

ANNUAL REPORT

NOVA EMPIRE PUBLIC COMPANY LIMITED

One Report



20
20

• Wind Energy

• Solar Energy

• Galvanized Sheet & Steel
Production Business





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NOVA EMPIRE

Business Operations and Performance

• Vision, Mission, and Goals •

Vision

“To become a resilient company with investments focused on good returns for shareholders and other stakeholders’ long-term growth.”

Mission

- 

• Be a part of the future journey with proactive working to pursue opportunities for a sustainable future.
- 

• Endeavor to enhance business performance with the utilization of innovations.
- 

• Create mutual benefits with key stakeholders.
- 

• Operate business within the framework of good governance and support the sustainable development goals of the global community.

Short-term Goal

Become more efficient and adapt itself to the changing circumstances.

Long-term Goal

Accelerate the expansion of investments.

Operational Strategies

- Attract talented people and develop personnel potentials to be ready for any challenge.
- Use innovations to create values for the Company.
- Collaborate with government agencies and communities to seek common benefits on sustainable growth
- Continuously adhere to Good Corporate Governance guidelines.

“To Leap Sustainably, Together.”



Parleerat Panboonhom
Chairperson of The Board & CEO
Nova Empire Public Company Limited

Message from the Chairperson & CEO

The year 2020 was considered as a very challenging year for the Company encountering both external factors, particularly the impact of the Covid-19 outbreak situation at the beginning of the year and continued throughout the year, and the severe competition in the zinc product business, metal sheet products, and special galvanized steel (ZAM) products, from domestic manufacturers and products from China.

However, thanks to the collaboration of the management and relevant employees as well as the business restructuring program that has been ongoing since 2018, the Company has been able to adapt itself to this rapid and severe change, and we firmly believe that the Company will be able to overcome this crisis.

By the middle of 2020, the Company has restructured its business to be clearer similar to a company investing in other businesses, by transferring the zinc and iron products business to TIW Industry Co., Ltd., a subsidiary established in early 2018, as well as establishing The Solar Arcade Co., Ltd., another subsidiary to support the production and distribution of electric power business. This adaptation has provided the Company with the preparedness for the investments in other businesses with good returns, such as acquiring 26.25% of shares in Winchai Co., Ltd., a wind power company, at the beginning of 2021, to generate returns for the Company and reducing the risk of the project itself that may be delayed or unsuccessful.

At the beginning of 2021, the Company has made another important decision to dispose of its entire zinc and steel business due to more severe competition and the Covid-19 situation, if the Company continues to maintain such business, the returns for shareholders and stakeholders shall be affected. This change allows the Company to devote its resources to other promising investments with good returns in line with its vision and mission as established. The said disposal would be proposed to the 2021 Annual General Meeting of Shareholders for consideration and approval.

Another progress is that the Company has changed its name from “Thailand Iron Works Public Company Limited” to “Nova Empire Public Company Limited” to create awareness and express our commitment to become an agile energy company ready to quickly and effectively respond to business changes and opportunities.

In terms of Corporate Governance, the Company has improved the management structure inside the organization to be more strengthened and agile, focusing on seeking investment opportunities in new businesses coupled with value addition to existing businesses by enhancing the efficiency in various areas, including the production process, maintenance as well as recruitment and development of human resources to respond to the potential changes. Additionally, we have also paid more attention to various stakeholder groups such as shareholders, creditors, trading partners, communities, government agencies, with a process properly recognizing and responding to the expectations of each group of stakeholders.

The Company would like to thank all shareholders for your confidence in the Company and readiness to move forward together, and we would like to thank all directors and executives for their participation in



(Parleerat Panboonhom)

Chairperson of The Board & CEO
Nova Empire Public Company Limited

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ข้อมูลสำคัญด้านการเงิน

(Unit: Million Baht)

2561 2562 2563

Statement of financial position (Unit: Million Baht)

Total assets	1,002.79	948.64	1,712.55
Total liabilities	154.74	111.94	1,005.36
Shareholders' equity and non-controlling interests	-	-	-
Parent company's equity	848.05	836.70	707.19

State of Comprehensive Income (Unit: Million Baht)

Revenue from sales and services	516.85	409.07	419.62
Gross profit	70.36	27.03	-69.77
EBITDA	25.14	-2.00	-98.25
Net profit	23.07	-5.35	-126.29
Net profit from operations ¹	23.07	-5.35	-126.29
Net profit attributable to parent company	25.00	-5.35	-129.51
Non-operational transactions ² - attributable to parent company	-	-	-
Net profit from operations ² - attributable to parent company	25.00	-5.35	-129.51

Financial ratios

Book value per share (Baht)	-0.73	-17.29	114.54
Return on assets (%)	230%	-56%	-737%
Earnings per share (Baht)	3.84	-0.89	-21.00
Return on equity (%)	272%	-64%	-1768%
Debt-to-equity (D/E) ratio (Times)	0.08	0.10	2.35

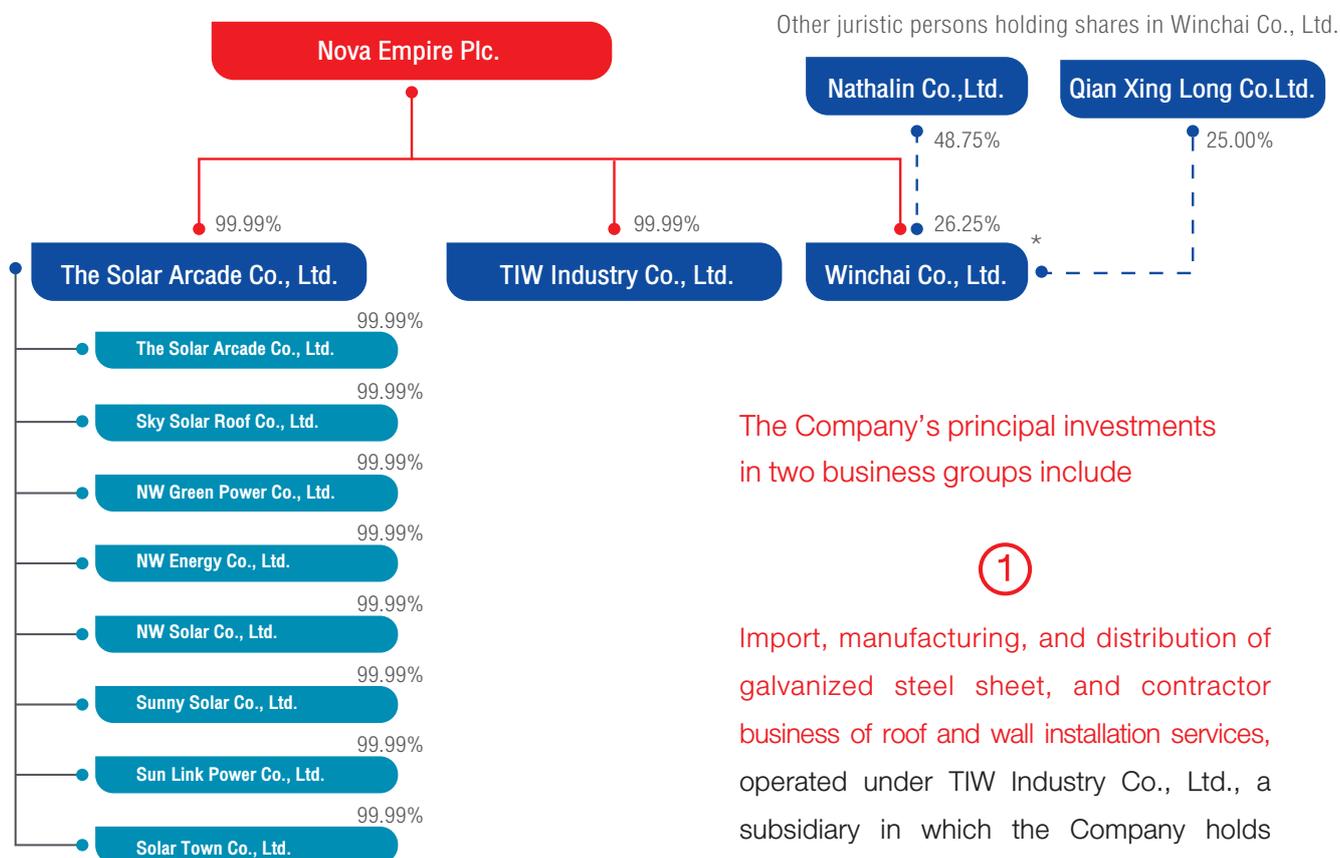
1 Non-operational transactions are excluded.

2 For example, unrealized foreign exchange gain/loss, profit from the disposal of property, non-recurring income/expenditure, etc.

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Group Company's Structure and Operations

4.1 Structure of Company Group as of 31 March 2020



The Company's principal investments in two business groups include

①

Import, manufacturing, and distribution of galvanized steel sheet, and contractor business of roof and wall installation services, operated under TIW Industry Co., Ltd., a subsidiary in which the Company holds 99.99% of shares; and

②

Power generation and distribution business, divided into 8 solar power generation businesses, with The Solar Arcade Company Limited as the focal company responsible in managing subsidiaries engaging in solar power generation and distribution business, and having a joint venture company, Winchai Co., Ltd., in which the Company directly holds 26.25% of its shares, engaging in a business of electricity generation and distribution from wind power.

Note: * The payment and shares transfer shall be completed by May 2021

All these eight subsidiaries operating a solar power generation business, and Winchai Company Limited have hired third-party companies with expertise in the maintenance of equipment and assets used in their business operations, with a maintenance cycle specified in the contract following the technical instructions of the corresponding equipment.

Company	Office Location	Type of Business	Registered capital (Million Baht)	Type of shares	Shareholding ratio (%)	Total shares
The Solar Arcade Company Limited	39/172 Lat Phrao 23 Alley, Chan Kasem Sub-district, Chatuchak District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	215.0	Ordinary share	99.99	21,500,000
Sky Solar Roof Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	9.0	Ordinary share	99.99	90,000
Sky Solar Power Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	21.6	Ordinary share	99.99	216,000
NW Green Power Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	18.0	Ordinary share	99.99	180,000
NW Energy Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	9.0	Ordinary share	99.99	90,000
NW Solar Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	7.4	Ordinary share	99.99	74,000

Company	Office Location	Type of Business	Registered capital (Million Baht)	Type of shares	Shareholding ratio (%)	Total shares
Sunny Solar Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	7.4	Ordinary share	99.99	74,000
Sun Link Power Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	3.4	Ordinary share	99.99	34,000
Solar Town Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	9.0	Ordinary share	99.99	90,000
Winchai Company Limited	88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis	Manufacture, wholesale and retail of solar energy, wind energy, and other types of renewable energy	990.0	Ordinary share	26.25	9,900,000
TIW Industry Company Limited	86 Village No. 1, Suksawat-Pom Phra Chun Road, Laem Fa Pha Sub-district, Phra Samut Chedi District, Samut Prakan Province	Manufacture and distribute galvanized metal sheet products and providing services of roof and wall installation contractor services	39.0	Ordinary share	99.99	3,900,000

Board of Directors



1 **Miss Parleerat Panboonhom**
Position: Chairperson of the Board of Directors



2 **Dr. Prasit Kanchanasakdichai**
Position: Director



3 **Mr. Kriengchai Trinapakorn**
Position: Director



4 **Mr. Kriangkrai Danchaivichit**
Position: Director



5 **Mr. Sudwin Panyawongkhanti**
Position: Independent Director / Chairperson of the Audit Committee



6 **Dr. Ratana Sithiprasasna**
Position: Independent Director / Audit Committee Member / the Nomination, Remuneration, and Corporate Governance Committee Member

