



Thai Energy Storage Technology PLC.

56 – 1
ONE REPORT
2022



ENERGY BEYOND



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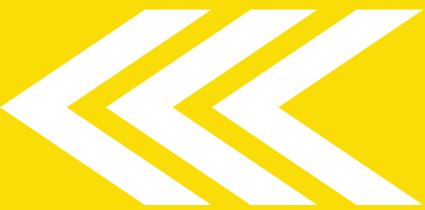
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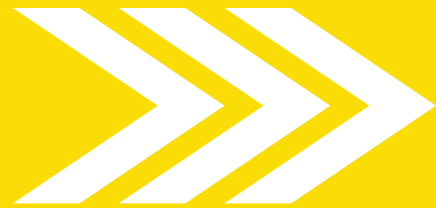




SECTION 1



Business Operation and Performance



Message from Chief Executive Officer

In the year 2022, the domestic and international economy began to return to normal after the official opening of the country. However, the economy still encounters negative factors such as inflation and increased energy costs in Thailand and many countries. Our business operations also couldn't avoid these influences either. The company focuses on increasing the efficiency of cost management to maximize the utilization of investment funds and preparedness for situations that may arise and keep pace with changes in economic and social conditions. The company emphasizes importance of customer base, relationship development and increasing cooperation between each other for the business to grow sustainably together.

In the year 2023, the economy tends to grow more than the previous year. Therefore, the company is still aiming to develop “Number one battery service provider”. The company continues to adhere to the principles of ethical conduct and adhering to the core values of the company to foster a good corporate culture to gain the trust of customers and stakeholders this will make it possible to achieve the company's goals.

On behalf of the management of the company, I would like to express my appreciation to all shareholders, customers, suppliers, business partners, financial institutions, our employees, and other stakeholders that gives us confidence and trust. I wholeheartedly believe that our unity and cooperation would drive the company forward to prosperity and better performance in the future.

江守 昭彦

Mr. Akihiko Emori

Chief Executive Officer

1. Structure and Operation of the Group

1.1 Policy and Business Overview

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

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

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

1.1.1 Vision Objective Goal and Company’s operating strategy

Mission

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

Values: Founding Spirit

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

“**Sincerity**” To act with a sense of ownership and honesty at all time and never pass the buck. The spirit to meet society’s expectations and generate credibility for company.

“**Harmony**” The willingness to respect the opinions of others and discuss matters in a manner that is thorough and frank, but fair and impartial, and once a conclusion has been reached, to cooperate and work together to achieve a common goal.

Vision

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

1.1.2 Significant Changes and Developments in the Past Three Years

2020	The Company was created from a merger between Hitachi Chemical Storage Battery (Thailand) Public Co., Ltd. and Hitachi Chemical Gateway (Thailand) Co., Ltd. on 1 October 2020 pursuant to the Public Limited Company Act of B.E. 2535 (1992) and revisions.
2021	<p>8 July 2021 – Sustainable Battery Solutions, Inc., the Buying Offer Preparer, entered into a Share Purchase Agreement (SPA) with Showa Denko Materials Co., Ltd. (the Seller) to purchase the energy storage business.</p> <p>29 November 2021 – Siam Magi Co., Ltd. prepared a certificate (irrevocable) of a Letter of Undertaking (LOU) for the Buying Offer Preparer who will not sell assets of 3K-BAT.</p> <p>14 December 2021 – Thai Energy Storage Technology Public Co., Ltd. (3K-BAT or the Company or the Business) received a copy of the offer to purchase securities of the Business (Form 247-4) from Sustainable Battery Solutions, Inc. (the Buying Offer Preparer or SBS).</p>
2022	<p>27 January 2022 – The Company received a copy of the report on results from purchasing securities of Thai Energy Storage Technology Public Co., Ltd. (Form 256-2) from Sustainable Battery Solutions, Inc.</p> <p>1 April 2022 – The company group changed the company group's accounting cycle from 1 January to 31 December of every year to 1 April to 31 March of the next year, beginning from 31 March 2022.</p> <p>20 October 2022 – Sustainable Battery Solutions, Inc. (SBS) changed its name to Energywith Co., Ltd.</p> <p>29 December 2022 – The Company entered into a revolving loan agreement between 3K-BAT and Energywith Co., Ltd. with a balance of 150 million baht.</p>

Subsidiaries

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

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



1.1.3 Details of spending fundraising money

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

1.1.4 General Information

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

1.2 Nature of Business Operations

1.2.1 Revenue structure

Detail	For the year 31-Dec-21		From the period from 1 January 2022 to 31 March 2022*		For the year 31 March 2022**		For the year 31-Mar-23	
	Unit: THB Million	%	Unit: THB Million	%	Unit: THB Million	%	Unit: THB Million	%
1.Revenue from domestic sales								
Automotive batteries	2,137.39	39.6	550.91	38.46	2,200.20	39.71	2,285.22	43.53
Motorcycle batteries	122.56	2.27	20.45	1.43	87.36	1.58	66.24	1.26
Other sales	46.46	0.86	9.07	0.63	34.12	0.62	73.45	1.4
Total revenue from domestic sales	2,306.41	42.73	580.43	40.52	2,321.68	41.91	2,424.91	46.19
2.Revenue from international sales								
Automotive batteries	3,062.92	56.74	843.68	58.89	3,140.50	56.68	2,795.54	53.26
Motorcycle batteries	28.77	0.53	7.76	0.54	78.17	1.41	28.83	0.55
Other sales	0	0	0.7	0.05	0	0	0	0
Total revenue from international sales	3,091.69	57.27	852.14	59.48	3,218.67	58.09	2,824.37	53.81
Revenue from domestic and international sales								
Automotive batteries	5,200.31	96.34	1,394.59	97.35	5,340.70	96.39	5,080.76	96.79
Motorcycle batteries	151.33	2.8	28.21	1.97	165.53	2.99	95.07	1.81
Other sales	46.46	0.86	9.77	0.68	34.12	0.62	73.45	1.4
Total revenue from domestic and international sales	5,398.10	100	1,432.57	100	5,540.35	100	5,249.28	100

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

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

1.2.2 Characteristics of products

1.2.2.1 Product Types

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

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

1. Automotive Battery

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

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

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



2. Motorcycle Battery

2.1 Low Maintenance Battery

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

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



3. Forklift Battery

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



4. Golf Cart and Electric Vehicle Battery and Other Batteries

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



5. EB Battery

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







6. Lighting Battery

The business is one of the major manufacturers and distributors of battery products in Thailand. (for cars and motorcycles), which accounted for 98.60 percent and 1.40 percent of total revenue in 2023, respectively. The company operates at four manufacturing plants in Samut Prakan and Chachoengsao provinces.

Trademarks of the Company

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

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

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

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

The Company has been certified by the following standards:

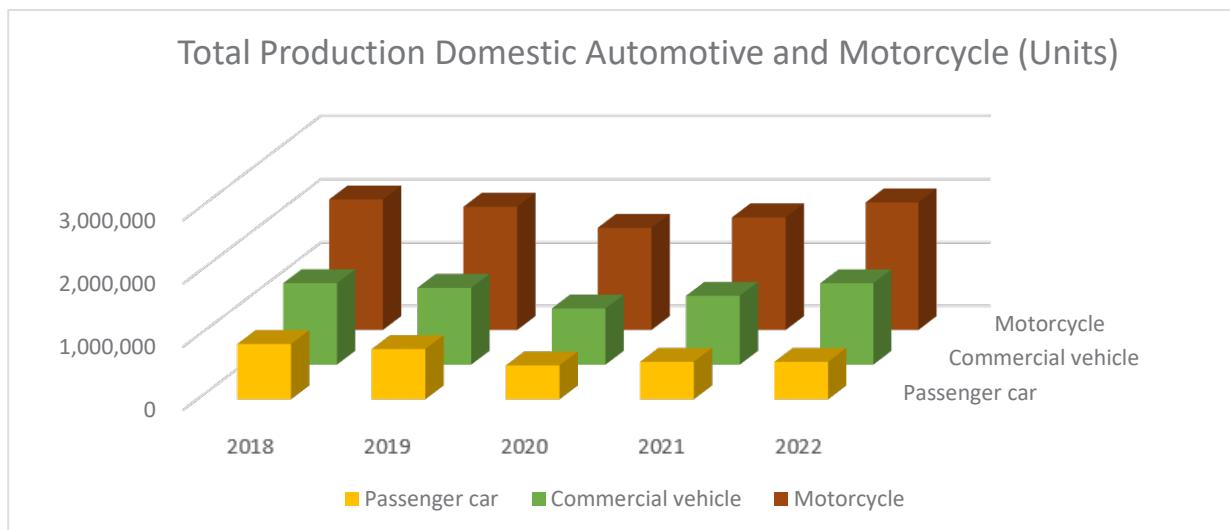
No.	Certificate	Detail	Expire date
1	IATF16949:2016	Quality Management for Automotive Industry Standard	13 February 2024
2	ISO 14001:2015	Environmental Management System	23 May 2025
3	ISO 9001:2015	Quality Management System	13 February 2024
4	SNI Indonesia certification	Quality Management System	25 December 2023
5	Green Industry Level 3	Systematic Environmental Management (Green Industry)	17 July 2024
6	PS Mark certification	Quality Management System	4 October 2025

1.2.2.2 Marketing and Competition

Automotive Industry

In 2022, automobile manufacturing continues to grow at a slower rate due to severe chip shortages and China's announcement of lockdowns in Shanghai, a major chip manufacturing site of the world, to control COVID-19 outbreaks. In addition, the Russia-Ukraine war, which began in late February, caused automobile manufacturing in the entirety of 2022 to be an expansion of manufacturing to support domestic demand, which returned to growth after contracting since 2019 while growth in export markets remained insignificant.

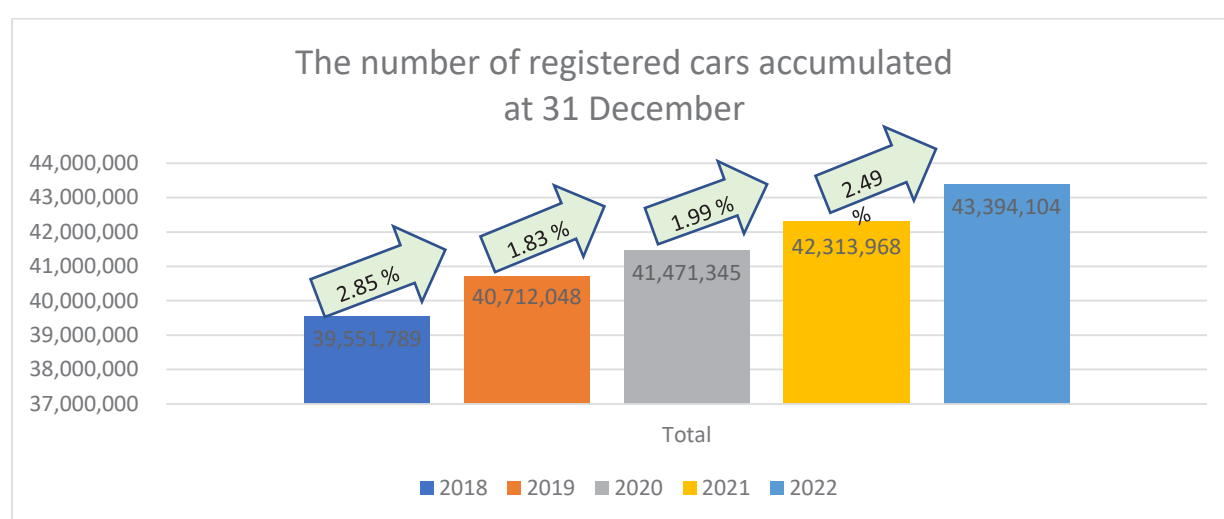
The automobile industry and connected businesses in 2022 – 2025 show growth trends consistent with expected economic trends of better growth and growing electric vehicle markets. In addition, government sector policies to encourage use of battery electric vehicles (BEVs) created expectations that automobile manufacturers and sale representatives of new automobiles will continue to have good growth while performance in secondhand vehicle businesses is likely to be sluggish due to severe competition and a higher supply of old vehicles in the market. However, chip shortages are expected to persist periodically in 2023 under pressures from technology wars, particularly between the United States and China, before a larger supply of chips begins to enter the global market in 2024-2025 after investments to increase chip manufacturing capacity in many countries such as the United States, Germany and Japan.



Product	2018	2019	2020	2021	2022	Jan-Mar 2023
Passenger car	877,015	796,304	537,633	594,690	594,057	177,474
Commercial vehicle	1,290,679	1,217,406	889,337	1,091,015	1,289,458	330,313
Motorcycle	2,063,076	1,948,047	1,615,319	1,780,654	2,015,940	580,678

Source: Office of Industrial Economics for 2018 - 2023 and 30 April 2023

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



The number of registered cars accumulated at 31 December	2018	2019	2020	2021	2022
Passenger car more than 7 people	423,166	421,575	434,254	439,409	445,862
Passenger car up to 7 people	9,362,259	9,985,879	10,446,505	10,854,640	11,344,873
Pickup	6,614,402	6,775,668	6,878,050	6,984,420	7,085,910
Motorcycle	20,887,785	21,222,053	21,396,980	21,685,858	22,137,636
Others	978,492	991,570	989,579	1,006,919	1,020,852
Vehicle according to the law on land transport	1,285,685	1,315,303	1,325,977	1,342,722	1,358,971
Total	39,551,789	40,712,048	41,471,345	42,313,968	43,394,104

Source: Planning Division, Department of Land Transport for 2018 - 2022 and 30 April 2023

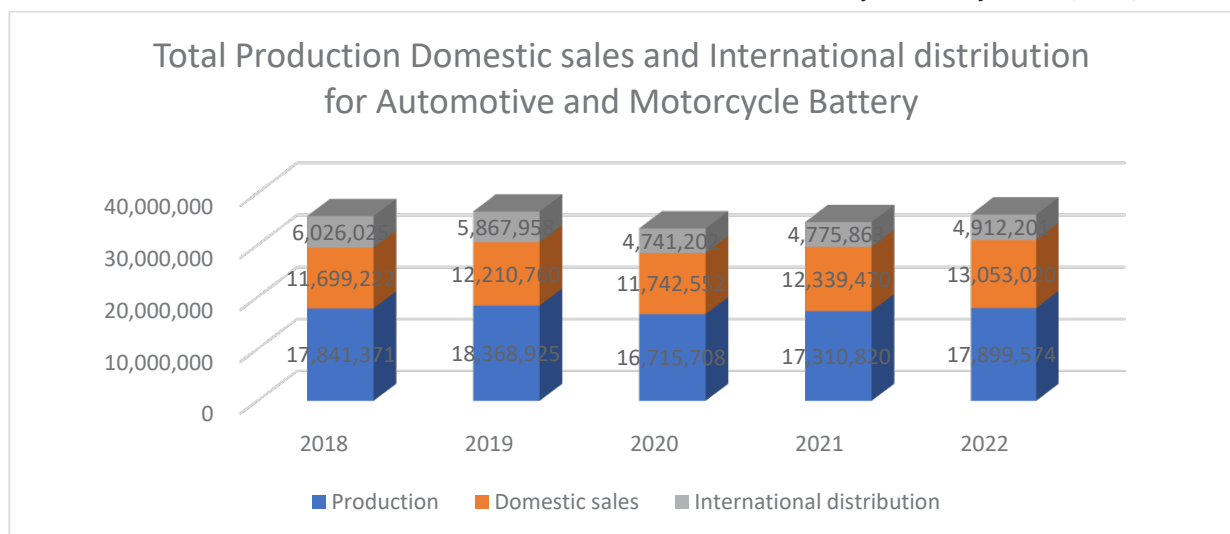
Industrial Automotive BatteryStatus of Manufacturer

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

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

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

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



Automotive and Motorcycle Battery	2018	2019	2020	2021	2022	Jan-Mar 2023
Production	17,841,371	18,368,925	16,715,708	17,310,820	17,899,574	4,447,649
Domestic sales	11,699,222	12,210,760	11,742,552	12,339,470	13,053,020	3,245,786
International distribution	6,026,025	5,867,958	4,741,202	4,775,863	4,912,201	1,177,042

Source: Office of Industrial Economics for 2018 - 2022 and 27 April 2023

Domestic Market

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

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

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

Export Market

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

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

Pricing Strategy

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

Distribution and Sales Channels

Total income according to the consolidated financial statements

Detail	For the year ended 31 December 2021		For the 3-month period from 1 January 2022 to 31 March 2022*		For the year ended 31 March 2022**		For the year ended 31 March 2023	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sales	2,306.41	42.73	580.43	40.52	2,321.68	41.91	2,424.91	46.19
International Distribution	3,091.69	57.27	852.14	59.48	3,218.67	58.09	2,824.37	53.81
Total	5,398.10	100.00	1,432.57	100.00	5,540.35	100.00	5,249.28	100.00

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

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

The Company sells its products to both domestic and overseas markets. Domestic sales accounted for approximately 40-46 percent of the total revenue. Regarding this, 97-99 percent are automobile batteries and 1-3 percent are other sales.

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

The Company's export constitutes approximately 54-59 percent of the total sales. Regarding this, 99 percent are automobile batteries. The Company is selling products through distribution agents to more than 50 countries around the world in Indochina region, East Asia, Southeast Asia, South Asia, South America, Middle East and Africa. Furthermore, the Company plans to stimulate its sales through increasing number of distributing agents in both domestic and overseas markets. In addition, the Company also has a policy to penetrate the U.S., Japan and Europe markets with its new products including Maintenance Free Battery and Traction Battery which are popular in those countries.

The company focuses on the export market because to reduce the impact of the aggressive price competition in the domestic market. Accordingly, the company's exports account for approximately 54-59 percent of the company's sales revenue. At present, the company exports products to over 50 countries in Indo-China, East Asia, South-East Asia, South Asia, South America, Middle East, and Africa.

1.2.2.3 Provision of Product or Service

Company's Production Capacity

Capacity utilization rate (Utilization Rate) for 2018 to 2022

Production capacity and Production volume	2018	2019	2020	2021	Apr 2021 - Mar 2022	Apr 2022 - Mar 2023
Production capacity						
Automotive battery (Unit: batteries)	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Motorcycle batteries (Unit: batteries)	1,800,000	1,800,000	1,800,000	1,800,000	300,000	300,000
Forklift battery (Unit: set)	4,800	9,600	9,600	9,600	9,600	9,600
Actual Production Volume (per year)						
Automotive battery (Unit: batteries)	2,447,000	2,432,000	2,349,000	2,811,000	2,852,000	2,432,000
Motorcycle batteries (Unit: batteries)	477,000	429,000	421,000	374,000	311,000	166,000
Forklift battery (Unit: set)	3,000	7,200	6,924	8,592	9,072	8,052
Capacity utilization rate (%)						
Automotive battery	42.93%	42.67%	41.21%	49.32%	50.04%	42.67%
Motorcycle batteries	26.50%	23.83%	23.39%	20.78%	103.67%	55.33%
Forklift battery	62.50%	75.00%	72.13%	89.50%	94.50%	83.88%

Details of Factory & Location

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

1) Battery Factory at Soi Phatthana 3

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

2) Battery Factory at Gateway City Industrial Estate

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

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

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

4) Recycled Lead Smelting Factory at Gateway City Industrial Estate

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

Source of Raw Materials

Significant Purchase Value of Raw Materials

Unit: Million Baht

	For the year ended 31 December 2021		For the 3-month period from 1 January 2022 to 31 March 2022		For the year ended 31 March 2022**		For the year ended 31 March 2023	
Domestic purchase value of raw materials								
Pure lead	1,005.16	27.94%	415.28	40.18%	1,503.64	38.00%	1,241.11	36.74%
Lead with antimony & calcium	1,434.91	39.88%	314.79	30.46%	1,238.12	31.29%	1,108.42	32.81%
Shell	239.24	6.65%	61.89	5.99%	64.38	1.63%	161.36	4.78%
Battery separator	238.46	6.63%	56.53	5.47%	232.25	5.87%	190.11	5.63%
Others	35.69	0.99%	48.83	4.72%	153.53	3.88%	167.60	4.96%
Total Domestic purchase value	2,953.46	82.08%	897.32	86.82%	3,191.92	80.67%	2,868.60	84.92%
International purchase value of raw materials								
Pure lead	230.75	6.41%	47.43	4.59%	222.32	5.62%	192.26	5.69%
Lead with antimony & calcium	255.51	7.10%	71.09	6.88%	274.89	6.95%	216.04	6.40%
Shell	2.16	0.06%	0.54	0.05%	172.75	4.37%	30.85	0.91%
Battery separator	140.35	3.90%	13.03	1.26%	50.18	1.27%	47.03	1.39%
Others	15.98	0.44%	4.10	0.40%	44.84	1.13%	23.16	0.69%
Total International purchase value	644.75	17.92%	136.19	13.18%	764.98	19.33%	509.34	15.08%
Total purchase value of important raw materials								
Pure lead	1,235.91	34.35%	462.71	44.77%	1,725.96	43.62%	1,433.37	42.43%
Lead with antimony & calcium	1,690.42	46.98%	385.88	37.34%	1,513.01	38.24%	1,324.46	39.21%
Shell	241.40	6.71%	62.43	6.04%	237.13	5.99%	192.21	5.69%
Battery separator	378.81	10.53%	69.56	6.73%	282.43	7.14%	237.14	7.02%
Others	51.67	1.44%	52.93	5.12%	198.37	5.01%	190.76	5.65%
Total value of purchase of important raw materials	3,598.21	100.00%	1,033.51	100.00%	3,956.90	100.00%	3,377.94	100.00%

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

Almost all raw materials of the Company are purchased from domestic manufacturers, unless lead bars that are ordered directly from both domestic and international manufacturers. Regarding the domestic and international lead purchase orders, the ratio is about 79:21. There are 3 types of lead imported from foreign countries, including 99.99% pure lead, lead with antimony, and lead with calcium, which are imported from China, Canada, Australia, and Korea. However, to substitute for the import of lead, the Company has invested in a subsidiary, namely TNC, which is the mixed lead smelting factory.

Policy on Raw Material Purchase

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

Lead

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

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

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

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

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

Separator

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

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

Container

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

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

Acid Water

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

Technological Changes in Raw Material Usage and Problems of Raw Material

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

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

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

Production Technology

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

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

Brief Battery Production Process

1. Grid Casting

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

2. Lead Powder Making

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

3. Plate Mixing

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

4. Pasting

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

5. Hardening

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

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

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

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

Threats to conducting business

1. Due to the battery industry, the raw material used is lead, which, if it enters the body in excess amounts, it poses a potential health hazard. If released into the environment without the controls that are good enough Will cause pollution and toxic problems, so there are government agencies to monitor several departments such as the Department of Industrial Works, Ministry of Industry Pollution Control Division Ministry of Natural Resources and Environment, Excise Department, Ministry of Finance and others, which the Company must comply with the standards set by those agencies such as waste emissions. For toxic and dangerous objects will have an impact on the product cost planning of the Company.

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

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

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

Opportunity

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

Environmental impact

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

Pollution

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

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

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

3 Wastewater

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

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

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

1 Structure and Operation of the Group

1.2.2.4 Assets for business operation

Assets of the Company as of 31 March 2023, details of important assets are as follows:

A. Land as of 31 March 2023, the Company has land for the location of factory buildings and offices in a total area of approximately 102 rai, with a book value of 316.44 million baht.

