16,070,614.10
Deferred tax liabilities	31	16,740,576.90	672,209.15	-	-
Other non-current liabilities		-	3,890,117.50	-	3,890,117.50
Total non-current liabilities		41,868,096.61	24,739,251.26	5,083,604.27	22,373,855.20
Total liabilities		167,891,518.70	228,126,053.66	88,506,469.38	213,187,556.38

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, 2022

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Shareholders' equity					
Share capital					
Registered	32				
3,000,000,000 ordinary shares of Baht 0.25 each		750,000,000.00		750,000,000.00	
1,250,000,000 ordinary shares of Baht 0.25 each			312,500,000.00		312,500,000.00
Issued and paid up share capital	32				
2,472,271,703 ordinary shares of Baht 0.25 each		618,067,925.75		618,067,925.75	
857,000,000 ordinary shares of Baht 0.25 each			214,250,000.00		214,250,000.00
Share premium					
Share premium	32	724,228,384.11	319,821,962.93	724,228,384.11	319,821,962.93
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	32	3,400,000.00	8,256,778.85	3,400,000.00	8,256,778.85
Unappropriated		40,519,176.98	(143,263,218.92)	67,043,688.91	(141,936,163.02)
Total shareholders' equity of the parent company		1,389,279,423.57	402,129,459.59	1,415,803,935.50	403,456,515.49
Non-controlling interests		1,487,420.20	-	-	-
Total shareholders' equity		1,390,766,843.77	402,129,459.59	1,415,803,935.50	403,456,515.49
Total liabilities and shareholders' equity		1,558,658,362.47	630,255,513.25	1,504,310,404.88	616,644,071.87

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, 2022

(Unit : Bath)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenues					
Revenue from sales		345,087,769.67	455,349,593.35	326,375,513.32	440,901,551.18
Revenue from services		173,471,652.70	64,194,743.49	59,274,513.99	27,849,368.99
Interest income	42	45,179,328.53	5,923,061.90	42,606,328.23	5,919,762.86
Other income	33, 42	11,089,048.33	20,164,439.08	50,552,343.62	22,427,428.03
Total revenues		574,827,799.23	545,631,837.82	478,808,699.16	497,098,111.06
Expenses					
Costs of sales		288,015,038.64	369,724,997.55	277,000,258.89	362,790,889.49
Cost of services		133,539,197.80	38,100,044.29	33,832,950.69	9,327,592.55
Cost of distribution		63,199,211.77	72,136,669.19	53,074,436.15	65,409,665.59
Administrative expenses		50,846,727.48	70,749,116.55	38,875,580.78	66,033,910.93
Loss on exchange rate		3,767,505.19	7,572,319.71	3,767,505.19	7,572,319.71
Total expenses		539,367,680.88	558,283,147.29	406,550,731.70	511,134,378.27
Profit (loss) from operations activities		35,460,118.35	(12,651,309.47)	72,257,967.46	(14,036,267.21)
Share of profit from investments in associates	18.3	10,237,174.79	-	-	-
Profit (loss) before finance costs and income taxes		45,697,293.14	(12,651,309.47)	72,257,967.46	(14,036,267.21)
Finance cost		6,135,737.49	8,380,644.10	5,866,009.90	8,621,761.70
Profit (loss) before income tax expenses		39,561,555.65	(21,031,953.57)	66,391,957.56	(22,658,028.91)
Income tax expenses	34	(1,345,032.00)	339,461.04	-	-
Profit (loss) for the year		40,906,587.65	(21,371,414.61)	66,391,957.56	(22,658,028.91)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (losses) on defined					
employee benefit plans - net		4,102,065.43	1,993,484.73	4,051,731.35	1,961,533.52
Total other comprehensive income for the year		4,102,065.43	1,993,484.73	4,051,731.35	1,961,533.52
Total comprehensive income for the year		45,008,653.08	(19,377,929.88)	70,443,688.91	(20,696,495.39)

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, 2022

(Unit : Bath)

		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Profit (loss) attributable to:					
Equity holders of the Company		41,144,167.45	(21,371,414.61)	66,391,957.56	(22,658,028.91)
Non-controlling interests		(237,579.80)	-	-	-
Total		40,906,587.65	(21,371,414.61)	66,391,957.56	(22,658,028.91)
Total comprehensive income attributable to:					
Equity holders of the Company		45,246,232.88	(19,377,929.88)	70,443,688.91	(20,696,495.39)
Non-controlling interests		(237,579.80)	-	-	-
Total		45,008,653.08	(19,377,929.88)	70,443,688.91	(20,696,495.39)
Basic earnings (loss) per share of					
the parent company					
Basic earnings (loss) per share (Unit : Baht)	35	0.02	(0.03)	0.04	(0.04)

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, 2022

(Unit : Bath)

Consolidated financial statements

	Note	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings (deficits)		Total shareholders' equity of the parent company	Non-controlling interests	Total shareholders' equity
					Legal reserve	Unappropriated			
Balance as at January 1, 2022		214,250,000.00	319,821,962.93	3,063,936.73	8,256,778.85	(143,263,218.92)	402,129,459.59	-	402,129,459.59
Increase and paid up share capital	32	403,817,925.75	538,085,805.35	-	-	-	941,903,731.10	1,725,000.00	943,628,731.10
Transfer of share premium to offset the deficit in retained earnings	32	-	(133,679,384.17)	-	(8,256,778.85)	141,936,163.02	-	-	-
Legal reserve	4.19	-	-	-	3,400,000.00	(3,400,000.00)	-	-	-
Comprehensive income for the year		-	-	-	-	45,246,232.88	45,246,232.88	(237,579.80)	45,008,653.08
Balance as at December 31, 2022		618,067,925.75	724,228,384.11	3,063,936.73	3,400,000.00	40,519,176.98	1,389,279,423.57	1,487,420.20	1,390,766,843.77
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	-	190,465,759.47
Increase and paid up share capital		94,250,000.00	136,791,630.00	-	-	-	231,041,630.00	-	231,041,630.00
Comprehensive income for the year		-	-	-	-	(19,377,929.88)	(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	-	402,129,459.59

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, 2022

(Unit : Bath)

Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Surplus		Total shareholders' equity	
				on share-based payment transactions	Retained earnings (deficits)		
					Legal reserve		Unappropriated
Balance as at January 1, 2022		214,250,000.00	319,821,962.93	3,063,936.73	8,256,778.85	403,456,515.49	
Increase and paid up share capital	32	403,817,925.75	538,085,805.35	-	-	941,903,731.10	
Transfer of share premium to offset the deficit in retained earnings	32	-	(133,679,384.17)	-	(8,256,778.85)	-	
Legal reserve	4.19	-	-	-	3,400,000.00	-	
Comprehensive income for the year		-	-	-	70,443,688.91	70,443,688.91	
Balance as at December 31, 2022		618,067,925.75	724,228,384.11	3,063,936.73	3,400,000.00	1,415,803,935.50	
Balance as at January 1, 2021		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	193,111,380.88	
Increase and paid up share capital		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	403,456,515.49	

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, 2022

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cash flows from operating activities				
Profit (loss) before income tax expenses	39,561,555.65	(21,031,953.57)	66,391,957.56	(22,658,028.91)
Adjustments to reconcile earnings before income tax expense to cash provided by (used in) operating activities :				
Depreciation and amortisation	16,316,554.44	20,140,990.95	11,338,255.86	17,659,629.58
Loss on write off of purchased or originated credit impaired	6,770,238.08	-	-	-
Expected credit loss allowance (reversal)	(758,027.41)	1,310,462.56	(1,131,559.79)	1,611,980.60
Unrealised (gain) loss from exchange rates	165,067.95	(1,282,998.43)	164,284.49	(1,276,666.07)
(Gain) on sales of loans to customers	-	-	(19,014,800.00)	-
Loss on allowance for decline in value of inventories (reversal)	(11,851,411.20)	2,001,886.32	(12,230,648.53)	1,618,927.73
Loss on diminution of other current financial assets	-	12,985,920.00	-	12,985,920.00
Impairment loss on assets (reversal)	(94,423.41)	(329,338.87)	(94,423.41)	(329,338.87)
(Gain)Loss on disposals and write off of assets	(149,427.11)	977,433.87	(415,107.97)	(464,994.06)
(Gain)Loss on terminating the lease	(444,884.25)	-	(444,884.22)	-
Loss on diminution of investment in subsidiary	-	-	-	255,410.25
(Gain)Loss on business combination under common control	-	-	(13,292,777.60)	-
Provisions for employee benefits	2,260,034.98	2,249,006.67	1,902,847.73	2,100,405.66
Provision for warranty (reversal)	(1,775,318.68)	(2,283,841.92)	(687,971.04)	(2,458,190.99)
(Gain) from acquisition of business at price less than fair value	(175,524.32)	-	-	-
Share of (profit) loss from investments in associates	(10,237,174.79)	-	-	-
Dividend income	-	(14,579,840.00)	-	(14,579,840.00)
Interest income	(45,179,328.53)	(5,923,061.90)	(42,606,328.23)	(5,919,762.86)
Finance cost	6,135,737.49	8,380,644.10	5,866,009.90	8,621,761.70
Profit (loss) from operating activities before changes in operating assets and liabilities	543,668.89	2,615,309.78	(4,255,145.25)	(2,832,786.24)
Operating assets (increase) decrease				
Loans to customers	(233,393,129.77)	(120,123,293.09)	(253,417,756.77)	(120,134,686.33)
Trade and other current receivables	20,124,059.49	(3,181,938.02)	17,223,121.94	288,631.00
Contract assets	(1,347,273.37)	(1,583,445.91)	-	-
Inventories	47,630,185.11	34,759,650.31	38,571,976.66	47,176,770.91
Real estate development costs	(4,284,631.97)	-	-	-
Properties foreclosed	(5,100,000.00)	-	-	-
Other current assets	(98,535.15)	24,287.26	(5,565.38)	26,205.50
Other non-current assets	4,623,922.76	(323,234.99)	5,045,221.19	(1,445.00)

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, 2022

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating liabilities increase (decrease)				
Trade and other current payables	(3,119,827.47)	(42,812,465.13)	585,490.63	(36,311,832.50)
Contract liabilities	(28,779,745.64)	5,196,446.58	(17,605,527.80)	(717,814.05)
Other non-current liabilities	(3,890,117.50)	-	(4,031,148.00)	-
Cash received (paid) from operating activities	(207,091,424.62)	(125,428,683.21)	(217,889,332.78)	(112,506,956.71)
Cash paid for provisions for employee benefits	(1,645,442.00)	(126,690.00)	(1,645,442.00)	(126,690.00)
Cash received from interest income	36,115,257.36	5,964,475.22	35,879,586.32	5,957,698.02
Cash paid for finance cost	(6,257,480.45)	(8,153,165.39)	(5,846,722.41)	(8,394,282.99)
Cash paid for corporate income tax	(4,816,474.15)	(3,457,065.12)	(1,743,371.15)	(2,336,972.13)
Cash received from corporate income tax	6,826,441.24	903,731.51	6,418,769.96	-
Net cash flows from (used in) operating activities	(176,869,122.62)	(130,297,396.99)	(184,826,512.06)	(117,407,203.81)
Cash flow from investing activities				
Cash paid for investments in subsidiaries	-	-	(101,547,500.00)	-
Cash paid for purchase of property, plant and equipment	(10,043,191.78)	(3,251,664.26)	(5,702,635.31)	(2,889,099.94)
Cash received from disposals of property, plant and equipment	3,119,550.54	993,621.41	3,101,121.54	993,621.41
Cash paid for purchase of land held for development	(33,590,945.00)	-	-	-
Cash paid for purchase of intangible assets	(541,777.20)	(380,000.00)	-	(100,000.00)
Cash paid for investment property	(2,046,486.04)	-	-	-
Net cash received for business acquisition	4,988,824.89	-	-	-
Cash received from dividend	-	14,579,840.00	-	14,579,840.00
Cash paid for other current financial assets	(430,000,000.00)	(13,335,944.87)	(430,000,000.00)	(13,335,944.87)
Increase in deposits at financial institutions pledged as collateral	13,300,000.00	1,900,000.00	18,300,000.00	1,900,000.00
Net cash flows from (used in) investing activities	(454,814,024.59)	505,852.28	(515,849,013.77)	1,148,416.60
Cash flows from financing activities				
(Decrease) in bank overdrafts and short-term loans				
from financial institutions	(99,190,542.62)	(53,906,331.18)	(98,502,539.60)	(54,600,585.97)
Cash received from short-term loans	40,000,000.00	-	40,000,000.00	13,000,000.00
Cash paid for short-term loans	(20,000,000.00)	-	(20,000,000.00)	(13,000,000.00)
Cash paid for lease liabilities	(9,465,235.41)	(9,840,576.67)	(7,360,901.27)	(9,387,315.28)
Dividend paid	-	(110,835.40)	-	(110,835.40)
Cash received from non-controlling interests				
in share capital of subsidiaries	1,725,000.00	-	-	-
Cash received from increase of shares capital	778,415,731.10	231,041,630.00	778,415,731.10	231,041,630.00
Net Cash flows from (used) in financing activities	691,484,953.07	167,183,886.75	692,552,290.23	166,942,893.35
Effects of exchange rates on cash and cash equivalents	(17,722.34)	(389,353.84)	(16,939.15)	(389,434.13)
Net increase (decrease) in cash and cash equivalent	59,784,083.52	37,002,988.20	(8,140,174.75)	50,294,672.01
Cash and cash equivalents at the beginning of the balance	66,500,190.52	29,497,202.32	59,173,677.96	8,879,005.95
Cash and cash equivalents at the ending of the balance	126,284,274.04	66,500,190.52	51,033,503.21	59,173,677.96

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, 2022

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 12/16-17& 20 Thetsabansongkhro Rd., Ladyao, 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 39 Moo 6, Klongneung, Klongluang, Pathumthani
- The 3rd office branch is 795 Soi 23 Pracharat 1 Rd., Bang Sue, Bang Sue, Bangkok

The principal activities of the Company and subsidiary (“the Group”)

- Production, sale and service of cooling products such as evaporative air cooler, misting fans industrial fans including design, installation and service for ozone system and provide general-renovation and repairment service.
- Real estate development for sale and rent
- Invest in financial services company
- Financial advisory and support on initial public offering process to the stock exchange the stock exchange
- Development, buy, sell, repurchase, mortgage, hire purchase of real estate including lending

2. Basis of preparation

2.1 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.