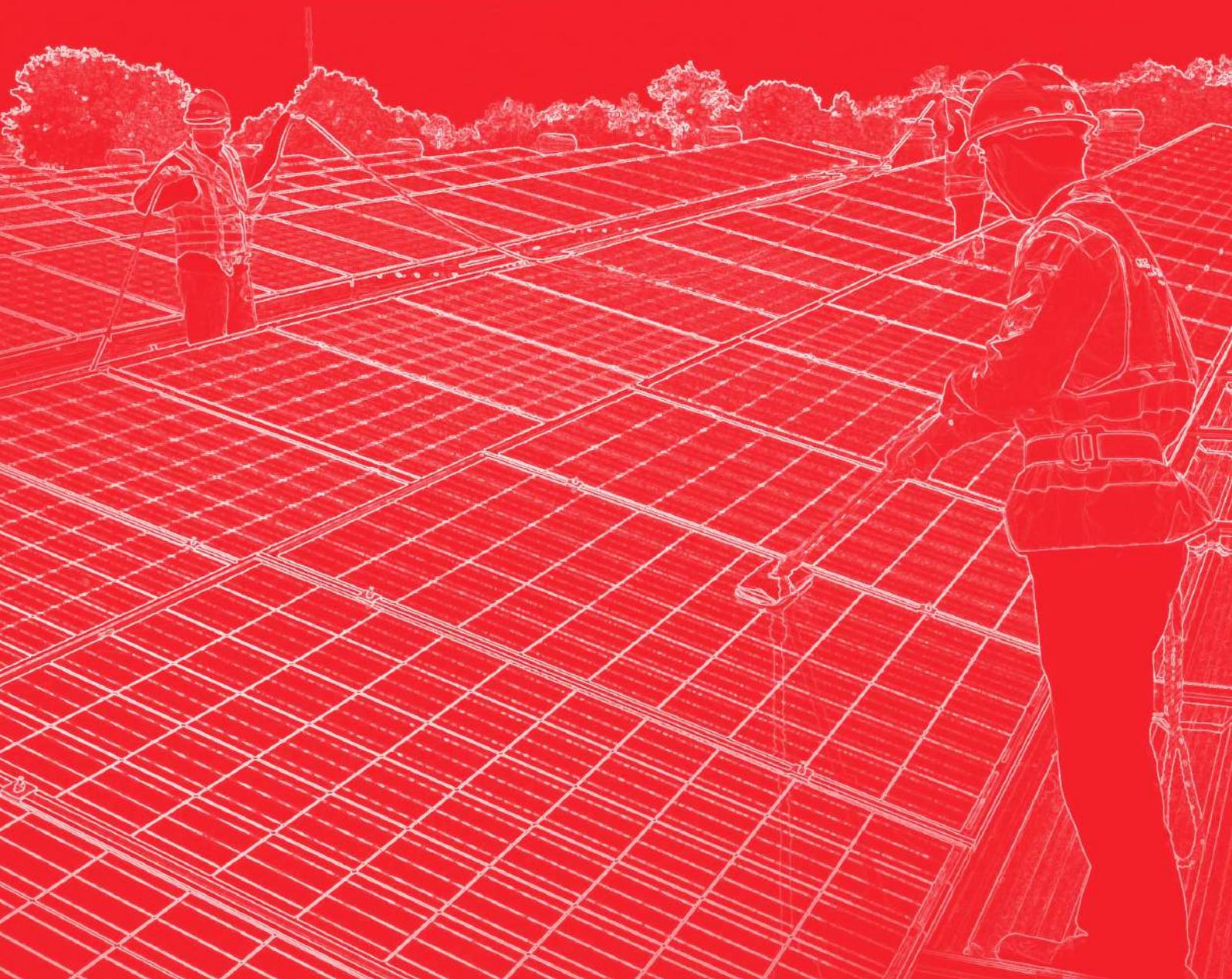


7 **Assoc Prof. Dr. Punchada Sirivunnabood**
Position: Independent Director / Audit Committee Member / Chairperson of the Nomination, Remuneration, and Corporate Governance Committee



8 **Miss Sukanya Tipmanee**
Position: Director / Nomination, Remuneration, and Corporate Governance Committee Member

**“Focus on
Good Returns”**



4.2 Revenue Structure for the Past Three Years

The proportion of revenue structure from the Company's business operation in 2020 classified by the business group is as follows:

Business	Income	%
Revenue generated from sales of zinc and iron products	986.62	90%
Revenue generated from roof and wall installation services	41.50	4%
Revenue generated from sales of ZAM steel and ZAM products	-	0%
Revenue generated from solar power generation business	21.15	2%
Other revenues	42.61	4%
Total revenue in 2020	1,091.90	100%

Structure of revenue generated from sales of zinc and iron products in the past 3 years.

Item	Year 2018 (April-December 2018)		Year 2019 (Full year)		Year 2020 (Full year)	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic sales	359.42	99.92	378.93	99.92	366.44	100
Export sales	0.27	0.08	0.32	0.08	-	-
Total sales	359.73	100.00	379.25	100.00	366.44	100
Increase (decrease) in sales	(179.27)	(33.26)	19.52	5.43	(12.81)	(3.38)

Structure of revenue generated from roof and wall installation services in the past 3 years

Item	Year 2018 (April-December 2018)		Year 2019 (Full year)		Year 2020 (Full year)	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic sales	14.61	100.00	15.5	100.00	23.85	100
Export sales	-	-	-	-	-	-
Total sales	14.62	100.00	15.5	100.00	23.85	100
Increase (decrease) in sales	0.62	4.43	0.93	6.36	9.23	59.55

Structure of revenue generated from sales of ZAM steel and ZAM products in the past 3 years

Item	Year 2018 (April-December 2018)		Year 2019 (Full year)		Year 2020 (Full year)	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic sales	5.70	100.00	4.79	100.00	8.17	100
Export sales	-	-	-	-	-	-
Total sales	5.70	100.00	4.79	100.00	8.17	100
Increase (decrease) in sales	0.41	11.91	(0.91)	(15.96)	3.38	70.56

Structure of revenue generated from solar power generation and distribution business in the past 3 years

Item	Year 2018 (Full year)		Year 2019 (Full year)		Year 2020 (Full year)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales amount to the Provincial Electricity Authority	60.62	100.00	56.70	100.00	50.58	100
Sales amount to the Electricity Generating Authority of Thailand	-	-	-	-	-	-
Total sales amount	60.62	100.00	56.70	100.00	50.58	100
Increase (decrease) in sales amount	3.09	5%	(3.92)	(127%)	(6.12)	156%

4.3 Assets used in business operations

Main fixed assets used in the business operation by the Company (Contract value)

Type/Characteristic of Asset	Contract Party	Value (Million Baht)	Obligation
Zinc and steel business and related businesses			
Land lease agreement for Title Deed No. 36479, Parcel No. 85, Dealing File No. 8 and Certificate of Utilization (Nor.Sor. 3) No. 103, Volume 2, Page 8, Laem Fa Pha Sub-district, Phra Samut Chedi District, Samut Prakan Province	Thai Const & Building Manufacturing Public Company Limited	180.00	None
Building lease agreement for zinc and steel business, including 8 office buildings, factories and other buildings, with a license of building construction, modification and demolition (Form Or.1) and a permit of building construction, modification and removal (Form Or.6), located at 86 Village No. 1, Suksawat-Pom Phra Chun Road, Laem Fa Pha Sub-district, Phra Samut Chedi District, Samut Prakan Province.	Thai Const & Building Manufacturing Public Company Limited		None
Machine lease agreement with 59 equipment for zinc and steel business, together with 10 certificates of machinery ownership registration (Form Ror. 2/1).	Thai Const & Building Manufacturing Public Company Limited	60.00	None
Solar and wind power generation business			
Solar panels with power supply systems in 10 projects, including			
Sky Solar Roof Company Limited (Lampang Province)	No, because the company has ownership of the assets	54.88	Registered as a mortgage collateral for long-term loan. and promissory notes.
Sky Solar Power Company Limited (Lamphun Province)		45.38	
NW Green Power Company Limited (Mukdahan Province)		51.82	
NW Green Power Company Limited (Prachuap Khiri Khan Province)		51.51	
NW Energy Company Limited (Prachuap Khiri Khan Province)		51.31	
NW Solar Company Limited (Phitsanulok Province)		41.81	
Sunny Solar Company Limited (Nakhon Sawan Province)		41.20	
Sun Link Power Company Limited (Bangkok Metropolis)		8.94	

Main fixed assets used in the business operation by the Company (Contract value)

Type/Characteristic of Asset	Contract Party	Value (Million Baht)	Obligation
Sky Solar Power Company Limited (Samut Prakan Province)		7.03	
Solar Town Company Limited (Phrae Province)		52.41	
The rental agreement for roof area for installing solar panels with a power supply system for all ten projects.			
Sky Solar Roof Company Limited (Lampang Province)	Siam Global House Public Company Limited	33.16	Leasehold under the contract are placed as collateral for long term loans and promissory notes
Sky Solar Power Company Limited (Lamphun Province)	Siam Global House Public Company Limited	33.16	
NW Green Power Company Limited (Mukdahan Province)	Siam Global House Public Company Limited	33.16	
NW Green Power Company Limited (Prachuap Khiri Khan Province)	The Prachuab Fruit Canning Co., Ltd.	22.08	
NW Energy Company Limited (Prachuap Khiri Khan Province)	The Prachuab Fruit Canning Co., Ltd.	22.08	
NW Solar Company Limited (Phitsanulok Province)		26.52	
Sunny Solar Company Limited (Nakhon Sawan Province)		26.53	
Sun Link Power Company Limited (Bangkok Metropolis)		4.31	
Sky Solar Power Company Limited (Samut Prakan Province)		3.15	
Solar Town Company Limited (Phrae Province)		33.15	
Total main fixed assets		225,530,000 Baht	

Intangible assets - None -

4.4 Company Background

Thailand Iron Works Co., Ltd. was registered for its establishment on 10 April 1958 by starting its business in manufacturing galvanized steel sheets in the country to replace the import of such products from abroad. Additionally, since at that time, the Company was the first manufacturer of galvanized steel sheets in Thailand, so we were promoted of its investment under the Investment Promotion Act by the Office of the Board of Investment.

In 1992, the Company has registered and maintained its status as a listed company in the Stock Exchange of Thailand (SET) and relocated its establishment from Bangkok to Samut Prakan Province due to the expansion of urban areas and living zones in Bangkok Metropolis. At that time, the Company constructed a new factory. It transformed its original production process to be a continuous production process, enabling the Company to manufacture a wide range of multi-featured galvanized steel sheet products to completely respond to consumers' needs.

In 1994, the Company transformed from a limited company to be a public company and changed its name to "Thailand Iron Works Public Company Limited" and increased its registered capital to 100 Million Baht. Later, in 1995, the Company's increased registered capital of 1 Million shares offered to existing shareholders made the Company's paid-up capital increased to be 60 Million Baht in total, to be registered with the Ministry of Commerce (MOC). Additionally, the Company has continuously produced and launched new products to the market. It has gained its reputation as a manufacturer of high-quality galvanized steel sheet and color - coated galvanized steel sheet under the trademarks namely, "Three Stars", "One Star", "DDD" and "TIW" to respond to the needs of domestic consumers and to export to consumers in neighboring countries.

In 2004, The Company introduced another type of business: roof and wall installation as a continuous service provided to major contractors of all construction projects nationwide.

In 2012, the Company launched new products: "Color-coated galvanized steel roofing products" with beautiful appearance, durability, modernization, easy installation for both roof and wall, suitable for all types of houses and buildings.

In 2012, the Company changed its major shareholding structure whereby Dr. Prasit Kanchanasakdichai acquired the Company's shares from the former shareholder group through tender offer under rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. After the tender offer as of 3 August 2015, Dr. Prasit Kanchanasakdichai holds 4,610,168 shares of the Company or equivalent to 76.84% of the total shareholding.

In 2018, the Company changed its shareholding structure whereby Mr. Kriangkrai Danchaivichit acquired the Company's shares from Mr. Prasit Kanchanasakdichai for 1,304,000 shares or equivalent to 76.84% of total shareholding; and two new subsidiaries have been established to support the energy business operations in accordance with the resolution of the shareholders' meeting as following signification details:

27 February – 6 March 2018

Two newly established subsidiaries include:

- 1) Sun Power Corporation Co., Ltd. with registered capital of 1,000,000 Baht under the objective to operate solar power business.
- 2) TIW Industries Co., Ltd. with registered capital of 1,000,000 Baht under the objective to operate same business as the Company's existing business and/or other businesses to support the Company's existing business,

99.99% of shares in both subsidiaries are holding by the Company.