No.	Type	Ownership	Rai	Ngan	square wah.	Book Value (million baht)	Obligation
1.	Land title deeds No. 45373, 46645, 45374 and 46646 are the location of the factory 1 and 2, No. 387 Moo 4, Bang Pu Industrial Estate, Sukhumvit Road, Phraeksa Subdistrict, Mueang District, Samut Prakan Province.	The Company	13	1	45.7	73.26	no obligation
2.	Land title deed no. 37848, located at the factory 3 and 4, No. 298 Moo 4, Bang Pu Industrial Estate, Soi 5, Sukhumvit Road, Praksa Subdistrict, Mueang District, Samut Prakan Province.	The Company	7	2	8.0	27.66	no obligation
3.	Land title deeds no. 45371, 45372, 46643 and 46644, located at 389-390 Moo 4, Bangpoo Industrial Estate, Sukhumvit Rd., Phraeksa Subdistrict, Mueang District, Samut Prakan Province	The Company	16	3	57.6	79.36	no obligation
4.	Land title deed no. 282955, land no. 481, survey page 6625, located on Sukhumvit Road, Phraeksa Mai Subdistrict, Mueang District, Samut Prakan Province	The Company	2	3	44.1	17.16	no obligation
5.	Land improvement, Soi 7 No. 37888, 37889, 37890, 45315 Bangpoo Industrial Estate, Sukhumvit Rd., Phraeksa Subdistrict, Mueang District, Samut Prakan Province	The Company		-		4.43	no obligation
6.	The land title deed no. 3244, 3245, 3246 is the factory location at 192 Moo 7 Gateway City Industrial Estate Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province	TNC	30	1	7.0	48.43	no obligation
7.	The land title deed no. 3546 and 3547 is the location of the office building and factory No. 260, Gateway City 3 Industrial Estate. Sai Sattahip-Khao Hin Son Rd., (Thor Lor. 331) Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province	The Company	31	3	18.8	66.14	no obligation
Total			102	2	81.2	316.44	

B. Buildings and structures Total value as of March 31, 2023,





(Unit: Million Baht)	3K-BAT	TNC	Total
Asset cost	824.99	149.79	974.78
Less accumulated depreciation	(533.94)	(78.29)	(612.23)
Less allowance for impairment	(0.06)	-	(0.06)
Book Value - net	290.99	71.50	362.49

C. Machinery and equipment Total value as of March 31, 2023,

(Unit: Million Baht)	3K-BAT	TNC	Total
Asset cost	3,096.83	369.79	3,466.62
Less accumulated depreciation	(2,375.88)	(106.96)	(2,482.84)
Less allowance for impairment	(262.39)	-	(262.39)
Book Value - net	458.56	262.83	721.39

Intangible Assets

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

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

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

	Patent number	Details	Expiration Date	Registrar
1	49804	Patent design of battery model LN5	May 2023	The Company
2	43161	Patent design of battery model B19	May 2023	The Company
3	49803	Patent design of battery model LN2	May 2023	The Company
4	49802	Patent design of battery model LN3	May 2023	The Company
5	50640	Patent design of battery model VTX10	August 2023	The Company
6	50639	Patent design of battery model VTX12	August 2023	The Company

1 Structure and Operation of the Group

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

	Insurance Company	Policy	Insured property	Insurance period end date	Insured amount
1	Sompoo Insurance Company (Thailand) Public Company Limited	Industrial All Risks & Business Interruption Insurance	<p>Buildings around the factory, Building 1-7 at No. 387, 389, 390, 298, 298/1 Moo 4, Soi Phatthana 3 Bangpoo Industrial Estate Sukhumvit Road, Phraeksa Subdistrict Muang District, Samut Prakan Province</p> <p>Buildings in the warehouse area at 470/2 Village No. 5 Soi Khlong Asia Phraeksa Road, Phraeksa Mai Subdistrict Muang District, Samut Prakan Province</p> <p>Buildings in the warehouse area at 88/77-78, 91-92 Moo 23 Soi Land Thai Bang Phli Yai Subdistrict, Mueang District Samut Prakan Province</p> <p>mold deposited at Srithai Superware at No. 610 Moo 4 Soi 8 Bangpoo Industrial Estate Phraeksa Subdistrict, Mueang District Samut Prakan Province</p> <p>mold deposited at Thai Sincere Plastic Company Limited at No. 807 Village No. 9 Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province</p>	27 April 2024	3,838 Million Baht

1 Structure and Operation of the Group

	Insurance Company	Policy	Insured property	Insurance period end date	Insured amount
2	Sompo Insurance Company (Thailand) Public Company Limited	Insurance to protect natural gas sites	Buildings around the factory, Building 1-2, 5-7 at 387, Moo 4, Soi Phatthana 3, Bangpoo Industrial Estate, Sukhumvit Road, Phraeksa Subdistrict, Muang District, Samut Prakan Province	28 December 2023	1 Million Baht
3	Sompo Insurance Company (Thailand) Public Company Limited	Product liability insurance (battery)	liability protection For products (batteries) only in Thailand	1 October 2023	100 Million JP Yen
4	Dhipaya Insurance Public Company Limited	Insurance protection billboard (Neon Sign Insurance)	Neon Sign Insurance Total 217 places	14 June 2023	27 Million Baht
5	Sompo Insurance Company (Thailand) Public Company Limited	Industrial All Risks Insurance	Buildings around the factory building at 260, Village No. 7, Gateway City Industrial Estate, Hua Samrong Subdistrict, Plaeng Yao District Chachoengsao Province	1 April 2024	1,006 Million Baht
6	Sompo Insurance Company (Thailand) Public Company Limited	Insurance to protect natural gas sites	Damage or loss to life and property of GWF is located at 260, Village No. 7 Industrial Nick Gateway City, Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province	12 October 2023	1.5 million Baht
7	Sompo Insurance Company (Thailand) Public Company Limited	Insurance to protect natural gas sites	Damage or loss to life and property of TNC located at 192, Moo 7, Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province 24190	16 March 2024	1.5 Million Baht
8	Sompo Insurance Company (Thailand) Public Company Limited	Fire Protection Insurance and business interruption insurance	Damage or loss to life, property and business interruption of TNC located at 192, Moo 7, Hua Samrong Subdistrict, Plaeng Yao District, Chachoengsao Province 24190	16 March 2024	949 Million Baht

1 Structure and Operation of the Group

	Insurance Company	Policy	Insured property	Insurance period end date	Insured amount
9	ACE INA Overseas Insurance Company Limited	Insurance to protect the liability of directors and officers	Liability of directors and officers of the company, No. 387, Moo 4, Soi Phatthana 3, Bangpoo Industrial Estate, Sukhumvit Road, Phraeksa Subdistrict, Muang District, Samut Prakan Province	1 October 2023	150 Million Baht
10	Sompo Insurance Company (Thailand) Public Company Limited	Product recall insurance (battery)	Covers costs for product recalls (batteries) only in Thailand.	1 October 2023	50 Million JP Yen

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

Investments in subsidiaries

The Company has investments in subsidiaries as of March 31, 2023 as follows:

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

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

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

Supervision of Operations of Subsidiaries and Associated companies

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

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

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

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

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

- None –

1.3.3 Relationship with business group of major shareholder

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

1.3.4 Shareholders

List of the top 10 shareholders and the number of shares and the shareholding proportion as at 21 July 2022

No.	Name	Number of Shares	Percentage of total issued shares	Percentage of total voting rights
1	Sustainable Battery Solutions, Inc	40,757,484	51.99	51.99
2	Siam Magi Company Limited	36,123,223	46.08	46.08
3	Ramkhamhaeng Hospital Public Company Limited	212,490	0.27	0.27
4	Mr. Somchart Pongpanakrai	90,662	0.12	0.12
5	Mr. Jane Viphavapanich	81,454	0.10	0.10
6	Mrs. Fang Xie	70,830	0.09	0.09
7	Mr. Jamnong Watanagase	70,830	0.09	0.09
8	Thai NVDR Company Limited	69,980	0.09	0.09
9	Ms. Jutharat chanratsamee	53,122	0.07	0.07
10	Mr. Phonchai Phonthanawasit	36,500	0.05	0.05
	Total	77,566,575	98.94	98.94

Major Shareholders' Agreement

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

1.4 Paid up capital of the Company

As of December 31, 2021, the Company had registered capital and had paid up capital in the amount of 784,000,000 Baht consisting of common stock 78,400,000 shares at the par value of 10.00 Baht

1.5 Other issued security

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

1.6 Policy on Dividend Payment

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

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

Historical Dividend Comparison Table

Details of dividend payment	1 April 2022 - 31 March 2023	1 January 2022 – 31 March 2022	1 January 2021 – 31 December 2021
Net profit according to separate financial statements (Baht)	124,309,613	38,862,094	51,303,704
Net profit after legal reserve (Baht)	104,374,720	36,918,989	48,738,519
Dividend paid (baht per share)	0.25	0.06	0.25
Dividend paid (Baht)	19,600,000	4,704,000	19,600,000
Dividend payout ratio compared to net profit	18.78%	12.10%	40.21%

2. Risk Management

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

1. OBJECTIVE

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

2. RISK DEFINITION

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

3. RISK CATEGORY

1) Strategic Risk

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

2) Financial Risk

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

3) Compliance Risk

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

4) Operational Risk

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

4. ROLES AND RESPONSIBILITIES

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

- 3) Business Units is a risk owner and has primary responsibility to promoting risk awareness within their operations and effectively managing risks on a day to day basis.
- 4) Internal Audit has responsibility in steering internal audit works towards key risks as identified by management, performs auditing to assess effectiveness of risk mitigation actions across the group, and report the result to senior management and The Audit Committee for improvement opportunity.

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

5. RISK MANAGEMENT PROCEDURE

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

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

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

6. RISK MEASUREMENT

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

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

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

7. RESPOND TO RISKS

Three generic actions can be taken to manage risks:

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

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

- 1) Departments should be responsible for the review Monitor and evaluate the risk management process.
- 2) Internal auditors Participate in risk reviews at all levels with business units. And should prepare the minutes of the meeting Reviewing the overall policy and risk of the organization. And complete the collection of information

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

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

Risk Factors

1. Raw Material Risk Factors

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

1.1 Raw Material Procurement Risk Factors

Lead

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

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

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

Plastic

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

1.2 Raw Material Price Fluctuation Risks

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

2. Marketing Risk Factors

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

2.1 Domestic Market Risk Factors

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

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

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

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

2.2. Export Market Risk

Automotive industry has been experiencing constant growth in the global market. This leads in increasing demand for batteries, particularly in the Asia-Pacific, Middle East and Africa region, as well as higher competition in the market. Our main competitors, in terms of price, quality, product varieties marketing strategies are manufacturers from Korea, China, India and Indonesia.

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

3. Technological Risks

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

4. Exchange Rate Risk Factors

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

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

5. Risk from Interest Rate

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

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

6. Doubtful Debt Risk Factors

The Company is at risk in offering credit involving accounts receivable and trade debtors. However, the risk level is not high while the risk is manageable, and the debts remain collectable. The Company has a wide customer base, so a Credit Control Department has been established to approve credit and collect debts from each customer. For these reasons, the Company does not anticipate any significant losses due to the aforementioned debts. For existing agencies, the company has shared good trade relationships for over 20 years, so existing agencies are unlikely to suspend/miss their payments to the Company.

7. Environmental Cost Management Risk Factors

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

8. Risk Factors of Coronavirus COVID-19 Outbreak

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

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

9. Risks from Having Major Shareholders Influencing Operations

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

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

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

As of 21 July 2022, the Company has a total of 528 minor common shareholders who collectively hold 1.93 percent of the Company's paid-up capital. Thus, the Company's free float shareholder distribution qualifications are not consistent with criteria on retention of status as a listed company because the Company had a merger with a company with the same major shareholders, namely, Showa Denko Materials Co., Ltd. (SDMC), and the Company has time limitations from the date when shareholders of BAT-3K and HCGB approve the transaction to merge the companies to the date when the Stock Exchange accepts the Company's assets as listed assets. However, the Company's major shareholder, namely, Energywith Co., Ltd., has plans to correct the aforementioned distribution of free-floating minor shareholders in order to make distribution of shareholders compliant with regulations of the Stock Exchange by considering solutions by the method of offering shares in the Company held by Energywith Co., Ltd. The Company will consider suitable corrective guidelines compliant with criteria of the Stock Exchange of Thailand such as offering the Company's shares held by old shareholders in the Stock Exchange of Thailand, ordinary people or any person, etc.

3. Driving Business towards the Sustainable Development Goals

3.1 Sustainability Management Policy and Goals

Sustainability Reporting

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

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

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

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business value chain

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

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

3.2.2 Stakeholder analysis in the business value chain

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

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

3.3 Social Sustainability management

3.3.1 Sustainability Management in Environmental

Thai Energy Storage Technology Public Company Limited

TES-2020-4-003 Rev.01

ประกาศ
Announcementเรื่อง นโยบายอนุรักษ์พลังงาน
Subject Energy Conservation Policy

บริษัท ไทย เอนเนอร์จี สโตร์ เทคโนโลยี จำกัด (มหาชน) ได้ดำเนินการผลิตแบตเตอรี่ เพื่อจำหน่ายทั้งภายในประเทศและต่างประเทศ โดย บริษัทฯ เล็งเห็นว่าการอนุรักษ์พลังงานเป็นสิ่งสำคัญ และเป็นหน้าที่ของพนักงานทุกคนที่ต้องร่วมมือกัน ดำเนินการจัดการพลังงานอย่างเนื่อง บริษัทฯ จึงได้กำหนด นโยบายอนุรักษ์พลังงาน เพื่อเป็นแนวทางในการทำงานและส่งเสริมการให้พลังงานให้เกิดประโยชน์สูงสุด ดังต่อไปนี้

- 1) บริษัทฯ จะดำเนินการและพัฒนาระบบการจัดการพลังงานอย่างเหมาะสม โดยกำหนดให้การอนุรักษ์พลังงานเป็นส่วนหนึ่งของงานประจำวันของผู้บริหารสูงสุด และ ผู้บริหารขององค์กร ต้องให้ความสำคัญในการอนุรักษ์พลังงาน
- 2) บริษัทฯ จะดำเนินการปรับปรุงประสิทธิภาพการใช้ทรัพยากรพลังงานขององค์กรอย่างต่อเนื่อง และกำหนดนโยบายการอนุรักษ์พลังงานที่เหมาะสมกับลักษณะธุรกิจ เทคโนโลยีที่ใช้และปริมาณการใช้พลังงานในองค์กร
- 3) บริษัทฯ จะปฏิบัติตามกฎหมายที่เกี่ยวข้องกับการอนุรักษ์พลังงาน การจัดการพลังงานและข้อกำหนดอื่น ๆ ที่เกี่ยวข้อง
- 4) บริษัทฯ ยึดว่าการอนุรักษ์พลังงานเป็นหน้าที่ความรับผิดชอบของผู้บริหารสูงสุด ผู้บริหาร และพนักงานของบริษัทฯ ทุกคน ที่จะให้ความร่วมมือในการปฏิบัติตามมาตรการที่กำหนด ติดตาม ตรวจสอบ และรายงานต่อคณะกรรมการด้านการจัดการพลังงาน
- 5) บริษัทฯ จะให้การสนับสนุน ที่จำเป็นรวมถึงทรัพยากรด้านบุคลากร ด้านงบประมาณ เวลาการทำงาน การฝึกอบรมและการมีส่วนร่วมในการนำเสนอข้อคิดเห็น เพื่อพัฒนางานด้านพลังงานตามแนวทางการจัดการทรัพยากรอย่างมีประสิทธิภาพ ในการดำเนินการตามวิธีการจัดการพลังงาน
- 6) ผู้บริหารและคณะทำงาน ด้านการจัดการพลังงาน จะทบทวนและปรับปรุงนโยบาย เป้าหมาย และแผนการดำเนินงานด้านพลังงานเป็นประจำทุกปี

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Environmental management

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

Guidelines for environmental management

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

Thai Energy Storage Technology Public Company Limited

TES-2020-4-001 Rev.01

ประกาศ
Announcementเรื่อง นโยบายสิ่งแวดล้อม
Subject Environmental Policy

บริษัท ไทย เอนเนอร์จี สโตร์ เทคโนโลยี จำกัด (มหาชน) มุ่งมั่นที่จะดำเนินการปรับปรุง และพัฒนา ด้านสิ่งแวดล้อมอย่างต่อเนื่อง ตลอดจนป้องกันมลพิษที่จะเกิดจากผลิตภัณฑ์ การบริการ และกิจกรรมต่าง ๆ ในการผลิตแบตเตอรี่ของ บริษัทฯ โดยผู้บริหารและพนักงานทุกคนมีความมุ่งมั่นที่จะดำเนินการ ดังต่อไปนี้

1. มุ่งมั่นในการดำเนินการด้านสิ่งแวดล้อม ให้สูงกว่ามาตรฐานที่กฎหมาย กฎระเบียบ ตลอดจนข้อกำหนดต่างๆ ด้านสิ่งแวดล้อมที่เกี่ยวข้องกับบริษัทฯ และปฏิบัติตามอย่างเคร่งครัด
2. มุ่งมั่นในการปรับปรุงและพัฒนาระบบการบริหารงานด้านสิ่งแวดล้อมอย่างต่อเนื่อง เพื่อให้สมรรถนะการจัดการด้านสิ่งแวดล้อมของบริษัทฯ สูงกว่ามาตรฐาน เพื่อการควบคุมและป้องกัน ผลกระทบต่อสิ่งแวดล้อม ที่ทำให้เกิดมลพิษทั้งใน ด้าน อากาศ น้ำ และดิน อย่างมีประสิทธิภาพ ตลอดจนการอนุรักษ์ การใช้พลังงานและทรัพยากรอย่างมีประสิทธิภาพสูงสุด
3. มุ่งมั่นในการปรับปรุงระบบบริหารงานด้านสิ่งแวดล้อม โดยกำหนดเป็น วัตถุประสงค์และเป้าหมายในการดำเนินงานอย่างชัดเจน และดำเนินการให้บรรลุตามวัตถุประสงค์และเป้าหมายด้านสิ่งแวดล้อมที่กำหนด โดยทบทวนวัตถุประสงค์และเป้าหมายด้านสิ่งแวดล้อมเป็นประจำทุกปี
4. ส่งเสริมความเข้าใจและปลูกจิตสำนึกด้านสิ่งแวดล้อมให้กับพนักงานทุกคนภายในบริษัทฯ โดยการสื่อสารและมีกิจกรรมด้านสิ่งแวดล้อม
5. เปิดแผนนโยบายและข้อมูลต่างๆ ทางด้านสิ่งแวดล้อมต่อสาธารณชน และร่วมพัฒนาปรับปรุงภาวะแวดล้อมกับชุมชน

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

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

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

Practice guidelines

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

3.3.2 Environmental performance

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

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

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

The Company places importance on the efficient use of resources with the highest efficiency by complying with the Energy Conservation Promotion Act (No. 2) B.E. 2550 in a concrete manner. In the year 2021, the Company has the following actions:

1. Energy Conservation Measures

The Company has put in place energy conservation measures to reduce energy consumption costs concretely, monitor energy consumption and compare energy consumption per output by tracking significant energy consumption values and energy consumption per unit of output (Specific Energy Consumption) for many projects such as:

2023

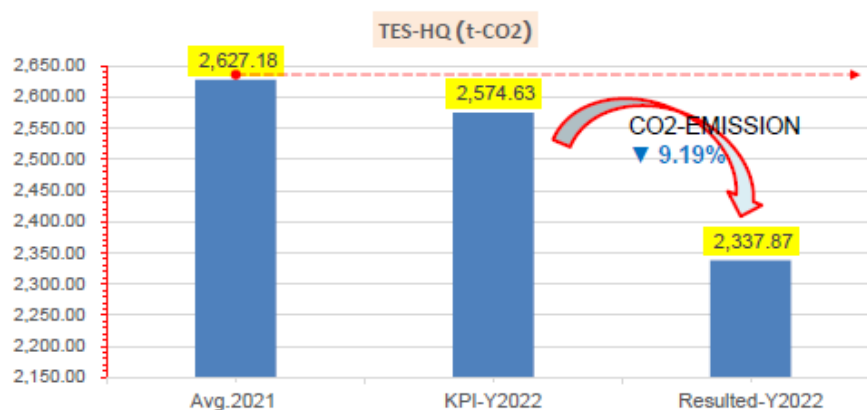
- Air compressor AS7508AC replacement project to replace the old one with low efficiency.
- Project to increase the size of the compressed air main pipes to reduce pressure drop.
- Project to reduce the size of water pump motors to suit usage from 3.7 kW to 3 kW.
- Project to turn off the 3 air conditioners in the break room of size 150,000 Btu. due to the Covid situation.

2022

- Project to replace LED18W bulbs with LED12W

2. In terms of emissions of greenhouse gases

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



Greenhouse gas (t-CO ₂) data		Greenhouse gas emissions*		Target to reduce greenhouse gas emissions		
No.	Company	2021	2022	2022	2023	2024
1	Thai Energy Storage Technology Public Company Limited Bang pu	2,627.18	2,337.87	2,574.63	2,561.50	2,548.36
2	Thai Energy Storage Technology Public Company Limited Gateway	288.36	295.37	282.59	281.15	279.71
3	Thai Nonferrous Metal Co.,Ltd.	427.52	332.37	418.97	416.83	414.69
Total		3,343.06	2,965.61	3,276.19	3,259.48	3,242.76

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

* Annual data from January - December of each year

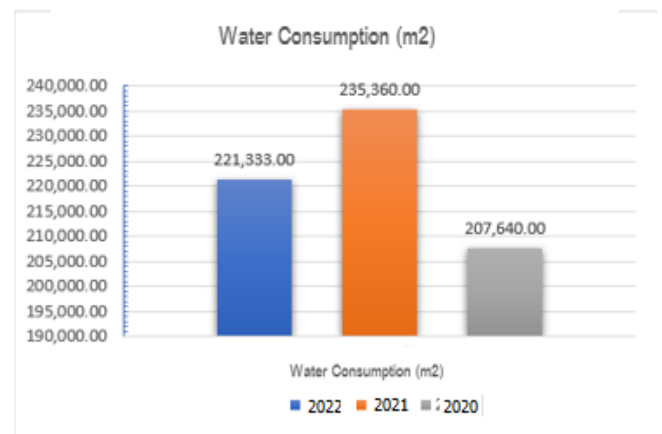
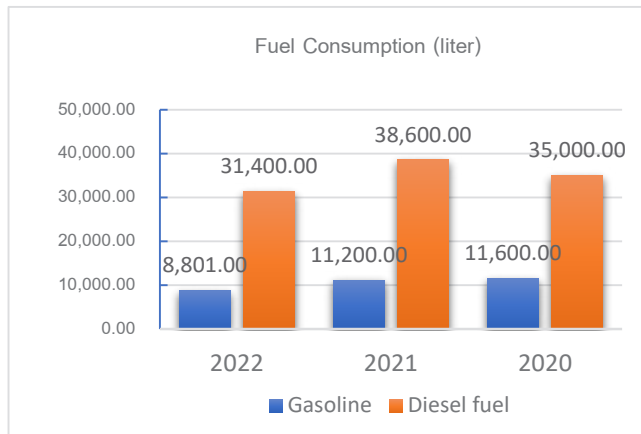
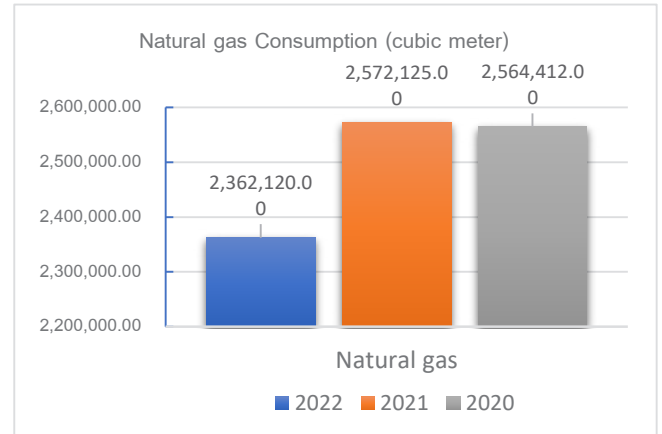
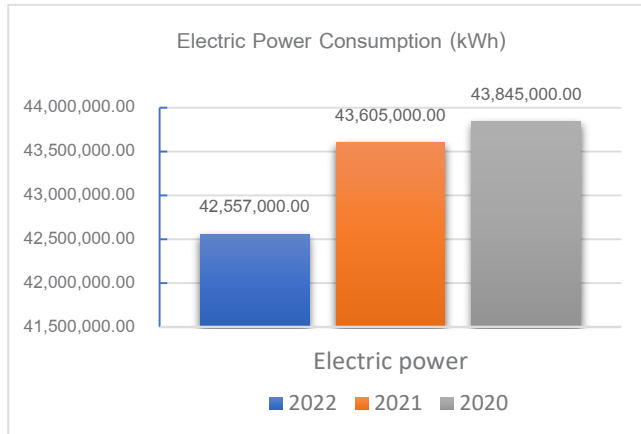
3. The Company has appointed the Energy Committee to control environmental management with the following plans:

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

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

No.	Consumption - Fuel and Electricity	Unit	2020	2021	2023
1	Gasoline	liter	11,600.00	11,200.00	8,801.00
2	Diesel fuel	liter	35,000.00	38,600.00	31,400.00
3	Natural gas	Cubic meter	2,564,412.00	2,572,125.00	2,362,120.00
4	Electric power	kWh	43,845,000.00	43,605,000.00	42,557,000.00
8	Water consumption	Cubic meter	207,640.00	235,360.00	221,333.00
6	Industrial waste is harmless	Kilogram	168,904.87	311,243.20	307,604.15
7	Industrial waste dangerous	Kilogram	6,615,388.38	6,806,241.83	5,516,332.43

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



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

Air Quality

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

Water Quality

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

Industrial Wastes

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

Waste bank

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

Summary of environmental measurement results for the year 2022

In addition, the Company conducts environmental impact measurements and assessments in its work, which include air quality, water quality, soil, groundwater, noise, lighting, heat, dust/lead, and chemicals to be within safe levels as required by law (Department of Labor Protection and Welfare). The Company has hired Health and Envitech Co., Ltd. to inspect, measure, and evaluate, as well as prepare report on air quality measurements, noise levels, heat levels, dust and chemicals levels, and water quality in all 3 factories of the Company at least once a year. Results of the measurements in 2022 found that the Company's working environment was within safe levels according to the specified standards.

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

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

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policy and Practice

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

1. Fair Business Operation

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

Fair Competition:

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

Relationship with Business Partners:

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

Relationship with Customers:

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

Intellectual Property and Brand Protection:

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

2. Anti-Corruption

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

Practices

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

Anti-Corruption Policy

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

3. Respect for Human Rights

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

Practices

- Managing work environment and system to ensure employees' safety of life, property, and good health
- Providing health insurance system for employees

บริษัท ไทย เอ็นเนอร์จี สโตเรจ เทคโนโลยี จำกัด (มหาชน)



ภาพบรรยากาศการตรวจสุขภาพประจำปี 2565(ตรวจปัจจัยเสี่ยง)

วันศุกร์ที่ 30 กันยายน และ วันจันทร์ที่ 3 ตุลาคม 2565 โดย โรงพยาบาลเปาโล สมุทรปราการ



โดย ฝ่ายทรัพยากรบุคคล

3 Driving Business towards the Sustainable Development Goals

- Establishing Provident Fund for employees

In addition, in 2019, the Company provided the health check-ups for employees and executives. Milk was distributed to all employees and executives on a daily basis.