2.2 Presentation currency

The financial statements are prepared and presented in Thai Baht.

2.3 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.

2.3 Use of estimates and judgements (continue)

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 :

2.3.1 Estimation of impairment of loans to customers

The expected credit loss for a purchased or originated credit-impaired financial asset will be measured by asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate at the beginning of the financial assets. The amount of exchange differences recognised in profit or loss as profit or loss from impairment of credit-impaired financial asset. The company estimates its cash flows by considering All contractual terms of a financial asset over the life of the financial asset.

2.3.2 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.

2.3.3 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.

2.3.4 Cost of real estate development and Land held for development

The Group assesses the reduction of cost of real estate development and Land held for development when the fair value of those assets are significantly decreased. Based on the management judgement and materiality, the reduction of cost of real estate development and land held for development were estimated from the net realizable value.

2.3.5 Real estate development costs estimation

In calculating cost of real estate development costs, the Group has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs (if any) and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

2.3.6 Valuation of properties foreclosed

The Group assesses allowance for impairment of properties foreclosed by taking into consideration the type and nature of assets based on historical losses on sale of properties foreclosed.

Fair value of properties for sale-immovable assets is calculated from the appraisal value, appraised by an internal or external independent appraiser, less estimated selling expenses.

2.3 Use of estimates and judgements (continue)

2.3.7 Depreciation of land improvements, plant and equipment and right-of-use assets and amortization of intangible assets

In determining depreciation of land improvements plant and equipment and right-of-use assets and amortization 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.

2.3.8 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.

2.3.9 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.

2.3.10 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.

2.3.11 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.

2. Basis of preparation (continue)

2.4 Basis of consolidation

2.4.1 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,	
			2022	2021
<u>The subsidiary held by company</u>				
Innov Green Solutions Co., Ltd.	Production sale design insatllaion and service for ozone system	Thailand	100	100
Capital Link Udonthani Limited ¹⁾	Property development for sale and rental	Thailand	100	-
Capital Link Holding Limited ¹⁾	Invest in companies doing business in finance and real estate	Thailand	100	-
Metta Pharma Limited ^{2)*}	Currently, there are no main transactions related to the production of food and health drinks and supplements	Thailand	80	-
Remedys Enterprise Limited ²⁾	Currently, there are no main transactions related to the cultivation of cannabis plants and the sale of cannabis related products.	Thailand	51	-
Capital Link Chaopraya Limited ⁴⁾	Currently, there are no core business	Thailand	100	-
* On 26 December 2022, the Metta Pharma Limited ordinary shareholder meeting of no. 2/2022 has issued the resolution to dissolve the company on 28 December 2022. The company is in the process of liquidation.				
<u>The subsidiary held by Capital Link Holding Limited</u>				
Capital Link Advisory Limited	Financial advisor and consulting and support on initial public offering process to the stock exchange	Thailand	100	-
Capital Link Land Public Company Limited *	Provide hire purchase service, leasing and factoring business	Thailand	100	-
Thanatawee Asset Management Limited ³⁾	Management of non-performing assets purchased or transferred by financial institutions.	Thailand	100	-

* During the year 2022, Capital Link Leasing Public Company Limited changed its name to Capital Link Land Public Company Limited

2.4 Basis of consolidation (continue)

Changes of the Group structure during the current fiscal year are :

- 1) On January 17, 2022, the Company entered into a share purchase agreement of the shares of Capital Link Udonthani Limited And accept the entire business transfer (EBT) of Capital Link Holding Limited with reference to the minutes of the Extraordinary General Meeting of Shareholders No. 1/2021, dated 6 August 2021, in accordance with the note 17.
- 2) According to the minutes of the Board of Directors Meeting No. 9/2022 held on August 19, 2022, it was resolved to approve the establishment of 2 new companies, namely Metta Pharma Limited (MET) and Remedys Enterprise Limited (RED) and on August 25, 2022, registered the establishment of the company and charged 50% of the share value of 100 baht per share. The company owns 51% of the common stock. Afterward, according to the minute of Board of directors meeting no. 10/2022 dated 11 November 2022, approved the ratification to transfer and accept the transfer of MET common shares. The company has accepted the transfer of common shares from the previous shareholders on 4 November 2022 totaling 14,500 shares which increase the percentage of ownership in MET from 51% to 80%.
- 3) According to the minutes of the Board of Directors Meeting No. 8/2022 held on August 10, 2022, it was resolved to approve Capital Link Holding Limited (CLH) to purchase ordinary shares of Thanatawee Asset Management Limited (TTA) 2,500,000 shares at a price of 9.626 baht per share, totaling 24.07 million baht, representing 100%.
- 4) According to the minute of the Board of Directors Meeting No. 12/2022 held on 27 December 2022, it was resolved to approve the company to purchase 9,998 ordinary shares of Capital Link Chaopraya Limited (CLY) at a price of 100 baht per share, totaling 1 million baht representing 100%.

2.4.2 Accounting policy related to the preparation of consolidated financial statement is disclosed in the note of financial statement no. 4.26

3. New financial reporting standards

3.1 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, 2022. 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.

3.2 Financial reporting standard that will become effective for fiscal years beginning on or after January 1, 2023

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, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, 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.

4. Significant accounting policies

4.1 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.

- ***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 basic 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 basic 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.

4.1 Revenue and expenses recognition (continue)

- ***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.

Installment due under contract but not yet received is shown as "Account receivable". The excess of revenue recognized under the percentage of completion method over the amount of installment due under contract is shown as "Contract assets" under current assets. The excess of installment due under the contract over the revenue recognized under the percentage of method is shown as "Contract liabilities" under current liabilities.

- ***Revenue from sales of real estate***

Revenues from sales of land and houses is recognised at the point in time when control of the real estate is transferred to the customer, generally, upon delivery of the goods. Revenues from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of "Contract liabilities" in the statement of financial position.

- ***Rental income***

Rental income is recognised in the statement of comprehensive income on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.

- ***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.

4.1 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.

- ***Cost of real estate sales***

In determining the costs of real estate sales, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land on the basis of the saleable area or appropriate use criteria. Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house and transferred to a customer in accordance with the contract. Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

4.2 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.

4.3 Loans to customers

- ***Hire-purchase receivables, loan receivables and personal loans receivables***

Hire-purchase receivables, loan receivables and personal loan receivables would initially be recognised at an amount equal to the net investment in the contracts. Subsequently, they are stated at net realisable value from the contract value net of unearned interest income and allowance for expected credit loss.

- ***Loan receivables from purchase of loans***

Loan receivables from purchase of loans that are purchased from financial institutions are valued at acquisition cost and subsequently amortised based on effective interest rate less allowance for expected credit loss of purchased or originated financial assets (if any).

4.4 Trade receivable

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

- ***The expected credit loss***

The group apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss 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. The impairment losses are recognized in profit or loss within administrative expenses.

4. Significant accounting policies (continue)

4.5 Allowance for expected credit loss

- **General approach**

The Company applies general approach to measure expected credit losses (ECL) on debt instruments measured at amortized cost under the general approach, the 12 month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition. In which, the three-stage expected credit loss impairment will be as the following stages:

Stage 1- from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.

Stage 2- following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the full lifetime of the asset.

Stage 3- When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing in expected risk of default as of the reporting date and estimated risk of default on the date of initial recognition

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

- **Purchased or originated credit-impaired financial asset**

The Group measures expected credit losses from the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive discounted at credit adjusted effective interest rate. The Group shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Group shall recognise favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

4.6 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.

4. Significant accounting policies (continue)

4.7 Real estate development for sales

Real estate development for sales are stated at the lower of cost or net realisable value, cost consists of cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expense, as well as estimated project development costs.

The Group recognises loss on diminution in value of projects (if any) in profit or loss.

4.8 Properties foreclosed

Properties foreclosed consisting of immovable and movable assets are stated at the lower of cost or net realisable value less estimated selling expenses of the acquisition assets. Where the carrying value of properties foreclosed incurred impairment, the Group will recognise the provision for impairment of properties foreclosed in total.

The Group will recognise gain (loss) on sales of properties foreclosed and impairment loss (if any) as income or expenses in the whole amount in the Statement of Comprehensive Income.

4.9 Investments

Investments in subsidiaries and associate undertaking are accounted for in the separate 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 and associate will be recorded when dividends are declared.

Investments in associates are accounted for in the consolidated financial statements using the equity method.

4.10 Investment properties

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

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

No depreciation is provided for land for rent and building under construction.

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

4.11 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 lives :

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

4.11 Property, plant and equipment (continue)

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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.

4.12 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.

4.12 Leases (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.

4.13 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.

- ***Finance license***

Finance license acquired from business combination is recognised at fair value at the acquisition date. The license has an indefinite useful life and is not revalued in the accounts as it is not tradable in an active market. Finance license is not subject to amortisation but is considered for impairment annually in accordance with note 4.14

4.14 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.

4.14 Impairment of assets (continue)

- **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.

4.15 Financial instruments

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

- **Classification and measurement of financial assets**

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

- **Financial assets at amortised cost**

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

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

- **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.

4.15 Financial instruments (continue)

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***

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.

- ***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.

4.16 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;

4.16 Employee benefits (continue)

- ***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.

4.17 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.

4.18 Share capital

Share capital is accounted for in the shareholders' equity.

4.19 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.

4.20 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.

4. Significant accounting policies (continue)

4.21 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.

4.22 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.

4.23 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.

- **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.

4. Significant accounting policies (continue)

4.24 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.

4.25 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.

4.26 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.

4.26 Basis of consolidation (continue)

- ***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***

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

- ***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.

5. 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, 2022 and 2021 are as follows:

Company's name and related person	Nature of relationship
Innov Green Solutions Co., Ltd.	Direct Subsidiary
Capital Link Udonthani Limited	Direct Subsidiary
Capital Link Holding Limited	Direct Subsidiary
Metta Pharma Limited	Direct Subsidiary
Remedys Enterprise Limited	Direct Subsidiary
Capital Link Chaopraya Limited	Direct Subsidiary
Capital Link Advisory Limited	Indirect Subsidiary
Capital Link Land Public Company Limited	Indirect Subsidiary
Thanatawee Asset Management Limited	Indirect Subsidiary
H-Do (Thailand) Company Limited	Indirect Subsidiary
* H-Do Asset Management Limited	Subsidiaries of H-do (Thailand) Co.,Ltd
Mr.Kritsana Thaidumrong	Director
Site Preparation Management Co., Ltd.	Co-Shareholder & Co-director
Actdee Co., Ltd.	Relative of Shareholder & Director
Human soft Co.,Ltd	Co-director

* As of September 26, 2022, H-Do Asset Management Limited has ended its relationship with the business group with details as described in Note 18.5

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

Transactions	Policy of pricing
Revenue from sales and services	Cost plus margin
Interest income	Rate approximate rate charge to Financial institutions
Other income	Contract price
Purchase of goods	Cost plus margin
Rental service cost	Cost plus margin
Management fees	Cost plus margin
Other expense	Contract price
Finance costs	Contract price (5% p.a.)