On 11 June 2018, The Board of Directors' Meeting No. 6/2018 resolved as follows:

To approve the indirect acquisition of shares in Ubon Bio Ethanol Public Company Limited ("UBE"), representing 20.00% of the issued shares through the acquisition of 99.99% shareholding of Group K Corporation Co., Ltd. ("Group K") from Miss Sureeyot Kousurat and Capital K Limited ("Capital K") (a company registered in Hong Kong of which 100% of shares held by Miss Sureeyot Kousurat) ("Share Purchase Transaction"), whereby Group K is a holding company that holds 99.99% shares in STK Capital Co., Ltd. ("STK"), which is a holding company that holds 20.00% of the issued shares in UBE.

The Company shall acquire all shares in Group K of 522,000,000 Baht, as below details:

1) Payment in cash of 300,000,000 Baht (Three Million Baht); and

2) Payment in kind in the form of the Company's newly issued ordinary shares in the number of 555,000 shares at the par value of 10 Baht per share, at the offer price of 400 Baht per share, totaling 222,000,000 Baht.

To approve the decrease of the Company's registered capital by 40,000,000 Baht from the existing registered capital of 100,000,000 Baht to the newly registered capital of 60,000,000 Baht by eliminating 4,000,000 unallotted ordinary shares at the par value of 10 Baht per share. To comply with the plan to acquire 99.99% shareholding in Group K, the Company has increased its registered capital by Baht 13,050,000, from the existing registered capital of Baht 60,000,000 to the newly registered capital of Baht 73,050,000 by issuing 1,305,000 new ordinary shares at the par value of Baht 10 per share.

The Company intended to offer newly issued ordinary shares of not exceeding 1,305,000 shares at the par value of 10 Baht per share, at the offer price of 400 Baht per share, a total of not exceeding 522,000,000 Baht through private placement; details are shown as follows:

1) Allotting 555,000 newly issued shares to Miss Sureeyot Kousurat and/or Capital K, who is not a related person with the Company as partial consideration for the sale of all shares in Group K by means of payment in kind;

2) Allotting 375,000 newly issued shares to Mr. Nopporn Achawakulthep, who is not a related person with the Company, and the payment for such newly issued shares shall be in cash;

3) Allotting 200,000 newly issued shares to Mr. Winyu Jiraprapakan, who is not a related person with the Company, and the payment for such newly issued shares shall be in cash;

4) Allotting 62,500 newly issued shares to Miss Panchalee Supanimitkunkit, who is not a related person with the Company, and the payment for such newly issued shares shall be in cash;

5) Allotting 62,500 newly issued shares to Mr. Sarin Suphannimitkunkit, who is not a related person with the Company, and the payment for such newly issued shares shall be in cash; and

6) Allotting 50,000 newly issued shares to Mrs. Supin Triangkunsri, who is not a related person with the Company, and the payment for such newly issued shares shall be in cash.

However, later, on 11 November 2018, the Company canceled the issuance and offering of private placement shares and canceling the purchase of Group K shares as well as delaying the transfer of the existing business to subsidiaries because it found that the conditions of the investors as approved by the shareholders' meeting is quite complicated and cannot be agreed. In addition, the period for the offering of the Private Placement shares has elapsed from 25 October 2018, which is the time required by law to require the Company to complete the sale of shares within a period not exceeding three months from the date the shareholders' meeting approved

the offering of newly issued shares. The industry trend and the performance of Group K are not in line with the expectations due to uncontrollable factors.

On 29 March 2019, the Company disposed of all investments in Sun Power Corporation Company Limited due to the fact that the Company does not intend to continue the operation of solar power business, resulting in the cessation of its subsidiary status.

4.5 Key Development in 2020

On 24 April 2020, the Board of Directors' Meeting No.3/2020 resolved to approve the restructuring under the existing business plan approved by the 2018 Annual General Meeting of Shareholders, whereby the Board approved the transfer of existing businesses such as the manufacturing business of galvanized steel sheet and color-coated galvanized steel sheet, both sheets, and coils, as well as rights, liabilities, debtors, creditors and any liability, including employees related to existing businesses, to TIW Industry Company Limited, a subsidiary of the Company in which the Company holds 99.99% of its shares.

On 9 June 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 resolved to approve the transactions of selling and leasing assets back to increase the financial liquidity and cash flow of the Company as follows:

1) To approve TIW Industry Company Limited to sell assets used in business operations, such as land, buildings and structures, machinery and equipment used in the manufacturing business as well as related licenses, to Thai Const & Building Manufacturing Public Company Limited, with a value of 250 Million Baht.

2) To approve TIW Industry Company Limited to enter into a property lease agreement under: 1) from Thai Const & Building Manufacturing Public Company Limited for using in the manufacturing business of galvanized steel sheet and color-coated galvanized steel sheet, both in sheets and in coils, with the rental rate throughout the contract term at 80 Million Baht under a lease term of 10 years, the contract can be renewed 2 times for 10 years each with an annual rental fee of 8 Million Baht.

Both transactions as mentioned above are regarded as a related-party transaction of a listed company as required in the related-party transaction with a related person with the Company, who is Dr. Prasit Kanchanasakdichai, Directors and major shareholder of the Company, Director and controlling person of Thai Const & Building Manufacturing Public Company Limited.

3) To approve the Company to invest in the energy business by allowing a subsidiary (The Solar Arcade Company Limited established on 18 June, 2020) with 99.99% of shares held by the Company to invest in all ordinary shares of 8 companies in the solar power plant business group, including

- (1) Sky Solar Roof Company Limited;
- (2) Sky Solar Power Company Limited; (
- (3) NW Green Power Company Limited; (
- (4) NW Energy Company Limited;
- (5) NW Solar Company Limited; (
- (6) Sunny Solar Company Limited; (
- (7) Sun Link Power Company Limited; and
- (8) Solar Town Company Limited from Living Energy Company Limited, a subsidiary of Sea

Oil Public Company Limited, by means of Entire Business Transfer, with a total purchase value of 215 Million Baht, which is regarded as an asset acquisition transaction in accordance with the relevant notifications of the Capital Market Supervisory Board, and the Stock Exchange of Thailand's Board of Governors.

All matters related to three issues mentioned above were completed in July 2020.

On 8 July 2020, TIW Industry Company Limited increased its registered capital from 1 Million Baht to 50 Million Baht, the Company used its rights to purchase all new shares to raise capital in order to increase the liquidity and to serve as working capital for future business operations that are volatile.

On 30 July 2020, the Company received a letter of Conditional Voluntary Tender Offer from Ms. Parleerat Panboonhom (the Tender Offeror), who has not yet been the Company's shareholder at that time, that she intended to purchase the newly issued & paid-up ordinary shares from the Company's shareholders under the condition that the offeror will cancel such tender offer if less than 55.18% of all newly issued & paid-up ordinary shares of the Company were offered to sell after ending the tender offer period. The tender offer price was set at 181 Baht per ordinary share and the tender offeror does not intend to delist the securities from the Stock Exchange of Thailand.

On 30 July 2020, the tender offeror has entered into a share purchase agreement with Dr. Prasit Kanjanasakchai through the process of making a tender offer for all 3,311,368 shares, or representing 55.18% of the Company's total issued and sold ordinary shares at the price of 181 Baht per share, with 2 purchasing periods of 3-11 August 2020 and 13 August - 9 September 2020 (25 working days in total).

On 14 August 2020, as a result of the share trading between the offeror and Dr. Prasit Kanjanasakchai, the Company's shareholder structure has been changed and Ms. Parleerat Panboonhom becomes a major shareholder and controlling person of the Company by holding 3,311,368 shares or 55.18% of the Company's total issued and sold ordinary shares, and Dr. Prasit Kanchansakchai is still holding 654,000 shares or 10.90% of the Company's total issued and sold ordinary shares.

On 9 September 2020, the tender offeror reported the result of tender offer for totally 3,691,968 shares or 61.53% of the Company's total issued and sold ordinary shares.

On 27 January 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 resolved to approve the investment in the energy business as part of the Company's business plan as follows:

1) To acquire 2,598,750 shares of Winchai Company Limited or representing 26.25% of the total shares at a total price of 660 Million Baht, from Ms. Parleerat Panboonhom or a legal entity solely owned by her, as a director and a major shareholder of the company. The said transaction is considered a related-party transaction of a listed company specified in the related-party transaction.

2) To approve the reduction of the Company's registered capital by eliminating unissued ordinary shares amounting 13,050,000 Baht from the existing registered capital of 73,050,000 Baht to be 60,000,000 Baht. These 1,305,000 unissued registered shares which were eliminated, have a par value of 10 Baht per share.

3) To approve the reduction of the Company's registered capital by reducing the par value from 10.00 Baht per share to be 0.5 Baht per share.

4) To approve the increase of the Company's registered capital of 10,000,000 Baht from previously 60,000,000 Baht to be 70,000,000 Baht by issuing 20,000,000 ordinary shares for the capital increase at a par value of 0.50 Baht per share.

5) To approve the allocation of ordinary shares for the Company's capital Increase to existing shareholders

in a proportion of not more than 20,000,000 shares at par value of 0.50 Baht per share to existing shareholders of the Company according to a proportion to their existing shareholding (Rights Offering) at the offer price per share of 9.10 Baht (or equivalent to the share price before the change in the par value of the Company's shares at 182 Baht per share). A proportion of 6 existing shares per 1 newly issued share will be applied to the said offer and a fraction of shares will be discarded.

6) To approve the change of the Company's name, securities symbol, Company's seal, head office location and additional objectives of the Company related to the energy business.

7) To consider and approve the amendments to the Company's Articles of Association to be in line with electronic conferencing laws.



4.6 Nature of Business

In 2020, as linking to 2021, the Company has operated two main businesses:

1) the business related to the production and distribution of galvanized sheet products, and color-coated galvanized steel sheet, both in sheet and in coil, operated by TIW Industry Company Limited; and

2) the business of production and distribution of electricity from solar power and wind energy, to be operated through eight subsidiaries, which were acquired in the third quarter of 2020. The business of electricity generation and distribution from wind power has operated through Winchai Company Limited, in which the Company holds 26.25% of the total shares which were acquired during the first quarter of 2021; details of each business are as follows:

1) Business related to the production and distribution of galvanized sheet products

Characteristic of products and services

Products in this business are divided into 4 main groups as follows:

(1) Galvanized iron sheet is divided into 2 types:

- **Corrugated galvanized iron sheets** – in large and small sizes, galvanized iron (GI) will have zinc color, while color-coated galvanized iron sheet will have green, blue and red colors. This product is commonly used in households and buildings such as roofing and wall partitions, etc.

- **Flat galvanized iron sheet** – commonly used in industries such as advertising board, PR board, air duct tube, turbine vent, bathroom door, document cabinet, toolbox, water grating, and water tank, etc. In addition, the Company has developed a variety of products to respond to customers' needs. The Company uses flat galvanized iron sheet to develop into new products, emphasizing its position as the first manufacturer of galvanized iron sheets in Thailand who has stood by Thai people's side for over 60 years.

Farmers are the main target customer group for this group of products. Such target group accounts for 80% of the total revenues. Farmers and other customers purchase the Company's products through distributors at construction material stores or modern trade. To create product uniqueness suitable to both upper-level and lower-level customer groups, the Company uses trademarks to communicate with customers to understand products and their qualities. The Company's trademarks can be categorized as set out below

Trademark	Manufacturing Quality	Distribution Channel
	High quality TIS.50-2548	<ul style="list-style-type: none"> • Distributor • Purchaser
	Medium quality	<ul style="list-style-type: none"> • Distributor • Purchaser
	Standard quality	<ul style="list-style-type: none"> • Distributor • Purchaser • Overseas Purchaser

Trademark	Manufacturing Qualit	Distribution Channel
	Standard quality	<ul style="list-style-type: none"> • Distributor • Large retail store with branches nationwide
	Standard quality	<ul style="list-style-type: none"> • Large retail store with branches nationwide
	Standard quality	<ul style="list-style-type: none"> • Distributor • Purchaser

(2) Metal sheet can be divided into 2 types:

1) Color-coated metal sheet - commonly used as roof tile and side installation in construction, residence, car park, canteen, coffee shop, gasoline station, condominium, apartment and temple etc. Customers may choose any color of metal sheet as desired.