4. Fair Treatment of Labor

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

Practices

- Not discriminating nationalities, races, colors, genders, and religions in employment considerations and complying with laws relating to employment of persons with disabilities

Year	Male		Female		Total	
	No. of people	%	No. of people	%	No. of people	%
2021	1,122	74.9	376	25.1	1,498	100
2022	1,126	75.22	371	24.78	1,497	100
2023	952	73.8	338	26.2	1,290	100
Employment of people with disabilities			2020	2021	2022	
Employed as a permanent employee under section 33			15	10	12	

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

- Encouraging employees to regularly develop their skills and enhance knowledge

ลำดับที่	หลักสูตร	จำนวนคน	ลำดับที่	หลักสูตร	จำนวนคน
-	ตามกฎหมายว่าด้วยการความปลอดภัย (Law & Safety)		-	Soft Skill อบรมระดับพื้นฐาน (People Management Competency)	
1	คู่มือปฏิบัติงานเกี่ยวกับรถเครน (Crane Operational Course) รุ่นที่ 1	30	26	เทคนิคการแก้ปัญหาและการตัดสินใจ (Problem Solving & Decision Making) รุ่นที่ 1	30
2	คู่มือปฏิบัติงานเกี่ยวกับรถเครน (Crane Operational Course) รุ่นที่ 2	20	27	เทคนิคการแก้ปัญหาและการตัดสินใจ (Problem Solving & Decision Making) รุ่นที่ 2	30
3	การขับรถโฟล์คลิฟท์อย่างปลอดภัย (Forklift Safety Drive)	20	28	ทักษะการเป็นหัวหน้างานยุคใหม่ (Modern Supervisory Skill)	30
4	การฝึกอบรมดับเพลิงขั้นต้น ครั้งที่ 1 (Fire safety)	40	29	ความรู้และข้อปฏิบัติวิชาชีพ (Professional Presentation Skill)	30
5	การฝึกอบรมดับเพลิงและอพยพหนีไฟครั้งที่ 2 (Fire safety & emergency evacuation)	all	30	การบริหารความขัดแย้งอย่างมีประสิทธิภาพ (Conflict Management)	30
6	เจ้าหน้าที่ความปลอดภัยในการทำงานระดับหัวหน้างาน (Safety Officer Supervisory level)	30	31	การบริหารเวลา (Time Management)	30
7	เจ้าหน้าที่ความปลอดภัยในการทำงานระดับบริหาร (Safety Officer Management level)	20	32	การลดต้นทุนอย่างมีประสิทธิภาพ (Effective Cost Reduction)	30
8	เจ้าหน้าที่ความปลอดภัยในการทำงานระดับบริหาร (ภาษาอังกฤษ) (Safety Officer Management level / Japan)	10	33	การสื่อสารอย่างมีประสิทธิภาพ (Effective Communication)	30
9	คณะกรรมการความปลอดภัย อาชีวอนามัยและสภาพแวดล้อมในการทำงาน (คปอ.) (Safety Committee)	20	34	การทำงานร่วมกับผู้อื่น (Teamwork) รุ่นที่ 1	30
10	ความปลอดภัยในการทำงานเกี่ยวกับไฟฟ้า สำหรับผู้ปฏิบัติงาน (Safety on Electric Work)	30	35	การทำงานร่วมกับผู้อื่น (Teamwork) รุ่นที่ 2	30
11	การระดมทุนฉุกเฉินทางนิวเคลียร์และรังสี (Radiation Emergency Planning and Preparedness)	20	36	ทักษะการคิดเชิงเหตุผลและการคิดเชิงระบบ (Logical & System Thinking)	30
12	การปฐมพยาบาลเบื้องต้น (First aid)	30	37	การปฏิบัติตามข้อกำหนด (Compliance)	30
13	ดับเพลิงขั้นสูง (Advanced Fire Fighting)	10	-	Training Need ความรู้ใหม่ (Knowledge)	
14	การฝึกอบรมดับเพลิงและอพยพหนีไฟ (Fire safety & emergency evacuation)	30	38	- หลักสูตรเกี่ยวกับความปลอดภัยสิ่งแวดล้อม (Safety and Environmental Course)	5
-	ตามข้อกำหนดลูกค้าและความพึงพอใจ		39	- หลักสูตรเกี่ยวกับทรัพยากรบุคคล (Human Resources Course)	5
15	LATF 16949 : 2016 (Requirement & Internal Audit)	30	40	- หลักสูตรเกี่ยวกับการทดสอบและสอบเทียบเครื่องมือวัด (Testing and Calibration course)	3
16	ISO 9001 : 2015 (Requirement & Internal Audit)	30	41	- หลักสูตรเกี่ยวกับบัญชี (Accounting course)	7
17	ISO 14001 : 2015 (Requirement & Internal Environmental Audit)	30	42	- หลักสูตรเกี่ยวกับงานวางแผนการผลิต (Production Planning Course)	10
18	ISO 45001 : 2018 (Requirement & Internal Audit)	30	43	- หลักสูตรเกี่ยวกับงานควบคุมคุณภาพ (Quality control course)	7
19	Core tool (MSA,SPC,FMEA,APQP,PPAP) Audit Technique and 8D Report	30	44	- หลักสูตรเกี่ยวกับงานตรวจสอบภายใน (Internal Audit course)	5
-	Hard Skill อบรมระดับพื้นฐาน (Work-Related Competency)		45	- หลักสูตรเกี่ยวกับงานวิจัยและพัฒนาผลิตภัณฑ์ (Research course)	5
20	Lean Management	30	46	- หลักสูตรเกี่ยวกับงานออกแบบ (Design Engineering course)	5
21	8D Report and Why-Why Analysis Technique	30	47	- หลักสูตรเกี่ยวกับงานสารสนเทศ (Information Technology course)	5
22	การวิเคราะห์สาเหตุเพื่อการแก้ไขและป้องกันด้วย PDCA	30	48	- หลักสูตรเกี่ยวกับงาน Brand and Advertising course)	5
23	การบริหารต้นทุน (Cost Management)	30	49	- หลักสูตรเกี่ยวกับงานคลังสินค้า (Raw Material Warehouse course)	5
24	QC 7 Tool กับ 7 ขั้นตอนการแก้ปัญหา (QC 7 Tool & Solution of Quality Control)	30	50	- หลักสูตรเกี่ยวกับงานโลจิสติกส์ (Logistic course)	7
25	การวิเคราะห์ต้นทุนด้านคุณภาพ (QCC Activities)	30	51	- หลักสูตรเกี่ยวกับงานควบคุมเอกสาร (Document Control course)	5
ที่มา: ฝ่ายบุคคล บริษัท ไทย เอ็นเนอร์ยี่ สโตร์ เทคโนโลยี จำกัด (มหาชน)			52	- หลักสูตรเกี่ยวกับงานการผลิต (Production course)	all
ในปี 2565 และ ปี 2566 บริษัทฯ ได้จัดงบประมาณการอบรมเป็นจำนวนเงินปีละ 1.50 ล้านบาท			53	- หลักสูตรความปลอดภัยในการทำงาน (Safety Course)	all

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

Year	Samut Prakan area		Outside Samut Prakan area		Total	
	No. of people	%	No. of people	%	No. of people	%
2021	1,089	72.70	409	27.30	1,498	100
2022	1,103	73.68	394	26.32	1,497	100
2023	910	70.54	380	29.46	1,290	100

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

5. Consumer Responsibility

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

Practices

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

2021 Automotive Customer Satisfaction Survey Results of BAT-3K

		Satification			Satification
Traction Battery		%	Automotive (REM)		%
Product Quality	Performance	80.00	Product Quality	Performance	86.67
	Appearance	90.20		Appearance	80.00
Service	Responsiveness	99.20	Service	Responsiveness	80.00
	Technical Support	67.20		Technical Support	80.00
	Competitiveness	70.25		Competitiveness	73.33
Delivery	Delivery on Time	77.60	Delivery	Delivery on Time	80.00
Total average %		80.77	Total average %		82.07

6. Community or Social Development

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

Practices

- Opening of the factory as a learning center for any agencies to visit factory: To promote learning with the Company and government agencies and educational institute, the Company has the policy to open the factory to interested parties to learn the production management and product quality control systems.
- The Company encourages employees to be good people of society through any activities on a regular basis. In 2021, the Company organized the following activities:

3.4.2 Social Performance

In the year 2022, due to the situation of the outbreak of the COVID-19 virus Consequently, the Company limits activities that will contribute to community and social development.



1. The company has donated battery and rice for public health hospitals Maung Kua and Kuita Village, Tak Province.



2. Giving good people 3 K prizes to employees who collect gold bracelets.



3. National Labor Day activities

Employee Information

Employee training and development	2020	2021	2022
Average number of training hours of employees (hours/person/year)	3	2	2
Safety, Occupational Health and Working Environment	2020	2021	2022
Number of injury incidents from work of employees to the point of absenteeism (times)	3	3	1

3.5 Sustainable Development Goals: SDGs

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

Sustainable Development Goals		Actions in Support of Goals	Reference
Goal 1	No Poverty	Local employment.	Page 53
Goal 2	Zero Hunger	Provide lunch benefits and boxed milk for employees.	Page 52
Goal 3	Good Health and Well-Being	Provide health insurance benefits and influenza vaccinations for employees.	Page 52
Goal 4	Quality Education	Provide employee training in the field of work every year.	Page 52
Goal 5	Gender Equality	Human rights management and employment of women in appropriate work positions.	Page 52
Goal 6	Clean Water and Sanitation	Water management.	Page 46-47

Sustainable Development Goals		Actions in Support of Goals	Reference
Goal 7	Affordable and Clean Energy	Improvements in use of renewable energy every year.	Page 45
Goal 8	Decent Work and Economic Growth	Promotion of safe workplace environments and procurement of appropriate safety equipment for points of work.	Page 48
Goal 9	Industry, Innovation and Infrastructure	Design and produce environmentally-friendly products to reduce oil consumption and global warming caused by greenhouse gas emissions.	Page 43
Goal 10	Reduced Inequalities	Hire disabled persons and employ workers without discrimination based on ethnicity and religion.	Page 52
Goal 11	Sustainable Cities and Communities	Support for social activities in communities.	Page 55
Goal 12	Responsible Consumption and Production	Waste bank project.	Page 48
Goal 13	Climate Action	Support and improve use of clean energy every year such as use of solar energy, changing light bulbs to save energy and reducing gas consumption.	Page 45
Goal 14	Life Below Water	Wastewater management before release into the environment.	Page 48
Goal 15	Life on Land	Waste management according to environmental specifications, management and according to legal requirements.	Page 48
Goal 16	Peace, Justice and Strong	The Company has guidelines and anti-corruption policies.	Page 51
Goal 17	Partnerships for the Goals	Host seminars and information exchanges with international customers every year.	Page 50

4. Management Discussion and Analysis: MD&A

4.1 Management Discussion and Analysis and Financial Performance

The Company's auditors were appointed by the joint shareholders' meeting held on 21 July 2022 with approval of appointment:

1. Miss Vilailak Laohasrisakul Certified Public Account No. 6140 or
2. Miss Vissuta Jariyathanakorn Certified Public Account No. 3853 or
3. Miss Manee Rattanabunnakit Certified Public Account No. 5313

from EY Office Limited, any one of the above persons acts as an auditor for the period as at 31 March 2023.

Audit Report Summary

Financial Statement	Auditor
Consolidated statements of financial Position as at 31 December 2021, for the period as from 1 January 2022 to 31 March 2022 and as at 31 March 2023	Miss Vilailak Laohasrisakul C.P.A. Registration No. 6140

The auditor commented that the above financial statements representing the financial position as of 31 December 2021, as of 31 March 2022 and as of 31 March 2023 the operating results and cash flows for the year that ended on the same date of Thai Energy Storage Technology Public Company Limited and its subsidiaries and only of Thai Energy Storage Technology Public Company Limited were in accordance with financial reporting standards.

Business Overview

In 2022, the Thai economy began to recover to levels close to the period before the COVID-19 pandemic. However, Thailand continued to struggle with problems from slower growth of exports similar to other countries in ASEAN, reflecting impacts from stagnation in the global economy and significant fluctuations in the price of lead, which is a main raw material, and weaker exchange rates, which directly affected the Company's foreign sales to reduce value. Therefore, in 2022, the Company focused on domestic sale promotion activities to compensate for reductions in the value of foreign sales. This caused the Company to encounter higher levels of domestic competition, resulting in higher expenses from promoting domestic sales.

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

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

Operating Results

Operating Result (In million Baht)	For the year ended 31 March 2023	For the year ended 31 March 2022*	For the period as from 1 January 2022 to 31 March 2022**
Revenue	5,249.28	5,540.35	1,432.57
Cost of sales	4,333.72	4,540.88	1,172.19
Gross profit	915.56	999.47	260.38
Other income	21.57	21.99	4.08
Gain on exchange	60.93	93.37	46.55
Profit before expenses and finance income	998.06	1,114.83	311.01
Expenses			
Selling and distribution expenses	439.61	417.18	100.19
Administrative expenses	361.40	443.82	123.78
Product warranty expenses	7.31	7.98	2.02
Total expenses	808.32	868.98	225.99
Profit from operating activities	189.74	245.85	85.02
Finance income	0.04	0.68	0.12
Finance cost	(16.63)	(12.67)	(4.66)
Profit before income tax expenses	173.15	233.86	80.48
Income tax expenses	(47.30)	(72.07)	(39.75)
Profit for the year/period	125.85	161.79	40.73

Non-controlling interests of the subsidiaries	1.33	3.38	0.00
Equity holders of the Company	124.52	158.41	40.73
Profit for the year/period	125.85	161.79	40.73

Basic earnings per share

Profit attributable to equity holders of the Company (Baht per share)	1.59	2.02	0.52
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* Operation result for 12 months (1 April 2021 to 31 March 2022) which provided by Manangement for comparison purpose. Such information has not been reviewed or audited by an auditor any way.

** In 2022, it was the first change of accounting period to be ended 31 March 2022. The operating result presented here comprises only three months from 1 January 2022 to 31 March 2022.

Total Income

For the years ended on 31 March 2023 and 2022, the company group had income from sales at 5,249.28 million baht and 5,540.35 million baht, respectively. Total income was reduced by 291.07 million baht or a reduction of 5.25 percent because the company group had reduced export values due to the weakening of the baht currency and inflation in foreign countries.

Sale Cost and Gross Profit

For the years ended on 31 March 2023 and 2022, the company group had sale costs of 4,333.72 million baht and 4,540.88 million baht, respectively. Sale cost declined by 207.16 million baht or 4.56 percent. The Company's gross profit in 2022 and the period of 12 months of the previous year was 17.44 percent and 18.04 percent, respectively. This was caused by the weakening of the baht currency to 35-38 baht per US dollar, which caused the price of imported lead to be higher than the previous year.

Sale and Administrative Expenses

For the years ended on 31 March 2023 and 2022, the company group had sale and administrative expenses at 808.32 million baht or 15.40 percent of income from sales when compared to 868.98 million baht in the previous year or 15.68 percent of income from sales. Sale and administrative expenses declined when compared to the same period in the previous year by 60.66 million baht because sale expenses increased by 22.43 million baht and administrative expenses declined by 82.42 million baht due to effective enactment of expense control policies.

Net Profit

For the years ended on 31 March 2023 and 2022, the company group had net profit in the Company's shareholders' equity at 124.52 million baht and 158.41 million baht, respectively. Net profit dropped by 33.89 million baht and the Company had earnings per share of 1.59 baht and 2.02 baht per share, respectively, due to reductions in the gross profit ratio, and profit from exchange rates was less than the previous year by 32.44 million baht.

Financial Status**Assets**

As of 31 March 2023, the company group had total assets at 3,843.98 million baht, a reduction from 112.95 million baht in assets or 2.85 percent as of 31 March 2022. The main items of change were reductions in inventory, trade accounts receivable and other accounts.

Liabilities

As of 31 March 2023, the company group had total liabilities at 1,483.70 million baht, a reduction from liabilities as of 31 March 2022 in the amount of 214.53 million baht or 12.63 percent. Changes in liabilities were mainly caused by payment of unpaid income tax in the amount of 41.26 million baht and a reduction in trade accounts payable and other accounts by 167.97 million baht.

Shareholders' Equity

As of 31 March 2023, the company group's shareholders' equity was 2,360.28 million baht, an increase from 101.58 million baht in the company group's shareholders' equity as of 31 March 2022 or 4.50 percent. Changes in shareholders' equity were mainly caused by an increase in net profit for 2022 by 124.52 million baht and deductions to dividend payouts in 2022.

Liquidity and Suitability of Capital Structure

As of 31 March 2023, the company group had cash at 610.06 million baht, an increase from 217.10 million baht as of 31 March 2022. The company group had current assets on current liabilities ratios of 2.29 times and 2.09 times. Main changes listed were reductions in trade accounts payable and other accounts. As of 31 March 2023, the company group had trade accounts receivable and other accounts in the amount of 500.70 million baht. When compared to data as of 31 March 2022, the company group's trade accounts receivable and other accounts declined by 101.82 million baht in correlation with reduced sales.

As of 31 March 2023 and 31 March 2022, the company group had debt on equity ratios of 0.63 times and 0.75 times, respectively.

4.2 Factors or Events with Potential Effects on Financial Status

The slowdown of the global economy and the Russia-Ukraine war remain barriers with effects on the Company's plans to expand export values which caused the Company's financial statement to not meet the Company's goals. The Company increased effectiveness of controls over regular expenses and reduced administrative expenses to support more intense competition in the domestic market and global economic slowdown.

4.3 Information from financial statements and key financial ratios

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

Financial data in the company group's financial statement for the year ended on 31 December 2021, for the period from 1 January 2022 to 31 March 2022 and for the year ended on 31 March 2023 checked by EY Office Limited were summarized as follows:

Statement of Financial Position (Unit: Million Baht)	For the year ended 31 December 2021	For the 3-month period ended 31 March 2022	For the year ended 31 March 2023
Asset			
Current assets			
Cash and cash equivalents	557.48	392.96	610.06
Trade and other receivables	519.52	602.52	500.71
Inventories	920.2	952.54	700.74
VAT refund pending	146.89	147.6	261.59
Advance payment	13.05	18.07	44.25
Other current assets	16.41	20.74	25.94
Total current assets	2,173.55	2,134.43	2,143.29
Non-Current Assets			
Investment property	96.99	96.95	96.76
Property, plant and equipment	1,456.40	1,460.99	1,471.77
Other intangible assets	38.03	36.46	30.72
Deferred tax assets	85.68	86.25	81.83
Other Non-Current Assets	105.81	141.84	19.62
Total Non-Current Assets	1,782.91	1,822.49	1,700.70
Total assets	3,956.46	3,956.92	3,843.99

4 Management Discussion and Analysis: MD&A

Statement of Financial Position (Unit: Million Baht)	For the year ended 31 December 2021	For the 3-month period ended 31 March 2022	For the year ended 31 March 2023
Liabilities and Equity			
Current liabilities			
Trade and other payables	640.1	635.61	467.64
Long-term loans from related parties due within one year	88.31	110.55	242.74
The portion of lease liabilities due within 1 year	24.97	24.16	20.36
Estimated cost of product warranty	200.28	199.59	196.05
Income tax payable	6.63	44.89	3.63
Other current liabilities	4.77	6.7	7.41
Total current liabilities	965.06	1021.5	937.83
Total Non-Current Liabilities	773.43	676.73	545.88
Total Liabilities	1,738.49	1,698.23	1,483.71
Equity			
78,400,000 ordinary shares, par value of 10 baht per share	784	784	784
Issued and fully paid-up capital	784	784	784
Share premium	389.5	389.5	389.5
Deficit from changes in shareholding proportions in subsidiaries	(1.64)	(1.64)	(1.64)
Deficit from business combination under common control	(92.72)	(92.72)	(92.72)
Retained earnings			
Appropriated - statutory reserve	22.57	24.51	44.44
Unallocated	1,109.24	1,148.02	1,228.34
Equity of the Company's shareholders	2,210.95	2,251.67	2,351.92
Non-controlling interests of the subsidiaries	7.02	7.02	8.36
Total Equity	2,217.97	2,258.69	2,360.28
Total Liabilities and Equity	3,956.46	3,956.92	3,843.99

4 Management Discussion and Analysis: MD&A

Income Statement (Unit: Million Baht)	For the year ended 31 December 2021	For the 3-month period ended 31 March 2022**	For the year ended 31 March 2022*	For the year ended 31 March 2023
Income	5,398.10	1,432.57	5,540.35	5,249.28
Other income	77.96	50.63	115.36	82.5
Total income	5,476.06	1,483.20	5,655.71	5,331.78
Cost of sales	4,376.08	1,172.19	4,540.88	4,333.72
Selling and distribution expenses	410.74	100.19	417.18	439.61
Administrative Expenses	469.71	123.78	443.82	361.4
Product warranty expenses	8.58	2.02	7.98	7.31
Total expenses	5,265.11	1,398.18	5,409.86	5,142.04
Profit (loss) before finance costs	210.95	85.02	245.85	189.74
Financial income	0.59	0.12	0.68	0.04
Financial cost	10.68	4.66	12.67	16.63
Income tax	43.73	39.75	72.07	47.3
Net Profit (Loss)	157.13	40.73	161.79	125.85

Cash Flow Statement (Unit: Million Baht)	For the year ended 31 December 2021	For the 3-month period ended 31 March 2022**	For the year ended 31 March 2022*	For the year ended 31 March 2023
Net cash provided by (used in) operating activities	2.97	(51.15)	102.12	374.18
Net cash used in investing activities	(70.85)	(74.19)	(128.29)	(134.63)
Net cash provided by (used in) financing activities	(101.05)	(39.17)	(133.80)	(22.45)
Cash and cash equivalents net increase (decrease)	(168.93)	(164.51)	(159.97)	217.10

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

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

Financial ratio	For the year ended December 31, 2021	For the 3-month period ended March 31, 2022**	For the year ended March 31, 2022*	For the year ended March 31, 2023
Liquidity ratio (times)	2.25	2.09	2.09	2.29
Quick ratio (times)	1.12	0.97	0.97	1.18
Gross Profit Margin (%)	18.93	18.18	18.04	17.44
Operating profit margin (%)	2.84	2.84	2.86	2.37
Net Profit Margin (%)	2.8	2.75	2.8	2.34
Return on Equity (%)	7.16	1.83	7.26	5.41
Return on assets (%)	3.98	1.03	4.06	3.19
Return on fixed assets (%)	20.85	5.39	21.12	19.24
Asset turnover (times)	1.42	0.37	1.45	1.37
Debt to equity ratio (times)	0.79	0.75	0.75	0.63
Interest coverage ratio (times)	19.74	18.25	19.4	11.41

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

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

Financial Ratios

The Company's current ratio in 2022 was 2.29 times. The aforementioned ratio is higher than 2.09 times in the previous year due to a reduction in current liabilities by 83.67 million baht.

In 2022, the debt on equity ratio was 0.63 times, a reduction from 0.75 times as of 31 March 2022 due to reduced liabilities while shareholders' equity increased due to profit from operations.

The gross profit ratio in 2022 was 17.44 percent was lower when compared to 18.04 percent in the previous year. This was mainly caused by higher prices for lead, a main raw material.

The net profit ratio in 2022 was 2.34 percent when compared to 2.80 percent in 2021, which indicates the Company has higher sale and distribution expenses and the Company's efficiency in earning profit declined slightly.

The Company's returns on equity in 2022 were 5.41 percent. When compared to 7.26 percent in 2021, this percentage declined slightly due to lower sale values and higher costs in addition to more intense competition in domestic markets.

The Company's interest coverage ratio in 2022 was 11.41 times, a reduction when compared to 19.40 times in 2021, which showed the Company's ability to pay interest declined slightly when compared to the previous year.

5. General Information and other significant information

5.1 General Information

Company Profile

Company Name	Thai Energy Storage Technology Public Company Limited
Head Office	387, Moo 4, Sukhumvit Rd., Phraek Sa Sub-district, Mueang Samut Prakan District, Samut Prakan Province 10280
Telephone	0-2709-3535
Facsimile	0-2393-2509 / 0-2709-4965
Registration	As a Listing company on October 1, 2020
Type of Business	Manufacturing and Distribution of batteries for automobiles and motorcycle
Distribution of Dividend	According to the annual general meeting of shareholders
Fiscal Year	1 April - 31 March

As of 31 March 2023

Registered Capital of Ordinary Shares	78,400,000 shares at the par value of 10 baht per share
Issued and Paid-up Capital	78,400,000 shares at the par value of 10 baht per share

Subsidiaries

Thai Nonferrous Metal Company Limited

Company Name	Thai Nonferrous Metal Company Limited
Factory	192, Moo 7, Gateway City Industrial Estate, Hua Samrong Sub-district, Plaengyao District, Chachoengsao Province 24190
Telephone	0-3857-5368-9, 0-3857-5381-6
Facsimile	0-3857-5373
Registration	As a limited company on March 28, 1997
Type of Business	Lead Alloy and Pure Lead
Distribution of Dividend	According to the annual general meeting of shareholders
Fiscal Year	1 April - 31 March
Auditor	Miss Vilailak Laohasrisakul Certified Public Account No. 6140 Miss Vissuta Jariyathanakorn Certified Public Account No. 3853 Miss Manee Rattanabunnakit Certified Public Account No. 5313

As of 31 March 2023

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

Board of Directors as of 31 March 2023

1. Mr. Akihiko Emori

On process of liquidation**3K Products Company Limited****Company Profile**

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

As of 31 March 2023

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

Power Plas Company Limited**Company Profile**

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

As of 31 March 2023

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

Other reference persons

Share Registrar	Thailand Securities Depository Co., Ltd. 62, The Stock Exchange of Thailand Building, 4 th Floor, 6 - 7 Ratchadaphisek Road, Klong Toei, Bangkok 10110 Telephone +66 - 2229 – 2800
Auditor	Miss Vilailak Laohasrisakul Certified Public Account No. 6140 Miss Vissuta Jariyathanakorn Certified Public Account No. 3853 Miss Manee Rattanabunnakit Certified Public Account No. 5313 EY Office Company Limited Lake Ratchada Office Complex, 33 th Floor 193/136-137 Ratchadaphisek Road, Klong Toei, Bangkok 10110 Telephone +66-2264-9090 Facsimile +66-2264-0789-90
Legal Advisor	Bunchong and Vidhaya Law office Co., Ltd 33/35, Wall Street Tower Building, 9 th Floor, Surawongse Road, Bang Rak, Bangkok 10500 Telephone +66 - 2236 - 2334

5.2 Legal Disputes

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

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

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

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

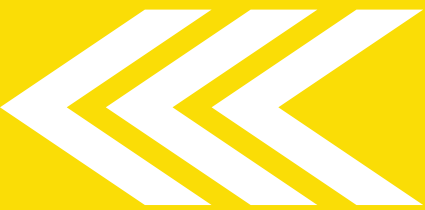
Subsequently, the Company filed for an appeal of the petition on 22 March 2021. The Appeal Court has ruled that the Company cannot appeal the petition, resulting in the termination of the case. As for the Revenue Department and the Customs Department which filed for an appeal of the petition, on 19 April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

Currently, it is awaiting a judgment from the Supreme Court whether the Company will have to pay the Central Tax Court's judgment to the Customs Department and Revenue Department or not.