5. Related party transactions (continue)

5.1 Revenue and expense transactions as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statement	
	For the year ended December 31,			
	2022	2021	2022	2021
Subsidiary Company				
Revenue from sales of products	-	-	16,801,348.52	18,890,248.61
Revenue from services	-	-	1,435,522.56	748,833.52
Interest income	-	-	844,109.58	-
Other income	-	-	10,902,357.30	4,251,906.46
Gain on debt assignment receivable	-	-	19,014,800.00	-
Gain on business combination	-	-	13,292,777.60	-
Disposal of assets	-	-	2,467,289.72	-
Cost of sales	-	-	192,930.00	22,359.80
Cost of services	-	-	23,366,075.25	1,896,247.00
Finance cost	-	-	-	281,804.80
Related companies				
Revenue from sales of products	1,694,574.70	2,358,239.41	1,694,574.70	2,358,239.41
Cost of services	61,000.00	-	61,000.00	-
Other expense	61,067.46	-	61,067.46	-
Finance cost	669,219.18	-	669,219.18	-

5.2 Assets and liabilities with related entities as follows

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Trade receivables				
Subsidiary Company	-	-	3,097,393.85	7,744,848.77
Related companies	-	2,542,703.73	-	2,542,703.73
Total	-	2,542,703.73	3,097,393.85	10,287,552.50
Less Allowance for expected credit losses	-	-	-	(2,877.18)
Net	-	2,542,703.73	3,097,393.85	10,284,675.32

5.2 Assets and liabilities with related entities as follows (continue)

		(Unit : Baht)	
		Consolidated financial statements	Separate financial statements
		As at December 31,	As at December 31,
		2022	2021
		2022	2021
Other receivables			
Subsidiary Company	-	-	8,463,945.62
Total	-	-	8,463,945.62
Receivable from the business combination under common control			
Subsidiary Company	-	-	186,098,336.78
Total	-	-	186,098,336.78
Receivable from the disposal of debt assignment			
Subsidiary Company	-	-	136,614,800.00
Total	-	-	136,614,800.00
Prepaid expenses			
Related companies	27,673.62	-	27,673.62
Total	27,673.62	-	27,673.62
Loans to related company and accrued interest			
Subsidiary Company			
Balance as of beginning	-	-	-
Increase	-	-	78,844,109.58
Decrease	-	-	(25,402,739.74)
Balance as of Ending	-	-	53,441,369.84
As of December 31, 2022, The company has issued the promisory note with its subsidiaries for interest rate at 5% per year.			
The due date is at call.			
Trade payables			
Subsidiary Company	-	-	863,675.24
Related Company	65,270.00	-	65,270.00
Total	65,270.00	-	928,945.24
Contract liabilities			
Subsidiary Company	-	-	354,150.44
Total	-	-	354,150.44

5.2 Assets and liabilities with related entities as follows (continue)

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		2022	2021	2022	2021
Short-term loans from company related parties					
Subsidiaries Company					
Increase	-	-	-	-	13,000,000.00
Decrease	-	-	-	-	(13,000,000.00)
Balance as of Ending	-	-	-	-	-
Related Person					
Increase	20,000,000.00	-	-	20,000,000.00	-
Decrease	(20,000,000.00)	-	-	(20,000,000.00)	-
Balance as of Ending	-	-	-	-	-

During the year 2022, The company has issued the promisory note with related person by using 1 year for interest rate at 5% per year.

5.3 Management benefit expenses

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,			
		2022	2021	2022	2021
Short-term employee benefits		18,393,729.68	14,230,602.84	12,000,000.00	12,001,650.00
Post-employment benefits		781,331.11	790,800.56	707,581.98	719,096.30
Total		19,175,060.79	15,021,403.40	12,707,581.98	12,720,746.30

6. Additional information of expenses by nature

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2022	2021	2022	2021
Changes in finished goods and work in progress	62,626,747.19	41,758,985.42	64,639,819.92	52,750,315.66
Allowance (reversal) for diminution in value of inventories	(11,851,411.20)	2,001,886.32	(12,230,648.53)	1,618,927.73
Purchase of finished goods	224,687,496.48	288,468,467.92	212,702,510.14	272,025,501.69
Raw materials and consumable used	3,561,897.01	27,365,616.44	3,065,419.95	27,201,421.04
Outsourcing production cost	118,441,517.40	31,350,820.66	33,372,419.93	9,386,004.66
Depreciation and amortization	16,316,554.44	20,140,990.95	11,338,255.86	17,659,629.58
Staff costs	67,460,942.66	67,403,654.57	51,612,250.50	60,404,022.51
Management remunerations	19,175,060.79	15,021,403.40	12,707,581.98	12,720,746.30
Others	45,084,613.60	73,151,965.71	35,209,131.85	65,989,570.80
Total	545,503,418.37	566,663,791.39	412,416,741.60	519,756,139.97

7. 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,			
	2022	2021	2022	2021
Account payable from purchase of asset with credit line	2.09	0.38	2.05	0.38
Pay for their acquisitions with common share	163.49	-	163.49	-
Transfer from inventory to equipment	0.55	0.87	-	-
Transfer from equipment to inventory	-	0.84	-	-
Transfer from right-of-use assets to equipment	4.22	2.45	4.22	2.45
Right-of-use assets	14.82	2.18	-	2.18
Cancel lease liabilities	2.63	-	2.63	-
Business combination under common control	-	-	173.17	-

8. Cash and cash equivalents

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Cash	629,214.50	601,866.69	549,378.79	575,757.07
Cash at bank-saving accounts	15,327,186.26	2,622,036.48	5,574,136.79	2,157,742.32
Cash at bank-current accounts	106,573,723.42	58,406,874.97	41,751,362.68	52,447,306.41
Fixed deposits	3,754,149.86	4,869,412.38	3,158,624.95	3,992,872.16
Total	126,284,274.04	66,500,190.52	51,033,503.21	59,173,677.96

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

9. Loans to customers and accrued interest

9.1 Classified by product

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Loans receivables	244,304,243.84	124,785,753.50	255,981,301.37	119,962,811.03
Finance lease receivables	7,775,424.20	210,000.00	-	210,000.00
Purchased or originated credit-impaired financial asset	131,227,260.00	-	-	-
<u>Less</u> unearned interest income	-	(9,266.43)	-	(9,266.43)
Total loans to customers net unearned interest income	383,306,928.04	124,986,487.07	255,981,301.37	120,163,544.60
<u>Add</u> accrued interest	8,044,729.50	524,688.45	5,300,841.65	115,152.91
Total loans to customers and accrued interest	391,351,657.54	125,511,175.52	261,282,143.02	120,278,697.51
<u>Less</u> allowance for expected credit losses	(5,232,478.01)	(5,232,478.01)	-	-
Total loans to customers and accrued interest net	386,119,179.53	120,278,697.51	261,282,143.02	120,278,697.51
Current portion of customers and accrued interest :				
Loans receivables and Accrued Interest	224,147,443.16	372,047.01	238,313,090.85	372,047.01
Finance lease receivables	7,775,424.20	-	-	-
Purchased or originated credit-impaired financial asset	131,227,260.00	-	-	-
Current portion of customers and accrued interest	363,150,127.36	372,047.01	238,313,090.85	372,047.01
Total loans to customers	22,969,052.17	119,906,650.50	22,969,052.17	119,906,650.50

9. Loans to customers and accrued interest (continue)

9.2 Movements of loans to customers and accrued interest

Movements of loans to customers and accrued interest for the year ended December 31, 2022, are as follows :

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Balance as of December 31, 2021	125,511,175.52	120,278,697.51
<u>Add</u> increased from business combination	30,160,289.28	-
additional loans during the year	394,187,260.00	410,600,000.00
interest received from loans	41,658,187.11	39,726,574.54
<u>Less</u> payment received during the year	(193,395,016.29)	(309,323,129.03)
write-off	(6,770,238.08)	-
Balance as of December 31, 2022	391,351,657.54	261,282,143.02

9.3 Classified by staging

	(Unit : Baht)			
	Consolidated financial statements			
	As at December 31, 2022		As at December 31, 2021	
	Loans to customers	Expected credit loss	Loans to customers	Expected credit loss
Performing financial assets				
Under-performing financial assets	254,891,919.53	-	120,278,697.51	-
Non-performing financial assets	5,232,478.01	(5,232,478.01)	5,232,478.01	(5,232,478.01)
Purchased or originated credit-impaired financial assets	131,227,260.00	-	-	-
Total	391,351,657.54	(5,232,478.01)	125,511,175.52	(5,232,478.01)

	(Unit : Baht)			
	Separate financial statements			
	As at December 31, 2022		As at December 31, 2021	
	Loans to customers	Expected credit loss	Loans to customers	Expected credit loss
Performing financial assets				
Under-performing financial assets	261,282,143.02	-	120,278,697.51	-
Total	261,282,143.02	-	120,278,697.51	-

9. Loans to customers and accrued interest (continue)

9.4 Allowance for expected credit loss

(Unit : Baht)

	Consolidated financial statements				
	As at December 31, 2022				
	Lifetime ECL		Purchased or originated		Total
	12-month ECL	not credit-impaired	Lifetime ECL credit-impaired	financial assets	
As at December 31, 2021	-	-	5,232,478.01	-	5,232,478.01
As at December 31, 2022	-	-	5,232,478.01	-	5,232,478.01

10. Trade and other current receivables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Trade receivables				
Related parties	-	2,542,703.73	3,097,393.85	10,287,552.50
Third parties	44,770,924.23	45,717,414.48	30,931,702.34	35,202,445.09
Total	44,770,924.23	48,260,118.21	34,029,096.19	45,489,997.59
<u>Less</u> allowance for expected credit losses	(6,526,332.57)	(7,333,656.12)	(6,155,152.57)	(7,286,712.36)
Net	38,244,591.66	40,926,462.09	27,873,943.62	38,203,285.23
Other current receivables				
Other receivables	5,460,230.88	4,986,327.85	13,466,192.92	4,677,395.99
Prepaid expense	1,253,681.76	1,266,219.20	616,722.67	1,116,640.38
Deposit payments	11,678,564.48	35,521,158.95	11,137,523.38	33,828,158.95
Retention receivables	487,709.30	911,361.38	-	-
Revenue department receivable	13,549,391.26	3,332,458.71	-	2,958,014.81
Receivable from the business combination under common control	-	-	186,098,336.78	-
Other receivables - properties foreclosed	-	-	136,614,800.00	-
Receivables from legal execution department	23,460,000.00	-	-	-
Advance payments	204,393.39	317,010.75	168,591.00	317,010.75
Total	56,093,971.07	46,334,536.84	348,102,166.75	42,897,220.88
<u>Less</u> allowance for expected credit losses	(564,296.33)	(515,000.19)	(373,461.00)	(373,461.00)
Net	55,529,674.74	45,819,536.65	347,728,705.75	42,523,759.88
Total trade and other current receivables	93,774,266.40	86,745,998.74	375,602,649.37	80,727,045.11

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 December 31,		As at December 31,	
		2022	2021	2022	2021
Related parties					
Within credit term		-	-	3,097,393.85	4,992,251.84
Overdue					
Not over 3 months		-	-	-	2,752,596.93
6 months to 12 months		-	108,019.62	-	108,019.62
Over 12 months		-	2,434,684.11	-	2,434,684.11
Total		-	2,542,703.73	3,097,393.85	10,287,552.50
<u>Less</u> allowance for expected credit losses		-	-	-	(2,877.18)
Net		-	2,542,703.73	3,097,393.85	10,284,675.32
Third parties					
Within credit term		18,189,039.25	20,880,993.56	10,028,116.81	11,908,478.46
Overdue					
Not over 3 months		9,401,491.69	9,906,399.02	7,813,548.45	8,369,963.48
3 months to 6 months		4,144,555.74	7,271,274.00	425,379.53	7,265,255.25
6 months to 12 months		2,122,607.43	2,724,292.68	2,122,607.43	2,724,292.68
Over 12 months		10,913,230.12	4,934,455.22	10,542,050.12	4,934,455.22
Total		44,770,924.23	45,717,414.48	30,931,702.34	35,202,445.09
<u>Less</u> allowance for expected credit losses		(6,526,332.57)	(7,333,656.12)	(6,155,152.57)	(7,283,835.18)
Net		38,244,591.66	38,383,758.36	24,776,549.77	27,918,609.91
Total trade receivables		44,770,924.23	48,260,118.21	34,029,096.19	45,489,997.59
<u>Less</u> allowance for expected credit losses		(6,526,332.57)	(7,333,656.12)	(6,155,152.57)	(7,286,712.36)
Total		38,244,591.66	40,926,462.09	27,873,943.62	38,203,285.23

11. Contract assets

		(Unit : Baht)	
		Consolidated financial statements	
		As at December 31,	
		2022	2021
Revenue from accrued service		4,261,926.81	2,914,653.44

12. Inventories

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Finished goods	142,458,969.12	186,190,663.27	13,809,059.31	170,492,184.83
Raw materials	33,729,992.18	38,573,311.46	248,653.37	36,434,344.78
Goods in transit	6,422,970.27	5,921,592.33	6,422,970.27	5,921,592.33
Total	182,611,931.57	230,685,567.06	20,480,682.95	212,848,121.94
<u>Less</u> allowance for diminution in value of inventories	(17,834,755.76)	(29,686,166.96)	(3,651,495.01)	(28,563,876.95)
Net	164,777,175.81	200,999,400.10	16,829,187.94	184,284,244.99

The movement of allowance for diminution in value of inventories for the year end December 31, 2022 and 2021 is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance as of beginning	29,686,166.96	27,684,280.64	28,563,876.95	26,944,949.22
Added during the year	189,593.76	11,652,324.69	122,606.35	11,259,625.08
Transfers out during the year	(12,041,004.96)	(9,650,438.37)	(12,353,254.88)	(9,640,697.35)
Transfers business combination	-	-	(12,681,733.41)	-
Balance as of Ending	17,834,755.76	29,686,166.96	3,651,495.01	28,563,876.95

13. Real estate development costs

(Unit : Baht)

	Consolidated financial statements	
	As at December 31,	
	2022	2021
Real estate ready for sale		
Housing estate	19,044,719.97	-
Land with real estate	15,199,062.00	-
Total	34,243,781.97	-

- Additional information regarding the development project held by The group.