2) Aluzinc metal sheet - commonly used as roof tile and side installation, awning, canopy, frame, venting, ceiling and fence etc.

Sheet metal contractors are the main customer group for this group of products, accounting for 80% of the total revenue. Sheet metal contractors purchase products from the Company's distributors including flat iron manufacturers, construction material stores, and modern trade. Trademark of the Company's metal sheet is 3 Stars, which is in accordance with Thai Industrial Standards.

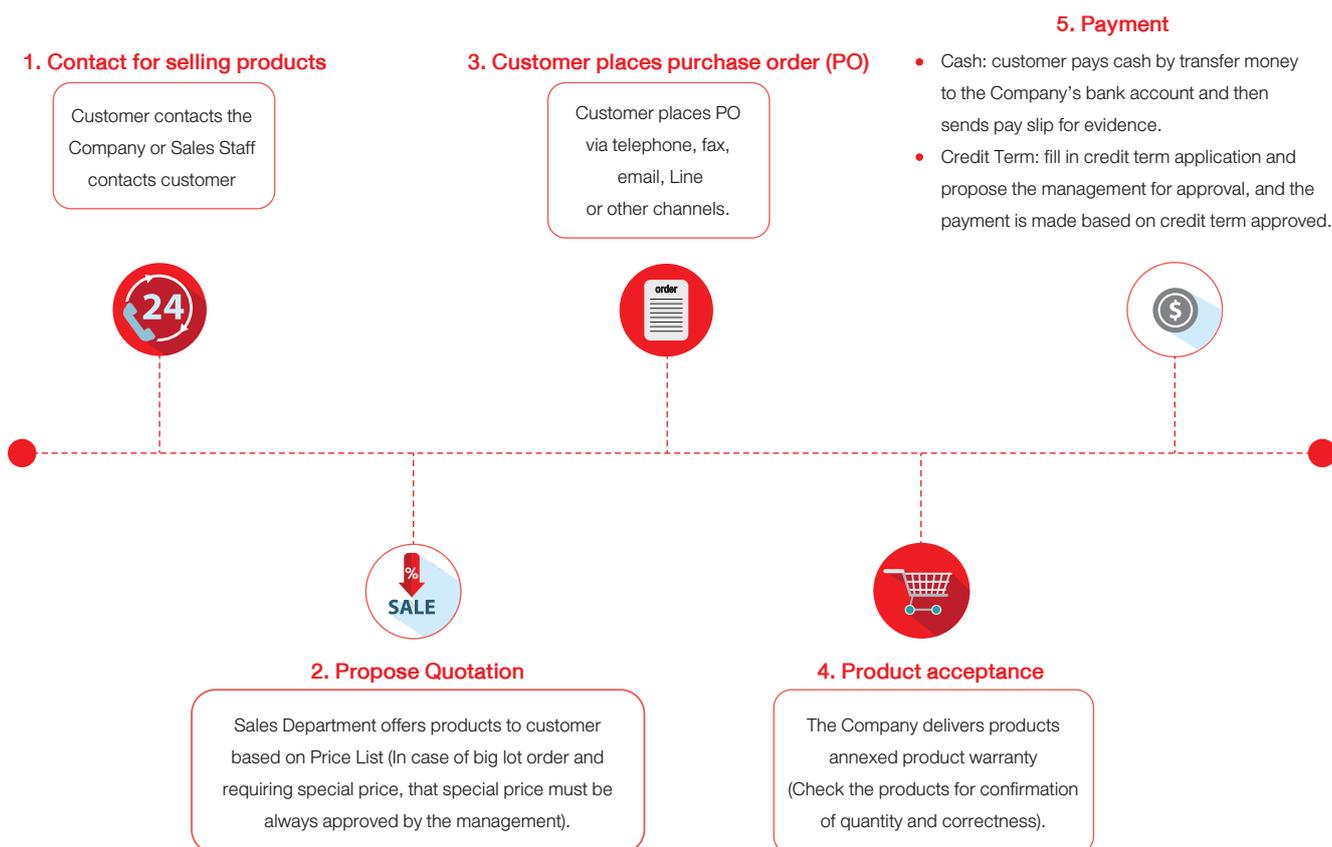
Trademark	Manufacturing Qualit	Distribution Channel
	High quality TIS. 2131-2545	<ul style="list-style-type: none"> • Distributor • Purchaser

(3) ZAM and products made from ZAM

The products under the trademark of Nisshin Steel Company Limited is ZAM or hot-dipped galvanized sheet with coatings consisting of 87-92% zinc, 5-10% aluminum and 3% magnesium. They are commonly used for areas with high level of erosion such as wiring rack, windproof panel, fermentation plant, farm building, and grape arbor. The products can withstand high-level of erosion and have better usage than general coated products. They help reducing work procedures and overall costs.

Trademark	Manufacturing Qualit	Distribution Channel
	High quality TIS. 2131-2545	<ul style="list-style-type: none"> • Distributor • Purchaser

Sale Process of Galvanized Iron Sheet, Metal Sheet and Products made from ZAM



(4) Roofing and siding installation service

The Company provides contractor service for roofing and siding by importing high-resistance ZAM from Japan as part of roofing materials. The Company also provides installation service for roofing made from other materials as required by customers. The service is provided according to terms and conditions of contract as either sub-contractor or contractor, with specification of materials used and completion date of installation to be determined in advance. In respect of receipt of payment, the Company will be paid based on completion of work according to project milestones. Usually, it is agreed under the contract that the Company may submit its invoice once every month.

We served both customer groups and target groups in both large and small projects, construction of new factory buildings, and repair of old and damaged factory roof, with the innovative construction technology called "Roof On Roof" which is usually used in the construction of large warehouse and factory. Therefore, the customers and target groups are local juristic persons or joint venture incorporated in Thailand with foreign investments. Out service areas are mainly located throughout regions of Thailand.

In terms of distribution and distribution channels, the Company's customers who are country's leading construction service providers will be directly contacted by function in charge of contractor services, some customers have also contacted the Company's Marketing Department, in which are mostly a continuation of existing customers or parties related to existing customers by means of word of mouth; additionally, the Company also adheres to the principle of works emphasizing the quality, time keeping, reasonable price and focus on customer needs first; therefore, customers always believe in the works of **Nova Empire Public Company Limited**.

Marketing Strategies and Value Chain Management

(1) The Company has continuously developed new products and services in order to respond to changing market demands, such as

- **Colored Metal Sheet Coil or PPGI** is widely used at present for roofing in replace of tiles and corrugated galvanized iron sheet. The Company's colored metal sheet coil has been developed and certified for the quality of industrial standard (TIS.2131-2545) by Thai Industrial Standards Institute. Therefore, the product is widely accepted for quality and is able to reach government agencies as customers of the product easily.

- **Rain gutter and equipment relating to rain gutter** the Company has expertise in manufacturing rain gutter by developing high-technology machinery to manufacture the said product. The Company has a folding machine that can make a 6-meter rain gutter as the most extended length. Sizes of the Company's rain gutters range from 0.35 mm to 2.5 mm. Customers may order any size of rain gutters as required, and a variety of materials are used for manufacturing rain gutters, including zinc, alu-zinc, stainless steel and ZAM.

(2) The Company has strengthened business relationships with partners

in order to access new products continuously. In 2020, the Company has received cooperation from Nisshin Steel, Japan in respect of collaboration for the development of various products with Nisshin Steel. The Company also imports ZAM, which is the newest technology of galvanized steel of Nisshin Steel. This ZAM has outstanding quality compared to the commonly used hot-dipped galvanized steel product and hot-dipped zinc aluminum steel product, commonly known as Alu-Zinc. ZAM combined the outstanding qualities of both types of galvanization together by dipping steel sheet with zinc and aluminum at the appropriate proportion, including mixing with magnesium in order to better prevent rust. Presently, in Japan, ZAM is widely used, particularly in housing structure, large building structure, foundation post for pedestrian and vehicle bridges, electrical appliance, agricultural works or structure for solar farm.

(3) The Company supports the expansion of its customer base

by establishing sales and marketing team designated for each area to cover additional areas in the country. The sales and marketing team has continuously and monthly visited the Company's existing distributors and searched for distributors in other areas. This strategy is different from the conventional marketing strategy in which the Company sells its products to existing distributors only as previously used by the Company. In addition, the sales and marketing team also assists the Company in obtaining market movements and information, enabling the Company to adjust its work plans to be in line with and accommodate changing situations.

(4) Manage stakeholders in the value chain

The Company has a clear policy in partnership with distributors of raw materials used in production by selecting and using raw materials from suppliers, cooperating with legitimate trading partners,

negotiating in a fair basis for both parties, selecting quality raw materials with prices suitable for the needs of each group of customers. The raw materials will be procured from both domestic and overseas sources.

The Company has a policy to produce quality products for the market and pay attention to the services before selling the products in every step, from analyzing the needs of each customer to present and sell products that meet their needs, proposing quotations with recommendation of product information on an accurate basis, and presenting with courtesy to respect customers.

The Company has a policy to sell quality products that meet the standards, pay attention to the production in every step, offer a fair selling price based on market price condition at that time, and issue valid trading documents such as tax invoice, product quality assurance document, and delivery slip, the customers will quickly receive complete and correct documents. During the negotiations, all documents will be reviewed every time to prevent any mistakes that may occur in trading.

The Company's main policy is to treat every customer as its important partners by delivering quality products and services in order to create the highest customer's satisfactions, treating partners with fairness and consistently developing relationship with partners, avoiding any situation in which conflict of interest may arise, negotiating with partners based on good and mutually satisfactory business relationship.

Throughout the course of business operations, the Company has a policy to provide after-sale service by having teams designated for following up on quality of products and documents after sale. For instance, if a customer notifies that the Company's product is broken or damaged, the Company's officer will visit the customer in order to collect information and analyze the cause of damage. The issue shall be summarized and reported for rectification and preparation of preventive measures in the future. The Company also takes recommendations and comments from all customers in order to improve its sale and marketing strategies. Since the Company distributes quality products which have been certified for quality industrial standard, the Company can provide product warranty for all of its products, including:

- 1) Galvanized iron sheet (corrugated and flat types)
- 2) Metal sheet (color-coated and alu-zinc types)
- 3) ZAM metal and products made from ZAM

Key conditions of product warranty can be summarized as follows:

- 1) The Company provides warranty for manufacturing defect which impacts normal usage.
- 2) Product warranty shall cover only issues with normal usage. Product warranty shall be void for usages that are not considered normal usage such as:
 - damages arising from incorrect installation;
 - lack of knowledge or expertise in installation;
 - incorrect adaption of product or failed to follow installation instructions;
 - damages arising from transportation;
 - and other conditions as specified in product warranty.
- 3) Product warranty shall be considered from warranty certificate, receipt or any other evidences from the date of sale and purchase.

Industry Outlook and Competition

In 2020, the steel production index shrank when comparing to the same period of the previous year due to the following reasons: the impact of the global economic situation, COVID-19 situation, international steel product prices, ongoing slowdown in the implementation of both public and private construction projects, causing the competition in the industry of galvanized steel sheet and metal sheet to become more intense, especially galvanized steel sheet market consisting of many distributors including in-house production and importing from abroad to sell in the country. Additionally, other modern-looking products also attract a lot of consumer attention. Many consumers turn to use CPAC roof tiles, or concrete roof tiles, instead of zinc, causing manufacturers and distributors to enter into severe price competition mechanisms. This signifies that only financially strong manufacturers with efficient management of their production costs and all comprehensive distribution channels will survive in this business.