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

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

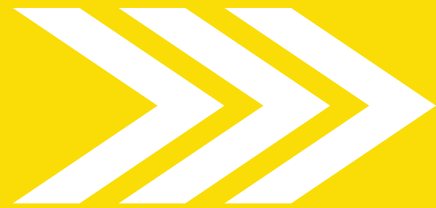
On 16 September 2019, the Company filed a lawsuit against the said employee. At present, the case is in the process of considering all investigation documents of the prosecutor in order to file a criminal case. On September 16, 2019, the company filed a complaint to prosecute Bangna Police Station investigative officers. When the investigating officer has already gathered the evidence has sent the case file to the public prosecutor of the Office of the Attorney General for prosecution Later, the prosecutor brought the officers and documents and evidence. File a criminal lawsuit before the Phra Khanong Criminal Court on April 18, 2022, and the court scheduled a hearing on May 24, 2022. Later, on May 24, 2022, the Phra Khanong Criminal Court ordered a verdict stating that “the defendant was guilty according to the Criminal Code, sections 264,265,268 in conjunction with sections 264 and 265,352. The action of the defendant is an offense against the law in many different acts. Punishment for all offenses is in accordance with Section 91 of the Criminal Code. Offense of embezzlement. forgery of documents Licensing forgery and for the use of forged documents as a single offense against multiple laws, the punishment for the use of forged licenses is the heaviest punishment under section 90 of the Criminal Code, imprisonment for 2 years per count, totaling 121 counts, totaling 242 years in prison. The defendant's confession was useful for consideration as a mitigation under Section 78 of the Criminal Code, reducing the punishment by half to 121 years of imprisonment. 91(2) for the defendant to pay the amount 28,618,310.23 baht to the victims.”



SECTION 2



Corporate Governance



6. Good Corporate Governance Policy

Corporate Governance

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

Policy on Corporate Governance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle 3 Strengthening the effective Board

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle 5 Responsible business operations

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

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

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

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

- (5) Responsibility for environment by preventing, reducing, managing, and ensuring that the Company does not create or cause negative impacts on the environment, which include the use of raw materials, energy consumption, water consumption, renewable resource consumption, release and management of waste generated by business operations, greenhouse gas emissions, etc.
- (6) Fair competition by conducting business openly and transparently and not creating an unfair competitive advantage
- (7) Anti-corruption by complying with relating laws and standards and requiring the Company to announce the anti-corruption policy to the public; the Company may consider participating in the Collective Action Coalition Against Corruption and encourage other companies and business partners to provide and announce anti-corruption policies as well as join the Collective Action Coalition Against Corruption.

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

Principle 6 Supervision of appropriate risk management and internal control systems

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

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

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

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

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

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

1. Po. Box 17, Sathorn Post Office, Bangkok, 10341
2. E-mail: report@TESHotline.com
3. Hot Line TES: 1800-010-314
4. Feedback / comment / complaint box within the Company

Principle 7 Maintaining financial credibility and information disclosure

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

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

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

Principle 8 Promotion of engagement and communication with shareholders

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

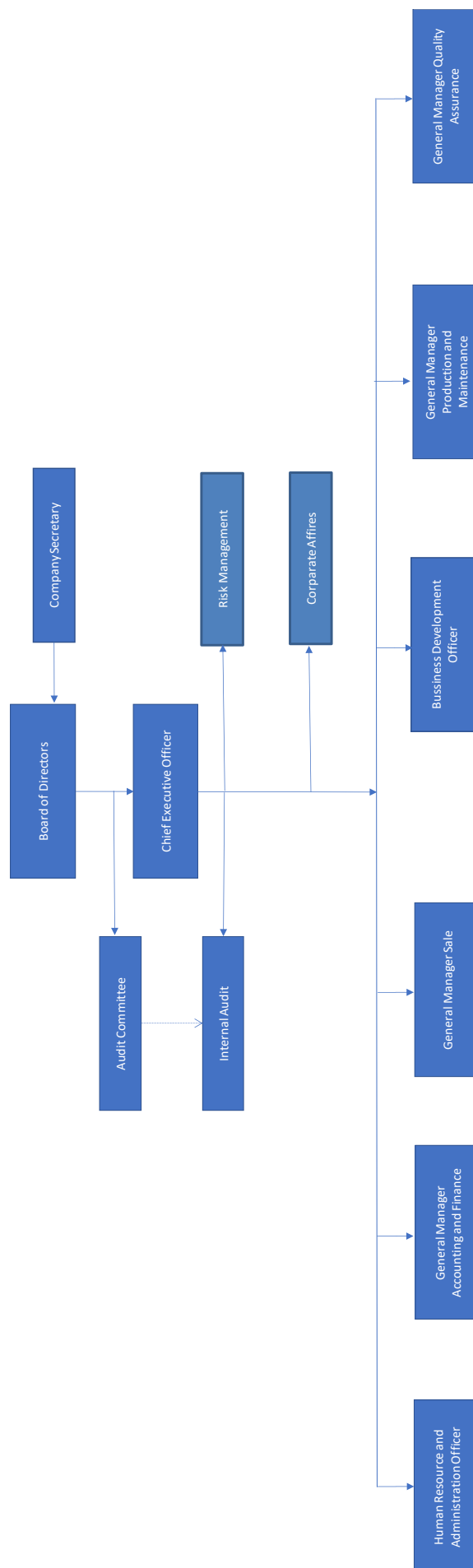
In addition, the Board of Directors shall supervise to ensure that the implementation on the date of the Shareholders' Meeting is conducted properly, transparently, and efficiently, and allows shareholders to exercise their rights. The Board of Directors also supervises to ensure that the disclosure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

7 CORPORATE GOVERNANCE STRUCTURE

7. Corporate governance structure and important information concerning the Board of Directors, Sub-committees, management, employees, and others

7.1 Corporate governance structure

As of 31 March 2022



7.2 Information about Board of Directors

1. Board of Directors

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

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

As at March 31, 2023, the Company's Board of Directors consisted of 8 members as follows:

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

Authorized Director to Sign on behalf of the Company

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

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

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

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

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

24. Considering and approving and/or considering and giving opinions to propose to the shareholders' meeting for considering and approving transactions that are significant to the Company and connected transactions in accordance with the rules, conditions, and procedures prescribed by the laws and related rules and / or the Company's Articles of Association and / or the resolution of the shareholders' meeting.
25. Having any other authorities, duties, and responsibilities as required by laws and related rules, the Company's Articles of Association, and resolutions of the shareholders' meeting.

7.3 Sub-committee

1. Audit Committee

As at March 31, 2023, the Company's Audit Committee consisted of 3 members as follows:

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

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

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

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

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

4. Reviewing the accuracy and appropriateness of the accounting policies applied and reviewing the accurate and reliable financial reports of the Company and its subsidiaries as proposed by the auditor to the Audit Committee and disclose information adequately in accordance with generally certified accounting standards
5. Recruiting and nominating a qualified candidate to be appointed as the Company's auditor and determining appropriate audit fees so that the Board of Directors and shareholders can approve them accordingly under the framework of relevant laws and regulations
6. Promoting the independence of external auditors and supporting the operation of internal auditors to be independent, accurate, and in accordance with generally accepted standards, including promoting proper and adequate coordination among the Company's Management, external auditors, and internal auditors
7. Studying the letter that external auditors provide to the Company's executives for informing observations and suggestions on weaknesses, irregular transactions, or significant defects found in the audit, considering and giving opinions to the Board of Directors by asking and requesting for additional information from the auditor first to make correct understanding of such letter and follow up to ensure that useful observations and suggestions are considered by the Board of Directors and lead to the practical action; In the event that any observations and suggestion are not considered or implemented for no reasonable reason, discuss with the Management and present it to the Board of Directors for reconsidering.
8. Providing suggestions for determining the annual excellence of internal auditors' employees at the executive level to the Chief Executive Officer (CEO)
9. Supervising, suggesting, and supporting the independent operations of internal auditors, reviewing the audit reports of internal auditors to ensure the quality and useful audit reports that can be used to improve the operations of any departments in the Company, applying useful suggestions to practices that contribute to reducing the risk levels of the Company to an acceptable level as well as reviewing the Company's appropriate and effective risk management system
10. Approving the plan and audit plan, manpower plan, and knowledge, skills, and specific characteristics development plan of internal audit personnel to ensure that the audit is comprehensive in finance, accounting, and other operations of the Company as well as following up the performance of those plans

11. Reviewing the Company's rules, regulations, and practices on the delegation of authority of internal auditors at intervals at least every year to ensure that it remains appropriate and up-to-date and allows internal auditors to maintain sufficient independence to perform operations effectively; In this regard, the Audit Committee will present any potential limitations and weaknesses to the Board of Directors for consideration and improvement.
12. Considering connected transactions or conflicts of interest as presented by the auditor or internal auditor to the Audit Committee in accordance with the laws and regulations of the SEC and SET as well as information disclosure of the Company to ensure such accurate and complete matters and reasonable transactions for the best interests of the Company
13. Performing other duties assigned by the Board of Directors

2. Sustainability Committee

-None-

3. Nomination and Remuneration Committee

-None-

4. Risk Committee

As of March 31, 2023, the Company has 6 members of the Risk Management Committee as follows:

No.	Name	Position	Risk Management Committee
1	Mr. Akihiko Emori	Chief Executive Officer	Chief of Risk Management
2	Mr. Wirachai Bunchuchuen	General Manager-Accounting and Finance	Secretary
3	Mr. Chakkapan Sangkaew	General Manager-Production	Member
4	Mr. Chayaphol Asavavallop	General Manager-Quality Assurance / Safety and Environment	Member
5	Mr. Suwittawat kaewwichian	General Manager-International Sales	Member
6	Miss Vipra Muttisan	General Manager-TNC	Member

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

7.4 Information about Executives

As at 31 March 2023, the Company had 8 executives as follows:

Name	Position
1. Mr. Akihiko Emori	Chief Executive Officer
2. Mr. Tsutomu Hitooka	Business Development Officer
3. Mr. Masamichi Saito	Human Resources and Administrative Officer
4. Mr. Chakkapan Sangkaew	General Manager- Production
5. Mr. Chayaphol Asavavallop	General Manager-Quality Assurance/ Safety and Environment
6. Mr. Suwittawat Kaewwichian	General Manager-International Sales
7. Mr. Wirachai Bunchuchuen	General Manager-Accounting and Finance / General Manager Corporate Affairs
8. Mrs. Vipa Muttisan	General Manager Thai Non Ferrous Metal co.,Ltd.

Remuneration of Executives

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

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

Compensation Type	Remuneration of executive (Thousand Baht)			
	For the year 31 December 2021	For the year** 31 March 2022	For the period from 1 January to 31 March 2022*	For the year 31 March 2023
Salary and Bonus	56,625	56,064	12,964	51,464
Contributions to Provident Funds	664	762	265	917
Total	57,289	56,826	13,229	52,381

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

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

7.5 Information about employees

7.5.1 Personnel

As of March 31, 2023, the company group has a total of 1,290 employees, the company has paid remuneration in the form of salary, bonus, provident fund contributions, etc.

Type of Employee	Employees (person)			
	31 December 2020	31 December 2021	31 March 2022	31 March 2023
Office	272	292	287	252
Factory	1,112	1,206	1,210	1,038
Total	1,384	1,498	1,497	1,290

7.5.2 Significant change of employee amount during the past 3 years

-None-

7.5.3 Employee Compensation

Employee Compensation	Salary, Wage and Other Benefits (Thousand Baht)			
	For the year 31 December 2021	For the year** 31 March 2022	For the period from 1 January to 31 March 2022*	For the year 31 March 2023
Total	694,535	691,780	178,560	624,003

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

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

7.5.4 Provident Fund

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

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

As of March 31, 2023, there are 758 employees who are members of the provident fund, representing 58.76 percent of the total number of employees.

7.5.5 Policy on Human Resource Development

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

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

7.6 Other important information

7.6.1 List of persons assigned to be responsible for the following

1. Company Secretary

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

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

2. Duties and Responsibilities of Company Secretary

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

2.1 Preparing and storing the following important documents;

1. register of directors
2. notice summoning the Board of Directors' Meeting, minutes of the Board of Directors' Meeting and an annual report of the Company
3. notice summoning a Shareholders' Meeting and minutes of a Shareholders' Meeting

2.2 Storing a report on interest reported by a director or an executive

2.3 Submitting a report on interest under Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date on which the Company has received such report. The Company shall arrange a system for safekeeping of documents or evidence in relation to disclosure of information and monitor safekeeping of such documents or evidence for its accuracy and completion as well as availability for audit for the period of not less than 10 years from the date of preparing such documents or information.

2.4 Performing any other acts as announced and prescribed by the Capital Market Supervisory Board

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

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

Those assigned to the highest responsibility in accounting and finance

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

Head of Internal Audit

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

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

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

Head of Compliance

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

7.6.2 Head of Investor Relations

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

Telephone: 02-709-3535 Ext. 1501

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

Post: Investor Relations

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

District, Samut Prakan Province 10280

7.6.3 Remuneration of Auditor

1.) audit fee

The Shareholders' Meeting on 21 July 2023 approved the audit fee to the audit office that the auditor is affiliated with for the year 2022 in the total amount of 2.50 million Baht and audit fee of the group Company in the total amount 3.30 million Baht

2.) non-audit fee

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

7 Corporate governance structure

Type of Service	2023 (proposed year) (From 1 April 2023 to 31 March 2024) (Baht)	2022 (From 1 April 2022 to 31 March 2023) (Baht)	2022 (From 1 January 2022 to 31 March 2022) (Baht)
Audit fee	2,500,000	2,500,000	950,000
Audit fee of subsidiary	800,000	800,000	325,000
Others fee	None	None	None

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

From 1 October 2020 to 31 March 2022, all directors and executives does not hold securities of 3K-BAT

8. Report on Key Performance of Corporate Governance

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

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

8.1.1 Development and Assessment of the Board of Directors' Performance

1. Nomination of Independent Director

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

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

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

Term of Office of Directors and Independent Directors

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

2. Nomination of Directors and Executives

The Board of Directors consists of at least 5 directors and no less than half of the total number of directors must have a domicile in Thailand. The selection of persons to be appointed as directors is not carried out through the Nominating Committee because the structure of the Board of Directors does not consist of such committee. The appointment of the Board of Directors shall be elected by the Shareholders' Meeting, which has the following criteria:

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

Removal of the Board of Directors

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

Balance of Non-executive Directors

Currently, the Company's structure consists of one Board of Directors comprising 8 directors as follows:

- | | |
|---------------------------|-----------|
| a. Executive Director | 1 Persons |
| b. Non-executive Director | 4 Persons |
| c. Independent Director | 3 Persons |

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

Chief Executive Officer

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

Duties and Responsibilities of Chief Executive Officer

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

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

SUCCESSION PLAN

Objectives

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

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

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

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

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

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

Committees Self-Assessment

In 2022, the Audit Committee has provided the annual self-assessment for the directors to jointly consider their work and problems for further improvements. The performance appraisal will be based on the assessment guidelines recommended by the Stock Exchange of Thailand and further improvements were carried out in order to be suitable for the Company's business operations. In 2022, the committee evaluation score was 4.83 from 5.00

8.1.2 Meeting Attendance and Remuneration for Individual Director

Board of Directors Meeting and subcommittees from 1 April 2022 to 31 March 2023 are as follows:

Board of Directors meeting 6 Times

Audit Committee Meeting 4 Times

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

*Director resigned on 1 January 2023

No.	Director's Name	Position	Meeting Meeting/Amount of Meeting per year (Time)		
			Shareholder	Board of Directors	Audit Committee
1	Mr. Takahiro Tomiyama*	Director	2/2	4/5	-

Remuneration of Directors

The Shareholders' Meeting on 21 July 2022, approved the remuneration of directors which was classified as follows:

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

It must be within the limit of not exceeding 2 million Baht and shall be effective forever until there is any change approved by the Shareholders' Meeting. Currently, the Company does not have a remuneration sub-committee, but there is the appropriate procedure based on the Company's data in the same industry with similar size. In addition, the Company's operating results were be used for consideration in 2021

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

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

No.	Director's Name	Position	Remuneration		
			Board of Directors	Audit Committee	Total
1	Mr. Masato Yoshida	Chairman of the Board of Directors	-	-	-
2	Mr. Akihiko Emori	Vice Chairman of the Board of Directors	-	-	-
3	Mr. Masakatsu Suzuki	Director	-	-	-
4	Mr. Tamotsu Sakata	Director	-	-	-
5	Mr. Yoshitaka Nibe	Director	-	-	-
6	Mr. Nontaphon Nimsomboon	Independent Director /Chairman of Audit Committee	370,000	80,000	450,000
7	Mr. Apichai Chvajarempun	Independent Director/ Audit Committee	370,000	48,000	418,000
8	Mr. Suchat Chanlawong	Independent Director/ Audit Committee	370,000	48,000	418,000
Total			1,110,000	176,000	1,286,000

*Director resigned on 1 January 2023

No.	Director's Name	Position	Remuneration		
			Board of Directors	Audit Committee	Total
1	Mr. Takahiro Tomiyama*	Directors	-	-	-

8.1.3 Supervision of Subsidiaries and Associates

Investment and supervision of operations of Subsidiaries and Associated companies

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

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

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

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

8.1.4 Monitoring of Compliance with Corporate Governance Policies and Practices

(1) Prevention of Conflicts of Interest

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

1. Measures and Procedures for Approval of Related Transactions

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

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

2. Policies or Trends of Related Transactions in the Future

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

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

In 2022, the Company did not find directors and executives. There are cases that may cause conflicts of interest.

(2) Use of Inside Information for Profit

Policy on Reporting of Securities Holding and Insider Trading of Company

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

Policy on Reporting of Securities Holding

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

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

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

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

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

- (A) Report Form 59 to the SEC Office, and submit a copy of such report to the Company Secretary within 3 working days or 7 working days (as the case may be) from the date of trading and;
- (B) Submit all details of securities trading reports of the company to the Company Secretary on a quarterly basis, which such information is kept for internal use only in order to comply with the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552, Re: Reporting of Interests of Directors, Executives and Related Persons.

Policy on Insider Trading

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

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

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

(3) Anti-Corruption

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

- 1) The Company communicates to its directors, executives and employees by requiring that every process operation is strictly within the scope of the law, due to negligence or unawareness.
- 2) The Company provides a reporting channel if any violations of the policies or corruption acts are found by Red box and Whistleblowing
- 3) Anti-Corruption
Poster Company and put up such posters in various areas that can be clearly seen in the company to campaign and raise people's awareness of corruption
- 4) Whistleblowing
The Company places importance on good corporate governance by providing opportunities for its employees and stakeholders to report if found a violation or abnormal operation, such as corruption, noncompliance with rules, conflict of interest, financial statements fraud, unethical behavior or regulations stipulated by law

Whistle Blowing Chanel

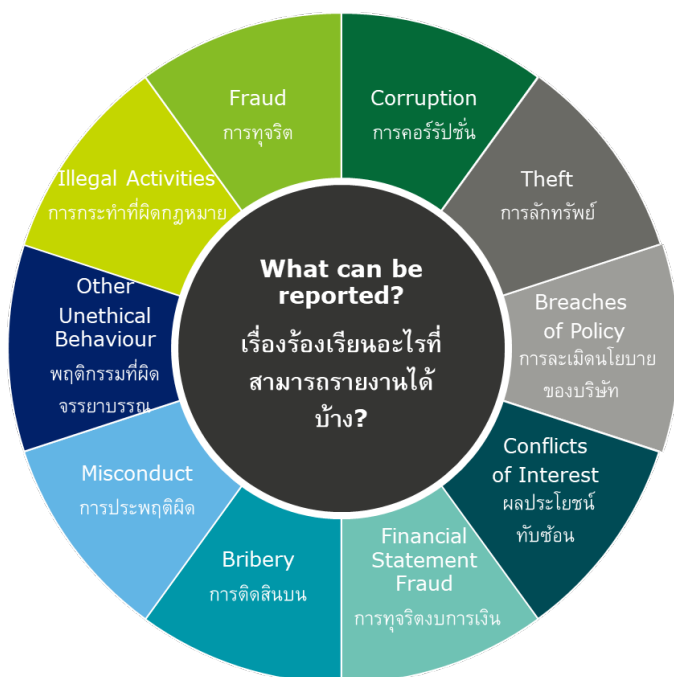
Whistle-Blowing channel

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

The Important of Whistle Blowing

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

Reports can be received for the following scope



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



Make a report - Hotline

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

Make a report – Email

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

Make a report - Post Box

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

Make a report - Website

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

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

- b. Identify the persons involved, the date of the aforementioned incident, incident details, the site of the incident, names of witnesses and documents or evidence of the incident (the complainant only has to report what the complainant wants to know most.)
4. Attached evidence (if any) and set a password before clicking to send.
5. The complainant will receive an incident number and password. Please keep the incident number and password for entering into a system for monitoring status and for providing more information.

Status Check/Provide More Information

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

Step 2 – Add more information and/or attach additional documents before clicking to send. Recommendations or questions (if any) will be shown here.

8.2 Summary of the performance of the Board

Report on the performance of the Board of Directors for the period from 1 April 2022 to 31 March 2023

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

The Board of Directors consists of 8 members as follows:

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

In the performance of duties for the period from 1 April 2022 to 31 March 2023, the Board of Directors have held a total of 4 meetings to supervise the management to operate in accordance with the vision, mission, policies, strategies, goals, and in accordance with the objectives and regulations prescribed by law, as well as the resolutions of the shareholders' meeting. The important things can be summarized as follows:

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

Chairman of the Board of Directors

Mr. Masato Yoshida

9. Internal Control and Connected Transactions

Internal Control and Internal Audit Systems

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

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

Internal Control

As at 31 March 2022 the chief of the internal audit department was Ms. Kittiphan Suksawasdi, the Head of Internal Audit Department. The Audit Committee was of the opinion that internal auditors were able to perform their duties effectively and suggest the Company's executives to develop knowledge and skills of internal auditors because a good internal auditor will provide benefits to the Company in the future

Related Transactions

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

1. Measures and Procedures for Approval of Related Transactions

The Company establishes the measures for controlling related transactions of the Company, its subsidiaries, associated companies, and subsidiaries at the similar level with any persons possibly having conflicts of interest or interests or future conflicts of interest according to the Notifications of the SEC and SET. The Audit Committee shall consider and give opinions on the necessity and rationale of transactions and the appropriateness of prices and conditions of transactions based on the normal course of business in the industry. There is the comparison of price and conditions of transactions if they are made with any third parties or market prices before presenting it to the Board of Directors or the Company's Shareholders' Meeting for consideration, as the case may be. In the case that the Audit Committee does not have the expertise to determine potential related transactions, the Audit Committee will assign a person with specific knowledge and expertise, such as independent auditors or

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

2. Policies or Trends of Related Transactions in the Future

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

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

9 Internal Control and Connected Transactions

The Company had related transactions with related companies according to the pro forma consolidated financial information for the year ended 31 December 2020, 31 December 2021 and for the period from 1 January 2022 to 31 March 2022 which was reviewed and assured by the auditor. However, the Audit Committee was of the opinion that related transactions were treated in accordance with prices and normal business conditions. The auditor reviewed the transactions shown in Note 7 to the pro forma financial statements, which the figures were based on the recorded accounts and in accordance with the rules approved by the Board of Directors.

The Company made the related transactions with related parties, which can be summarized as follows:

Related Parties	Nature of Transaction	For the Year Ended December 31, 2020 (Unit: Million Baht)	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	Necessity and Rationale of Transactions
1 Showa Denko Materials Co., Ltd.	The Company has been granted the right to use the trademark. - Royalty for using trademark - Accrued expenses - Trade payables	- - -	32.29 - -	- - -	- - -	For using in the normal course of business of the Company; Pricing is based on the contractual value and it is subject to normal business conditions.

9 International transactions

Related Parties	Nature of Transaction	For the Year Ended December 31, 2020 (Unit: Million Baht)	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	Necessity and Rationale of Transactions
	The Company receives technical assistance fees.					For using in the normal course of business of the Company; Pricing is based on the contractual value and it is subject to normal business conditions.
	- Fees	6.69	10.08	-	-	
	- Accrued expenses	2.30	-	-	-	
	- Trade payables	-	-	-	-	
	The Company receives revenues from consultation service.					For using in the normal course of business of the Company; Pricing is based on the contractual value and it is subject to normal business conditions.
	- Other revenues	-	-	-	-	
	- Other receivables	-	-	-	-	
	The Company purchases raw materials, battery components for tractors, and machineries.					It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.
	- Purchase of raw materials and components	5.08	10.59	-	-	
	- Raw material and component trade payables	2.99	-	-	-	
	Other payables					

9 Internal Control and Connected Transactions

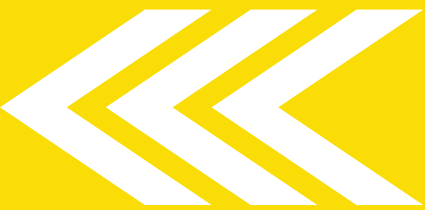
Related Parties		Nature of Transaction	For the Year Ended December 31, 2020 (Unit: Million Baht)	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	Necessity and Rationale of Transactions
		The Company sells samples of the battery shell and lid. - Sales of products - Trade receivables	- -	- -	- -	- -	It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.
2	Showa Denko Materials (Asia-Pacific) Pte.Ltd.	The Company sells automotive batteries. - Sales of products - Trade receivables and other receivables	367.76 32.98	442.03 -	- -	- -	It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.
3	Showa Denko International (Taiwan) Co., Ltd.	The Company sells automotive batteries. - Sales of products - Trade receivables	24.44 1.41	18.64 -	- -	- -	It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.