(Unit : Baht)

	Consolidated financial statements
	As at December 31, 2022
Sales with signed agreements	146,191,120.00
Total estimated project value	149,791,120.00
The ratio of sales with signed agreements	98%
Unearned income	27,460,000.00

14. Properties foreclosed

For the years ended December 31, 2022, movements of foreclosed assets are as follows:

(Unit : Baht)

	Consolidated financial statements			
	As at	Movement		As at
	December 31, 2021	Additions	Disposal	December 31, 2022
Closes account from debt settlement to foreclosed assets	-	6,800,000.00	(1,700,000.00)	5,100,000.00

As of 31 December 2022, the group has 2 properties foreclosed derived from debt settlement amounting to 5.10 million baht.

Those properties foreclosed have the appraisal value appraised by the independent appraisal totaling amount to 8.60 million baht.

15. Other current financial asset

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Debt instruments at amortised cost				
Certificate of Deposit	430,000,000.00	-	430,000,000.00	-
Total	430,000,000.00	-	430,000,000.00	-
Financial assets at FVTPL				
Investment in mutual fund	440,160.00	440,160.00	440,160.00	440,160.00
Total	440,160.00	440,160.00	440,160.00	440,160.00
Total	430,440,160.00	440,160.00	430,440,160.00	440,160.00

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

(Unit : Baht)

	Consolidated and Separate financial statements	
	2022	2021
Beginning book value	440,160.00	90,135.13
<u>Plus</u> Purchase during the year	-	28,494,240.00
<u>Less</u> Disposal during the year	-	(90,135.13)
Average cash return from the reduction of investment unit	-	(15,068,160.00)
Changes in fair value of unit trust	-	(12,985,920.00)
Ending book value	440,160.00	440,160.00

15. Other current financial asset (continue)

During the year 2021, the Company invested 1.6 million units in Samui Airport Leasehold Property Fund (SPF). The value of each unit is 17.80 baht, totaling 28.49 million baht for this investment. Subsequently, the Company received dividends from investments 9.1124 baht per unit, totaling 14.58 million baht, and received a refund from the devaluation of the investment units at 9.4176 baht per unit, totalling 15.07 million baht. 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 0.2751 baht per unit, resulting in the investment value at the end of the period was 0.44 million baht. The Company recognized the devaluation of unit trusts by 12.99 baht 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 24 and 38.1

17. Investments in subsidiaries

17.1 Reconciles investments in subsidiaries

			(Unit : Baht)	
			Separate financial statements	
			As at December 31,	
			2022	2021
Investments in subsidiaries at balance forward			30,000,000.00	30,255,410.25
Add paid for their acquisitions with common share capital increase			163,488,000.00	-
			101,547,500.00	-
Less loss from diminution of investment in subsidiary			-	(255,410.25)
Investments in subsidiaries at balance ending			295,035,500.00	30,000,000.00

17.2 Detail of Investments in subsidiaries

Company's name	Separate financial statements					
	Paid-up capital (Thousand Baht)		Shareholding (%)		Cost method (Baht)	
	As at December 31,		As at December 31,		As at December 31,	
	2022	2021	2022	2021	2022	2021
Innov Green Solutions Co., Ltd.	50,000	30,000	100	100	50,000,000.00	30,000,000.00
Capital Link Udonthani Limited	40,000	-	100	-	102,210,000.00	-
Capital Link Holding Limited	100,000	-	100	-	138,550,700.00	-
Metta Pharma Limited	2,500	-	80	-	2,000,000.00	-
Remedys Enterprise Limited	2,500	-	51	-	1,275,000.00	-
Capital Link Chaopraya Limited	1,000	-	100	-	999,800.00	-
Total					295,035,500.00	30,000,000.00

17.2 Detail of Investments in subsidiaries (continue)

On August 6, 2021, the extra ordinary shareholders' meeting no. 1/2021 has issued the resolution to purchase shares of Capital Link Udonthani Limited (CLU) and received the entire business transfer of Sathornsinsup Co.,Ltd. (SS) which has a 100% investment in Capital Link Holding Limited (CLH). After the entire business transfer, Sathornsinsup Co.,Ltd has dissolved the company and transfer 68.62 million shares of company stock to its shareholders in accordance with the percentage of shareholding. The detail of the investment in subsidiaries are as follow :

Capital Link Udonthani Limited

On January 17, 2022, the company entered into a share purchase agreement to purchase 100% of the shares of Capital Link Udonthani Limited from existing shareholders in total value is 102.21 million baht . 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.

The financial statement of CLU was consolidated with the Group when the Group had the controlling interest on 17 January 2022 (Acquisition Date). Details of the acquisition are as follow.

	(Unit : Thousand Baht)
Cost of purchase of investments in subsidiaries	102,210
<u>Less</u> Fair value of net assets received	102,606
Gain from acquisition of business at price less than fair value as at January 17, 2022	396
Cost of purchase of investments in subsidiaries	102,210
<u>Less</u> issuing new ordinary share in total 114.46 million shares at a par value of 0.893 baht per shares	(102,210)
Net cash paid for purchase of investment in subsidiary	-

The consolidated income statement included revenue and profit of Capital Link Udonthani Limited as follows:

	(Unit : Thousand Baht)
For the year ended December 31, 2022	
Revenue	14,589
Net profit	2,560

Capital Link Holding Limited

On January 17, 2022, the company entered business transfer (EBT) of Capital Link Holding Limited in 100% of the shares from Sathorn Sinsub Company Limited (SS), in total value is 61.28 million baht . The compensation was paid by 68.62 million newly issued ordinary shares of the company, with a share value of 0.893 baht per share, totaling 61.28 million baht, instead of cash payment.

The financial statement of CLH was consolidated with the Group when the Group had the controlling interest on 17 January 2022 (Acquisition Date). Details of the acquisition are as follow.

	(Unit : Thousand Baht)
Cost of purchase of investments in subsidiaries	61,278
<u>Less</u> Fair value of net assets received	61,058
Loss from acquisition of business at price less than fair value as at January 17, 2022	(220)
Cost of purchase of investments in subsidiaries	61,278
<u>Less</u> issuing new ordinary share in total 114.46 million shares at a par value of 0.893 baht per shares	(61,278)
Net cash paid for purchase of investment in subsidiary	-

17.2 Detail of Investments in subsidiaries (continue)

The consolidated income statement included revenue and profit of Capital Link Holding Limited as follows:

(Unit : Thousand Baht)

For the year ended December 31, 2022

Revenue	16,875
Net profit	13,801

The Group is currently measuring the fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date of Capital Link Udonthani Limited and Capital Link Holding Limited this measurement is completed during the current period from the acquisition date as defined in TFRS 3 Business Combinations.

The fair value of assets acquired and liabilities assumed at the acquisition date of Capital Link Udonthani Limited and Capital Link Holding Limited are as follows:

(Unit : Thousand Baht)

	As at January 17, 2022		
	CLU	CLH	Total
Cash and cash equivalents	2,590	2,399	4,989
Loans to customers and accrued interest	-	30,160	30,160
Trade and other current receivables	75	1,677	1,752
Real estate development costs	29,959	-	29,959
Other current assets	185	23	208
Investments in associate	-	31,542	31,542
Investment property	90,156	-	90,156
Property, plant and equipment	5,934	139	6,073
Right of use assets	51	554	605
Intangible assets	1	29	30
Deferred tax assets	-	168	168
Other non-current assets	1,140	23	1,163
Trade and other current payables	(998)	(1,582)	(2,580)
Current contract liabilities	(10,933)	-	(10,933)
Lease liabilities	(53)	(567)	(620)
Income tax payables	-	(56)	(56)
Provision for warranty	(140)	-	(140)
Non-current provisions for employee benefits	(130)	(825)	(955)
Deferred tax liabilities	(15,231)	(2,626)	(17,857)
Fair value of net assets received	102,606	61,058	163,664
<u>Less</u> Gain(Loss) from acquisition of business at price less than fair value	396	(220)	176
Cost of purchased investment in a subsidiary as at January 17, 2022	102,210	61,278	163,488
<u>Less</u> Pay for their acquisitions with common share	(102,210)	(61,278)	(163,488)
<u>Add</u> Cash and cash equivalents of subsidiaries	2,590	2,399	4,989
Net cash received for business acquisition	2,590	2,399	4,989

17.2 Detail of Investments in subsidiaries (continue)

Difference of 0.18 million baht is gain from a bargain purchase above which is measured by the consideration payable at the acquisition date and the identifiable net asset value acquired, in the total comprehensive income for the year ended December 31, 2022.

Capital Link Chaopraya Limited

On December 27, 2022, the Board of Directors has issued the resolution to approve the company to purchase 9,998 ordinary shares of Capital Link Chaopraya Limited (CLY) at a price of 100 baht per share, totaling 999,800 baht representing 99.98%. The company had received the transfer of shares from the previous shareholder and payment for the ordinary shares was completely settled on 28 December 2022.

The financial statement of CLY was consolidated with the Group when the Group had the controlling interest on 28 December 2022 (Acquisition Date). The fair value of net assets as of acquisition date of CLY are as follow.

	(Unit : Thousand Baht)
	As at
	<u>December 28, 2022</u>
Cash and cash equivalents	1,000
Fair value of net assets received	1,000
Cost of purchased investment in a subsidiary	1,000
<u>Less</u> Cash and cash equivalents of subsidiaries	(1,000)
Cash paid for investments in subsidiaries	-

The consolidated income statement included revenue and profit of Capital Link Chaopraya Limited as follows:

	(Unit : Thousand Baht)
For the year ended December 31, 2022	
Revenue	-
Net loss	(0.02)

17.3 Registration for Increase in paid up capital of subsidiaries

Capital Link Holding Limited

According to the minutes of the Extraordinary General Meeting of Shareholders No. 2/2022, dated 30 May 2022, it was approved to increase the registered capital from the original of 22.73 million baht to 100 million baht by issuing 772,727 million ordinary shares at a par value of 100 baht per share. Masterkool International Public Company Limited made payment of 77.27 million baht. However, the shareholding proportion has not changed.

Metta Pharma Limited

According to the resolution of the Board of Directors Meeting No. 9/2022 of Masterkool International Public Company Limited on August 19, 2022, approved the establishment of Metta Pharma Limited to operate the production and distribution of healthy food and beverages and supplements consisting of 50,000 ordinary shares at a value of 100 baht per share, totaling a registered capital of 5 million baht, which was registered as a juristic person to the Ministry of Commerce on August 25, 2022 and received a share payment of 2.50 million baht from shareholders. The business group invested in 25,499 ordinary shares or 51 percent of the registered capital amount 1.27 million baht.

17.3 Registration for Increase in paid up capital of subsidiaries (continue)

Metta Pharma Limited (continue)

Afterward, The company has accepted the transfer of common shares from the previous shareholders on 4 November 2022 totaling 14,500 shares, totaling 0.73 million baht which increase the percentage of ownership in MET from 51% to 80%.