Corrugated galvanized iron sheet

the Company's product has potential to compete in the business and quality similar to the product of large manufacturers. At present, there are only 3 major manufacturers including Bangkok Steel Industry Public Company Limited, The Tree Sourcing Company Limited, Siam Box Company Limited. All these three companies are major manufacturers and distributors of corrugated galvanized iron sheet in Thailand. It is anticipated that the Company is a leader in marketing of corrugated galvanized iron sheet at present.

Metal sheet

the Company's product quality is competitive compared to major manufacturers in Thailand such as NS BlueScope (Thailand) Limited, Bangkok Steel Industry Public Company Limited, and Dongbu Thai Steel Co., Ltd., who are considered as major manufacturers and distributors in Thailand.

The future competition conditions will continue to be intense because during the past 2-3 years, the corrugated galvanized iron sheet market has received negative impact from the importation of low - quality product with thin galvanized coating and low-quality steel. As a result, the number of remaining local manufacturers of corrugated galvanized iron sheet is 3 manufacturers. It is anticipated that competition will increase in the future, particularly price competition and sale of products that do not focus on quality, which may directly impact consumers. However, in order to maintain the competitiveness, the Company therefore chose to manufacture products by itself. If the Company is able to manufacture products with similar or lower cost than importation, but with higher quality than imported products and if at any time, manufacturing cost is higher than importation, the Company will choose to import products while still focusing on quality of imported products. Therefore, the Company will always have sufficient inventory ready for sale to customers, which creates confidence to customers. Meanwhile, competitors who import products from overseas only will face difficulties in managing inventory for distribution.

In addition, the Company has a competitive advantage due to the provision of Industrial products of cold-rolled flat steel, galvanized by hot-dip treatment, coils, sheets, strips, cut sheets and corrugated sheets must meet the Industrial Product Standard (TIS) only, at present the Company has been certified of industrial standard. As for roofing products, metal sheets and galvanized steel sheets, the Company benefited from new tariff amendments to cover and prevent anti-dumping duties. Cold rolled steel is coated with hot dipped

galvanized then color coated, and cold rolled steel is plated or coated with aluminum alloy and hot dipped galvanized and then paint is more difficult to paint.

The Company has also improved its production process to reduce costs by importing galvanized steel sheet by hot dip (GI) treatment from the People's Republic of China to paint in the Company itself, resulting in a significant reduction in production costs and still maintaining the standard of coating as before to accommodate some customer groups who want cheaper products but want to focus on high quality colors, beautiful looking and standard.

In procuring products for sale in previous year, the Company has a number of manufacturing plants with a total production capacity of 60,000 tons per year, mainly sourced from domestic manufacturers and distributors, and partially imported, after that the Company will cut and forge within the factory area or at the customer's construction area. As of 31 December 2020, none of project works have the value from 10% of gross revenue according to undelivered Annual Financial Statement.

Domestic Manufacturers and Distributors

Manufacturer Name	Raw Material Purchased	Purchase ratio (%)
Mitsui & Co. (Thailand) Ltd.	Cold-Rolled Steel Sheet (CRC)	83.68%
POSCO Coated Steel (Thailand) Co., Ltd.	Galvanized Steel Sheet by Hot Dip Treatment (GI)	12.04%
NS Bluescope (Thailand) Co., Ltd.	Zinc-aluminum Coated Steel Sheet by Hot Dip Treatment (GL)	1.88%
Marubeni-Itochu Steel Pte Ltd. Bangkok Branch	Cold-Rolled Steel Sheet (CRC)	1.44%
Charoen Minerals And Ores Co., Ltd.	Lead ore, Tin ore	0.96%
QINGDAO GRAND INDUSTRY CO., LTD.	Galvanized Steel Sheet by Hot Dip Treatment (GI)	81.05%
GUANXIAN RENZE COMPOSITE MATERIALS CO.,LTD	Galvanized Steel Sheet by Hot Dip Treatment (GI)	18.10%

Industrial Standards

 TIS.50-2548	On 8 September 2005, the Company has been certified of industrial standard for steel sheet galvanized by hot-dip treatment, coils, cut sheets and corrugated sheets
 TIS.2131-2545	On 7 July 2006, the Company certified industrial standard for steel sheet galvanized by hot-dip treatment, color-coated cut sheets, and corrugated sheets.
 TIS.2132-2545	On 21 September 2016, the Company has been certified of industrial standard for steel sheet galvanized by hot-dip treatment, and color-coated corrugated sheets.

2) Solar Power & Wind Power Production and Distribution

The business of Solar Power & Wind Power Production and Distribution is operated under 8 subsidiaries and 1 associated company, details are as follows:

Company Name	Project Location	Installed capacity (Megawatts)	Shareholding ratio	Purchaser	Commercial Operation Date
Eight Subsidiaries					
Sky Solar Roof Company Limited	Lampang	1.0	99.99	PEA	12 January 2015
Sky Solar Power Company Limited	Lamphun	1.0	99.99	PEA	13 February 2015
Sky Solar Power Company Limited	Samut Prakan	0.095	99.99	MEA	19 December 2014
NW Green Power Company Limited	Mukdahan	1.0	99.99	PEA	9 March 2015
NW Green Power Company Limited	Prachuap Khiri Khan	1.0	99.99	PEA	20 November 2014
NW Energy Company Limited	Prachuap Khiri Khan	1.0	99.99	PEA	20 November 2014
NW Solar Company Limited	Phitsanulok	0.800	99.99	PEA	26 December 2014
Sunny Solar Company Limited	Nakhon Sawan	0.800	99.99	PEA	21 January 2015
Sun Link Power Company Limited	Bangkok Metropolis	0.130	99.99	MEA	13 February 2015
Solar Town Company Limited	Phrae	1.0	99.99	PEA	25 December 2014
One Associated Company					
Winchai Company Limited	Mukdahan	45.00	26.25	EGAT	1 April 2019

Nature of Products or Services

Solar Power Production Business

The Company's solar power plant projects are operated by 8 subsidiaries with a total installed capacity of 7.825 MW by renting roof space from other private entities to install the system, it is classified as a Very Small Power Producer (VSPP), generating electricity for distribution to the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA) by entering into a Power Purchase Agreement (PPA), totally 10 projects with a period of 25 years starting from 31 December 2013 and ending on 31 December 2038. The distribution channel is the connection of electricity from each project to the stations and the power systems of MEA or PEA, the amount of electricity to be sold will be calculated by means of power meter at the power distribution points of each project for further distribution to the public by MEA and PEA, with the ratio of Feed in Tariff at 6.55 Baht and 6.16 Baht per kilowatt-hour, respectively. The said Power Purchasing Agreement will be expired in 2038.

All eight subsidiaries have qualifications as specified by the Electricity Authority and the Ministry of Energy when submitting an application for distribution and connection to the power system with a photovoltaic system (PV) or Commercial Rooftop type of solar cells.

Solar power generation process starts with the photovoltaic process, which will directly convert the energy from sunlight into electrical energy, the process will begin from the light falling on solar panels, the semiconductor will absorb the energy to stimulate the flow of DC current with following production processes:

- (1) A set of solar panels will be gathered and installed in group to generate the amount of electricity as desired;
- (2) Electric currents obtained will be transmitted together to collect for a higher amount of currents before transmitting to the rectifier;
- (3) The rectifier will convert electric currents from DC to AC currents, to connect to general electrical system;
- (4) Then, the voltage must be raised by using an Step up Transformer, so that electricity obtained will be connected to the transmission system

In operating the solar power generation and distribution business, the Company has outsourced a service provider of Operation & Maintenance to maintain the solar panels for continuous and efficient power generation, and operations staff will be assigned to station the project for close monitoring on solar panel performance through the Supervisory Control and Data Acquisition ("SCADA") computer system, enabling such business operations more efficient and resulting in more stable income in the energy business.

Solar cells in the category of Commercial Rooftop requires space for installation, the Company has entered into lease agreements with lessors who own ownership in the buildings behind the areas of the contract parties in provinces for a total of 10 projects, consisting of 6 projects on the roof of warehouses in the Company Group of Siam Global House Public Company Limited, 2 projects on the roof of factories in the Company Group of The Prachuab Fruit Canning Co., Ltd., and 2 projects on the roof of general buildings, to be used as a space for the installation of solar panels and related equipment. The lease agreement is made in a long-term basis of 25 years until the completion of projects in 2038 from the Commercial Operation Date to supply electricity into the commercial power systems of PEA and MEA. In the event that the Solar Power Plant Group supplies electricity to the systems of MEA and/or PEA in excess of the amount specified in the Power Purchase Agreement, the Solar Power Plant Group will waive such excess.

The solar power plant business group has entered into a loan agreement with Bangkok Bank Public Company Limited to fund the projects under the condition of repayment for 120 installments in a monthly basis, and the interest will be calculated from 1 January 2020 at the rate of MLR -1.25. The balance of the said loan as of 31 December 2020 was 163,214,010 Baht. The machinery, income statement, rights in receiving money from the sale of electricity, leasehold of Solar Rooftop, and liabilities guaranteed by Nathalin Company Limited have been used as collaterals.

The solar power plant business group has entered into a service contract with Nathalin Company Limited in return for their credit guarantees to provide business support services, including credit guarantees with a maximum credit guarantee limit of 219.34 Million Baht, the service fee will be calculated according to the outstanding amount of debt in the loan agreement, at the rate of 0.2% or equivalent to 595.83 - 9,350.00 Baht per month, in case of default, the interest will be charged at the rate of 7.5% per year. However, after the solar power plant business group has been transferred to the Company's subsidiaries, the said contract was terminated by the management and the Company has become the guarantor for all of remaining debts instead.

The solar power plant business group has applied for the insurance including Business Interruption Insurance, with a total of coverage approximately 87 Million Baht, Industrial All Risk Insurance with a total of coverage approximately 453 Million Baht, covering entire solar panels and Public and Product Liability Insurance that protects liabilities incurred inside the establishment or caused by the operation of the insured with a total of coverage for not more than US\$ 10 million.

The solar power plant business group has been granted of benefits under the Investment Promotion Act B.E. 2520 (1977) by the approval of the Board of Investment according to each of following BOI certificates:

BOI Certificate	COD Date	from business operation
1561(1)/2557	30 April 2014	20 November 2014
1562(1)/2557	30 April 2014	9 March 2015
1563(1)/2557	30 April 2014	12 December 2014
1564(1)/2557	30 April 2014	20 November 2014
1565(1)/2557	30 April 2014	19 December 2014
1566(1)/2557	30 April 2014	13 February 2015
1567(1)/2557	30 April 2014	12 January 2015
1568(1)/2557	30 April 2014	21 January 2015
1569(1)/2557	30 April 2014	13 February 2015
1570(1)/2557	30 April 2014	25 December 2014

Under certain conditions specified, **such benefits include**

- a) Tax exemption for promoted businesses for a period of 8 years from the date income is first derived from the promoted activity;
- b) A fifty per cent (50%) reduction of income tax on the net profit derived from the promoted activity for a period of five years commencing from the expiry date of promotion for 8 years;
- c) Exemption of import duties on the machineries approved by the Board of Investment;
- d) Dividends derived from a promoted activity granted an exemption of juristic person income tax shall be exempted from computation of taxable income throughout the promotion period, the juristic person or the Company Group is required to follow terms and conditions prescribed in BOI Certificate.

Wind Power Production Business

The Company's wind power business is operated through an associated company, Winchai Company Limited, under the Rom Klao Wind Farm Project, with a maximum capacity of 44.85 MW, it has been developed in 2016 and start commercial operation date (COD) in April 2019, with the Power Purchase Agreement (PPA) signed with the Electricity Generating Authority of Thailand (EGAT) for 5 years since COD, and the agreement can be renewed every 5 years, the said PPA will be expired on 31 March 2024, it is classified as a Small Power Producer (SPP), the distribution channel will connect electricity from each project to enter into EGAT stations and electrical systems, with the amount of electricity sold to be calculated by means of power meter at the electrical distribution points of the project.