9 International transactions

Related Parties	Nature of Transaction	For the Year Ended December 31, 2020 (Unit: Million Baht)	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	Necessity and Rationale of Transactions
4 Hitachi Kasei Shoji Co., Ltd.	The Company purchases raw materials and battery components - Purchase of raw materials - Trade payables	- -	- -	- -	- -	It is a normal trade transaction of the Company. The trading pricing is based on the market price. The transaction has general trading conditions with fair prices and conditions.
5 Hitachi Asia Co., Ltd.	The Company pays information technology service fees - Service fees - Trade payables	1.36 -	- -	- -	- -	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.
6 Sustainable Battery Solutions Inc. (Energywith)	The Company has long-term loans - Long Term Loan - Interest - Withholding Tax - Accrued Interest Expense	- - - -	738 - - 0.20	666 4 0.60 -	661 15 2.71	For using in the normal business operations of the Company

9 Internal Control and Connected Transactions

Related Parties	Nature of Transaction	For the Year Ended December 31, 2020 (Unit: Million Baht)	For the Year Ended December 31, 2021 (Unit: Million Baht)	For the period from 1 January 2022 to 31 March 2022 (Unit: Million Baht)	For the Year Ended 31 March 2023 (Unit: Million Baht)	Necessity and Rationale of Transactions
7 Energy with	The Company pay for IT System Use Charge - Service fees	-	-	2	7	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.
	The Company receives technical assistance fees. - Fees - Others Account Receivables - Trade payables	- - -	- - -	3 0.20 9.90	13 0.20 8.61	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.
8 Energy with (NABARI)	The Company pay for Service Expenses-Maintenance-Factory - Service fees	-	-	17	-	For using services to support the Company's normal business operations; Pricing is based on the contractual value and it is subject to normal business conditions.



SECTION 3

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Financial Statements



Independent Auditor's Report

To the Shareholders of Thai Energy Storage Technology Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Energy Storage Technology Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 March 2023, the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Energy Storage Technology Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Energy Storage Technology Public Company Limited and its subsidiaries and of Thai Energy Storage Technology Public Company Limited as at 31 March 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Note 27.5 to the consolidated financial statements regarding the lawsuit lodged by former employees against the Group over the termination of their employment. During the year 2021, the Court of First Instance ordered the Group to pay a certain compensation, and therefore the Group recorded liabilities arising from this litigation in the financial statements for the year 2021. However, the Court of Appeal granted a deadline extension for filing an appeal. The Group filed the appeal against the judgment to the Court of Appeal in November 2021. In September 2022, the Court of Appeal upheld the ruling handed down by the Court of First Instance, ordering the Group to pay a reduced amount of compensation. To date, the Group decided not to lodge any further petition, but the former employees remained firm on their decision to lodge a petition in January 2023. Thus far, the lawsuit has yet to be final and conclusive, depending on future judicial decisions. My opinion is not modified in respect of this matter.

Key Audit Matter

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

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

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

Allowance for diminution in value of inventory

The Group had a significant net outstanding balance of inventory in manufacture and distribution of batteries as at 31 March 2023 amounting to Baht 701 million since prices of lead as raw material for batteries fluctuated in line with changing supply and demand in the global market, leading to effect on battery production costs. The Group was limited in its ability to increase the selling prices of batteries. As a result, estimating the net realisable value of inventory as disclosed in Note 9 to the financial statements requires detailed analysis of the product life cycle, the competitive environment, economic circumstances, situations within the industry and basis applied in estimating prices of batteries. There is thus a risk with respect to the amount of provision set aside for diminution in the value of inventory.

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

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

Other Matter

On 28 April 2022, the Annual General Meeting of Shareholders of the Company passed a resolution to approve the change of accounting period from a period starting on 1 January and ending on 31 December to a period starting on 1 April and ending on 31 March, effective from 2022. Therefore, the comparative financial statements for the period ended 31 March 2022 including notes to the financial statements were prepared for three-month period and therefore the figures, as presented herein, are not all comparable.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

From the 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.

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



Vilailak Laohasrisakul

Certified Public Accountant (Thailand) No. 6140

EY Office Limited

Bangkok: 29 May 2023

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of Financial Position

As at 31 March 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	610,064,228	392,965,714	441,244,972	156,261,789
Trade and other receivables	6, 8	500,704,235	602,525,964	504,736,654	641,194,835
Short-term loans to a related party	6	-	-	400,000,000	450,000,000
Inventories	9	700,742,014	952,540,378	598,294,039	807,473,542
VAT refundable		261,585,114	147,598,906	261,585,114	147,598,906
Prepaid expenses		44,251,622	18,069,865	41,077,639	15,403,813
Other current assets		25,939,481	20,737,765	25,202,971	19,655,639
Total current assets		2,143,286,694	2,134,438,592	2,272,141,389	2,237,588,524
Non-current assets					
Investments in subsidiaries	10	-	-	292,400,861	300,124,045
Investment properties	11	96,763,332	96,947,477	96,763,332	96,947,477
Property, plant and equipment	12	1,471,766,747	1,460,987,896	1,069,074,750	1,118,296,772
Other intangible assets	13	30,715,837	36,462,785	30,702,314	36,429,987
Deferred tax assets	20	81,829,959	86,245,549	83,486,172	84,345,662
Other non-current assets	14	19,624,616	141,842,948	17,387,842	129,453,398
Total non-current assets		1,700,700,491	1,822,486,655	1,589,815,271	1,765,597,341
Total assets		3,843,987,185	3,956,925,247	3,861,956,660	4,003,185,865

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

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of Financial Position (continued)

As at 31 March 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 15	467,641,938	635,608,472	558,362,754	787,335,078
Current portion of long-term loan from a related party	6	242,741,125	110,549,600	242,741,125	110,549,600
Current portion of lease liabilities	16	20,353,370	24,162,673	14,060,955	18,734,177
Provision for product warranty	17	196,052,032	199,591,996	196,052,032	199,591,996
Income tax payable		3,629,277	44,886,399	3,629,277	12,055,453
Other current liabilities		7,405,775	6,698,629	3,532,765	6,136,236
Total current liabilities		937,823,517	1,021,497,769	1,018,378,908	1,134,402,540
Non-current liabilities					
Long-term loan from a related party, net of current portion	6	418,375,676	555,097,179	418,375,676	555,097,179
Lease liabilities, net of current portion	16	23,916,656	24,609,673	15,717,213	11,002,122
Provision for long-term employee benefits	18	103,588,897	97,024,657	93,527,567	86,467,337
Total non-current liabilities		545,881,229	676,731,509	527,620,456	652,566,638
Total liabilities		1,483,704,746	1,698,229,278	1,545,999,364	1,786,969,178
Shareholders' equity					
Share capital					
Registered					
78,400,000 ordinary shares of Baht 10 each		784,000,000	784,000,000	784,000,000	784,000,000
Issued and fully paid up					
78,400,000 ordinary shares of Baht 10 each		784,000,000	784,000,000	784,000,000	784,000,000
Share premium		389,501,173	389,501,173	389,501,173	389,501,173
Deficits from changes in ownership interests in a subsidiary		(1,643,687)	(1,643,687)	-	-
Deficits from business combinations under common control		(92,719,572)	(92,719,572)	(92,719,572)	(92,719,572)
Retained earnings					
Appropriated - statutory reserve	21	44,443,183	24,508,290	44,443,183	24,508,290
Unappropriated		1,228,337,007	1,148,025,523	1,190,732,512	1,110,926,796
Equity attributable to owners of the Company		2,351,918,104	2,251,671,727	2,315,957,296	2,216,216,687
Non-controlling interests of the subsidiaries		8,364,335	7,024,242	-	-
Total shareholders' equity		2,360,282,439	2,258,695,969	2,315,957,296	2,216,216,687
Total liabilities and shareholders' equity		3,843,987,185	3,956,925,247	3,861,956,660	4,003,185,865
		-	-	-	-

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

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of Comprehensive Income

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 March 2023	For the period as from 1 January 2022 to 31 March 2022	For the year ended 31 March 2023	For the period as from 1 January 2022 to 31 March 2022
Note		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenues					
Revenue	25	5,249,284,928	1,432,570,778	5,175,828,410	1,423,675,689
Other income	10.1	21,570,767	4,088,665	143,670,672	24,465,842
Gain on exchange		60,934,646	46,546,029	60,934,646	46,546,029
Total revenues		5,331,790,341	1,483,205,472	5,380,433,728	1,494,687,560
Expenses					
Cost of sales		4,333,720,027	1,172,194,316	4,438,843,305	1,243,879,730
Selling and distribution expenses		439,615,044	100,192,948	437,795,071	99,669,948
Administrative expenses		361,408,214	123,784,277	334,950,492	99,514,383
Product warranty expenses		7,308,064	2,016,078	7,308,064	2,016,078
Total expenses		5,142,051,349	1,398,187,619	5,218,896,932	1,445,080,139
Profit from operating activities		189,738,992	85,017,853	161,536,796	49,607,421
Finance income		44,868	122,307	11,667,888	3,229,149
Finance cost	22	(16,633,463)	(4,659,422)	(16,094,946)	(4,502,168)
Profit before income tax expenses		173,150,397	80,480,738	157,109,738	48,334,402
Income tax expenses	20	(47,298,545)	(39,749,596)	(32,800,125)	(9,472,308)
Profit for the year/period		125,851,852	40,731,142	124,309,613	38,862,094
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax		38,618	-	(265,004)	-
Other comprehensive income for the year/period		38,618	-	(265,004)	-
Total comprehensive income for the year/period		125,890,470	40,731,142	124,044,609	38,862,094

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

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of Comprehensive Income (continued)

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the		For the	
		For the	period as from	For the	period as from
		year ended	1 January 2022 to	year ended	1 January 2022 to
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Profit attributable to					
Equity holders of the Company		124,520,868	40,731,668	124,309,613	38,862,094
Non-controlling interests of the subsidiaries		1,330,984	(526)		
		125,851,852	40,731,142		
Total comprehensive income attributable to					
Equity holders of the Company		124,550,377	40,731,668	124,044,609	38,862,094
Non-controlling interests of the subsidiaries		1,340,093	(526)		
		125,890,470	40,731,142		
Basic earnings per share	24				
Profit attributable to equity holders of the Company		1.59	0.52	1.59	0.50

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

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Statement of Changes in Shareholders' Equity

(Unit: Baht)

Consolidated financial statements								
Equity attributable to the Company's shareholders								
Issued and fully paid-up share capital	Share premium	Deficits from		Retained earnings		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		ownership changes in a subsidiary	combination under common control	Appropriated - statutory reserve	Unappropriated			
For the period as from 1 January 2022 to 31 March 2022:								
Balance as at 1 January 2022	784,000,000	389,501,173	(1,643,687)	(92,719,572)	22,585,185	1,109,236,960	2,210,940,059	2,217,964,827
Profit for the period	-	-	-	-	1,943,105	38,788,563	40,731,668	40,731,142
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,943,105	38,788,563	40,731,668	40,731,142
Balance as at 31 March 2022	784,000,000	389,501,173	(1,643,687)	(92,719,572)	24,508,290	1,148,025,523	2,251,671,727	2,258,695,969
For the year ended 31 March 2023:								
Balance as at 1 April 2022	784,000,000	389,501,173	(1,643,687)	(92,719,572)	24,508,290	1,148,025,523	2,251,671,727	2,258,695,969
Profit for the year	-	-	-	-	19,934,893	104,585,975	124,520,868	125,851,852
Other comprehensive income for the year	-	-	-	-	-	29,509	29,509	38,618
Total comprehensive income for the year	-	-	-	-	19,934,893	104,615,484	124,550,377	125,890,470
Dividend paid (Note 19)	-	-	-	-	-	(24,304,000)	(24,304,000)	(24,304,000)
Balance as at 31 March 2023	784,000,000	389,501,173	(1,643,687)	(92,719,572)	44,443,183	1,228,337,007	2,351,918,104	2,360,282,439
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Statement of Changes in Shareholders' Equity

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital	Share premium	Deficits from business combinations under common control	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
For the period as from 1 January 2022 to 31 March 2022:						
Balance as at 1 January 2022	784,000,000	389,501,173	(92,719,572)	22,565,185	1,074,007,807	2,177,354,593
Profit for the period	-	-	-	1,943,105	36,918,989	38,862,094
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,943,105	36,918,989	38,862,094
Balance as at 31 March 2022	784,000,000	389,501,173	(92,719,572)	24,508,290	1,110,926,796	2,216,216,687
For the year ended 31 March 2023:						
Balance as at 1 April 2022	784,000,000	389,501,173	(92,719,572)	24,508,290	1,110,926,796	2,216,216,687
Profit for the year	-	-	-	19,934,893	104,374,720	124,309,613
Other comprehensive income for the year	-	-	-	-	(265,004)	(265,004)
Total comprehensive income for the year	-	-	-	19,934,893	104,109,716	124,044,609
Dividend paid (Note 19)	-	-	-	-	(24,304,000)	(24,304,000)
Balance as at 31 March 2023	784,000,000	389,501,173	(92,719,572)	44,443,183	1,190,732,512	2,315,957,296

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

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Cash Flow Statement

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the		For the	
	For the	period as from	For the	period as from
	year ended	1 January 2022 to	year ended	1 January 2022 to
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Cash flows from operating activities				
Profit before tax	173,150,397	80,480,738	157,109,738	48,334,402
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	208,414,799	51,094,300	166,448,410	41,408,976
Allowance for expected credit losses (reversal)	(1,717,951)	3,686,169	(1,717,951)	3,686,169
Reversal of allowance for impairment loss of assets	(5,175)	(327,889)	(5,175)	(327,889)
Reduction of inventory to net realisable value (reversal)	1,890,736	(1,329,027)	2,103,755	(997,574)
Loss (gain) on disposal/write-off of property plant and equipment	2,132,695	(124,311)	537,385	(136,901)
Write-off assets	-	13,380	-	13,380
Provision for product warranty	7,306,299	1,607,783	7,306,299	1,607,783
Long-term employee benefits expenses	12,526,105	3,108,979	11,525,589	2,857,596
Unrealised gain on exchange rate	(37,761,974)	(40,696,406)	(37,761,974)	(40,696,406)
Share of profit from investment	-	-	(52,272,316)	-
Interest income	(44,868)	(122,307)	(11,667,888)	(3,229,149)
Interest expenses	16,633,463	4,659,422	16,094,946	4,502,168
Profit from operating activities before changes in operating assets and liabilities	382,524,526	102,050,831	257,700,818	57,022,555
Operating assets (increase) decrease				
Trade and other receivables	105,268,065	(86,413,241)	139,785,613	(87,716,709)
Inventories	249,907,628	(31,007,841)	207,075,748	(40,229,630)
VAT refundable	(113,986,208)	(38,094,459)	(113,986,208)	(38,094,459)
Prepaid expenses	(26,181,757)	(5,021,585)	(25,673,826)	(3,913,911)
Other current assets	(5,234,841)	(4,478,895)	(5,547,332)	(6,109,824)
Other non-current assets	(8,425,794)	2,708,442	30,391,607	1,357,532
Operating liabilities increase (decrease)				
Trade and other payables	(178,669,870)	16,987,743	(228,381,078)	104,100,788
Other current liabilities	707,146	1,923,724	(2,603,471)	1,707,511
Cash flows from (used in) operating activities	405,908,895	(41,345,281)	258,761,871	(11,876,147)
Cash paid for long-term employee benefits	(5,913,591)	(1,065,418)	(4,796,614)	(479,459)
Cash paid for product warranty	(10,846,263)	(2,298,099)	(10,846,263)	(2,298,099)
Cash paid for interest expenses	(12,495,245)	(4,463,610)	(12,495,245)	(4,463,610)
Cash paid for income tax	(84,116,606)	(1,972,902)	(40,267,323)	(29,965)
Cash received from VAT refundable	81,640,710	-	81,640,710	-
Net cash flows from (used in) operating activities	374,177,900	(51,145,310)	271,997,136	(19,147,280)

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

Thai Energy Storage Technology Public Company Limited and its subsidiaries

Cash Flow Statement (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 March 2023	For the period as from 1 January 2022 to 31 March 2022	For the year ended 31 March 2023	For the period as from 1 January 2022 to 31 March 2022
Cash flows from investing activities				
Decrease in short-term loans to a related party	-	-	50,000,000	-
Acquisition of property, plant and equipment	(135,626,059)	(74,470,656)	(93,226,549)	(55,071,140)
Proceeds from sales of property, plant and equipment	472,528	276,681	145,425	276,681
Acquisition of other intangible assets	(20,802)	-	(20,802)	-
Proceeds from return of amount of assets from a subsidiary	-	-	59,995,500	-
Cash received from interest income	545,044	472	12,286,969	2,610,465
Net cash flows from (used in) investing activities	(134,629,289)	(74,193,503)	29,180,543	(52,183,994)
Cash flows from financing activities				
Increase (decrease) in long-term loan from a related party	29,803,032	(32,358,628)	29,803,032	(32,358,628)
Dividend paid	(24,304,000)	-	(24,304,000)	-
Cash paid for lease liabilities	(27,949,129)	(6,813,681)	(21,693,528)	(5,324,781)
Net cash flows used in financing activities	(22,450,097)	(39,172,309)	(16,194,496)	(37,683,409)
Net increase (decrease) in cash and cash equivalents	217,098,514	(164,511,122)	284,983,183	(109,014,683)
Cash and cash equivalents at beginning of year/period	392,965,714	557,476,836	156,261,789	265,276,472
Cash and cash equivalents at end of year/period	610,064,228	392,965,714	441,244,972	156,261,789
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in accounts payable				
for purchases of assets	9,192,898	(22,436,310)	(2,101,683)	(19,488,329)
Transfer deposit from purchase assets to				
property, plant and equipment	49,003,416	-	36,628,866	-
Transfer property, plant and equipment to other intangible assets	93,500	-	93,500	-

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2023

1. General information

1.1 Company Information

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

1.2 Change of accounting period

On 28 April 2022, the Annual General Meeting of Shareholders of the Company passed a resolution to approve the change of accounting period from a period starting on 1 January and ending on 31 December to a period starting on 1 April and ending on 31 March, effective from 2022. Therefore, the comparative financial statements for the period ended 31 March 2022 including note to the financial statements were prepared for three-month period and therefore the figures, as presented herein, are not all comparable.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Energy Storage Technology Public Company Limited (“the Company”) and the following subsidiaries (hereinafter called as “the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			(%)	(%)
Held by the Company				
3K Products Company Limited*	Local distribution agency of batteries	Thailand	100	100
Thai Nonferrous Metal Company Limited	Manufacturer of lead alloy and pure lead	Thailand	97	97
Power Plas Company Limited*	Manufacturer and distribution of plastic casing for batteries	Thailand	100	100

*Completed the dissolution process in the year 2019

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

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

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

Interest income

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

Finance cost

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 Investments in subsidiaries

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

4.5 Investment properties

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

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

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

No depreciation is provided on land.

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

4.6 Property, plant and equipment and depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.7 Intangible assets and amortisation

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

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

The estimated useful lives of computer software are 10 years.

4.8 Lease

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

Group as a lessee

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

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	2 and 3	years
Machinery and equipment	1 - 10	years
Furniture and office equipment	4	years
Vehicles	3 - 6	years

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

4.9 Related party transactions

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

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

4.10 Business combinations under common control

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

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

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

4.11 Foreign currencies

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

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

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

4.12 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

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

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

Offsetting of financial instruments

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

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

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

Allowance for diminution in value of inventory

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

Assurance-type warranty to customers

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

Post-employment benefits under defined benefit plans

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

Litigations

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

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	For the period as from		For the period as from		
	For the year ended 31 March 2023	1 January 2022 to 31 March 2022	For the year ended 31 March 2023	1 January 2022 to 31 March 2022	
					Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	12	3	2.80% p.a.
Other income	-	-	86	20	Contract price
Purchase of raw materials	-	-	1,163	407	Agree upon basis
<u>Transactions with related parties</u>					
Service fee	-	19	-	19	Agree upon basis
Technical assistance fee	13	3	13	3	Contract price
System maintenance fee	7	-	7	-	Agree upon basis
Interest expense	15	4	15	4	2.50% p.a. and 2.93% p.a. (2022: 2.50% p.a.)

The balances of the accounts between the Company and those related parties as at 31 March 2023 and 2022 are as follows.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade and other receivables - related parties (Note 8)				
Subsidiary	-	-	30,462	40,947
Parent company	15	670	15	670
Related companies	-	172	-	172
Total	15	842	30,477	41,789
Trade and other payables - related parties (Note 15)				
Subsidiary	-	-	133,984	212,455
Related companies	11,321	9,970	11,321	9,970
Total	11,321	9,970	145,305	222,425

Loan to related party and loan from related party

The balances of loans between the Company and those related parties as at 31 March 2023 and 2022, and the movement are as follows.

(Unit: Thousand Baht)				
	Separate financial statements			
	Balance as at 31 March 2022	Increase during the year	Decrease during the year	Balance as at 31 March 2023
Short-term loans to a related party				
Subsidiary	450,000	40,000	(90,000)	400,000
Total	450,000	40,000	(90,000)	400,000

(Unit: Thousand Baht)					
	Consolidated / Separate financial statements				
	Balance as at 31 March 2022	Increase during the year	Decrease during the year	Unrealised gain from exchange rate	Balance as at 31 March 2023
Long-term loan from a related party					
Parent company	665,647	135,000	(105,197)	(34,333)	661,117
Total	665,647	135,000	(105,197)	(34,333)	661,117

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

Directors and management's benefits

During the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial		Separate financial statements	
	statements			
	For the period		For the period	
	For the year ended 31 March 2023	as from 1 January 2022 to 31 March 2022	For the year ended 31 March 2023	as from 1 January 2022 to 31 March 2022
Short-term employee benefits	51,464	12,964	48,898	12,241
Post-employment benefits	917	265	870	253
Total	52,381	13,229	49,768	12,494

Guarantee obligations with related party

The Company has outstanding guarantee obligations with its related parties, as described in Note 27.3 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	616	655	566	605
Bank deposits	609,128	392,295	440,359	155,641
Cheque on hand	320	16	320	16
Total	610,064	392,966	441,245	156,262

As at 31 March 2023, bank deposits in savings accounts and fixed deposits of the Group carried interest at the rates between 0.00% and 0.40% per annum (2022: between 0.00% and 0.30% per annum) (the Company only: between 0.00% and 0.40% per annum (2022: between 0.00% and 0.30% per annum)).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	329,113	424,172	307,198	421,979
Past due				
Up to 3 months	61,988	72,766	58,154	72,766
3 - 6 months	223	2,758	223	2,758
6 - 12 months	805	194	805	194
Over 12 months	154,895	150,494	154,895	150,494
Total	547,024	650,384	521,275	648,191
Less: Allowance for expected credit losses	(48,274)	(49,992)	(48,274)	(49,992)
Total trade receivables - unrelated parties, net	498,750	600,392	473,001	598,199
Total trade receivables - net	498,750	600,392	473,001	598,199
<u>Other receivables</u>				
Advances - unrelated parties	1,211	648	1,211	648
Others receivable - related parties	15	842	30,477	41,789
Others receivable - unrelated parties	717	132	37	47
Others	11	512	11	512
Total	1,954	2,134	31,736	42,996
Total other receivables	1,954	2,134	31,736	42,996
Total trade and other receivables - net	500,704	602,526	504,737	641,195

The normal credit term is 7 to 120 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2023	2022
Balance as at beginning of year/period	49,992	46,306
Provision for expected credit losses (reversal)	(1,718)	3,686
Balance as at end of year/period	48,274	49,992

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	229,823	242,865	(4,050)	(3,448)	225,773	239,417
Work in process	214,569	266,482	(1,269)	(12)	213,300	266,470
Raw materials	204,132	349,550	(4,705)	(4,315)	199,427	345,235
Spare parts and factory supplies	54,856	49,798	(2,499)	(2,859)	52,357	46,939
Goods in transit	9,885	54,479	-	-	9,885	54,479
Total	713,265	963,174	(12,523)	(10,634)	700,742	952,540

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	208,971	205,549	(4,050)	(3,448)	204,921	202,101
Work in process	185,374	245,723	(1,269)	(12)	184,105	245,711
Raw materials	149,922	261,136	(2,477)	(2,357)	147,445	258,779
Spare parts and factory supplies	53,259	47,600	(1,321)	(1,196)	51,938	46,404
Goods in transit	9,885	54,479	-	-	9,885	54,479
Total	607,411	814,487	(9,117)	(7,013)	598,294	807,474

During the year/period movements in the allowance for reduction of inventories to net realisable value account are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance as at beginning of year/period	10,634	11,962	7,013	8,011
Add: Reduction of inventories to net realisable value	10,154	2,350	7,848	2,515
Less: Reversal of reduction of inventories to net realisable value	(8,265)	(3,678)	(5,744)	(3,513)
Balance as at end of year/period	12,523	10,634	9,117	7,013

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

10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
	Million Baht	Million Baht	(%)	(%)		
3K Products Company Limited	-	8	100	100	277	8,000
Thai Nonferrous Metal Company Limited	250	250	97	97	229,632	229,632
Power Plas Company Limited	65	65	100	100	72,242	72,242
Total					302,151	309,874
Less: Allowance for impairment					(9,750)	(9,750)
Net investment in subsidiaries					292,401	300,124

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

10.2 Details of subsidiary that has material non-controlling interests

(Unit: Million Baht)

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year/period		Dividend paid to non-controlling interests during the year/period	
	2023	2022	2023	2022	2023	2022	2023	2022
	(%)	(%)						
Thai Nonferrous Metal Company Limited	3	3	8.4	7.0	1.3	-	-	-

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

Summarised information about financial position as at 31 March 2023 and 2022.