Remedys Enterprise Limited

According to the resolution of the Board of Directors Meeting No. 9/2022 of Masterkool International Public Company Limited on August 19, 2022, approved the establishment of Remedys Enterprise Limited to operate the cannabis cultivation business and sell cannabis related products consisting of 50,000 ordinary shares worth 100 baht per share, totaling a registered capital of 5 million baht. Which has been registered as a juristic person to the Ministry of Commerce on August 25, 2022 and received a payment of shares from shareholders in the amount of 2.50 million baht. The business group invested in 25,499 ordinary shares or 51 percent of the registered capital, totaling 1.28 million baht.

Inno Green Solution Co.,Ltd

According to the resolution of the Board of Directors Meeting No. 1/2022 of Inno Green Solution Co.,Ltd on 15 December 2022, approved the injection of the company share capital from 30 million baht to 50 million baht. The company issued 0.20 million ordinary shares of Baht 100 each to facilitate the future business expansion. The injected ordinary shares were registered to the Department of business development on 28 December 2022. Masterkool International Public Company Limited made payment of 20 million baht. However, the shareholding proportion has not changed.

17.4 Dissolution of MET

According to the minute of ordinary shareholder meeting no. 2/2022 dated 26 December 2022 of Metta Pharma Limited approved the dissolution of the Company on 28 December 2022. The company is in the process of liquidation.

17.5 Important transactions of the subsidiary group (CLH)

Capital Link Holding Limited

According to the resolution of the Board of Directors' Meeting No. 8/2022 of Masterkool International Public Company Limited on August 10, 2022, resolved to approve Capital Link Holding Limited to buy and accept the transfer of all businesses of Thanatawee Asset Management Limited (TTA) by acquiring 2.50 million ordinary shares at a value of 10 baht per share in the proportion of 100% at a price of 9.626 baht per share, totaling 24.06 million baht, which the company received the transfer of shares from the existing shareholders on August 10, 2022 and paid all shares on September 2, 2022.

The financial statement of TTA was consolidated with the Group when the Group had the controlling interest on 10 August 2022 (Acquisition Date). The fair value of net assets as of acquisition date of TTA are as follow.

(Unit : Thousand Baht)

	As at
	August 10, 2022
Cash and cash equivalents	23,523
Intangible assets	542
Fair value of net assets received	24,065

17.5 Important transactions of the subsidiary group (CLH) (continue)

(Unit : Thousand Baht)

	As at August 10, 2022
Cost of purchased investment in a subsidiary	24,065
<u>Less</u> Cash and cash equivalents of subsidiaries	(23,523)
Cash paid for investments in subsidiaries	542

The consolidated income statement included revenue and profit of Thanatawee Asset Management Limited as follows:

(Unit : Thousand Baht)

For the year ended December 31, 2022

Revenue	1,560
Net loss	821

As at 4 October 2022, Thanatawee Asset Management Limited has entered into the contract with a third party to acquire a group of asset totaling amount to 33.91 million baht. Those assets comprise of two groups 1) debt assignment contract amounting to 25 million 2.11 million baht, respectively and 2) properties foreclosed amounting to 6.80 million baht. The company has already paid for those assets at the amount of 8.91 million baht. For the remaining of the first debt assignment contract amounting to 25 million baht, the company has recognised it as a debt assignment receivable and payable amounting to 25 million baht. The debt shall be assigned to the company whenever the department of legal execution has paid the amount received from the auction (less related expense) to the seller.

18. Investments in associate**18.1 Reconciles investments in associate**

(Unit : Baht)

	Consolidated financial statements	
	As at December 31,	
	2022	2021
Investments in associate at balance forward	-	-
<u>Add</u> Increased from business combination	31,542,061.10	-
Share of profit from investments in associate	10,237,174.79	-
Investments in associate at balance ending	41,779,235.89	-

18.2 Detail of Investments in associate

Consolidated financial statements

Company's name	Carrying amounts based on equity method (Baht)					
	Paid-up capital (Thousand)		Shareholding (%)		As at December 31,	
	As at December 31,		As at December 31,		As at December 31,	
	2022	2021	2022	2021	2022	2021
H-Do (Thailand) Company Limited	73,000	-	49	-	41,779,235.89	-

18. Investments in associate (continue)

18.3 Share of profit from investments in associate

	(Unit : Baht)	
	Consolidated financial statements	
	For the year ended December 31,	
	2022	2021
H-Do (Thailand) Company Limited	10,237,174.79	-
Total	10,237,174.79	-

18.4 Financial information of Investment in associated company in the consolidated financial statement.

- Details of total comprehensive income (loss)

	(Unit : Baht)			
	For the year ended December 31, 2022			
	Other			
Company's name	Revenue	Profit (Loss)	Comprehensive income (loss)	Comprehensive income (loss)
H-Do (Thailand) Company Limited	83,137,204.23	20,892,193.45	-	20,892,193.45

- Detail of net assets

	(Unit : Baht)				
	For the year ended December 31, 2022				
	Assets		Liabilities		
Company's name	Current	Non - Current	Current	Non - Current	Net Asset
H-Do (Thailand) Company Limited	75,410,062.63	1,075,548.17	799,716.37	787,335.15	74,898,559.28

18.5 Important transactions of the associate

According to the minutes of the Board of Directors Meeting No. 3/2022 of H-Do (Thailand) Company Limited resolved to approve the sale of ordinary shares of H-Do Asset Management Limited related to be a subsidiary to Beyond Capital Company Limited in the amount of 250,000 shares at a price of 152 baht per share, totaling 38 million baht. The company has registered the transfer of shares to new shareholders on September 26, 2022 resulting in the consolidated financial statements of H-Do (Thailand) Company Limited for the year ended December 31, 2022 with a profit from the sale of investment of 18 million baht.

19. Investment property

(Unit : Baht)

		Consolidated financial statements		
		Land	Work in	
		Land	improvement	Progress
				Total
Cost				
As at December 31, 2021		-	-	-
Increased from business combination		87,608,300.00	2,154,186.96	90,371,686.96
Additions		-	-	2,046,486.04
As at December 31, 2022		87,608,300.00	2,154,186.96	92,418,173.00
Accumulated depreciation				
As at December 31, 2021		-	-	-
Increased from business combination		-	215,418.50	215,418.50
Depreciation for year		-	215,418.51	215,418.51
As at December 31, 2022		-	430,837.01	430,837.01
Net book value				
As at December 31, 2022		87,608,300.00	1,723,349.95	91,987,335.99
As at December 31, 2021		-	-	-

The fair values of land for rent categorized as investment property is appraised by independent appraisal. The fair value of Land for rental is appraised by using the market value. The assumption for the appraisal is based on location environment size quality and exploitation etc. As of December 31, 2022, the fair value of investment properties is 88.22 million baht.

20. Property, plant and equipment

(Unit : Baht)

	Consolidated financial statements							
	Building and		Furniture and		Assets under			
	Land	Building improvement	Mold and Equipment	Assets for rent	office equipment	Vehicles	construction	Total
Cost								
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
Increase from business combination	1,340,146.72	8,950,761.57	1,152,672.51	-	3,354,245.08	4,738,375.51	108,247.43	19,644,448.82
Addition	-	1,165,045.00	4,725,892.09	2,527,939.41	482,291.73	2,467,289.72	392,634.67	11,761,092.62
Transfer ownership of assets	-	-	-	-	-	5,305,574.75	-	5,305,574.75
Transfer in/(out)	-	195,175.73	-	742,725.61	-	-	(556,891.72)	381,009.62
Disposal/Write off	-	-	(1,112,364.20)	(479,682.98)	(2,592,580.39)	(4,660,546.71)	-	(8,845,174.28)
As at December 31, 2022	2,240,146.72	41,962,416.26	92,693,908.65	21,372,423.57	12,929,801.54	18,020,686.13	108,247.43	189,327,630.30
Accumulative Depreciation								
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
Increase from business combination	-	4,571,018.90	1,119,570.96	-	3,152,488.71	4,728,362.57	-	13,571,441.14
Depreciation for the year	-	1,454,350.71	2,242,776.83	2,766,089.92	797,355.35	676,327.54	-	7,936,900.35
Transfer ownership of assets	-	-	-	-	-	1,086,753.57	-	1,086,753.57
Transfer in/(out)	-	-	-	(15,604.05)	-	-	-	(15,604.05)
Disposal/Write off	-	-	(1,096,755.08)	(247,274.97)	(2,568,632.48)	(2,010,092.81)	-	(5,922,755.34)
As at December 31, 2022	-	30,078,970.26	58,329,393.53	15,394,765.00	11,349,302.30	10,528,699.57	-	125,681,130.66
Allowance for impairment								
As at December 31, 2021	-	-	10,791,372.48	-	-	-	-	10,791,372.48
Increase/(Decrease)	-	-	(94,423.41)	-	-	-	-	(94,423.41)
As at December 31, 2022	-	-	10,696,949.07	-	-	-	-	10,696,949.07

20. Property, plant and equipment (continue)

(Unit : Baht)

	Consolidated financial statements							
	Building and			Assets for rent	Furniture and office equipment	Vehicles	Assets under construction	Total
	Land	Building improvement	Mold and Equipment					
Net Book Value								
As at December 31, 2022	2,240,146.72	11,883,446.00	23,667,566.05	5,977,658.57	1,580,499.24	7,491,986.56	108,247.43	52,949,550.57
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
Depreciation included in the consolidated statement of comprehensive income for the year ended December 31,								
2022		7,936,900.35						
2021		10,303,282.25						

(Unit : Baht)

	Separate financial statements						
	Building and		Mold and Equipment	Assets for rent	Furniture and office equipment	Vehicles	Assets under construction
	Land	Building improvement					
Cost							
As at December 31, 2021	900,000.00	30,485,450.13	73,286,413.70	15,559,314.78	11,031,263.87	10,169,992.86	-
Addition	-	1,165,045.00	4,724,784.61	1,061,401.93	231,231.68	-	195,175.73
Transfer ownership of assets	-	-	-	-	-	5,305,574.75	-
Transfer in/(out)	-	195,175.73	-	-	-	-	(195,175.73)
Disposal/Write off	-	-	(193,539.06)	(207,697.09)	(1,020,672.22)	(4,660,546.71)	-
Transfers business combination	-	(4,743,333.05)	(77,817,659.25)	(16,413,019.62)	(10,036,612.48)	(10,312,789.79)	-
As at December 31, 2022	900,000.00	27,102,337.81	-	-	205,210.85	502,231.11	-
							28,709,779.77

20. Property, plant and equipment (continue)

As at December 31, 2022 and 2021 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 52.57 million baht and 46.81 million baht, respectively.

As at December 31, 2022 and 2021 The Group has pledged the land with structure in original cost of 7.10 million baht and 7.10 million baht, respectively to guarantee against credit facility of the Company that receives from a commercial bank in amount of 160 million baht.

21. Land held for development

	(Unit : Baht)	
	Consolidated	
	financial statements	
	As at December 31,	
	2022	2021
Land held for development	33,590,945.00	-

22. Right of use assets

	(Unit : Baht)		
	Consolidated financial statements		
	Buildings	Vehicles	Total
Cost			
As at December 31, 2021	21,098,396.69	8,104,472.56	29,202,869.25
increased from business combination	1,048,430.33	-	1,048,430.33
<u>Add</u> Increase/reassessment lease term	14,822,223.09	-	14,822,223.09
<u>Less</u> Change in conditions/written-off	(21,098,396.69)	(1,098,052.67)	(22,196,449.36)
Transfer ownership of assets	-	(5,305,574.75)	(5,305,574.75)
As at December 31, 2022	15,870,653.42	1,700,845.14	17,571,498.56
Accumulated depreciation			
As at December 31, 2021	13,795,417.47	2,408,455.32	16,203,872.79
increased from business combination	443,235.01	-	443,235.01
<u>Add</u> Depreciation for the year	6,662,171.96	780,458.63	7,442,630.59
<u>Less</u> Depreciation of change in conditions/ written off	(18,608,950.62)	(732,035.13)	(19,340,985.75)
Transfer ownership of assets	-	(1,086,753.57)	(1,086,753.57)
As at December 31, 2022	2,291,873.82	1,370,125.25	3,661,999.07
Net book value			
As at December 31, 2022	13,578,779.60	330,719.89	13,909,499.49
As at December 31, 2021	7,302,979.22	5,696,017.24	12,998,996.46

22. Right of use assets (continue)

(Unit : Baht)

	Separate financial statements		
	Buildings	Vehicles	Total
Cost			
As at December 31, 2021	19,891,227.80	8,104,472.56	27,995,700.36
<u>Less</u> Change in conditions/written off	(19,891,227.80)	(1,098,052.67)	(20,989,280.47)
Transfers out	-	(5,305,574.75)	(5,305,574.75)
As at December 31, 2022	-	1,700,845.14	1,700,845.14
Accumulated depreciation			
As at December 31, 2021	12,890,040.80	2,408,455.32	15,298,496.12
<u>Add</u> Depreciation for the year	4,511,740.93	780,458.63	5,292,199.56
<u>Less</u> Depreciation of change in conditions/ written off	(17,401,781.73)	(732,035.13)	(18,133,816.86)
Transfers out	-	(1,086,753.57)	(1,086,753.57)
As at December 31, 2022	-	1,370,125.25	1,370,125.25
Net book value			
As at December 31, 2022	-	330,719.89	330,719.89
As at December 31, 2021	7,001,187.00	5,696,017.24	12,697,204.24