The production process of wind power will start from the wind blowing against the impellers of wind turbine which will convert the kinetic energy into mechanical energy, making the impellers strongly rotate, such rotating force of the impellers will be transmitted through the spindle shaft, making drive gear or gear attached to the spindle shaft to rotate together. After the drive gear of the wind turbine is rotated, the spindle shaft will be driven to rotate. The electricity produced will be transmitted to gather at a transformer installed at the back of the engine compartment in the wind turbine to convert low voltage at 650.00 volts into intermediate voltage at 22.00 kV before conveying through cables located in the wind turbine towers to the power control system located at the base of turbines to accelerate the voltage from 22.00 kV to 115.00 kV and transmit to the power pipeline connecting the Mukdahan Substation 2 of the Electricity Generating Authority of Thailand along Highway No. 2370, 212 and 238, respectively, totally 55.00 kilometers in distance, for further distribution of electricity.

The main machinery and equipment include 13 wind turbine towers in total, which are wind turbine of Vestas Asia Pacific, A/S Model V136 with 3 rotor blades, each with a length of 66.67 m., each blade has its own pitch control point, which function to adjust the blade to the degree that is ready and suitable to the wind speed for stability and high efficiency. Each tower has a capacity of 3.45 megawatts.

Winchai Company Limited has hired Vestas Wind Technology (Thailand) Co., Ltd., a company under the Company Group of wind turbine manufacturers, to provide services and maintenance under the wind power plant maintenance contract, and engineers to take care of the wind power plant. The operation and maintenance contract includes the cost of replacing the equipment for the wind power plant and other equipment throughout the contract period (10 years starting from 15 January 2018) and guarantees the efficiency of power generation at a minimum of 98.00% of the minimum production period of Rom Klao Wind Farm Project.

In addition, Winchai Company Limited has also hired The Prodigy Group Company Limited to serve as an advisor and representative of Winchai Company Limited in project management from the effective date, in terms of operations and maintenance (by consulting engineers), procurement, finance, related laws and regulations, public relations and coordination with various government agencies including general public and local organization surrounding the project for a period of 5 years from 1 September 2019, and it can be renewed with a written notice at least 30 days in advance before specified schedule.

Winchai Company Limited has been granted of privileges from the Office of the Board of Investment (BOI) for the wind power generation business under BOI Certificate No. 59-0778-0-13-2-0 with the privilege in tax exemption for profit derived from promoted activities for a period of 8 years from the date income is first derived from the promoted activity. In case of getting loss in annual operation during the period of such exemption, the promoted licensee is allowed to deduct the loss amount incurred during that time from the net profit after the expiration of corporate income tax exemption for a period of not more than 5 years from the expiration of that period, which will be deducted from the net profit of any year or several years, and the dividends derived from a promoted activities granted an exemption of juristic person income tax shall be exempted from computation of taxable income throughout the promotion period, as well as a fifty per cent (50%) reduction of income tax on the net profit derived from the promoted activity for a period of five years commencing from the expiry date of promotion

Marketing and Competition

The renewable power generation industry in Thailand comprises the power generation from biomass, biogas, waste energy, wind power, tidal power and solar power, accounting for approximately 9% of a total amount of electricity generation in Thailand in 2018, increasing by 2% compared to 2010. Based on the size of production, private power producers are divided into 3 groups. Including: (1) Independent Power Producer (IPP) having a production capacity of more than 90 megawatts and having two income streams which are the amount of electricity supplied to actual system based on consumption and the minimum take to be received as specified in the long-term power purchase agreement with the Electricity Generating Authority of Thailand; (2) Small Power Producer (SPP) having a production capacity in a range of 10-90 megawatts and having 3 income streams consisting of: the revenue from the Power Purchase Agreement with the Electricity Generating Authority of Thailand, which usually have a term of contract ranging from 20-25 years, the minimum take, and a revenue from direct sales to customers; (3) Very Small Power Producer (VSPP) having a production capacity of less than 10 megawatts, having a revenue from selling electricity to the Metropolitan Electricity Authority and the Provincial Electricity Authority at the purchase price of the Feed in Tariff (FiT) system, and selling electricity to customers with a direct contract at the agreed prices. Based on the statistics of electricity generation in 2018, the Electricity Generating Authority accounted for 31.00% of electricity generation, while the Independent Power Producer (IPP) accounted for 27.00% of electricity generation, and the Very Small Power Producer accounted for 29.00% of electricity generation.

The 2018-2037 Power Development Plan (PDP rev.1) approved by the Cabinet on 20 October 2020, has continued to target the country to have a total power generation capacity of 77,211 MW in 2037, similar to original version. The new capacity for 2018-2037 is 56,431 MW in total, the plan remains its focus on reducing the proportion of production capacity of the coal-fired power plants and supporting the natural gas power plants to increase its proportion by 53.00%, and the renewable energy power plants account for 20.00%. The long-

term plan will result in the next 3-5 years and the bidding of large power plants to replace large power plants from natural gas is expected to expire during 2025-2027 for more than 8,300 MW. In addition, small power plants tend to expand their generating capacity, especially in the group of power plants from natural fuel that the contract is expected to expire in 2016 - 2025, it can be seen that the demand for electricity in the country continues to grow, although in overall, the government has partially reduced the proportion of production capacity of new power plant projects, it still has a business opportunity and the Company plans to invest in the power generation business to sell to Electricity Generating Authority of Thailand, Metropolitan Electricity Authority, and Provincial Electricity Authority, under the Power Purchase Agreement only, where the amount of electricity to be sold is fixed as specified in the agreement.

Value Chain Management

In Thailand, the power generation business is controlled by the National Environmental Quality Promotion Act, and all power generation projects that have been implemented and all projects have always been fully compliant with environmental standards stipulated in relevant laws.

The Company believes that the Company's operation in solar power generation and distribution business complies with the environmental, health and safety practices as required by law, strictly abides the conditions contained in the Power Purchase Agreement, additional, it is not involved or is a party in any arbitration, litigation or dispute relating to the environment or non-compliance with any applicable environmental law.

In addition, the Company Group has continuously monitored and controlled the electricity generation process, and supplied standardized materials and equipment for maintenance, installed or serviced by professionals. The Company Group has also organized a drill on safety, health and environment, to raise awareness of such area to employees, covering electrical leakage prevention and emergency procedures, which is closely run by experts, in collaboration with the area owner, and to build understanding and coexistence with neighboring communities in harmony by sending representatives to participate in and support local activities and customs held by the communities, and plan to improve the quality of life of the communities in the future.

4.7 Dependence on the company groups of major shareholders

The Company has no policy to depend on the company group of major shareholders or persons related to major shareholders, the business negotiations are based on mutual benefit, and have not mutually transfer of interests, as well as comply with laws relating to the management of conflicts of interest, covering the setting of internal rules that authorize the Audit Committee to monitor the related-party transactions, complete and timely disclosure of legal information, and the appointment of independent advisors to give opinions on related-party transactions when there is any transaction with significant size. The Company independently manages its operations, by not subject to the control of company group of any major shareholders.

4.8 Dividend Policy

The Company's dividend policy is to pay a dividend not exceeding 50% of net profit for the year after the deduction of all types of reserves according to the laws and the Company's Articles of Association. The consideration of dividend payment shall be subject to cash flow and investment plans of the Company during each year as deemed necessary and appropriate by the Board of Directors.



NOVA EMPIRE

Risk Management

5. Risk Management

5.1 Risk management policy and important developments in 2020

The Company believes that the risk management throughout the organization is an important part to make the Company achieving its business goals, helping promote the organization to be ready to quickly adapt itself, seeking the business opportunities under changing external environment and ready to deal with the risks that are more complex and severe, by continuously creating a culture of risk management in line with risk management process according to the COSO standard, each employee is required to understand the risks under the works to be responsible through a work-based learning process with close consultation from supervisors. In addition, in the event that any employee found any significant risk, he/she can report to any supervisor at all levels to find ways to manage risk together. In previous year, the Company assigned the Audit Committee to be responsible for risk management and the Executive Committee consisting of high-level executives in each department, is responsible in preparing risk management plans and reporting progress to the Audit Committee and the Board of Directors every quarter. The Company has realized the risks and determined measures to management risks as follows:

5.2 Strategic Risks

5.2.1 Risks from changes in policies of government and other related agencies in the energy and electricity business

The Company is actively and continuously seeking investment, especially in the energy business; however, if there is any change in policies of government and/or other agencies Related, such as Thailand Power Development Plan (PDP), Alternative Energy Development Plan (AEDP), Energy Reform Plan, or even the policy on the anti-dumping of iron and zinc products from China, it will affect the business operations and planning.

The Company has personnel and teams with experience and knowledge in each business of the Company, with the duty of monitoring data and information of government agencies and other relevant agencies to use the said data and information to study and assess the situations to determine the Company's operational guidelines and future business planning.

5.2.2 Risks from dependence on the purchase of electricity from government agencies

EGAT, PEA and MEA are the Company's power buyers, which are state-owned enterprises that are important in power generation, and EGAT also controls all wholesale electricity systems in Thailand. The main revenue of the Company Group is from the sale of electricity to EGAT, PEA and MEA, which the Company is required to follow the power purchase agreement (PPA) and obligations under PPA.

The Company pays attention to the strict compliance of the Power Purchase Agreement, with personnel in charge of controlling Coordinate and submit the power plant performance report. Electricity distribution Maintenance plan includes planning, managing, and preventing problems that may arise from various operations. In the event of an incident that may cause failure to comply with the Power Purchase Agreement The company will dispatch personnel to work with both EGAT, PEA and MEA to solve problems together in a timely manner.

5.2.3 Risks of Emerging Incidents

The world that is rapidly changing, both in technology, economy, politics, and government, as well as the perception process of general people, may lead to the emergence of new risks, for example, the severe outbreak of Covid-19 that has been continuous for a long time has impacted every sector, both at the global and national levels.

The Company believes that if all employees in the organization have knowledge and competency and the Company has a good culture that makes the risk management a part of everyday works, the Company, in collaboration with its employees, will be able to deal with that new risk together, as in the case of Covid-19 outbreak that obviously affects the Company's performance, the Company also has a strategy to acquire an electricity generation business that generates a certain revenue in order to mitigate the risks of volatility in the zinc and steel business. It has been a business plan that has been conducted since 2018, and the sacrifices and continued dedication of all employees to generate sales in the zinc and steel business, also lead the Company to believe that we will be able to go through this crisis together.

5.2.4 Risks of Losing Employees who are important to the Company

The rapid expansion of the business increases the demand for personnel in various positions, while the existing employees have to bear more responsibilities that may impair the overall work efficiency of employees, which may affect the operational efficiency, organizational structure and succession plan.

The Company has a policy to develop existing personnel with all-round skills, expand their responsibilities to similar areas of new works, while providing appropriate compensation and welfare to compete with companies in the energy business group. Moreover, the Company has a policy to increase the recruitment of new employees by selecting based on qualifications that are suitable for the job, such as education, experience, work dedication, creativity, analytical thinking and problem solving, etc. In addition, the Company has regularly evaluated its employees to analyze their potential and improve development plans to prepare them for future changes.

5.3 Operational Risks

5.3.1 Risks from the Efficiency of Operating Power Plant

The risks that the Company Group's power generation projects might fail to generate electricity as targets, or unexpected temporary shutdown for maintenance due to wear and tear or deterioration of equipment and machinery, and errors of power plant project management plan and human errors of personnel, resulting in failing to achieve target of revenues.

The Company has assessed the risks from the operations of power plant projects since the beginning phase, the management has followed up the past performance to be applied in determining revenue targets, hired external experts with skills to be in charge of the maintenance program, maintenance plan preparation during intervals with minimum impact on electricity generation, as well as the use of information technology to monitor and analyze indicators that can be tracked in a real time manner, so that the solution planned in advance if happening.

5.3.2 Risks from the Fluctuation of Raw Material Prices in Galvanized Iron Sheets

The company's galvanized iron sheet's key raw material is cold rolled steel sheet and zinc, which are considered commodities with fluctuating prices based on the global market conditions.

The Company has focused on effective inventory management at a sufficient level to continuously feed in the markets, such as more frequency in purchasing raw materials or making purchase contract with shorter term instead of long term and ensured that raw material will be sufficiently procured with better prices. In general, each adjustment of prices by raw material supplier is different and not follow the prices in global markets within the short period of time.