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022
Thai Nonferrous Metal Company Limited	358	476	405	356	(467)	(573)	(18)	(24)

Summarised information about comprehensive income for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022.

(Unit: Million Baht)

Company	Revenue		Profit or loss		Other comprehensive income		Total comprehensive income	
	For the period as from		For the period as from		For the period as from		For the period as from	
	For the year ended	1 January 2022 to	For the year ended	1 January 2022 to	For the year ended	1 January 2022 to	For the year ended	1 January 2022 to
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Thai Nonferrous Metal Company Limited	1,240	416	44	-	-	-	44	-

Summarised information about cash flows for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022.

(Unit: Million Baht)

Company	Cash flows from (used in) operating activities		Cash flows used in investing activities		Cash flows used in financing activities		Net decrease in cash and cash equivalents	
	For the period as from		For the period as from		For the period as from		For the period as from	
	For the year ended	1 January 2022 to	For the year ended	1 January 2022 to	For the year ended	1 January 2022 to	For the year ended	1 January 2022 to
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Thai Nonferrous Metal Company Limited	137	(32)	(95)	(19)	(49)	(4)	(7)	(55)

11. Investment properties

The net book value of investment properties as at 31 March 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements		
	Condominium		
	Land	units	Total
31 March 2023:			
Cost	95,216	7,400	102,616
Less: Accumulated depreciation	-	(5,853)	(5,853)
Net book value	95,216	1,547	96,763
31 March 2022:			
Cost	95,216	7,400	102,616
Less: Accumulated depreciation	-	(5,669)	(5,669)
Net book value	95,216	1,731	96,947

A reconciliation of the net book value of investment properties for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2023	2022
Net book value at beginning of year/period	96,947	96,993
Depreciation charged	(184)	(46)
Net book value at end of year/period	96,763	96,947

The fair value of the investment properties as at 31 March 2023 and 2021 stated below:

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2023	2022
Land	249,190	249,190
Condominium units	11,050	11,050

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

12. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Net book value</u>				
Property, plant and equipment	1,428,359	1,413,406	1,039,755	1,089,463
Right-of-use assets (Note 16 a)	43,408	47,582	29,320	28,834
Total	1,471,767	1,460,988	1,069,075	1,118,297

Movements of property, plant and equipment (exclude right-of-use assets) for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 are summarised below.

	Consolidated financial statements						(Unit: Thousand Baht)
	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Cost							
1 January 2022	315,652	944,841	3,366,640	126,983	27,987	45,070	4,827,173
Acquisitions	-	2,146	4,352	1,350	-	44,186	52,034
Disposals/write-off	-	-	(7,269)	(413)	(1,070)	-	(8,752)
Transfer in (out)	-	1,441	38,086	1,748	266	(41,541)	-
Reclassification	-	-	-	-	-	(13)	(13)
31 March 2022	315,652	948,428	3,401,809	129,668	27,183	47,702	4,870,442
Acquisitions	-	6,342	101,608	2,149	7	83,717	193,823
Disposals/write-off	-	(337)	(134,242)	(259)	(11)	(53)	(134,902)
Transfer in (out)	787	20,354	97,442	2,107	-	(120,783)	(93)
31 March 2023	316,439	974,787	3,466,617	133,665	27,179	10,583	4,929,270
Accumulated depreciation							
1 January 2022	-	570,186	2,455,181	111,501	23,162	-	3,160,030
Depreciation for the period	-	8,144	32,684	1,954	302	-	43,084
Depreciation on disposals/write-off	-	-	(7,142)	(410)	(1,047)	-	(8,599)
31 March 2022	-	578,330	2,480,723	113,045	22,417	-	3,194,515
Depreciation for the year	-	34,092	133,959	6,933	1,192	-	176,176
Depreciation on disposals/write-off	-	(192)	(131,843)	(252)	(9)	-	(132,296)
31 March 2023	-	612,230	2,482,839	119,726	23,600	-	3,238,395

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation
Allowance for impairment loss						
1 January 2022	-	59	262,600	73	116	-
Reversal due to write-off assets	-	-	(211)	-	(116)	-
31 March 2022	-	59	262,389	73	-	-
Reversal due to write-off assets	-	-	(5)	-	-	-
31 March 2023	-	59	262,384	73	-	-
Net book value						
31 March 2022	315,652	370,039	658,697	16,550	4,766	47,702
31 March 2023	316,439	362,498	721,394	13,866	3,579	10,583
Depreciation for the period/year						
For the period as from 1 January 2022 to 31 March 2022 (Baht 38 million included in manufacturing cost, and the balance in administrative expenses)						43,084
For the year ended 31 March 2023 (Baht 158 million included in manufacturing cost, and the balance in administrative expenses)						176,176

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	
Cost						
1 January 2022	267,223	719,560	2,225,596	110,234	12,506	3,367,961
Acquisitions	-	-	2,636	548	-	35,583
Disposals/write-off	-	-	(7,232)	(413)	(1,070)	(8,715)
Transfer in (out)	-	-	33,611	-	-	-
Reclassification	-	-	-	-	-	(13)
31 March 2022	267,223	719,560	2,254,611	110,369	11,436	3,394,816
Acquisitions	-	-	5,372	2,029	7	91,125
Disposals/write-off	-	-	(49,532)	(259)	(11)	(49,855)
Transfer in (out)	787	17,426	84,286	2,107	-	(93)
31 March 2023	268,010	736,986	2,294,737	114,246	11,432	3,435,993
Accumulated depreciation						
1 January 2022	-	411,467	1,753,745	93,678	11,215	2,270,105
Depreciation for the period	-	6,759	26,228	1,693	110	34,790
Depreciation on disposals/write-off	-	-	(7,119)	(410)	(1,047)	(8,576)
31 March 2022	-	418,226	1,772,854	94,961	10,278	2,296,319
Depreciation for the year	-	27,709	106,076	5,883	394	140,062
Depreciation on disposals/write-off	-	-	(48,911)	(252)	(9)	(49,172)
31 March 2023	-	445,935	1,830,019	100,592	10,663	2,387,209

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Building and building improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation
Allowance for impairment loss						
1 January 2022	-	59	9,146	40	116	-
Reversal due to write-off assets	-	-	(211)	-	(116)	-
31 March 2022	-	59	8,935	40	-	-
Reversal due to write-off assets	-	-	(5)	-	-	-
31 March 2023	-	59	8,930	40	-	-
Net book value						
31 March 2022	267,223	301,275	472,822	15,368	1,158	31,617
31 March 2023	268,010	290,992	455,788	13,614	769	10,582
Depreciation for the period/year						
For the period as from 1 January 2022 to 31 March 2022 (Baht 30 million included in manufacturing cost, and the balance in administrative expenses)						34,790
For the year ended 31 March 2023 (Baht 124 million included in manufacturing cost, and the balance in administrative expenses)						140,062

As at 31 March 2023, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 1,770 million (2022: Baht 1,647 million) (the Company only: Baht 1,704 million (2022: Baht 1,516 million)).

13. Intangible assets

The net book value of intangible assets as at 31 March 2023 and 2022 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Computer software		
31 March 2023:		
Cost	91,612	90,259
Less: Accumulated amortisation	(59,861)	(58,522)
Less: Allowance for diminution in value	(1,035)	(1,035)
Net book value	30,716	30,702
31 March 2022:		
Cost	91,498	90,145
Less: Accumulated amortisation	(54,000)	(52,680)
Less: Allowance for diminution in value	(1,035)	(1,035)
Net book value	36,463	36,430

A reconciliation of the net book value of intangible assets for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Net book value at beginning of year/period	36,463	38,031	36,430	37,993
Acquisition of computer software	21	-	21	-
Amortisation (included in administrative expense)	(5,861)	(1,568)	(5,842)	(1,563)
Transfers	93	-	93	-
Net book value at end of year/period	30,716	36,463	30,702	36,430

14. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deposits	5,459	3,719	5,459	3,719
Advance payment for fixed assets	8,012	42,950	7,648	30,575
Withholding tax	-	1,351	-	1,351
Receivable from revenue department	1,857	89,427	-	89,427
Others	4,297	4,396	4,281	4,381
Total	19,625	141,843	17,388	129,453

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade and other payables - related parties	11,321	9,970	145,305	222,425
Trade and other payables - unrelated parties	240,906	338,510	217,367	302,750
Payables for purchase of assets - unrelated parties	15,765	6,572	3,696	5,798
Accrued sales incentives	53,476	24,660	53,476	24,660
Advance received from customers	29,226	120,488	29,226	120,488
Excise tax payable	31,438	24,797	31,438	24,797
Accrued expenses	85,510	110,611	77,855	86,417
Total	467,642	635,608	558,363	787,335

16. Leases

The Group as a lease

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

a) Right-of-use assets

Movements of right-of-use assets in the consolidated financial statements for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 are summarised below.

(Unit: Thousand Baht)

	Building	Machinery and equipment	Furniture and office equipment	Vehicles	Total
1 January 2022	13,155	28,422	141	10,381	52,099
Additions	-	1,878	-	-	1,878
Depreciation for the period	(1,627)	(2,767)	(20)	(1,981)	(6,395)
31 March 2022	11,528	27,533	121	8,400	47,582
Additions	9,845	12,174	-	-	22,019
Depreciation for the year	(6,702)	(12,173)	(81)	(7,237)	(26,193)
31 March 2023	14,671	27,534	40	1,163	43,408

Movements of right-of-use assets in the separate financial statements for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 are summarised below.

(Unit: Thousand Baht)

	Building	Machinery and equipment	Vehicles	Total
1 January 2022	13,156	8,979	10,380	32,515
Additions	-	1,330	-	1,330
Depreciation for the period	(1,628)	(1,403)	(1,980)	(5,011)
31 March 2022	11,528	8,906	8,400	28,834
Additions	9,845	11,001	-	20,846
Depreciation for the year	(6,702)	(6,421)	(7,237)	(20,360)
31 March 2023	14,671	13,486	1,163	29,320

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payments	46,788	51,196	31,230	30,583
Less: Deferred interest expenses	(2,518)	(2,423)	(1,452)	(847)
Total	44,270	48,773	29,778	29,736
Less: Portion due within one year	(20,353)	(24,163)	(14,061)	(18,734)
Lease liabilities, net of current portion	23,917	24,610	15,717	11,002

Movements of the lease liability account in the consolidated financial statements for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 are summarised below:

	(Unit: Thousand Baht)	
	2023	2022
Balance at beginning of year/period	48,773	53,310
Additions	22,019	1,878
Accretion of interest	1,427	398
Repayments	(27,949)	(6,813)
Balance at end of year/period	44,270	48,773

Movements of the lease liability account in the separate financial statements for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 are summarised below:

	(Unit: Thousand Baht)	
	2023	2022
Balance at beginning of year/period	29,736	33,490
Additions	20,846	1,330
Accretion of interest	889	241
Repayments	(21,693)	(5,325)
Balance at end of year/period	29,778	29,736

A maturity analysis of lease payments is disclosed in Note 29.1 under the liquidity risk.

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the	For the period
	year ended	as from 1 January
	31 March 2023	2022 to
		31 March 2022
Depreciation expense of right-of-use assets	26,193	6,395
Interest expense on lease liabilities	1,427	398
Expense relating to short-term leases and leases of low-value assets	3,795	337
Total	31,415	7,130

(Unit: Thousand Baht)

	Separate financial statements	
	For the	For the period
	year ended	as from 1 January
	31 March 2023	2022 to
		31 March 2022
Depreciation expense of right-of-use assets	20,360	5,011
Interest expense on lease liabilities	889	241
Expense relating to short-term leases and leases of low-value assets	3,323	207
Total	24,572	5,459

d) Others

The Group had total cash outflows for leases for the year ended 31 March 2023 of Baht 31.7 million (For the period as from 1 January 2022 to 31 March 2022: Baht 7.1 million) (the Company only: for the year ended 31 March 2023 of Baht 25.0 million (For the period as from 1 January 2022 to 31 March 2022: Baht 5.5 million)), including the cash outflow related to short-term lease.

17. Provision for product warranty

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2023	2022
At beginning of year/period	199,592	200,282
Increase during the year/period	10,721	2,750
Utilisation	(10,846)	(2,298)
Reversal	(3,415)	(1,142)
At end of year/period	196,052	199,592

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

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

18. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year/period	97,025	94,981	86,467	84,089
Included in profit or loss:				
Current service cost	10,775	2,921	9,936	2,711
Interest cost	1,751	188	1,591	147
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	1,611	-	1,611	-
Financial assumptions changes	(7,708)	-	(7,329)	-
Experience adjustments	6,049	-	6,049	-
Benefits paid during the year/period	(5,914)	(1,065)	(4,797)	(480)
Provision for long-term employee benefits at end of year/period	<u>103,589</u>	<u>97,025</u>	<u>93,528</u>	<u>86,467</u>

The Group expects to pay Baht 13 million of long-term employee benefits during the next year (2022: Baht 6.6 million) (the Company only: Baht 12 million (2022: Baht 4.6 million)).

As at 31 March 2023, the weighted average duration of the liabilities for long-term employee benefits is 6 - 8 years (2022: 6 - 8 years) (the Company only: 6 years (2022: 6 years)).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Discount rate	2.1 - 2.3	0.8 - 1.7	2.1	0.8
Salary increase rate	3.0 - 5.0	3.0 - 5.0	4.0 - 5.0	4.0 - 5.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2023 and 2022 are summarised below:

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

	(Unit: Million Baht)			
	2022			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(3.0)	3.2	(2.7)	2.8
Salary increase rate	3.9	(3.7)	3.5	(3.3)

19. Dividend paid

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

20. Income tax

Income tax expenses are made up as follows.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	For the period	For the period
	as from	as from
	For the	For the
	year ended	year ended
	31 March 2023	31 March 2023
	31 March 2022	31 March 2022
Current income tax:		
Current income tax charge for the year/period	42,893	31,874
Income tax charge for the previous years	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	4,406	926
Income tax expenses reported in the statement of comprehensive income	47,299	32,800

The amounts of income tax relating to each component of other comprehensive income are as follows.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	For the period	For the period
	as from	as from
	For the	For the
	year ended	year ended
	31 March 2023	31 March 2023
	31 March 2022	31 March 2022
Deferred tax on actuarial loss (gain)	(10)	66

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the period as from		For the period as from	
	For the year ended 31 March 2023	1 January 2022 to 31 March 2022	For the year ended 31 March 2023	1 January 2022 to 31 March 2022
Accounting profit before tax	173,150	80,481	157,110	48,334
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	34,630	16,096	31,422	9,667
Adjustment in respect of income tax of previous years	-	20,560	-	-
Effects of:				
- Non-deductible expenses and eliminations	18,379	3,483	7,088	207
- Additional expense deductions allowed	(4,745)	(143)	(4,745)	(135)
- Temporary differences - unrecognised deferred tax assets	-	123	-	-
- Others	(965)	(369)	(965)	(267)
Income tax expenses reported in the statement of comprehensive income	47,299	39,750	32,800	9,472

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

	(Unit: Thousand Baht)			
	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	15,451	17,686	15,451	17,686
Allowance for diminution in value of inventories	2,504	5,177	1,823	1,403
Allowance for asset impairment	4,972	4,708	6,915	6,652
Provision for product warranty	39,210	39,918	39,210	39,918
Provision for long-term employee benefits	20,718	19,405	18,705	17,293
Lease	8,854	9,754	5,956	5,947
Reserve for litigation	5,383	5,383	3,700	3,700
Total	97,092	102,031	91,760	92,599

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax liabilities				
Accumulated depreciation - building and equipment	6,581	6,269	2,410	2,486
Right-of-use assets	8,681	9,516	5,864	5,767
Total	15,262	15,785	8,274	8,253
Net	81,830	86,246	83,486	84,346

21. Statutory reserve

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

22. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	as from		as from	
	For the	1 January	For the	1 January
	year ended	2022 to	year ended	2022 to
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Interest expense on borrowings	15,206	4,261	15,206	4,261
Interest expense on lease liabilities	1,427	398	889	241
Total	16,633	4,659	16,095	4,502

23. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	as from		as from	
	For the	1 January	For the	1 January
	year ended	2022 to	year ended	2022 to
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Salaries, wages and other employee benefits	624,003	178,560	575,846	165,091
Depreciation and amortization	208,414	51,093	166,448	41,410
Sales promotion expenses	16,104	4,609	16,104	4,609
Excise tax expenses	304,299	66,987	304,299	66,987
Repair and maintenance expenses	93,236	37,391	81,690	28,510
Electricity expenses	220,822	52,723	209,280	48,814
Shipping expenses	95,502	23,158	93,682	22,635
Surplus of value added tax from previous years	-	16,299	-	-
Raw materials and consumables used and purchase of finished goods	4,634,011	1,350,346	3,619,684	1,033,577
Changes in inventories of finished goods and work in process	(64,955)	(12,334)	56,927	9,712

24. Earnings per share

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

25. Segment information

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

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

The Group's geographical segment information based on location of customers for the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022 were as follows:

	(Unit: Million Baht)	
	Revenue	
	For the year ended 31 March 2023	For the period as from 1 January 2022 to 31 March 2022
Thailand	2,425	581
Other countries	2,824	852
Total	5,249	1,433

For the year ended 31 March 2023 and for the period as from 1 January 2022 to 31 March 2022, the Group has no major customer with revenue of 10% or more of an entity's revenues.

26. Provident fund

The Company and certain subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and certain subsidiaries contribute to the funds monthly at rates of 2% - 5% of basic salary. The funds, which are managed by UOB Asset Management (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year ended 31 March 2023 amounting to Baht 11 million (for the period as from 1 January 2022 to 31 March 2022: Baht 3 million) (the Company only: for the year ended 31 March 2023 amounting to Baht 10 million (for the period as from 1 January 2022 to 31 March 2022: Baht 3 million)) were recognised as expenses.

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 March 2023 and 2022, the Group had capital commitments relating to the acquisition of machinery and equipment from unrelated parties as follows.

Currency	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Baht	5	21	3	4
YEN	13	-	13	-

27.2 Service commitments

The Group has entered into several service agreements. The terms of the agreements are generally between 1 and 3 years. As at 31 March 2023, the Group had future minimum lease and service payments required under these non-cancellable service agreements as follows.

	Consolidated	Separate
	financial statements	financial statements
In up to 1 year	10	8
In over 1 to up to 3 years	-	-

27.3 Guarantees

As at 31 March 2023 and 2022, there were outstanding bank guarantees issued by the banks on behalf of the Group as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Bank guarantee for performance bonds	6	9	6	6
Bank guarantee for electricity use	19	19	17	17

As at 31 March 2023, the Group has been granted various types of credit facilities, by several financial institutions of which Baht 9 million (2022: Baht 6 million), has not been utilised. Most of the facilities have been cross-guaranteed among the Group.

27.4 Technical assistance agreement

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

27.5 Contingent liabilities for litigations

In 2018, the Group received a summons and copies of complaints filed by its former employees in a civil lawsuit. The former employees petitioned Thai court to order the Group to pay a compensation of Baht 181 million for alleged breaches of contract arising from the termination of their employment, plus pre- and post-trial interest. In March 2021, the Court of First Instance ordered the Group to pay a compensation totaling Baht 29.7 million and interest at a rate of 7.5% per annum from the date of default to the date the complete payment was made. The Group placed Baht 37.85 million as collateral for a stay of execution and recorded liabilities arising from this litigation in the year 2021. However, the Court of Appeal granted a deadline extension for filing an appeal, and the former employees had filed the appeal. The Group filed the appeal against the judgment to the Court of Appeal in November 2021. In September 2022, the Court of Appeal upheld the ruling handed down by the Court of First Instance, ordering the Group to pay a reduced amount of compensation totaling Baht 8.1 million and interest at a rate of 7.5% per annum and 5% per annum from the date of default to the date the complete payment was made. In November 2022, the Group submitted a petition again asking for an extension for filing a petition to the Court of Supreme, which later granted an approval for an extension of deadline for filling a petition. To date, the Group decided not to lodge any further petition, but the former employees remained firm on their decision to lodge a petition in January 2023. Thus far, the lawsuit has yet to be final and conclusive, depending on future judicial decisions.

28. Fair value hierarchy

As at 31 March 2023 and 2022, the Group had significant assets that were disclosed at fair value using levels of inputs as follows:

(Unit: Million Baht)

	Consolidated / Separate financial statements							
	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed								
Investment properties	-	-	260	260	-	-	260	260

29. Financial instruments

29.1 Financial risk management objectives and policies

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

Credit risk

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

Trade receivables

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

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

Financial instruments and cash deposits

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

Market risk

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

Foreign currency risk

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

As at 31 March 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	11	13	-	1	34.21	33.11
YEN	40	73	2,561	2,434	0.26	0.28

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar and YEN exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of the trade receivable and loans that are the main items in foreign currency as at 31 March 2023 and 2022. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2023		2022	
	Change in FX rate	Effect on profit	Change in FX rate	Effect on profit
		before tax		before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+1 Baht/US dollar	10,372	+1 Baht/US dollar	11,443
	- 1 Baht/US dollar	(10,372)	- 1 Baht/US dollar	(11,443)
YEN	+1 Baht/YEN	(25,418)	+1 Baht/YEN	(23,592)
	-1 Baht/YEN	25,418	-1 Baht/YEN	23,592

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

Interest rate risk

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

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

As at 31 March 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	2023						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 - 5		interest	interest		interest rate
	1 year	year	> 5 year	rate	bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	323	287	610	0.00 - 0.40
Trade and other receivables	-	-	-	-	501	501	-
	-	-	-	323	789	1,111	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	468	468	-
Lease liabilities	20	24	-	-	-	44	1.91 - 5.37
Long-term loan from							
a related party	243	416	2	-	-	661	2.50 - 2.93
	263	440	2	-	468	1,173	

(Unit: Million Baht)

Consolidated financial statements

	2022						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 - 5		interest	interest		interest rate
	1 year	year	> 5 year	rate	bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	126	267	393	0.00 - 0.30
Trade and other receivables	-	-	-	-	603	603	-
	-	-	-	126	870	996	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	636	636	-
Lease liabilities	24	23	2	-	-	49	1.91 - 4.15
Long-term loan from							
a related party	111	442	113	-	-	666	2.50
	135	465	115	-	636	1,351	

(Unit: Million Baht)

Separate financial statements

	2023						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 - 5		interest	interest		interest rate
	1 year	year	> 5 year	rate	bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	305	136	441	0.00 - 0.40
Trade and other receivables	-	-	-	-	505	505	-
Short-term loans to							
a related party	400	-	-	-	-	400	2.80
	400	-	-	305	641	1,346	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	558	558	-
Lease liabilities	14	16	-	-	-	30	1.91 - 5.37
Long-term loan from							
a related party	243	416	2	-	-	661	2.50 - 2.93
	257	432	2	-	558	1,249	

(Unit: Million Baht)

	Separate financial statements						
	2022						
	Fixed interest rates			Floating	Non-		Effective
	Within	1 - 5		interest	interest		interest rate
	1 year	year	> 5 year	rate	bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	108	48	156	0.00 - 0.30
Trade and other receivables	-	-	-	-	641	641	-
Short-term loans to							
a related party	450	-	-	-	-	450	2.80
	450	-	-	108	689	1,247	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	787	787	-
Lease liabilities	19	11	-	-	-	30	1.96 - 3.90
Long-term loan from							
a related party	111	442	113	-	-	666	2.50
	130	453	113	-	787	1,483	

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

Commodity price risk

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

Liquidity risk

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

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

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 March 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 March 2023					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	467,642	-	-	467,642
Long-term loan from a related party	-	242,741	416,165	2,211	661,117
Lease liabilities	-	21,547	25,241	-	46,788
Total non-derivatives	-	731,930	441,406	2,211	1,175,547

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 March 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	635,608	-	-	635,608
Long-term loan from a related party	-	110,550	442,198	112,899	665,647
Lease liabilities	-	25,273	23,373	2,550	51,196
Total non-derivatives	-	771,431	465,571	115,449	1,352,451

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 March 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	558,363	-	-	558,363
Long-term loan from a related party	-	242,741	416,165	2,211	661,117
Lease liabilities	-	14,876	16,354	-	31,230
Total non-derivatives	-	815,980	432,519	2,211	1,250,710

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 March 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	787,335	-	-	787,335
Long-term loan from a related party	-	110,550	442,198	112,899	665,647
Lease liabilities	-	19,318	11,265	-	30,583
Total non-derivatives	-	917,203	453,463	112,899	1,483,565

29.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31

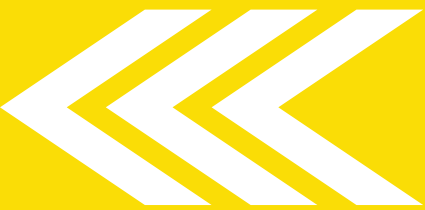
March 2023, the Group's debt-to-equity ratio was 0.63:1 (2021: 0.75:1) and the Company's debt-to-equity ratio was 0.67:1 (2022: 0.81:1).

31. Event after the reporting period

On 29 May 2023, the Company's Board of Directors' Meeting passed a resolution approving a dividend payment from the Company's operating results for the year 2023 at Baht 0.25 per share for 78,400,000 ordinary shares, amounting to Baht 19.6 million. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2023 for further consideration and approval.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 May 2023.