- Expense related to leased contract recognised in comprehensive income

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Depreciation of right of use assets	7.44	8.87	5.29	8.42
Interest expense on leased contract	0.58	0.95	0.34	0.92
Expense related to short term leased contract	0.22	0.22	0.22	0.22
Expense related to low value leases	0.24	0.21	0.24	0.21

23. Intangible assets

	(Unit : Baht)				
	Consolidated financial statements				Separate statements financial
	Financial licenses*	Computer Software	Program under installation	Total	Computer Software
Cost					
As at December 31, 2021	-	13,405,892.20	1,540,000.00	14,945,892.20	12,731,624.77
Increased from business combination	541,777.20	1,495,174.34	-	2,036,951.54	-
<u>Less</u> Write off	-	(1,464,797.44)	-	(1,464,797.44)	(145,878.00)
Business combination under common control	-	-	-	-	(6,103,880.77)
As at December 31, 2022	541,777.20	13,436,269.10	1,540,000.00	15,518,046.30	6,481,866.00
Accumulative amortisation					
As at December 31, 2021	-	11,000,741.62	-	11,000,741.62	10,669,475.05
Increased from business combination	-	1,465,429.88	-	1,465,429.88	-
<u>Add</u> Amortization for the year	-	721,604.99	-	721,604.99	600,030.14
<u>Less</u> Write off	-	-	-	-	(145,871.00)
Transfer in (out)	-	(1,463,929.66)	-	(1,463,929.66)	-
Business combination under common control	-	-	-	-	(5,471,861.43)
As at December 31, 2022	-	11,723,846.83	-	11,723,846.83	5,651,772.76
Allowance for impairment					
As at December 31, 2021	-	-	1,540,000.00	1,540,000.00	-
As at December 31, 2022	-	-	1,540,000.00	1,540,000.00	-
Net Book Value					
As at December 31, 2022	541,777.20	1,712,422.27	-	2,254,199.47	830,093.24
As at December 31, 2021	-	2,405,150.58	-	2,405,150.58	2,062,149.72
Amortisation included in the separate statement of comprehensive income for the year ended.					
As at December 31, 2022	721,604.99				600,030.14
As at December 31, 2021	967,073.47				885,970.28

As at December 31, 2022 and 2021 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 9.57 million baht and 8.38 million baht , respectively.

*The license fee has an indefinite useful life. The Company expects that the license will generate an unlimit net future cash flow to the Company.

24. Bank overdrafts and short-term loans from financial institutions

(Unit : Baht)

	Interest rate (%)	Period (Month)	Consolidated financial statements		Separate financial statements	
			As at December 31,		As at December 31,	
			2022	2021	2022	2021
Bank overdraft	6.35	-	2,864,489.77	-	2,864,489.77	-
Short-term loans	5.25	3	-	10,700,000.00	-	10,700,000.00
Trust receipt payable	3.15-7.36	4 - 6	18,065,184.92	110,619,376.25	18,065,184.92	109,931,373.51
Total			20,929,674.69	121,319,376.25	20,929,674.69	120,631,373.51

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 20.

25. Trade and other current payables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Trade payables	18,410,670.97	27,908,573.46	15,127,737.19	24,542,184.40
Asset payables	2,097,552.28	378,522.47	2,051,652.28	378,522.47
Accrued expenses	9,468,854.94	14,367,325.09	6,919,416.48	10,648,805.10
Undue output vat	512,611.78	582,489.36	454,672.21	245,032.57
Other payables	93,066.48	32,403.52	-	-
Revenue department payables	13,843,974.34	448,762.00	13,354,034.40	322,476.79
Decommissioning cost	30,000.00	50,725.54	-	-
Debt assignment payable	24,997,260.00	-	-	-
Total	69,453,990.79	43,768,801.44	37,907,512.56	36,137,021.33

26. Contract liabilities

(Unit : Baht)

	Consolidated financial Statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Advance revenue from sell goods	3,358,556.71	20,180,135.85	2,899,039.36	19,967,528.35
Advance revenue from service	1,536,974.39	4,907,757.19	-	2,108,197.14
Unearned from real estate development costs	2,345,991.75	-	-	-
Total	7,241,522.85	25,087,893.04	2,899,039.36	22,075,725.49

26. Contract liabilities (continue)

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Current contract liabilities :				
Advance revenue from sell goods	3,358,556.71	20,180,135.85	2,899,039.36	19,967,528.35
Advance revenue from service	1,470,684.45	4,576,331.29	-	1,951,532.36
Unearned from real estate development costs	889,016.28	-	-	-
Total	5,718,257.44	24,756,467.14	2,899,039.36	21,919,060.71
Non-current contract liabilities	1,523,265.41	331,425.90	-	156,664.78

27. Lease liabilities

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Not later than one year	5,857,673.76	9,440,283.76	340,200.00	9,104,283.76
Later than 1 year but not later than 5 years	9,261,473.82	2,314,823.36	-	2,314,823.36
Total	15,119,147.58	11,755,107.12	340,200.00	11,419,107.12
Less Future finance charges on finance leases	(1,117,864.09)	(430,969.90)	(5,876.21)	(423,534.20)
Present value of finance lease liabilities	14,001,283.49	11,324,137.22	334,323.79	10,995,572.92
Less Current portion of lease liabilities	5,208,811.93	9,067,678.40	334,323.79	8,739,114.10
Lease liabilities	8,792,471.56	2,256,458.82	-	2,256,458.82

28. Short-term loans

(Unit : Baht)						
	Interest rate (%)	Period (Month)	Consolidated financial statements		Separate financial statements	
			As at December 31,		As at December 31,	
			2022	2021	2022	2021
Short-term loans						
- Third parties	5	12	20,000,000.00	-	20,000,000.00	-
Total			20,000,000.00	-	20,000,000.00	-

As of December 31, 2022, The company has issued the promisory note as discribed above.

29. Provision for warranty

	(Unit : Baht)	
	Consolidated financial Statements	Separate financial statements
Provision for warranty as at December 31, 2021	4,707,189.45	3,387,131.53
<u>Add</u> Increased from business combination	140,000.00	-
Increase during the year	3,408,062.80	3,268,062.80
<u>Less</u> Utilized during the year	(4,096,033.84)	(3,956,033.84)
Unused amount reversed during the year	(1,087,347.64)	-
Business combination under common control	-	(2,699,160.49)
Provision for warranty as at December 31, 2022	3,071,870.77	-

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

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Within 1 years	3,071,870.77	4,474,479.17	-	3,387,131.53
2 year ~ 5 years	-	232,710.28	-	-
Total	3,071,870.77	4,707,189.45	-	3,387,131.53

30. Non-current provisions for employee benefits

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Employee benefit obligations at beginning of year	17,356,329.61	17,235,485.47	16,070,614.10	16,058,431.96
<u>Add</u> Increased from business combination	955,509.10	-	-	-
Employee benefit during the year	1,849,128.77	1,972,315.89	1,540,344.52	1,845,019.55
Financial cost (interest) during the year	410,906.21	276,690.78	362,503.21	255,386.11
<u>Less</u> Paid employee benefit during the year	(1,645,442.00)	(126,690.00)	(1,645,442.00)	(126,690.00)
<u>Add(less)</u> Actuarial (gains) losses arising				
from post-employment benefits	(4,114,648.95)	(2,001,472.53)	(4,051,731.35)	(1,961,533.52)
Employee transfer to subsidiaries	-	-	(7,192,684.21)	-
Employee benefit obligations at end of year	14,811,782.74	17,356,329.61	5,083,604.27	16,070,614.10

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

Long-term employee benefit expenses included in the consolidated statements of comprehensive income for the year ended December 31, 2022 and 2021, amounted to 2.26 million baht and 2.25 million baht, respectively and the Company statements of comprehensive income for the year ended December 31, 2022 and 2021, amounted to 1.90 million baht and 2.10 million baht, respectively.

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

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Changes in financial assumptions	(832,480.42)	(1,489,491.88)	(664,057.80)	(1,294,999.40)
Experience adjustment	(3,282,168.53)	(511,980.65)	(3,387,673.55)	(666,534.12)
Total	(4,114,648.95)	(2,001,472.53)	(4,051,731.35)	(1,961,533.52)

The principal actuarial assumptions used were as follows :

	(Unit : Percentage)			
	Parent company		Subsidiary	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Discount rate	3.15%	2.38%	3.15-3.46%	2.83%
Salary increases rate	6.00%	6.00%	5-6%	5.00%
Turnover rate	2.87%-34.38%	2.87%-34.38%	1.91-34.38%	2.87%-34.38%

The post-employment benefit obligations for the current fiscal year and the past 4 years are as follow.

	(Unit : Baht)	
	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
2022	14,811,782.74	5,083,604.27
2021	17,356,329.61	16,070,614.10
2020	17,235,485.47	16,058,431.96
2019	15,026,485.89	13,702,404.81
2018	11,264,685.01	10,225,533.22

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.

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

(Unit : Baht)

For the years ended December 31, 2022					
	Movement	Consolidated financial statements		Separate financial statements	
		Increase	Decrease	Increase	Decrease
Discount rate	0.5%	14,107,021.86	15,577,792.47	4,853,037.04	5,334,105.95
Salary increases rate	1%	16,334,733.89	13,492,419.32	5,580,019.47	4,653,092.44
Turnover rate	20%	13,586,906.85	16,286,415.48	4,667,444.11	5,588,118.48

(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

31. Deferred tax assets (liabilities)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Deferred tax assets	179,276.52	-	-	-
Deferred tax liabilities	(16,740,576.90)	(672,209.15)	-	-

The movement of deferred tax assets and liabilities arising as at December 31, 2022 and 2021 is as follows:

(Unit : Baht)

	Consolidated financial statements				
	Increased from				
	As at	business	Movement Increase / (Decrease)		As at
	January 1, 2022	combination	Profit or loss	OCI	December 31, 2022
Deferred tax assets					
Provisions for employee benefits	-	165,460.96	11,141.78	-	176,602.74
Asset and lease liabilities	-	2,358.22	315.56	-	2,673.78
Total Deferred tax assets	-	167,819.18	11,457.34	-	179,276.52

31. Deferred tax assets (liabilities) (continue)

(Unit : Baht)

	Consolidated financial statements				
	Increased from				
	As at	business	Movement Increase / (Decrease)		As at
	January 1, 2022	combination	Profit or loss	OCI	December 31, 2022
Deferred tax liabilities					
<u>Deferred tax assets</u>					
Allowance for diminution in					
value of inventories	325,048.90	-	(22,186.10)	-	302,862.80
Provision for warranty	264,011.58	-	(217,469.51)	-	46,542.07
Provisions for employee benefits	257,143.10	-	41,950.42	(12,583.52)	286,510.00
Asset and lease liabilities	-	-	14,962.24	-	14,962.24
Total	846,203.58	-	(182,742.95)	(12,583.52)	650,877.11
<u>Deferred tax liabilities</u>					
Property, plant and equipment	(1,518,412.73)	-	(89,905.09)	-	(1,608,317.82)
Interest income from consignment sale	-	-	(555,144.44)	-	(555,144.44)
Assets acquired and liabilities					
assumed at the acquisition date	-	(17,857,842.77)	2,629,851.02	-	(15,227,991.75)
Total	(1,518,412.73)	(17,857,842.77)	1,984,801.49	-	(17,391,454.01)
Total Deferred tax liabilities	(672,209.15)	(17,857,842.77)	1,802,058.54	(12,583.52)	(16,740,576.90)
					(Unit : Baht)

(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
Provisions for employee benefits	199,655.26	65,475.64	(7,987.80)	257,143.10
Total	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	(1,434,228.60)	(84,184.13)	-	(1,518,412.73)
Total Deferred tax liabilities	(974,740.93)	310,519.58	(7,987.80)	(672,209.15)

31. Deferred tax assets (liabilities) (continue)

As at December 31, 2022 and 2021 the Group had accumulated tax loss amounted to 101.75 million baht and 143.41 million baht , respectively in consolidated financial statements and the Company had accumulated tax loss amounted to 95.75 million baht and 143.41 million baht, respectively in Separate financial statements. 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.