In addition, the Company has also introduced a new accounting and financial management system, the AS system, resulting in more effectiveness and accuracy in inventory management, and also closely monitored the movement of prices of products and raw materials in the markets, as well as followed up on various in-depth analysis reports.

5.3.3 Risks of Alternative products

In the zinc and steel business, the main product manufactured and distributed by the Company is galvanized steel sheet, which is used as roofing and siding separation, many types of products can be used as alternative products, such as tiles, metal sheets, aluminum composite, etc., giving consumers choices from a wide variety of alternative products. So, if consumers change to use alternative products, the Company's revenue may be affected and decreased.

The company has established a product development research unit to develop existing products to be up to date and to supply new products. To sell products such as ZAM steel products, etc., increasing business opportunities

5.3.4 Risks of Climate Change

The climate change may cause physical effects such as the impact on the change in wind direction, change in seasons or unstable weather conditions, affecting the Company's performance, especially the solar and wind power generation businesses.

The Company has monitored wind changes by using information technology to help analyze various values. In addition, the wind turbines chosen by the Company are the model that the direction of turbines can be adjusted to match the wind direction. As for the solar power generation business, the Company is in the process of replacing with the solar panels with modern technology that are more resistant to the changes in hot and humid climates, which will result in more efficiency of electricity generation. In the zinc and steel business, a proactive sales plan will be applied in case of natural disasters that increase the demands of zinc and iron products.

5.3.5 Risks of Safety, Occupational Health and Environment

Safety, occupational health, and the environment are the areas emphasized by the global society, if the Company fails to comply with the standards, its performance, employee performance and image will be affected.

The Company has emphasized the management and operation of safety, occupational health and

environment, taking into account the quality of life and safety of employees and surrounding communities, having a standard operating system by implementing an international standard management system in the operation and assigning employees to be in charge of listening to relevant problems from the community. In addition, the Company has also continuously embedded employees, communities and society of awareness on safety, occupational health and environment.

5.4 Financial Risks

5.4.1 Risks from Unfavorable Financial Status for Business Expansion or Investment

The Company is in a transition phase to focus on the investment in energy business, requiring a lot of investment, and most funds spent in the Company's power generation projects are in the form of project finance, with project assets as credit collaterals. If the Company has a greater proportion of net debt than equity, resulting in its financial stability and capital structure, as well as its long-term growth plans.

The Company has focused on effectively generating revenue from its existing businesses to ensure the consistent revenue according to the plan, while building an understanding of its growth strategy and direction with financial institutions along with strict adherence to existing financial contracts in order to make financial institutions, investors and stakeholders confident in the Company and ready to support if the Company requires the investments.

5.5 Risks of Information Technology

5.5.1 Risk of Technological Transformation

The transformation of digital technology is rapidly occurring and plays an increasingly important role in everyday life and businesses if the Company fails to adapt itself to modern technology that can help reduce costs or increase production efficiency.

The Company places great emphasis on implementing technology within the organization, both in the operation and business support functions. In the operation function, the Company emphasizes the use of modern technology to reduce the number of workers, and able to show accurate analysis results to address challenges. In addition, in the business support function, the Company has a policy requiring employees to learn and utilize technology and stipulating the ability to respond to changes in technology as a key skill in recruitment.

5.5.2 Risk of Cyber Security

Cyber threat is one of risks to be concerned by the Company because the Company uses information technology linking operation function with business support function to communicate and transmit information that is used to monitor business operations. If the communication channel is compromised, it may cause damages to the operation function, resulting in failure to generate electricity for sales in accordance with the contract with partners.

The Company has a hedging strategy by choosing digital tools that can help prevent risks of information system, improving the structure of information system to be up to date, hiring an expert acting information system administrator and conducting security experiments, such as hacking tests to identify system vulnerabilities, as well as raising awareness of cyber threats and how to initially prevent the Company from them.

5.6 Compliance Risk

5.6.1 Risk of non-performance of contracts, obligations, relevant laws and regulations

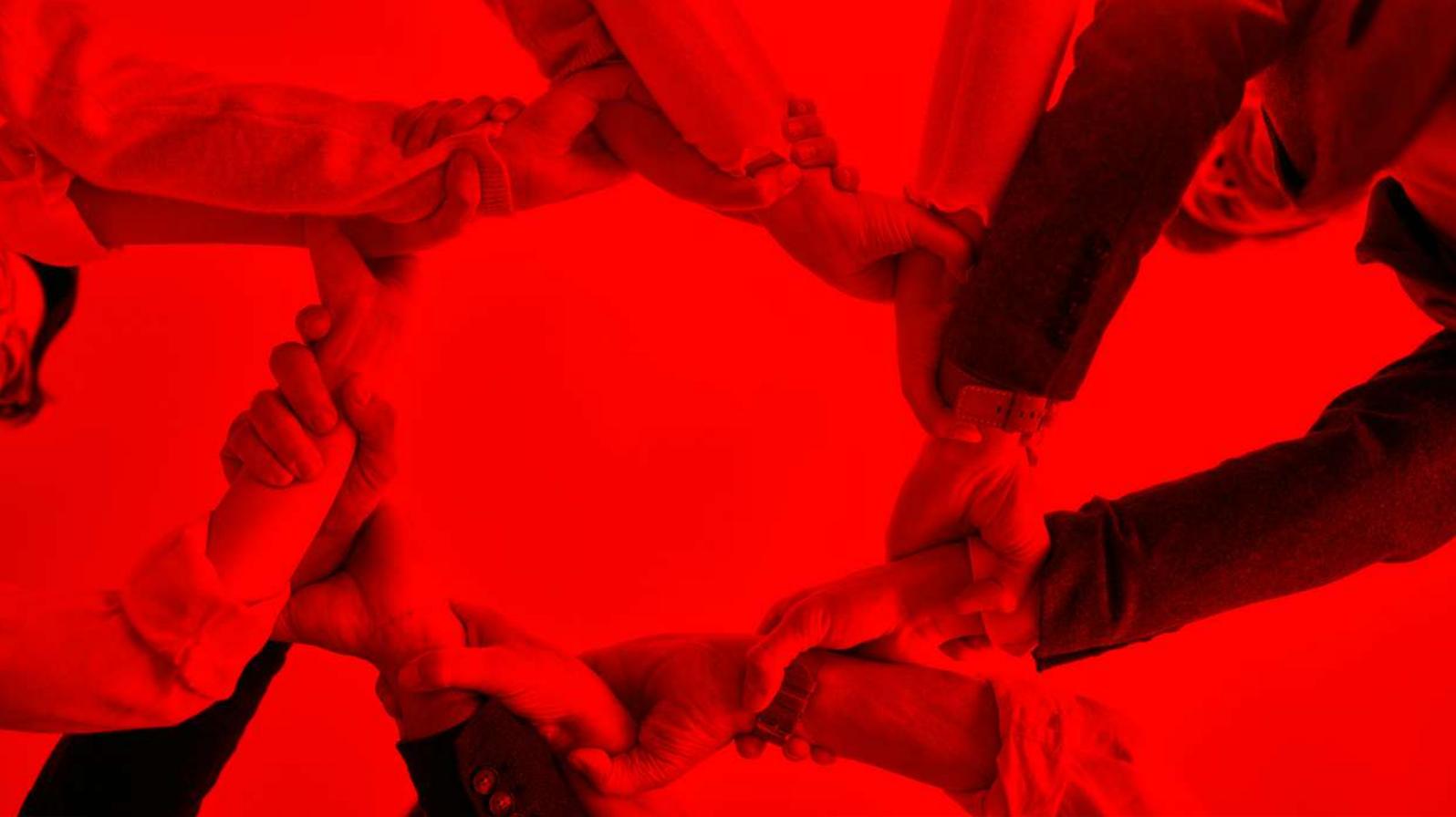
In the power generation business, the Company has a contractual party who are state-owned enterprises including EGAT, PEA and MEA, which all place a great importance on requiring the Company to comply with contracts, obligations, relevant laws and regulations. If failing to comply with, the contract may be terminated, or the Company is required to pay fines that will affect the Company's business operations.

The Company has paid attention to the strict compliance of the Power Purchase Agreement, with personnel in charge of controlling, coordinating. In case of ambiguity on contract interpretation or an incident that may cause the Company to deviate from what law stipulates, the Company will provide an external legal advisor with expertise as a consultant to determine a proper management approach.

5.6.2 Corruption Risk

The Company has realized the importance of conducting business with responsibility by adhering to the principles of Good corporate governance in business operations; however, a risk of deliberate or unintentional corruption may be happened, which may affect the Company's reputation and operations.

The Company has prepared the Business Ethics and raising the awareness and understanding of Business Ethics, including non-corruption, established an anti-corruption policy and a policy on complaints handling and whistleblowing for misconduct and corruption, and if any misconduct is observed, the complaint can be directly reported to the Audit Committee. In addition, the Company has adequate and appropriate risk management and internal control processes and has an independent external expert acting internal audit to monitor work processes and quarterly report audit results to Audit Committee. In 2021, the Company has prepared itself to be certified by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). In previous year, the Company has not received any complaint or found an incident in which employees or executives have behaved violating the anti-corruption policy. In the past, the Company and its subsidiaries have never been accused of corruption and in 2020, none of any complaints on corruption were reported by employees or related parties.



6. Business Drive for Sustainability

6.1 Overall Framework Policy

The Company has operated its businesses under the principles of Good Corporate Governance, fairly taking into account the interests of all shareholders along with responsibly operating its businesses to other stakeholders, we believe that sustainable growth must be the shared growth by setting up a framework of sustainable development management as follows:

1. To expand businesses with the investment in the energy business, and to maintain the appropriate proportion between clean energy business or renewable energy and other forms of energy or other businesses under the commitment to be a part of global community in accordance with the relevant Sustainable Development Goals (SDGs).
2. To build credibility in conducting businesses in compliance with laws, ethics, and traditions in all areas where its businesses are operated.
3. To create the transparency in organizational management as an organization with moral, transparency, anti-corruption of all forms, political neutrality and promotion of fair competitions.
4. To respect and protect fundamental human rights, equality and non-discrimination.
5. To prioritize stakeholders, assess their expectations by focusing on creating sustainability together through social activities and business activities at the same time.
6. To fairly treat and manage human resources, especially labor employment, as well as properly promote and support the development of skills, knowledge, and morality to existing human resources.
7. To pay attention to the environmental impacts, by applying both negative and positive environmental performance issues into the investment decision-making process.

The Company has required to regularly monitor and assess the expectations of various stakeholders and report to the Executive Committee and the Board of Directors at least once a year.



6.2 Value Chain of Energy Business

The Company's value chain of energy business starts with the selection process of reliable suppliers and partners, technology, and expertise, along with reasonable cost price. The Company establishes a guideline for long-term safety and efficiency of all equipment used because the energy business is a long-term service throughout the life of the contract or the life of machinery and equipment. The Company has selected and used the technology from European countries with high standard and qualifications for the climate of Thailand.

For steps of installation and maintenance, the Company has selected and used a sole maintenance service provider as same as the manufacturer so that in the event of any problems, the manufacturer will be reached to find solutions in a timely manner, this will reduce the impacts on both performance and relevant stakeholders.

Since the energy group will operate its business as a contractual partner with the government sector, the Company therefore strictly pays attention to the correct compliance as stipulated in the contract and gives cooperation in other areas for long-term cooperation that will benefit the country. Additionally, we also focus on environment conservation in the area by having a plan to cooperate with the government and communities in developing the area surrounding the business area to become a tourist destination maintaining the beauty of nature, this cooperation is under process to be launched.

Taking care of the community and society in the area where the business is operated is what to be concerned by the Company, we have a process to educate and make the community to understand the potential impacts on the community in the Company's business operation through the Company's personnel selected from local people who have qualifications and competency to coordinate with the community, and convey the Company's news to the community for their understanding, including clarification of risk prevention measures such as an annual fire drill plan. In addition, the Company also emphasizes to create better quality for the community with a plan to partially hire people in the community with appropriate compensation.