SECTION 4



Certification of Information Accuracy



Part 4**Information Certification for 56-1 One Report Submissions**

To certify accuracy of information in the annual registration statement/ annual report, the authorized director shall sign and affix the company seal (if any) in the annual registration statement / annual report and authorize any person to also sign the document in the annual registration statement, using the text and format as follows:

“The Company has reviewed the information in this annual registration statement / annual report with care. The Company certifies that such information is correct, complete, not false or misleading to others, or lacks information that should be notified in important matters. In addition, the Company certifies that”

(1) The financial statements and financial information summarized in the annual registration statement /annual report have completely and accurately presented information on the financial position, operating results, and cash flows of the Company and its subsidiaries;

(2) The Company has established a good information disclosure system to ensure that the Company has disclosed the material information of both the Company and its subsidiaries correctly and completely, as well as supervising to ensure compliance with such system;

(3) The Company has established good internal control system and supervised to ensure compliance of such system. The Company has informed about the assessment of the internal control system as of the latest date to the auditor and the Company's Audit Committee. This covers deficiencies and significant changes in the internal control system, including malpractices that may affect the Company's and its subsidiaries' financial reporting.

In this regard, as evidence that all documents are the same set of documents that the Company has certified, the Company has assigned Mr. Wirachai Bunchuchuen to sign this document on every page. If any document does not have the signature of Mr. Wirachai Bunchuchuen, the Company will assume that it is not the information that the Company has certified of accuracy of the information mentioned above.

Name	Position	Signature **
Mr. Akihiko Emori	Chief Executive OfficerAkihiko Emori.....

Name	Position	Signature **
Authorized person Mr. Wirachai Bunchuchuen	General Manager-Accounting and FinanceWirachai Bunchuchuen.....

In this regard, Section 89/20 *** of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 stipulates that directors and executives must jointly be liable to persons who trade in the Company's securities for any damages arising from disclosure of information to shareholders or the general public by expressing materially false statements or concealing facts that should have been disclosed in material respects in the case of financial statements and reports on the Company's financial position and results of operations or any other reports which must be disclosed in accordance with Section 56 without limiting the liability to only the directors and executives who have signed to certify the accuracy of the information in such documents. However, directors or executives who can prove that by their position they are unable to know the truthfulness or the lack of the information that should be reported are not liable under Section 89/20.

Note *** Only applies to companies that are subject to Chapter 3/1 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551.



APPENDIX



Appendix 1

Details of Directors, Executives, Controlling Person, The highest responsibility in accounting and finance, The person who directly responsible for accounting supervision and Company Secretary.

Appendix 1

Board of Directors and Management Team

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
1. Mr. Masato Yoshida Position Chairman of Board of Directors Age 62 Years Working 1 year 4 Month	None	<ul style="list-style-type: none"> • Bachelor of Engineering, Tokyo Institute of Technology, Japan • Master of Engineering, Tokyo Institute of Technology, Japan • Doctor of Engineering, Tokyo Institute of Technology, Japan 	<ul style="list-style-type: none"> • 2021 – Present Chairman of Board of Directors, Thai Energy Storage Technology PLC. • 2021 – Present Representative of Board of Directors and Chief Executive Officer, Energywith Co., Ltd. • 2020 – 2021 Executive Officer, Showa Denko Materials Co., Ltd. • 2015 – 2010 Executive Officer, Hitachi Chemical Co., Ltd. • 2014 – 2015 General Manager, Tsukuba Research Center, Hitachi Chemical Co., Ltd. • 2007 – 2014 General Manager, Energy Related Materials Development Center, Hitachi Chemical Co., Ltd. • 2010 Joined Hitachi Chemical Co., Ltd. 	None
2. Mr. Akihiko Emori Position Vice Chairman of Board of Directors Chief Executive Officer Age 55 Years Working 1 year 4 Month	None	<ul style="list-style-type: none"> • Bachelor of Engineering, Shinshu University, Japan • Master of Engineering, Shinshu University, Japan • Doctor of Engineering, Shinshu University, Japan • Executive Development Program of The Wharton School, University of Pennsylvania, USA 	<ul style="list-style-type: none"> • 2021 – Present Vice Chairman of Board of Directors, Thai Energy Storage Technology PLC. • 2021 – Present Executive Officer, Energywith Co., Ltd. • 2020 – 2021 General Manager, Nabari works, Showa Denko Materials Co., Ltd. • 2019 – 2020 General Manager, Nabari works, Hitachi Chemical Co., Ltd. • 2015 – 2019 Senior Manager, Energy Storage Business Headquarters, Hitachi Chemical Co., Ltd. • 2013 – 2014 Senior Manager, Shin-Kobe Electric Machinery Co., Ltd and Hitachi Chemical Co., Ltd. • 2011 – 2013 Senior Manager, Hitachi Research Laboratory, Hitachi Co., Ltd. • 1987 Joined Hitachi Co., Ltd. 	None

Appendix 1

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
3. Mr. Masakatsu Suzuki Position Director Age 59 Years Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> Gunma University, Faculty of Engineering 	<ul style="list-style-type: none"> 2020 – Present Director, Thai Energy Storage Technology PLC. 2017 – Present General Manager, Automotive System Business Sector, Energy Storage Business Headquarters 2017 – 2019 General Manager, Industrial Battery System Business Sector, Energy Storage Business Headquarters 2015 – 2017 President, Hitachi Chemical Asia (Thailand) Co., Ltd. 2010 – 2015 Manager, Thai Project Group, Corporate Business Strategy Headquarter 	None
4. Mr. Tamotsu Sakata Position Director Age 55 Years Working 1 Year 4 Month	None	<ul style="list-style-type: none"> Tokyo Accounting Vocational school 	<ul style="list-style-type: none"> 2021 – Present Director, Thai Energy Storage Technology PLC. 2021 – Present Executive Officer, Chief Financial Officer, General Manager, Finance and Accounting Sector, Energywith Co., Ltd. 2020 – 2021 Manager Business Performance Management Group, Finance and Accounting Dept., Showa Denko Materials Co., Ltd. 2015 – 2020 Manager Business Performance Management Group, Finance and Accounting Dept., Hitachi Chemical Co., Ltd. 	None
5. Mr. Yoshihisa Nibe Position Director Age 55 Years Working 1 year 4 Month	None	<ul style="list-style-type: none"> Seikei University, Faculty of Literature Bond University, Global Leadership MBA 	<ul style="list-style-type: none"> 2021 – Present Director, Thai Energy Storage Technology PLC. 2021 – Present Senior Executive Officer General Manager, Marketing & Sales Headquarters, Energywith Co., Ltd. 2019 – 2021 Vice President, CSB Energy Technology Co., Ltd. 	None
6. Dr. Nontaphon Nimsomboon Position Independent Director and Chairman of the Audit Committee Age 79 Years Working 2 year 6 Month	ไม่มีหุ้น 0.00	<ul style="list-style-type: none"> B.A. in Accountancy & B.B.A. (with Hons.) – Thammasat University, Thailand M.B.A. - The University of Iowa, USA (under Royal Thai Government Scholarship) Ph.D. in Accountancy (Honorary) –Thammasat University Advanced Degree from Thai National Defense College, Class # 35 C.P.A. (Thailand) CCAF Fellow - Canadian Comprehensive Auditing Foundation (Under CIDA Fellowship) 	<ul style="list-style-type: none"> 2020 – Present Independent Director & Chairman of the Audit Committee, Thai Energy Storage Technology PLC. 2005 – Present Chairman of the Board of Directors, AMC International Consulting Co., Ltd. 2006 – Present Director, Royal Thai Government scholars' foundation 2007 – Present Invited Lecturer of Accountancy and Internal Auditing, Faculty of Commerce & Accountancy, Thammasat University 2019 - Present Director, Than Thao Mahaprom Foundation Erawan Hotel 2022 - Present Director, Member of Audit Committee, Member of Risk Management Committee, Sukhothai Thammathirat Open University, Nonthaburi 	None

Appendix 1

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
		<ul style="list-style-type: none"> • Certificate in Advanced Management for Senior Government Executives (class #10 - Civil Service Commission) • Training Courses offered by the Institute of Directors (IOD) • Director Accreditation Program (DAP) • Director Certification Program (DCP) • Monitoring Fraud Risk Management • Monitoring the Internal Audit Function • Monitoring the Quality of Financial Reporting • Monitoring the System of Internal Control and Risk Management 	<ul style="list-style-type: none"> • 2022 - Present Member of Audit Committee, Member of Risk Management Committee & Member of Appeal Committee, Suranaree University of Technology Nakorn Ratchasima • 2022 - Present Member of Audit Committee, Naresuan University, Phitsanulok • 1997 – 2001 Auditor General of Thailand • 1997 – 2001 President, Thai Federation of the Accounting Professions • 1998 – 2020 Independent Director & Audit Committee Chairman, Hitachi Chemical Storage Batteries (Thailand) Plc. • 1999 – 2013 Independent Director, BigC Super Center Plc. • 2022 – 2005 Director & Vice Chairman of the Executive Board, Saha Union Plc. • 2005 – 2014 Director & Audit Committee Chairman, The Bank of Thailand • 2006 – 2008 Independent Director & Audit Committee Chairman, Airports of Thailand Plc. • 2006 – 2014 Director & Audit Committee Member, Securities and Exchange Commission (SEC) • 2011 - 2021 Member of Audit Committee, Mae Fah Luang University, Chiang Rai • 2017 – 2021 Director & Audit Committee Chairman, Thaksin University, Songkhla 	
7. Mr. Suchat Chanlawong Position Independent Director and Audit Committee Age 76 Years Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> • Bachelor of Civil Engineering, Kasetsart University • Master of Science in Civil Engineer University of Missouri, USA. • Director Accreditation Program. Class 19/2004 (IOD) 	<ul style="list-style-type: none"> • 2020 – Present Independent Director and Audit Committee, Thai Energy Storage Technology PLC. • 1997 – 2020 Independent Director and Audit Committee, Hitachi Chemical Storage Battery (Thailand) PLC. • 1997 – 2017 Director, 3K Products Co., Ltd. • 1997 – 2017 Director, Thai Nonferrous Metal Co., Ltd. • 2004 – 2008 Inspector General, Ministry of Energy • 2003 – 2004 Deputy Director General Department of Mineral Fuels • 2001 – 2003 Deputy Director General Department of Industrial Works. / Deputy Director General Department of Mineral Resources 	None

Appendix 1

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
8. Mr. Apichai Chvajarempun Position Independent Director and Audit Committee Age 74 Years Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> • Bachelor of Engineering (Industrial Chemical), Chulalongkorn University • Master of Engineering (Nuclear Technology), Chulalongkorn University • Graduate Diploma in Mini MBA Class 5, University of the Thai Chamber of Commerce • Graduate Diploma in Senior Executive Class 26, Office of The Civil Service Commission • Graduate Diploma in Information Technology Management, Office of The Civil Service Commission • Certified of National Defence College Class 13 • Graduate Diploma in Government in democratic for Senior Executive Class 9, King Prajadhipok's Institute • Graduate Diploma in Directors Certification Program (DCP) Class 91/2007 (IOD) 	<ul style="list-style-type: none"> • 2020 – Present Independent Director, Thai Energy Storage Technology PLC. • 2009 – 2020 Independent Director, Hitachi Chemical Storage Battery (Thailand) PLC. • 2009 – 2017 Director 3K Products Co., Ltd. • 2009 – 2017 Director 3K Products Co., Ltd. • 2008 – 2009 Deputy Permanent, Ministry of Natural Resources and Environment • 2006 – 2008 Director General, Department of Mineral Resources • 2003 – 2006 Director General, Pollution Control Department 	None
9. Mr. Masamichi Saito Position Administrative Officer Age 61 Years Working 2 month	หุ้นสามัญ 0.00	<ul style="list-style-type: none"> • Bachelor of Laws, Sophia University, Japan • Master of Laws (LL.M.), University of California, Davis, USA 	<ul style="list-style-type: none"> • 2022 – 2023 Manager, Legal and Compliance Dept., Energywith Co., Ltd. • 2021 – 2022 Senior Manager, Legal Group, Showa Denko Material Co., Ltd. (Formerly Hitachi Chemical Co., Ltd.) • 2019 – 2020 Director, Thai Energy Storage Technology PLC. (Established by the amalgamation between Hitachi Chemical Storage Battery (Thailand) PLC. And Hitachi Chemical Gateway Battery (Thailand) Co., Ltd.) • 2018 – 2020 Chief Administrative Officer, Hitachi Chemical Storage Battery (Thailand) PLC. • 2018 Rejoined Hitachi Chemical Co., Ltd. Manager, Legal Group • 2017 – 2018 Joined Adastria Co., Ltd. General Manager, General Affairs and Legal Department • 1985 – 2017 Hitachi Chemical Co., Ltd. Senior Manager, Group Management Promotion Group General Manager, Legal Group 	None

Appendix 1

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
10. Mr. Tsutomu Hirooka Position Business Development Officer Age 53 years Working 8 month	๐.๐๐ %	<ul style="list-style-type: none"> Okoshi Technical High School 	<ul style="list-style-type: none"> 2021 – Present Business Development Officer, Thai Energy Storage Technology 2021 – 2022 Director, FICT VIETNAM Co., Ltd. 2020 - 2021 General Manager -FCV, FICT Limited. 2019 - 2020 General Manager, NIDEC SANKYO ELECTRONICS DONGUAN CORPORATION 2018 - 2019 Chief Executive Director, NIDEC SANKYO VIETNAM HANOI CORPORATION 	None
11. Mr. Chakkapan Sangkaew Position General Manager- Production and Maintenance Age 50 Years Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> Bachelor of Science in Electrical Engineering, Kasem Bundit University Master of Business Administration Courses (MBA), Bangkok University 	<ul style="list-style-type: none"> 2021 – Present General Manager- Production, Thai Energy Storage Technology PLC. 2019 – 2020 General Manager- Production, Hitachi Chemical Storage Battery (Thailand) PLC. 2009 – 2014 Manufacturing Factory Manager , Thai Storage Battery PLC. 2008 – 2008 Assistant Production Factory Manager, Thai Storage Battery PLC. 2007 – 2007 Senior Formation Production Manager, Thai Storage Battery PLC. 2000 – 2006 Battery Plate Production Manager, Thai Storage Battery PLC. 1998 – 1999 Assistant Battery Plate Production Manager, Thai Storage Battery PLC 	None
12. Mr. Chayaphol Asavavallop Position General Manager-Quality Assurance/ Safety and Environment Age 54 Years Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> Bachelor's degree of Science in Mechanical Engineer from Boston University, USA. 	<ul style="list-style-type: none"> 2020 – Present General Manager-Quality Assurance/ Safety and Environment, Thai Energy Storage Technology PLC. 2015 – 2020 General Manager-Quality Assurance/ Safety and Environment, Hitachi Chemical Storage Battery (Thailand) PLC. 2011 – 2015 Assistant Factory Manager of Dry Charge Battery Assembly, Thai Storage Battery PLC 2004 – 2006 Factory Manager of Mik Denshi Kogyo Co., Ltd. 2002 – 2004 Factory Manager of Marubeni Co., Ltd. 1997 – 2002 Engineer Manager of Sony Mobile Electronics Thailand Co., Ltd. 1995 – 1997 Quality Assurance Manager of Mitsui Siam Components Co., Ltd. 1991 – 1994 Supervisor of Product development of Bridgestone Japan Co., Ltd. 	None

Appendix 1

Name/Position/Age	% of Share	Education	Working Experience	Family relationship between executives
13. Mr. Suwittawat Kaewwichian Position General Manager-Sales Age 54 Years Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> • Bachelor of Science, Khonkaen University • Master of Business Administration, Ramkhamhaeng University 	<ul style="list-style-type: none"> • 2020 – Present PLC. • 2015 – 2020 (Thailand) PLC. • 2010 – 2015 Business Development Division Senior Manager, Thai Storage Battery PLC. • 2009 – 2009 Business Development Manager, Thai Storage Battery PLC. • 2008 – 2008 Domestic Sales Manager (SLI), Thai Storage Battery PLC. • 2006 – 2007 Assistant Manager of Domestic Sales, Department Thai Storage Battery PLC. • 2001 – 2005 Chief Domestic Sales Department, Thai Storage Battery PLC. 	None
14. Mr. Wirachai Bunchuchuen Position General Manager-Accounting and Finance / General Manager Corporate Affairs / Company Secretary Age 54 Years, Working 2 Year and 6 Months	None	<ul style="list-style-type: none"> • B.Acc : Faculty of Economics and Business Administration, Kasetsart University • Master of Accountancy, Faculty of Management and Tourism Burapha University 	<ul style="list-style-type: none"> • 2020 – Present Technology PLC. • 2015 – 2020 General Manager-Accounting and Finance, Hitachi Chemical Storage Battery (Thailand) PLC. • 2006 – 2015 Senior Accounting Manager, Thai Storage Battery PLC. • 2003 – 2005 Accounting Manager, Thai Storage Battery PLC. • 2000 – 2002 Assistant Accounting Manager, Thai Storage Battery PLC. 	None

Company Secretary

The Board of Directors has resolved to appoint Mr. Wirachai Bunchuchuen to be the Company's secretary since 1 October 2020 ([see profile of the Company's management, item 14](#)).

The Company's secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 which came into force on 31 August 2008 with responsibility, caution, and integrity as well as to comply with the law, objectives, regulations, resolutions of the board and also shareholders' meeting. The legal duties of the Company Secretary are as follows

1. Prepare and keep the following documents:
 - 1.1 Register of Directors
 - 1.2 Notice of the Board of Directors' meeting, Minutes of the Board of Directors' meeting, and the Company's Annual Report
 - 1.3 Notice of the shareholders' meeting and minutes of the shareholders' meeting
2. Keep the stakeholder report reported by the director or executive and send a copy of the stakeholder report under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee for acknowledgment within 7 working days from the date the Company receives the report.
3. Perform other tasks as announced by the Capital Market Supervisory Board.

In addition, the Company Secretary has other duties as assigned by the Company (or the Board of Directors) as follows:

- To provide advice on the relevant laws and regulations and the best practices for governance in the implementation of the Board's activities in accordance with the law.
- Responsible for arranging meetings of the Board of Directors and shareholders' meetings.
- Liaise with departments within the Company to comply with the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
- Liaise with regulatory agencies such as the Office of the Stock Exchange of Thailand and supervise the disclosure and reporting of information to the regulatory agencies and the public to be correct and complete according to the law.

Appendix 2

Details of the Directors of the Subsidiary

Appendix 2

Table showing the name of the Board of Directors of the Subsidiary

Name	Subsidiaries		
	Thai Nonferrous Metal Co.Ltd.	Power Plas Co.Ltd.	3K Product Co.Ltd.
1. Mr. Akihiko Emori	A, B	C	C

Remark

A = Chairman of Board of Directors

B = Chief Executive Officer

C = Liquidator

Appendix 3

Details about Head of Internal Audit and Head of Operations
(Compliance)

Detail of Head of Internal Audit Department

Ms. Kittiphan Suksawasdi

Internal Audit Manager

Education:

- Master's Degree: Faculty of Business Administration,
National Institute of Development Administration (NIDA)
- Bachelor's Degree: Faculty of Liberal Arts, Thammasat University

Working Experience:

- July 2021 – Present: Internal Audit Manager, Thai Energy Storage Technology PLC.
- July 2017 – July 2021: Manager of Export Department and Export Control Center,
Hitachi Chemical Storage Battery (Thailand) PLC.
- July 2008 – July 2017: Export Department Manager, Thai Storage Battery PLC.

Detail of Head of Compliance

Mr. Masamichi Saito

Administrative Officer

Education:

- Bachelor of Laws, Sophia University, Japan
- Master of Laws (LL.M.), University of California, Davis, USA

Working Experience

- 2022 - Present Manager, Legal and Compliance Dept., Energywith Co., Ltd.
- 2021 – 2022 Senior Manager, Legal Group, Showa Denko Material Co., Ltd.
(Formerly Hitachi Chemical Co., Ltd.)
- 2019 – 2020 Director, Thai Energy Storage Technology PLC.
(Established by the amalgamation between Hitachi Chemical Storage Battery (Thailand) PLC. And Hitachi Chemical Gateway Battery (Thailand) Co., Ltd.)
- 2018 – 2020 Chief Administrative Officer, Hitachi Chemical Storage Battery (Thailand) PLC.
Rejoined Hitachi Chemical Co., Ltd. Manager, Legal Group
- 2017 – 2018 Joined Adastria Co., Ltd. General Manager, General Affairs and Legal Department
- 1985 – 2017 Hitachi Chemical Co., Ltd. Senior Manager, Group Management Promotion
Group General Manager, Legal Group

Appendix 4

Assets for business operation and Details about the appraisal items

Appendix 4

In 2021 The Company hired an independent appraiser to assess the Group's property. It was found that the appraisal price of the land was as follows;

As of 31 March 2022	Net book value (Million Baht)		Appraisal price (Million Baht)	
	Property	Investment property	Property	Investment property
Thai Energy Storage Technology PCL.	267.22	96.95	393.28	260.24
Thai Nonferrous Metal Co.Ltd.	48.43	0.00	90.80	0.00
Total	315.65	96.95	484.08	260.24

Appendix 5

Policy and practice of corporate governance and business ethics
Full version that the company has made

Policy on Corporate Governance

The Board of Directors is aware of the role, duties and responsibilities as a director of a listed company by creating good corporate governance to enhance the competitiveness of the business and increase confidence for shareholders, investors and all relevant parties. The Company has effective and transparent management and policies to ensure that the Company has disclosed its important information correctly, completely, and timely in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Company encourages the directors to perform operations by adhering to the "Best Practices for Directors of Listed Companies" and "Good Practices of the Audit Committee" provided by the Stock Exchange of Thailand.

The Company pays attention to the rights of shareholders and responsibilities to shareholders and stakeholders of the Company continuously, equitable treatment of shareholders, the roles of stakeholders, information disclosure and transparency. The principles and guidelines based on principles of good corporate governance for listed companies 2017 of the SEC Office are applied as the guidelines for organization management in order to create confidence that the Company's operations are fair and taken the highest interests of the shareholders and all stakeholders into account. The substances of the policy can be divided into 8 principles as follows;

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance and management, including defining objectives and goals, determining strategies, policies, and resource allocation to attain the objectives and goals, and monitoring, evaluating, and reporting performances.

The Board will supervise the Company and pursue the governance outcomes, resulting in competitiveness and performance with long-term perspective. The Company will operate ethical and responsible business, respect rights and responsibility to shareholders and stakeholders, and conduct businesses by focusing on benefits for society and develop or minimize negative impacts on the environment. In addition, the Company has corporate resilience under factors of changes. The Board will oversee communication so that all directors, executives and employees will understand it and provide sufficient mechanisms to facilitate the implementation of the abovementioned policies, follow up the results, and regularly review policies and practices.

The Board should ensure that all directors and executives perform their duties with duty of care and duty of loyalty and all operations should be in accordance with laws, regulations, and resolutions of the shareholders' meeting as well as set forth policies or guidelines. In addition, the process of approving important operations is provided, such as investment, transactions affecting the Company significantly, transactions with related parties, acquisition/disposal of assets, dividend payment, etc.

In addition, the Board will acknowledge the scope of duties and responsibilities of the Board and clearly define scope of duties and responsibilities of the Chairman of the Board of Executives (or Chief Executive Officer) and the Management as well as follow up and supervise the Chairman of the Board of Executives Officer (or Chief Executive Officer) and the Management to perform assigned duties.

However, matters that the Board should supervise to be implemented or the Board will cooperate with the Management include;

- A. Defining objectives and major goals in business operation
- B. Creating the organizational culture adhering to ethics, and behaving as a model
- C. Supervising the structure and the practices of the Board to be appropriate for efficiently achieving objectives and major goals in business operation
- D. Recruiting, developing, determining remuneration, and evaluating performances of the Chairman of the Board of Executives (or Chief Executive Officer)
- E. Establishing and reviewing strategies, goals, and annual plans
- F. Overseeing the appropriateness and adequacy of the risk management and internal control systems
- G. Determining the authority that is appropriate for the Management's responsibilities
- H. Defining the framework for resource allocation, development, and budget, such as human resource management policy and plan, and information technology policy
- I. Monitoring and evaluating performances
- J. Supervising the reliable disclosure of financial and non-financial information

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board will define or oversee the Company's objectives and major goals that promote sustainability. It should be objectives and goals that are consistent with the creation of value for the Company, customers, stakeholders, and the society. Such objectives or major goals of the Company shall be clear and appropriate and can be used as the main concept in determining a business model and communicated to everyone in the organization to move forward to the same direction. Vision and values of the organization or principles and purposes or others in the similar manner shall be prepared.

Objectives and major goals of the Company will be defined by considering important factors, such as;

- (1) Environment and changes in various factors, including the appropriate application of technology
- (2) Needs of customers and stakeholders
- (3) Readiness, expertise, and competitiveness of the Company
- (4) Objectives of Company's establishment
- (5) Main customers of the Company
- (6) Profitability or competitiveness with value proposition for the Company and customers
- (7) Long-term existence of the Company under factors of opportunity and risks affecting the Company and stakeholders

In addition, the Board will supervise to ensure that the objectives and goals as well as the strategies of the Company are consistent with the achievement of objectives and major goals of the Company by applying technologies appropriately and safely. The Board will also oversee the formulation of strategies and annual plans that are consistent with the objectives and major goals of the Company by taking into consideration the current surrounding factors of the Company as well as the opportunities and acceptable risks and support the preparation or revision of objectives, goals, and strategies to ensure that strategies and the annual plans take into account the impact in a longer term and still can be predicted as appropriate.

Regarding the formulation of strategies and annual plans, the Board will oversee the analysis of the environment, factors and risks that may affect the relevant stakeholders throughout the value chain, including any factors possibly affecting the achievement of the Company's major goals. The mechanism for creating true understanding of the needs of the stakeholders is provided. The Board will supervise the communication of objectives and goals through strategies and plans throughout the organization.

Principle 3 Strengthen Board Effectiveness

The Board of directors consists of persons with knowledge, ability, expertise, and experiences who can perform duties for the benefit of the Company. However, the directors shall have qualifications and have no prohibited characteristics as specified by laws. The Board of Directors has the duty and responsibility in determining and reviewing the board structure.