32. Share capital and Share premium

	Consolidated and Separate financial statements			
	As at December 31, 2022		As at December 31, 2021	
	Amount (Share)	Amount (Baht)	Amount (Share)	Amount (Baht)
Share capital				
Registered share capital				
Beginning balance for the year	1,250,000,000	312,500,000.00	576,000,000	144,000,000.00
<u>Less</u> Reduction of registered capital	(50,000,000)	(12,500,000.00)	(96,000,000)	(24,000,000.00)
<u>Add</u> Increase of registered capital	1,800,000,000	450,000,000.00	770,000,000	192,500,000.00
Ending balance for the year	3,000,000,000	750,000,000.00	1,250,000,000	312,500,000.00
Issued and paid-up share capital				
Beginning balance for the year	857,000,000	214,250,000.00	480,000,000	120,000,000.00
<u>Add</u> Increase of ordinary shares	1,615,271,703	403,817,925.75	377,000,000	94,250,000.00
Total ordinary shares	2,472,271,703	618,067,925.75	857,000,000	214,250,000.00
Share premium				
Share premium at balance for the year	857,000,000	319,821,962.93	480,000,000	183,030,332.93
<u>Add</u> Increase of share premium	1,615,271,703	539,542,744.87	377,000,000	137,419,000.00
<u>Less</u> Equity issuance fees	-	(1,456,939.52)	-	(627,370.00)
Transfer of share premium to offset the deficit in retained earnings	-	(133,679,384.17)	-	-
Total Share premium at end of year	2,472,271,703	724,228,384.11	857,000,000	319,821,962.93

According to the Extraordinary General Meeting of Shareholder No. 1/2021 on August 6, 2021, allocating to other specified persons. Offering shares from 6 January - 7 February 2022, 85 million shares, totaling 307.23 million baht, consisting of :

- No.1 payment received for shares on January 6, 2022, amounted to 65 million shares, for 0.903 baht per share, totaling 58.70 million baht.
- No.2 payment received for shares on January 14, 2022, amounted to 55 million shares, for 0.893 baht per share, totaling 49.58 million baht.
- No.3 On January 17, 2022, amounting to 183 million shares, for 0.893 baht per share, totaling 163.49 million baht for issuing ordinary shares by transferring Capital Link Udonthani Company Limited (CLU) amounted to 102.21 million baht and Capital Link Holding Company Limited (CLH) amounted to 61.28 million baht.

32. Share capital and Share premium (continue)

- No.4 payment received for shares on February 7, 2022, amounted to 39 million shares, for 0.90 baht per share, totaling 35.46 million baht.

The Company had a registration fee, other regulatory fees, and legal advisory fees in the amount of 0.17 million baht. Such expenses were deducted from the share premium in the shareholders' equity.

According to Minutes of Annual General Meeting of Shareholders for the Year 2022 on April 29, 2022 approved the reduction of the Company's registered capital by 300 million baht from the existing registered capital of 312.50 million baht. The Company has unsold shares amounting to 50 million shares and approve the increase of registered capital of the Company's from the original registered capital of 300 million baht to 750 million baht by increasing capital to shareholders in proportion to their respective shareholdings by issuing 1,800 million ordinary shares at a par value of 0.25 baht per share and offering price per share baht 0.50 at the ratio of 1 common shares: 1.5 common share by determine the date of subscribe and names of payment for the newly-issued ordinary shares from June 1-8, 2022 to the company has allocated and has received the payment for the shares amounted to 1,272.27 million ordinary shares for 0.50 baht per share, totalling 636.14 million baht. The Company had a registration fee and other regulatory fees in the amount of 1.29 million baht . Such expenses were deducted.

Transfer of share premium to offset the deficit in retained earnings

According to Minutes of Annual General Meeting of Shareholders for the Year 2022 on April 29, 2022 approve a capital restructuring of the Companies by transferring legal reserve, amount to 8.26 million baht and premium on ordinary shares amount to 133.68 million baht for compensating the deficits in accordance with of the company whose separate financial statements were audited as of December 31, 2021, amounting to 141.94 million baht which will cause the company to have no accumulated losses.

33. Other income

	(Unit : Baht)			
	Consolidated financial Statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Gain on exchange rate	38,894.00	18,198.51	-	-
Other income	10,874,630.01	5,566,400.57	18,244,766.02	7,847,588.03
Gain on debt assignment receivable	-	-	19,014,800.00	-
Gain on business combination	-	-	13,292,777.60	-
Gain from acquisition of business at price less than fair value	175,524.32	-	-	-
Dividend income	-	14,579,840.00	-	14,579,840.00
Total	11,089,048.33	20,164,439.08	50,552,343.62	22,427,428.03

34. Income tax expense (income)

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,		For the year ended December 31,	
	2022	2021	2022	2021
Current income tax :				
Corporate income tax charge	468,483.88	649,980.62	-	-
Deferred tax :				
Expense deferred tax expense relating to the origination and reversal of temporary differences	(1,813,515.88)	(310,519.58)	-	-
Total income tax expense recognized in the Statements of comprehensive income	(1,345,032.00)	339,461.04	-	-

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,		For the year ended December 31,	
	2022	2021	2022	2021
Deferred tax expense on actuarial gains (losses)	12,583.52	7,987.80	-	-

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,		For the year ended December 31,	
	2022	2021	2022	2021
Accounting profit (loss) before tax	39,561,555.65	(21,031,953.57)	66,391,957.56	(22,658,028.91)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	7,912,311.13	(4,206,390.71)	13,278,391.51	(4,531,605.78)

34. Income tax expense (income) (continue)

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2022	2021	2022	2021
Effects of :					
Temporary difference not recognized					
as a deferred tax asset		(6,155,812.28)	2,283,762.63	(3,549,290.23)	2,423,627.56
Previous temporary difference not recognized					
as a deferred tax asset		-	(68,746.95)	-	-
Income tax or expenses not treated as expenses					
under the Revenue Code		464,557.50	382,847.25	131,721.78	64,952.66
Revenues that are granted income tax exemption or					
expenses that are deductible at a greater amount		(2,853,635.66)	(790,877.51)	(329,088.40)	(605,538.00)
Tax losses for unrecognized deferred tax assets		384,546.22	2,738,866.33	-	2,648,563.56
Previous accumulate tax losses to use in current year		(1,096,998.91)	-	(9,531,734.66)	-
Income tax expenses reported in					
the Statements of comprehensive income		(1,345,032.00)	339,461.04	-	-

35. Earnings per share of the parent company

		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2022	2021	2022	2021
Basic earnings per share					
Net profit attributable to equity holders of					
the parent company (Unit : Baht)	Baht	41,144,167.45	(21,371,414.61)	66,391,957.56	(22,658,028.91)
Number of ordinary shares (Unit : Share)	Share	1,883,987,939	637,860,274	1,883,987,939	637,860,274
Earnings per share (Unit : Baht)	Baht per Share	0.02	(0.03)	0.04	(0.04)

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.

36. 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, 2022	December 31, 2021	December 31, 2022 December 31, 2021
Construction services	-	15,254,449.78	- -
Installation service	5,590,384.73	2,378,138.89	- -
Maintenance service	1,652,634.51	2,514,670.24	- 2,108,197.14
Total	7,243,019.24	20,147,258.91	- 2,108,197.14

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2022, as revenue in the future periods, as follow:

(Unit : Baht)			
	Consolidated financial statements		
	2023	2024	2025 Total
Construction services	-	-	- -
Installation service	5,590,384.73	-	- 5,590,384.73
Maintenance service	1,652,634.51	-	- 1,652,634.51
Total	7,243,019.24	-	- 7,243,019.24

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

36. Revenue from contracts with customers (continue)

The amount of revenue recognized in the financial statement for the year ended on December 31, 2022 and 2021 that was included in the contract liability, are as follow:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Advance revenue from service	1,926,635.46	1,826,234.60	1,832,572.09	1,756,567.95

37. 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 3 operating segments as are follow :

Segment	Type of products and services
Sale of products	Production, sale and service of cooling products
Financial and other services	Lending and managing non-performing assets Financial advisor, provide installation service and other services
Property development	Housing land allocation and building for rent

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, loss on exchange rate, other central expenses and finance cost.

37.1 Operating segment

The information presents segment as based on the type of business for the year ended December 31, 2022 and 2021 are as follows :

	(Unit : Million Baht)			
	Consolidated financial Statements			
	For the year ended December 31, 2022			
	Financial and	Property		
	Sale of products	other services	development	Total
Revenue	333.80	218.65	11.29	563.74
Cost	(279.96)	(133.54)	(8.05)	(421.55)
Segment results				142.19
Other income				11.09
Cost of distribution				(63.20)
Administrative expenses				(50.85)
Loss on exchange rate				(3.77)
Finance cost				(6.14)
Profit from operations activities				29.32

37.1 Operating segment (continue)

(Unit : Million Baht)

Consolidated financial Statements			
For the year ended December 31, 2022			
	Financial and	Property	
	Sale of products	other services	development
			Total
Share of profit from investments in associates			10.24
Profit before income tax expenses			39.56
Expenses (Income) tax			(1.35)
Net profit for the year			40.91

(Unit : Million Baht)

Consolidated financial Statements			
For the year ended December 31, 2021			
	Sale of products	Services	Total
Revenue	455.35	64.19	519.54
Cost	(369.72)	(38.10)	(407.82)
Segment results			111.72
Other income			26.09
Cost of distribution			(72.14)
Administrative expenses			(70.75)
Loss from exchange rates			(7.57)
Finance cost			(8.38)
Profit (loss) before income tax expenses			(21.03)
Expenses (Income) tax			0.34
Net profit (loss) for the period			(21.37)

The Group has pricing policies as discussed in Note to financial statements no.5

37. Segment financial information

37.2 Segment asset information

(Unit : Million Baht)

	Consolidated financial Statements				
	As at December 31, 2022				
	Sale of products	Financial and other services	Property development	Non-allocated assets	Total
Property, plant and equipment	39.14	6.83	5.39	1.59	52.95
Investment properties	-	91.99	-	-	91.99
Other properties	-	-	-	1,413.72	1,413.72
Total properties of the group	39.14	98.82	5.39	1,415.31	1,558.66

As of 31 December 2021, the group does not allocate cost, asset and liability among each segments because those segments use the groups asset and liability to generate common revenue.

37.3 Information about main client

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

	Consolidated financial statements					
	2022			2021		
	Number of customers	Amount (Million Baht)	Percentage of net income (%)	Number of customers	Amount (Million Baht)	Percentage of net income (%)
Revenue from sales and services	1	113.78	21.94	2	224.98	43.30

38. Commitments and contingent liabilities

38.1 Obligation about LG are as follows :

	Currency (Million)	Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		2022	2021	2022	2021
Letter of credit	USD	-	0.34	-	0.34
Letter of guarantee	Baht	4.00	1.77	0.09	0.06

38.2 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.

38.3 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 is 11 years. The agreement term will be expired in December 2023.

38. Commitments and contingent liabilities (continue)

38.4 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.

38.5 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 January 2023, contract would be terminated when both parties agree to end the contract. Monthly cost is RMB 5,000.

39. Financial Instruments

39.1 Financial risk management policies

The Group's exposed to a variety of financial risks: market risk (including foreign exchange risk, and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has lower the foreign exchange rate risk by using exchange rate forward contract as disclosed in note to financial statement no. 39.3

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

39.2 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 Euro 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, 2022 and 2021, are summarized below :

Transaction	Currency (Million)	Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		2022	2021	2022	2021
Financial assets					
Cash and cash equivalents	USD	0.14	0.05	0.14	0.05
	RMB	0.01	0.02	0.01	0.02
Foreign trade receivables	USD	0.21	0.03	0.21	0.03
Financial liabilities					
Foreign trade payables	USD	0.39	0.59	0.39	0.59
Trust receipt payables	USD	0.50	3.29	0.50	3.29
	EURO	0.02	-	0.02	-
Loans	USD	-	0.12	-	0.12

39. Financial Instruments (continue)

39.3 Risks of making forward contracts

The Group constitutes material risk from exchange rates in oversea 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, 2022							
Fair values of							
Derivatives	Contract	Contract Value		Derivatives (Million Baht)		Value date	Contract rate
	Amount	(Million)	Currency	Asset	Liabilities		
Forward Contract	8	0.48	USD	-	1.33	01/03/2566 -	34.65-38.00
	1	0.02	EURO	-	0.02	27/06/2566	

39.4 Credit risk

Credit risk is the risk that the counter parties or the borrower are unable to comply with the obligation stated in the contract. The risk can be the result of counterparties financial problem which lead to the inability to repay the debt or negligibleness. The risk can cause the loss to the group.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss as well as credit exposures to loans to customers.

39.4.1 Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of investment grade are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customers, considering its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in line with limits set by the board. The compliance with customer credit limits is regularly monitored by line management.

For the risk related to the revenue from non performing loan purchased from third parties, the Group has policies in place to consider both internal and external factors to ensure that contracts are made to purchase high potential asset. Those factors includes status and outstanding debt of the borrower, quality of the collateral asset, competition against other competitor and macro economic. This is to assure that the company has either ability to collect the repayment or seize the collateral asset. For the non performing loan which borrower is not eligible to repay the debt in accordance with debt restructuring contract, the company has a policies to follow up and rectify the issue continuously in order to maximize benefit for the company.

The Group and the Company's investments in debt instruments are considered to be low risk investments as the Group regularly monitors the credit ratings of the investments for credit deterioration.

39.4 Credit risk (Continue)

39.4.2 Securities

The Group implements a range of policies and practices to mitigate credit risk. The most crucial of these is accepting collaterals for loans granted. The Group has internal policies on the acceptability of specific classes of collateral to reduce credit risk.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. The main collateral types that the Company accepts and are given value are real estates.

The Group closely examines collateral used for credit-impaired financial assets. If the Group is certain that the financial assets are credit-impaired, the Group will consider the foreclosure of collateral to mitigate probable credit risk.

39.4.3 Impairment of financial assets

The Group and the Company have three types of financial assets that are subject to the expected credit loss model.

- Loans to customers and accrued interest
- Loans to related parties
- Investment in debt instruments measured at the amortised cost

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

39. Financial Instruments (Continue)

39.5 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, 2022 and 2021, classified by type of interest rates are summarized are as follows :

	Consolidated financial statements						(Unit : Million Baht)		(Unit : %)
	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Interest rate
	2022	2021	2022	2021	2022	2021	2022	2021	(% per annum)
Financial assets									
Cash and cash equivalent	125.66	65.90	-	-	0.63	0.60	126.29	66.50	0.05-0.65%
Loans to customers and accrued interest	-	-	386.12	120.28	-	-	386.12	120.28	5.00-15.00
Trade and other current receivables	-	-	-	-	93.77	86.75	93.77	86.75	-
Current contract assets	-	-	-	-	4.26	2.91	4.26	2.91	-
Deposits at financial institutions pledged as collateral	-	-	66.55	79.85	-	-	66.55	79.85	0.15-0.65%
Financial liabilities									
Bank overdrafts and Short-term loans from financial institutions	20.93	121.32	-	-	-	-	20.93	121.32	3.15-6.35%
Trade and other current payables	-	-	-	-	69.45	43.77	69.45	43.77	-
Lease liabilities	14.00	11.32	-	-	-	-	14.00	11.32	3.00-6.00%
Short-term loans	-	-	20.00	-	-	-	20.00	-	5%

39. Financial Instruments (Continue)

39.6 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 2022, and 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, 2022 and 2021, is as follows:-

(Unit : Baht)

Consolidated financial statements					
As at December 31, 2022					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	-	20,929,674.69	-	-	20,929,674.69
Trade and other current payables	-	69,453,990.79	-	-	69,453,990.79
Short-term loans	-	20,000,000.00	-	-	20,000,000.00
Other current financial liabilities	-	1,352,314.71	-	-	1,352,314.71
Lease liabilities	-	5,208,811.93	8,792,471.56	-	14,001,283.49
Total	-	116,944,792.12	8,792,471.56	-	125,737,263.68

(Unit : Baht)

Consolidated financial statements					
As at December 31, 2021					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	-	121,319,376.25	-	-	121,319,376.25
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	-	174,155,856.09	2,256,458.82	-	176,412,314.91

39.6 Liquidity risk (Continue)

(Unit : Baht)

Separate financial statements					
As at December 31, 2022					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	-	20,929,674.69	-	-	20,929,674.69
Trade and other current payables	-	37,907,512.56	-	-	37,907,512.56
Short-term loans	-	20,000,000.00	-	-	20,000,000.00
Other current financial liabilities	-	1,352,314.71	-	-	1,352,314.71
Lease liabilities	-	334,323.79	-	-	334,323.79
Total	-	80,523,825.75	-	-	80,523,825.75
(Unit : Baht)					

Separate financial statements					
As at December 31, 2021					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	-	120,631,373.51	-	-	120,631,373.51
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	-	165,507,508.94	2,256,458.82	-	167,763,967.76

39.7 Fair value

Given that almost financial assets and financial liabilities are short-term which interest rate is under market interest rates, the Group's management estimates the fair value of financial assets and liabilities do not materially differ from their carrying value.

39.7 Fair value (Continue)

The carrying value and fair value of financial assets and financial liabilities are as follows:

	Consolidated financial statements						(Unit : Baht)
	As at December 31, 2022			As at December 31, 2021			
	FVTPL	Amortized cost	Total	FVTPL	Amortized cost	Total	
Financial assets							
Cash and cash equivalent	-	126,284,274.04	126,284,274.04	-	66,500,190.52	66,500,190.52	
Loans to customers and accrued interest	-	386,119,179.53	386,119,179.53	-	120,278,697.51	120,278,697.51	
Trade and other current receivables	-	93,774,266.40	93,774,266.40	-	86,745,998.74	86,745,998.74	
Other current financial assets	430,440,160.00	-	430,440,160.00	440,160.00	-	440,160.00	
Deposits at financial institutions pledged as collateral	-	66,550,000.00	66,550,000.00	-	79,850,000.00	79,850,000.00	
Total financial assets	430,440,160.00	672,727,719.97	1,103,167,879.97	440,160.00	353,374,886.77	353,815,046.77	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	20,929,674.69	20,929,674.69	-	121,319,376.25	121,319,376.25	
Trade and other current payables	-	69,453,990.79	69,453,990.79	-	43,768,801.44	43,768,801.44	
Short-term loans	-	20,000,000.00	20,000,000.00	-	-	-	
Other current financial liabilities	1,352,314.71	-	1,352,314.71	-	-	-	
Lease liabilities	-	14,001,283.49	14,001,283.49	-	11,324,137.22	11,324,137.22	
Total financial liabilities	1,352,314.71	124,384,948.97	125,737,263.68	-	176,412,314.91	176,412,314.91	

39.7 Fair value (Continue)

(Unit : Baht)

	Separate financial statements				
	As at December 31, 2022		As at December 31, 2021		
	FVTPL	Amortized cost	Total	FVTPL	Amortized cost
Financial assets					
Cash and cash equivalent	-	51,033,503.21	51,033,503.21	-	59,173,677.96
Loans to customers and accrued interest	-	261,282,143.02	261,282,143.02	-	120,278,697.51
Trade and other current receivables	-	375,602,649.37	375,602,649.37	-	80,727,045.11
Other current financial assets	430,440,160.00	-	430,440,160.00	440,160.00	-
Deposits at financial institutions pledged as collateral	-	60,550,000.00	60,550,000.00	-	78,850,000.00
Total financial assets	430,440,160.00	748,468,295.60	1,178,908,455.60	440,160.00	339,029,420.58
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	20,929,674.69	20,929,674.69	-	120,631,373.51
Trade and other current payables	-	37,907,512.56	37,907,512.56	-	36,137,021.33
Short-term loans	-	20,000,000.00	20,000,000.00	-	-
Other current financial liabilities	1,352,314.71	-	1,352,314.71	-	-
Lease liabilities	-	334,323.79	334,323.79	-	10,995,572.92
Total financial liabilities	1,352,314.71	79,171,511.04	80,523,825.75	-	167,763,967.76

39.7 Fair value (Continue)

The Company had the following financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows :

		(Unit : Million Baht)			
		Consolidated and separate financial statements			
		Fair value hierarchy			
		Level 1	Level 2	Level 3	Total
As at December 31, 2022					
	Unit trust	-	-	0.44	0.44
	Derivatives Assets	-	1.35	-	1.35
As at December 31, 2021					
	Unit trust	-	-	0.44	0.44

The group measured fair value by financial instruments and conditions by below :

- Fair value of unit recognized according to the announcement of capital decrease form asset management company. Estimate the value of unit by amount decrease in its registered capital. However, after the average refund there are slight changes. The Company considers to classifying the fair value of investment units at level 3.
- 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.

40. Business transfer under the same control

According to the minute of extra-ordinary shareholders' meeting no. 1/2022 on 19 December 2022, approved Masterkool International PCL to transfer the business and related services of manufacturing and sale of cooling product and sanitization to Innogreen Solution Co.,Ltd

- **Important detail relating to the transfer of cooling, Air control and sanitization business**

As of 30 December 2022, Masterkool International PCL has entered into the business transfer of cooling, Air control and sanitization business to Innogreen Solution Co.,Ltd which was the subsidiary company. The transfer includes inventory, mold, tool, leased asset, furniture and fixture, office equipment, machine, vehicle, leased contract, trademark, related license, computer software and all of the related employees. The transfer price was based on the market value of each asset. However, in case that either market value or fair value are not available, the company would use the cost or book value as appropriated to measure the transfer price.

The transferor transferred all the business to the transferor and must pay 184.63 million baht for the assets. Also, liabilities amounted to 11.46 million baht was transferred. As a result, the net payment was 173.17 million baht that had details as followed;

	(Unit : Baht)
	December 30, 2022
Net consideration payable	173,173,763.15
Stated value at as business combination	
Inventories	141,113,728.92
Equipment	29,598,240.32
Intangible assets	632,019.34
Contract liabilities	(1,571,158.33)
Provision for warranty	(2,699,160.49)
Non-current provisions for employee benefits	(7,192,684.21)
Net assets transferred	159,880,985.55
Gain on business combination	13,292,777.60
Total	173,173,763.15

Regarding the business transfer under the same control, the Group has adopted accounting treatment regarding the business combination under same control. The transferred asset and liability shall be recognized at the book value before the business combination. The different between the selling price and the book value shall be recorded as the surplus and deficiency from the business combination under same control in the shareholders' equity of transferee.

The business transfer under same control has no effect to the consolidated financial statement because the transferee is the subsidiary company which was under same control.

41. Events after the reporting period

According to the minute of extra ordinary shareholder meeting no. 1/2023 on 16 January 2023 of Masterkool International PCL, approved the entire business transfer "EBT" as follow.

1. Approve and accept the entire business transfer from Capital link Holding (CLH)
2. Approve the entire business transfer from Capital link Udornthani (CLU) to Capital Link Land PCL (CLL)

According to the minute of board of directors meeting no. 01/2022 dated 28 February 2023 of Masterkool international PCL, passed the resolution to approve the following.

1. Approved the dividend payment of 2022 which included cash dividend payment at the rate of 0.01 baht per share totaling amount to 24.72 million baht. The cash dividend shall be paid on 3 May 2023.
2. Approved the issuance of debenture or promisory note at the limit not exceeding 1,000 million baht.

The resolution no.1 and 2 shall be presented to the ordinary shareholders' meeting for the approval on 18 April 2023.

On February 23, 2023, the company registered the establishment of new companies, namely Chaophraya Pattana Limited (CPP).

CPP will engage in the properties development business, totaling a registered capital of 1 million baht and received all shares.

42. Reclassification

The statement of financial position as at December 31, 2021, and statement of comprehensive income for the year ended December 31, 2021 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 :

	Consolidated financial statements				Separate financial statement				(Unit : Baht)
	Before		After		Before		After		
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	
Statement of Financial Position									
As at December 31, 2021									
Current assets									
Current portion of loans to customers and accrued interest	-	372,047.01	372,047.01	-	-	372,047.01	372,047.01	372,047.01	
Short-term loans	56,160.53	(56,160.53)	-	56,160.53	56,160.53	(56,160.53)	(56,160.53)	-	
Trade and other current receivables	86,861,151.65	(115,152.91)	86,745,998.74	80,842,198.02	80,842,198.02	(115,152.91)	(115,152.91)	80,727,045.11	
Current portion of lease receivable	200,733.57	(200,733.57)	-	200,733.57	200,733.57	(200,733.57)	(200,733.57)	-	
Non-current assets									
Long-term loans	119,906,650.50	(119,906,650.50)	-	119,906,650.50	119,906,650.50	(119,906,650.50)	(119,906,650.50)	-	
Loans to customers	-	119,906,650.50	119,906,650.50	-	-	119,906,650.50	119,906,650.50	119,906,650.50	
Statement of Comprehensive Income									
For the year ended December 31, 2021									
Interest income	-	5,923,061.90	5,923,061.90	-	-	5,919,762.86	5,919,762.86	5,919,762.86	
Other income	26,087,500.98	(5,923,061.90)	20,164,439.08	28,347,190.89	28,347,190.89	(5,919,762.86)	(5,919,762.86)	22,427,428.03	

43. Approval of the financial statements

These financial statements have been approved by the Company's director on February 28, 2023

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	MASTERKOOL 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	Person who is related in any of the following manners: 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
MASTERKOOOL 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

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

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.

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

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.