The Board of Directors consists of independent directors at least one-third of the total number of directors and must not be less than 3 directors. Independent directors of the Company shall have qualifications and have no prohibited characteristics as specified by the Board of Directors, which are stricter than the qualifications stipulated by the Capital Market Supervisory Board and the Stock Exchange of Thailand. Currently, the Board of Directors comprises of 3 non-executive directors who are 3 independent directors in order to balance the power

appropriately. Sub-committees are also appointed to provide management assistance to the Board to the extent specified in the charter of each group in order to enhance efficiency and effectiveness of the Board's operations.

The Board of Directors will appoint an appropriate person to be the Chairman of the Board and ensure that the board composition and operations contribute to the discretion of independent decisions, for example, the Chairman of the Board is an independent director or the Chairman of the Board and the Chief Executive Officer is not the same person, etc. In the case that the Chairman of the Board is not an independent director, the Board of Directors will appoint one independent director to participate in determining the meeting agenda of the Board in order to promote the balance of power between the Board and the Management and to be in accordance with the principles of good corporate governance for listed companies.

For carefully considering important matters, the Board of Directors will appoint a sub-committee to consider specific issues, screen data, and suggest guidelines for consideration before proposing to the Board for approval.

The Board will supervise to ensure that all directors are properly accountable for their duties and responsibilities and allocate sufficient time. In addition, the Board of Directors supervise the disclosure of roles and duties of the Board and sub-committees, the number of meetings, as well as the number of meeting attendances of each director in the previous year and report the performances of all sub-committees.

The Board will determine the rules for holding positions in other companies of directors by considering the work efficiency of directors holding positions in several companies in order to ensure that such directors are able to devote their time to performing duties in the Company sufficiently. The number of listed companies that each director will hold positions shall be specified which will be suitable for the nature or type of business of the Company and disclosed for acknowledgment. In the case that a director holds the position of director or executive or has direct or indirect interests in other businesses having conflicts or can use the opportunity or information of the Company for his/her own benefit, the Board will supervise to ensure that the Company has adequate preventive measures and will notify shareholders as appropriate.

The Board will provide the framework and mechanisms for governing policies and operations of subsidiaries and other businesses in which the Company has a significant investment. The Company has established the policy on investment and corporate governance in subsidiaries and associates in order to support the opportunity that may occur in the future

In addition, the Company has appointed a company secretary to support the Board's operations as well as provide coordination for the compliance with the board's resolutions, including arrange the Board of Directors' meeting and the shareholders' meeting.

Principle 4 Ensure Effective CEO and People Management

The Board will perform operations to ensure that there is the nomination and development of the Chief Executive Officer and senior executives so that they possess knowledge, skills, experience, and characteristics necessary for the Company to achieve its goals. The Board will consider or assign the committee to consider the rules and methods for recruiting qualified personnel to hold the position of Chief Executive Officer and monitor the Chief Executive Officer to ensure that there are suitable senior executives. The Board will at least cooperate with the Chief Executive Officer to consider the rules and methods for nomination and appoint and approve personnel nominated by the Chief Executive Officer to be a senior executive.

To ensure ongoing business operations, the Board will provide a succession plan to prepare the succession of senior executive position.

The Board will oversee to ensure that the appropriate remuneration structure and performance evaluation are in place. The Board will promote and encourage the Chief Executive Officer and senior executives, including the Company's personnel, to be trained and developed in order to enhance knowledge and experiences that are beneficial to the operations. In addition, policies and procedures for holding a position of director in other companies of the Chief Executive Officer and senior executives are clearly set out, including the type of director position and the number of companies that are able to hold such position.

In addition, the Board must understand the structure and the relationships of shareholders that may affect the management and operations of the Company. The Board will oversee to ensure that such relationship is not an obstacle to the performance of duty of the Board, for example, the Board will provide the disclosure of information according to any agreements that affect the control of the Company.

Principle 5 Nurture Innovation and Responsible Business

The Board pays attention to and promotes operations that create value for the business and benefits for its customers or related parties, including social and environmental responsibility. The Board will emphasize on creating an organizational culture and oversee the Management to ensure that it is used to be a part in reviewing strategies, planning the development and improvement of operations, and following up performances. The Board will also promote operations to add value to the Company according to the changing surrounding factors, which may include the formulation of the business model (Business Model), the concept and perspectives of product and service design and development, research, improvement of production processes and work process, and cooperation with business partners.

The abovementioned operations will be in a manner of creating common benefits for the Company, customers, business partners, society and environment. The Board will not support inappropriate behavior, illegal or unethical activities.

The Board will monitor the Management to operate businesses with social and environmental responsibility and incorporate them into the Company's operations plan. This is to ensure that all departments of the organization comply with the Company's objectives, major goals, and strategies. In addition, the Board will provide the mechanism to ensure that the Company operates business with ethics and social and environmental responsibility and without violating the rights of stakeholders. This is to be the guidelines for all sections of the organization to achieve sustainable objectives and major objectives by establishing the policy on code of conduct to cover the following matters;

- (1) Responsibility to employees and workers by complying with the laws and related standards and treating employees and workers fairly and respecting for human rights, such as determining fair remuneration and other benefits, providing welfare that is not less than what is required by laws or more as appropriate, health care and safety at work, training for knowledge, capability development and promotion of progress, including offering employees the opportunity to improve their working skills in other areas
- (2) Responsibility to customers by complying with the laws and related standards and taking into account health, safety, fairness, data retention of customers, after-sales service throughout the lifespan of products and service, monitoring of customer satisfaction for products and services improvement, including advertising, public relations, and sales promotion, which must be operated responsibly and does not cause misunderstandings or take advantage of customers' misunderstandings
- (3) Responsibility to business partners by providing the procurement process and fair terms of contracts or agreements, offering knowledge, developing competency, and improving productivity and standardized services, clarifying and supervising business partners to respect for human rights, and treating their labor fairly, having social and environmental responsibility, including following up and evaluating business partners for sustainable business development
- (4) Responsibility to the community by applying business knowledge and experiences to develop projects that can benefit the community concretely, monitoring and evaluating the progress and long-term achievement
- (5) Environmental responsibility by preventing, reducing, managing and ensuring that the Company will not create or cause a negative impact on the environment, which covers the use of raw materials,

energy consumption, water consumption, renewable resource consumption, release and management of waste arising from business operations, greenhouse gas emissions, etc.

- (6) Fair competition by conducting business openly and transparently and not creating unfair competitive advantages
- (7) Anti-corruption by complying with the laws and related standards and requiring the Company to prepare and announce the anti-corruption policy to the public, which the Company may consider to join Thailand's Private Sector Collective Action Coalition Against Corruption, including encourage other companies and business partners to prepare and announce the anti-corruption policy and join such coalition as well.

In addition, to allow the Company to achieve its main objectives and goals, the Board will supervise to ensure that the Company allocates and manages information technology resources, which covers the allocation of resources, sufficiently for business operations, and establishes guidelines to support in the event that the resources cannot be allocated sufficiently as required, including supervises the organization's risk management as well as the management of risk from information technology and the security of information systems.

Principle 6 Strengthen Effective Risk Management and internal Control

The Board will supervise to ensure that the Company has effective and appropriate risk management and internal control systems to effectively achieve its objectives and abides by relevant laws and standards. The Board has established the Audit Committee consisting of an independent director without prohibited characteristics according to relevant laws, who also has the qualifications and duties in accordance with the regulations of the Office of the SEC and the Stock Exchange of Thailand, in order to perform duties efficiently and independently, perform any duties as assigned by the Board of Directors, including the duty to review financial reports, internal control system, legal compliance, consideration of auditor nomination, disclosure of Company's information, and preparation of the report of the Audit Committee, etc. The Board will monitor and manage the conflicts of interest incurred and also prevent the abuse of Company's property and insider trading.

In addition, the Board is responsible for supervising the risk management system as specified in the risk management policy. The Board will consider and approve the risk management policy that is inconsistent with the objectives, major goals, strategies, and acceptable risks of the Company in order to set a framework for risk management of all persons in the organization to be in the same direction. In the meantime, the Board also ensures that the Company has assessed the impacts and opportunities of the identified risks in order to prioritize the risks and provided appropriate risk management methods as well as regularly monitored and evaluated the effectiveness of risk management.

To ensure that the Board can supervise the risk management and internal control systems efficiently and effectively, the Board has established policies for managing the supervision as follows;

1. Ethics and Code of Conduct
2. Risk management policy
3. Policy on conflicts of interest
4. Policy on reporting of securities holding and insider trading
5. Anti-Corruption Policy
6. Whistle Blower Policy
7. Policy on investment and corporate governance in subsidiaries and associates
8. Policy on connected transaction or related parties transaction
9. Handbook on Delegation of Authority

The Board establishes a clear anti-corruption policy in the charter and the anti-corruption policy, which is communicated to personnel at all levels of the organization and third parties for implementation. The Board supervises the mechanism for receiving complaints and taking actions in the case of whistleblowing and establishes clear guidelines for accepting complaints about corruption and wrongdoing with regulations regarding reporting, investigations, ethics violations, and acceptance of complaints regarding corruption and wrongdoing. In the event that stakeholders have an observation about the operations of the Company and its subsidiaries, they can ask for details, report a complaint or whistle-blow illegal acts, inaccuracy of financial reports, defective internal control system, or violation of Code of Conduct through independent directors or the member of the Audit Committee of the Company. Complaints and whistleblowing matters provided to the Company will be kept confidential. The independent directors or the member of the Audit Committee will assign the compliance officer to inspect information and find corrective measures (if any) and further report it to the Chairman of the Board and/or the Board of Directors. The Company provides channels for receiving complaints and/or comments and increases more channels to send an email directly to the senior executives at

Channels for communicating with the Company

Stakeholders are able to express their opinions through communication channels with the Company as follows;

1. Attn: P.O. Box 17, Sathorn Post Office, Bangkok 10341
2. By email: report@TESHotline.com
3. Call us at HCBT: 1800-010-314
4. Suggestion / comment / complaint box within the Company

Principle 7 Ensure Disclosure and Financial Integrity

The Company is aware of the importance of accurate and complete information disclosure. The Board is responsible for the financial reporting system and the disclosure of material information that is accurate, sufficient, timely, and in accordance with relevant rules, standards and guidelines. Such disclosed information, including the financial statements, annual Report, and Form 56-1, reflects financial position and operating results sufficiently and also support the Company to provide the Management Discussion and Analysis or MD&A for the purpose of disclosing financial statements every quarter so that investors acknowledge and understand the changes of the Company's financial position and operating results in each quarter better other than the figure data in the financial statements only.

In addition to the above information disclosure, the Board will monitor and assess the financial position of the Company. The Board and the Management will cooperate to find a solution quickly if there is a sign of financial liquidity and debt service coverage problems. In the case that the Company encounters with financial difficulties or likely to face with problems, the Board will consider to ensure that the Company has a plan for solving problems or other mechanisms that can solve financial problems under the consideration of the rights of stakeholders.

In addition, the Board will supervise the Management to establish a department or a responsible person of investor relations responsible for appropriate, fair, and timely communication with shareholders and other stakeholders, such as investors, analysts, through proper channels, such as channels of the Stock Exchange of Thailand or the Company's website, etc.

Principle 8 Ensure Engagement and Communication with Shareholders

The Board pays attention to the shareholders of the Company by ensuring that the shareholders receive fair treatment and the shareholders can fully exercise their basic rights as shareholders, such as (1) the right to purchase, dispose or transfer shares, (2) the right to a share of profits of the Company, (3) the right to receive relevant and sufficient information through the Company's website or the SET's website or by any other means, (4) the right to participate in the meeting to exercise the voting right at the shareholders' meeting independently to appoint or remove directors, consideration of the remuneration of directors, appointment of auditors, dividend payment, capital increase and issuance of new shares, including the right to ask questions to the Board of Directors regarding the report of the Board of Directors and any other matters proposed to the meeting for consideration and approval, the right to propose meeting agendas and nominate persons for director election, and participation in decisions on important matters of the Company. All shareholders shall have the voting right according to the number of shares held and each share has one vote.

In addition, the Board will ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and facilitate shareholders to exercise their rights. The Board will also ensure accurate and complete disclosure of shareholders' resolutions and preparation of the minutes of the shareholders' meetings.

Policy on Corporate Governance were approved by the Board of Directors' Meeting No. 1/2020 on October 1, 2020.

Thai Energy Storage Technology Public Company Limited Group

Codes of Conduct

Our Mission is to “contribute to society through the development of outstanding technology and products.” In striving to accomplish this, we embrace the values of the Company, Pioneering Spirit, Sincerity and Harmony. Our Vision was created based on our Mission and Values to express what the Company aims to become in the future.

The Company Identity is a simple concept designed to share our Mission, Values, and Vision.

The Thai Energy Storage Technology Group Codes of Conduct consist of rules and principles intended to assist officers and employees in making decisions and taking actions in accord with the Showa Denko Materials Group Identity. All officers and employees of Thai Energy Storage Technology Group companies shall understand and follow this Codes of Conduct and act with sincerity and fairness in a highly ethical manner.

1. Toward a Sustainable Society

(1) We will contribute to resolving social issues by promoting innovative solutions, accelerating collaborative creation with partners and stakeholders, and further integrating social and environmental responsibility into our business activities.

(2) We will strive to develop technologies that contribute to social development and use them with due consideration of their impact on society.

(3) We envision a low-carbon society, a resource efficient society, and a harmonized society with nature. To this end, we will endeavor to reduce CO2 emissions, use water and other resources efficiently, and minimize impacts on natural capital throughout our value chain.

(4) As a corporate citizen, we will make efforts to build rapport with communities and contribute to their development by working together to resolve social issues.

2. Sincere and Fair Business Activities

2.1 Fair Trading

(1) To ensure fair and open competition, we will observe the fundamental rules of trade, including domestic and overseas competition laws and regulations, and act in compliance with legislation and sound corporate ethics.

(2) We will have no relationship whatsoever with antisocial forces anywhere in the world, and resolutely reject involvement in improper or antisocial transactions.

(3) We will not trade shares using undisclosed information regarding the group, affiliated companies, business partners, or customers that could affect the judgment of investors (insider information).

(4) We strictly prohibit and will have no involvement in bribery and other corrupt business practices. We will neither give or receive gifts nor extend or accept invitations to business entertainment beyond socially accepted limits, as we recognize that such practices can foster corruption. When working with political entities, we will build and maintain sound and transparent relationships.

(5) We will help maintain international peace and security through compliance with all applicable laws and regulations concerning import and export and will operate appropriately according to our internal rules and policies.

(6) We will comply with applicable laws, respect social cultures and practices, and act sincerely and fairly in countries and regions where we have operations. Furthermore, we will do so guided by international norms and standards even in areas where legislation is not adequately enforced.

2.2 Relationships with Suppliers

(1) With a global vision, and mindful of the long-term perspective, we will find qualified suppliers and build fair and equal partnerships with them, working together to build mutual understanding and trust.

(2) In selecting suppliers, we will thoroughly review the quality, reliability, delivery time, and price of the materials they provide as well as their business stability and technological capability. We will give due consideration to their adoption of social responsibility practices, including areas such as the abolition of unfair discrimination, the elimination of child labor and forced labor, and environmental conservation.

(3) We will not accept any personal benefits from suppliers in procurement transactions.

2.3 Relationships with Customers

(1) We will provide products and services that meet the needs and requirements of our customers, complying with relevant laws and standards and ensuring quality and safety by setting additional standards of our own where necessary.

(2) We will communicate with customers sincerely, address defects and customer complaints quickly and in good faith, and strive to determine causes in order to eliminate them and prevent recurrence.

3. Respect for Human Rights

(1) We will promote our understanding of internationally recognized human rights and will respect and not infringe on the human rights of all those involved in our business activities.

(2) We will implement human rights due diligence appropriate to the social circumstances of the countries and regions where we have operations and the nature of our businesses, products, and services there.

(3) We will assess and prevent potential violations of human rights. In the event of such a violation, we will promptly take internal and external actions to correct and remedy the situation.

(4) We will respect individual human rights in the recruitment and treatment of employees and during all other company activities. We will not engage in any acts that may impair individual dignity or discriminate on bases such as sex, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, disability.

(5) We will hire employees in compliance with the relevant laws and regulations in each country and region, and in accordance with international norms and standards. We will not use child labor that employs children below the minimum working age or forced labor that is against the will of employees.

(6) We will strive to resolve issues through sincere and constructive discussion between management and employees, in compliance with the laws, regulations, and labor practices of each country and region, and in accordance with international norms and standards.

4. Building a Work Environment That Brings Out Employee Strengths

(1) Prioritizing health and safety above all else, we will strive to ensure the safety of employees and the workplace. In addition, we will promote the physical and mental health of employees and their families.

(2) We will support flexible work styles and respect diverse values, creating workplaces that provide employees with a sense of accomplishment and personal growth, and we will promote the sustainable growth of the organization and individuals.

(3) We will invest in educational programs to help employees expand their capabilities and exercise their strengths. Supervisors will fairly and appropriately support, guide, and educate their employees to develop their abilities.

5. Information Management and Communication

(1) We will promote the ethical handling of information, so as to ensure respect for human rights and security, through the proper management of personal information based on our Personal Information Protection Policy.

(2) We will properly manage and protect confidential information related to our business activities in compliance with domestic and international laws and regulations as well as our internal rules and policies.

(3) In order to maintain and expand our trusting relationship with the Hitachi Chemical Group's diverse stakeholders, we will disclose information openly and transparently, and respond to stakeholders responsibly through dialogue and other means of communication.

6. Protection of Intellectual Property and Brand

(1) We will protect our own intellectual property, respect third-party intellectual property, and use both effectively for smooth business operations.

(2) We will manage our own and third-party confidential information by importance and manage and handle it appropriately based on this ranking.

(3) We will protect and enhance the value of the Showa Denko Materials Brand, recognizing it as an important management asset.

7. Securing Corporate Assets

We will use all our corporate assets only for business activities and other appropriate purposes and manage them properly to protect their value.

8. Crisis Management

We will make concerted efforts throughout the Showa Denko Materials Group to secure employee safety and business continuity in case of disasters and threats such as earthquakes, tsunamis and floods, cyberattacks, and terrorism.

9. Responsibilities of Employees

Employees shall pledge to comply with the Codes of Conduct. If they become aware of any non-compliant activity, they shall immediately report to their manager or via the internal reporting system.

10. Responsibilities of Top Management

Top managers shall take the initiative in complying with the Codes of Conduct and make their best efforts to conduct business based on corporate ethics and the law. In the event of violation of the Codes of Conduct, top managers shall swiftly take corrective measures and actions to prevent the recurrence of similar incidents, while at the same time strictly disciplining themselves as well as those involved in the violation.

Announced on October 1, 2020

Appendix 6

The Audit Committee Report

The Audit Committee Report

To Shareholders

Thai Energy Storage Technology (Public) Company Limited

The Audit Committee (hereinafter referred to as the "Committee") of Thai Energy Storage Technology (Public) Company Limited (hereinafter referred to as the "Company") was appointed by the Board of Directors of the Company on October 1, 2020, with the tenure of 3 years. The term of office shall terminate on September 30, 2023.

The Audit Committee consists of independent directors who are not executives of the Company. The Chairman and three members of the Audit Committee have sufficient management knowledge and experience. One of them has knowledge and experience in accounting and finance. The other 2 persons have engineering knowledge. The internal auditor acts as secretary. The Committee performs its duties in accordance with the Charter of the Audit Committee approved by the Board of Directors.

During the 1-year period from April 1, 2022, to March 31, 2023, there were 5 Audit Committee meetings held where the Chairman and all members of the Audit Committee attended all meetings. The Company's executives and external auditors were invited to attend the meeting regularly.

The Committee acknowledged the auditors' observations and/or opinions from the report of financial statement audit for the period from April 1, 2022, to March 31, 2023. In this regard, the Committee assigned the auditor to pay attention to the audit and suggest what would improve the system and internal control activities, including measures detected by the auditor from the audit that would help reduce costs and expenses. The Committee followed up, consulted, and inquired the auditor at the meeting until there was no doubt. The Committee focused on encouraging auditors and internal auditors to perform their duties independently to ensure the quality of audit results. Request has been made of the external auditor to promptly alert the Committee and/or the management of any indicators found that may lead to possible in transparent or fraudulent acts of the staff at all levels.

The Committee has performed its duties as stipulated in the Charter of the Audit Committee by regularly hearing the opinions of the executives and other personnel related to the Company to support any consideration as deemed necessary and appropriate.

During the period from April 1, 2022, to March 31, 2023, the key activities that the Committee had carried out could be classified by activity as follows:

Preparation of financial statements

1. The results of the review and audit of the financial statements of the Company and its subsidiaries for the period from April 1, 2022, to March 31, 2023, were considered. The auditor presented the audit results at the Audit Committee meeting and discussed and requested an additional explanation from the auditors, officers, and executives of the Company when there was any doubt. In this regard, the Audit Committee provided additional comments to support the adjustment of information presented in the Company's financial statements and consolidated financial statements of the Company and its subsidiaries to ensure that they were accurate and appropriate in all material respects in accordance with the applicable accounting principles and standards in Thailand, including the disclosure of sufficient information to all stakeholders.

2. The review of disclosure of information accompanying the financial statements includes the consideration of information from the auditor reporting verbally and in writing to the Audit Committee regarding connected transactions of the Company, subsidiaries, and executives as well as the review of significant corruption likelihood to reasonably ensure that the auditor has duly performed its duties in auditing these issues.

Internal Control and Internal Audit

1. The Committee reviewed the Company's internal audit system for appropriateness and efficiency based on the independence and manpower of the internal audit department. The Committee assigns the internal auditors to review the internal controls applied to various systems by regularly submitting reports of the results of the internal control audit and assessment or the progress of the audit work to the executives and the Committee.

2. The Committee approves the internal audit plan by coordinating to acknowledge the needs of the Company's executives to ensure that the internal audit is most beneficial to management. To supervise internal audit, the Committee provides consultation and recommendations to internal auditors in order to improve operational efficiency and effectiveness to the full potential of audit resources.

3. Matters that are important weaknesses or defects detected by the internal auditor and acknowledged by the Committee will be analyzed, summarized, and presented to the Board of Directors on a regular basis at the Board of Directors' meetings, together with additional recommendations of the Committee, so that the Board of Directors and senior executives of the Company can jointly consider and apply them for correction and improvement.

4. The Committee encourages internal auditors to coordinate with the Company's auditors on a regular basis to mutually exchange beneficial information for the performance of duties of both parties.

Connected Transactions

Apart from determining the policy to the auditor to focus on auditing connected transactions, the Committee reviews connected transactions that may cause additional conflicts of interest in accordance with their duties. The Company has reviewed whether the connected transactions have been treated in accordance with normal business conditions and have been recorded or disclosed in accordance with the criteria specified by accounting standards in order to comply with the requirements of the public company regulatory authority. In this regard, it has been appropriately reviewed together with the auditor. The audit report is considered and questions are raised to obtain more details from the auditor. In addition, the Company requests information from executives and personnel in key positions of the Company. According to the results of the consideration, there were no significant transactions that could be considered connected transactions with conflict of interest effects.

Nomination of Auditors

The Committee has selected and nominated a person who has appropriate knowledge and skills to act as the auditor of the Company and its subsidiaries. The Committee is of the opinion that Miss Wilai Sunthornwanee, Certified Public Accountant Registration No. 7356 or Mr. Vorraroj Amnauypanit, Certified Public Accountant Registration No. 4640 or Miss Manee Rattanabunnakit, Certified Public Accountant Registration No. 5313, under EY Office Company Limited, are independent and have sufficient knowledge and experience to perform duties as the Company's auditor for the period from April 1, 2023, to March 31, 2024. The proposed professional fees are appropriate to the responsibilities. Therefore, there was the resolution to propose this matter to the Board of Directors for approval and then to seek approval from the Annual General Meeting of Shareholders to appoint the Company's auditor for the period from April 1, 2023, to March 31, 2024. The professional audit fee for auditing the Company's financial statements for the 1-year period from April 1, 2023 to March 31, 2024 shall not exceed 2,500,000.00 Baht (Two million five hundred thousand Baht only).

Compliance with relevant laws and regulations

The Committee considered the results of the review of compliance with the law on securities and exchange, the regulations of the SET and the Office of the Securities and Exchange Commission, including other laws related to the Company's business operations, and deemed that the Committee had correctly performed duties in accordance with relevant laws and government regulations.

Summary of Opinions

The Company's Compliance Department, namely the Committee and the Management, led by the Managing Director, has always adhered to Good Corporate Governance Practices. The internal control system is effective enough to prevent significant mistakes from occurring easily or, if they occur, they will be notified quickly so that they can be corrected in a timely manner.

The Company's auditors appointed by the Annual General Meeting of Shareholders perform duties with full independence.

The Internal Audit Department reports directly to the Board of Directors, supported by the Management, and is independent from the auditors.

Connected transactions that may cause conflicts of interest are commercial transactions which are normal business and have been carried out reasonably and provide appropriate benefits to the Company.

The Committee coordinated closely with the Company's auditors and no material irregularities were found. Compliance with relevant laws and government regulations was as appropriate as it should be. The auditors reported that the Company's financial statements and consolidated financial statements of the Company and its subsidiaries from April 1, 2022 to March 31, 2023, presented fairly, in all material aspects, in accordance with the financial reporting standards and significant financial information was disclosed sufficiently for the understanding of stakeholders. There was no incident that represented a problem or transaction that might have a material impact on the financial statements other than those disclosed.



(Mr. Nontaphon Nimsomboon)

Chairman of the Audit Committee



(Mr. Suchat Chanlawong)

Member of the Audit Committee



(Mr. Apichai Chvajarernpun)

Member of the Audit Committee

29 May 2023



Thai Energy Storage Technology PLC.

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