6.3 Value Chain of Zinc and Steel Business

The zinc and steel business is highly competitive, the value chain management is therefore a critical issue that directly affects the Company's performance. In the past, the Company was both a manufacturer and importer of zinc and iron products in order to meet the needs of consumers who now have more choices of products. The Company has a long-term relationship with suppliers for more than 20 years and has several partner suppliers to mitigate the risk of raw materials or products. In order to keep costs competitive during price fluctuations, the Company will select a method for determining the proportion of imports and production, as well as the product groups to be sold and the Company may sometimes order or manufacture in a large quantity to keep the costs competitive in the market. However, the Company still focuses on the quality in line with the standards required by the government by not solely competing in selling prices.

In production and storage processes, the Company will implement the management standards in accordance with the Industrial Standards, which are certified by the Ministry of Industry. We also have a policy against child labor or illegal labor and offer compensations based on personnel's competency and characteristic of their works.

The Company has a longstanding alliance of steel product stores that play a vital role in driving the Company's performance with sale promotional programs that properly incentivize store partners and the transfer of knowledge about the Company's products for customer consideration and selection.

The Company's sales and after-sales functions are always efficient and encouraged to develop their skills to meet the expectations of customers. This includes offering new products that respond to the customer's needs and proactive sales and after-sales services that reach customers in a timely manner through a customer relationship management system that is continuously developing and transferred to employees through learning and hands-on operations. In previous year, the customers have changed their needs arising from the emergence of alternative products, requiring the Company to explain the differences and strengths of the Company's products to customers, including the offerings with reasonable price options.

6.4 Sustainability Management in terms of Environment

Although the Company operates the clean energy business, its environmental management approach does not focus on reducing the business's impact on environment but considering the promotion and development of surrounding environment to create business values with communities. In 2021, the Company has a plan to formulate a concrete environmental action plan with a focus on living with the community and supporting the Sustainable Development Goals (SDGs) guideline of United Nations, which will be published in the annual report 2021 onwards, including guidelines for greenhouse gas reduction, human rights, reduction of social inequality, energy access of communities, which are in line with the Company's businesses and strive to become the company with main business in energy, especially alternative energy. However, at present, the Company has continually promoted the culture of energy conservation and saving, starting with matters close to employees such as water saving, power saving, or reducing paper consumption in business support functions, as well as planning the transportations to reduce fuel consumption, etc. In the past years, the Company had none of environmental disputes.

In addition, in the zinc and steel business, the Company has appointed a committee to take care of safety, occupational health and working environment, provide a risk assessment and management system covering:

- Monitoring of chemical safety;
- Monitoring of machinery and equipment safety;
- Monitoring of working environment safety;
- Monitoring of safety from equipment hazards and personal protection;
- Monitoring of fire safety.

The pollution management is systematically conducted as follows:

- Water pollution management

The Company has installed chemical wastewater treatment system since 1992, treated wastewater will be reused in the system and waste water will not be released to outside environment. The Company has also hired a consulting company licensed by the Department of Industrial Works to test the condition of treated wastewater on an annual basis to provide assessment results and advices to the Company.

- Air pollution management

The Company has installed 2 sets of wet scrubbers to detect dust, fume and gas vapor in zinc dipping and color coating processes. The Company was aware of releasing air pollution to the environment in the end of 2014 and decided to install a new air pollution treatment system which was completed and spent 30 Million Baht of budget, the system uses heat in treating pollutions for improving the reduction of pollution release to the environment. The Company also engaged a governmental authority to inspect the air quality both inside and outside the Company's premise twice a year.

- Industrial Waste Management

The Company has assigned a function unit for caring and coordination, providing a designated area for proper storage and procurement of equipment to prevent leakage. The storage area is separate from the factory building, the Company also engages and has entered into an agreement with a transportation company and a waste management service provider for industrial waste elimination.

- Heat, light, and noise pollution management

The Company annually tests heat, light and noise conditions in the working areas and nearby areas twice a year.

6.5 Sustainability Management in terms of Society

The Company has already managed the sustainability of society, especially in treating labors with fairness and human rights to be established as part of the Company's Business Ethics that all employees are obliged to comply with and to be determined as a clear plan in 2021 and allowing employees or surrounding communities to involve in social sustainability management, as well as setting clear indicators for tracking the progress. However, in the past, many actions on social sustainability management have been undertake, such as developing and training employees, maintaining fair compensation, establishing a fair recruitment process, especially during Covid-19 situation, the Company have put efforts to help and mitigate the impacts on employees, for example, no termination policy, in case that any employee has to leave job, compensation and contribution will be paid as prescribed by laws or welfare regulations; or issuing a measure of alternative shift working for employees to maintain their income while orders or sales have been significantly dropped during that period.

7. Management Discussion and Analysis

Overall Performance

Condensed statement of incomes and other comprehensive incomes for the years ended 31 December 2020 and 31 December 2019

For the year ended 31 December	Consolidated Financial Statement		Changes	
	2020	2019	Million Baht	%
Revenues from sales and services	419.6	394.8	24.8	6
Costs of sales and services	(492.3)	(367.8)	(124.5)	34
Gross Profit (Loss)	(72.7)	27.0	(99.7)	(369)
Gross Profit (Loss) in %	(17%)	7%		
Other incomes	25.0	14.3	10.7	75
Selling expenses, administrative expenses and other expenses	(52.4)	(43.3)	(9.1)	21
Finance costs	(12.3)	(2.8)	(9.5)	339
Loss before income tax expense	(112.4)	(4.8)	(107.6)	2,242
Income tax expense	(16.6)	(0.5)	(16.1)	3,220
Loss for the year	(129.0)	(5.3)	(123.7)	2,334
Other comprehensive loss				
Loss on remeasurement of defined employee benefits	(0.3)	-	(0.3)	100
Total comprehensive loss for the year	(129.3)	(5.3)	(124.0)	2,340

The Company Group's Financial Statements showed a loss for the year ended 31 December 2020 at 129.0 Million Baht, increasing 123.7 Million Baht compared to previous year and the total comprehensive loss for the year was 129.3 Million Baht. The overall business performance is as follows:

Revenue from sales and services

The revenue from sales and services for the year ended 31 December 2020 in the Annual Financial Statement was 419.6 Million Baht, increasing 24.8 Million Baht or 6% compared to previous year, consisting of 3 parts as follows:

(1) Revenue from sales of galvanized steel products This part of revenue was decreased by 4.6 Million Baht or 1.2% compared to previous year, due to many factors in 2020, consisting of main factors arising from the measure against the dumping of hot-dip galvanized steel coil and non-coil types originating from the People's Republic of China, and the requirement that the galvanized steel products must pass TIS standards, resulting in a continuous decrease in price dumping in the market. Then, the Company has to adjust its products to compete with current market prices. In addition, according to the economic situation in Thailand, the Company was indirectly impacted by the outbreak of Covid-19 affecting the domestic economy because most of consumers in this product group are agricultural and household sectors in Thailand, the Company has adjusted its strategy to stimulate sales by expanding the market and increasing customer base of industrial factories.

(2) Revenue from installation services This part of revenue was increased by 8.4 Million Baht or 54% compared to previous year due to the increase in the number of new customers in industrial factories during the year, because our products are various, the cost is more competitive despite the COVID-19 situation that entrepreneurial customers are confident that the economy will be recovered in the future, and thought that this situation is temporary, therefore take this time to improve, repair or expand their establishment.

(3) Revenue from selling solar power Since the Company has invested in The Solar Arcade Co., Ltd., a company investing in 8 subsidiaries in solar power plant business with totally 10 power purchase agreements (PPAs) and with the total capacity of 7.825 MW (collectively referred to as "Solar Power Plant Business Group"). Such PPAs are divided into two categories: PPA with the Provincial Electricity Authority ("PEA") for 7.600 MW and PPA with the Metropolitan Electricity Authority ("MEA") for 0.225 MW, at the rate of Feed in Tariff of 6.16 and 6.55 Baht per kilowatt-hour, respectively, throughout the contract period, and the Commercial Operation Date (COD) of all projects has started since 2014. For the year ended 31 December 2020, the Company has revenue of this part at 21.1 Million Baht and net profit at 2.9 Million Baht. The revenue from solar power generation and distribution business will depend on weather conditions each year. In 2020, the solar power plant business group could generate 8.2 MW of electricity, decreasing 0.9 MW or representing 9.8%, mainly due to the deterioration of solar panels to be damaged because of the more intense alternation of hot and humid climates. The Company is in the process of replacing solar panels with new models that could resist more severe weather conditions under existing product warranty contract. After completing, the Company believes that the operational performance will be better.

Cost of sales and services

Cost of sales and services for the year ended 31 December 2020 in the Annual Financial Statement totaled 492.3 Million Baht or representing 117% of revenue from sales and services.

For the manufacture and distribution of galvanized steel sheet, the sales volume was decreased by 1.2% compared to previous year, but the cost of sales was increased by 121.6 Million Baht or 33% compared to previous year. Since the Company sold finished products during previous year in quantities close to previous year, but due to the competitors from the People's Republic of China and the slowing economy from COVID-19 situation, the price competition in the market was also higher, causing the Company to adjust the selling prices

to compete in the markets for sales increase and keeping customer base while maintaining the quality of products as standards. In addition, some products sold during that year were finished products with high cost due to the hoarding of steel which is a major raw material that had high prices in the past, causing the Company having higher cost of sales compared to previous year.

Other incomes

Other incomes for the year ended 31 December 2020 was 25.0 Million Baht, increasing by 10.7 Million Baht or representing 75% compared to previous year, due to the restoration of profit from selling and renting. The Company sold assets to Thai Cons & Building Manufacturing Public Company Limited (“TCB”) for 21.3 Million Baht and other incomes from selling scrap from production and interest for 3.7 Million Baht.

Discontinued Operation of the Company Galvanized steel sheet manufacture and distribution

On 9 June 2020, the Company’s Extraordinary General Meeting of Shareholders No. 1/2020 resolved to approve the disposal of assets related to the manufacture and distribution of galvanized steel sheet, including land, buildings, machinery, and equipment to TCB on 3 July 2020. Later, TIW Industry Co., Ltd. (“TIWI”), a subsidiary of the Company has entered into a property lease agreement with TCB on 1 August 2020 for using in the production and distribution of galvanized steel sheet products, and installation services, therefore, the production and distribution of galvanized steel sheet and installation services are the discontinued operations of the Company. Subsequently, the income statement of the Company showed: (1) Loss from the continuing operations for the year ended 31 December 2020 in the amount of 20.1 Million Baht, (2) Loss from the discontinued operation of the said business for the year ended 31 December 2020 amounting 37.9 Million Baht.

Condensed Statement of Financial Position as of 31 December 2020 and 2019

For the year ended 31 December	Consolidated Financial Statement		Changes	
	2020	2019	Million Baht	%
Assets				
Current assets				
Cash and cash equivalents	653.1	91.1	562.0	617
Trade and other accounts receivable	54.4	32.8	21.6	66
Contract assets	8.6	1.6	7.0	438
Long-term loans to employees to be due within one year	2.3	2.7	(0.4)	(15)
Inventories	378.3	552.3	(174)	(32)
Other current assets	1.7	3.7	(2.0)	(54)
Other current assets	1,098.4	648.2	414.2	61

For the year ended 31 December	Consolidated Financial Statement		Changes	
	2020	2019	Million Baht	%
Non-current assets				
Deposits in financial institutions with restrictions on use	66.7	70.0	(3.3)	(5)
Deferred tax assets	-	15.7	(15.7)	(100)
Other long-term investments	-	1.2	(1.2)	(100)
Long-term loans to employees	3.0	3.5	(0.5)	(14)
Property, plant and equipment	307.1	174.0	133.1	76
Right-of-use assets	166.9	-	166.9	100
Goodwill	67.8	-	67.8	100
Non-current assets	2.6	-	2.6	100
Total non-current assets	614.1	264.4	349.7	132
Total assets	1,712.5	948.6	763.9	81
Liabilities and Shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	477.7	78.9	98.8	505
Trade and other accounts payable	59.5	8.6	50.9	592
Long-term loans from financial institutions to be due within one year	36.6	-	36.6	100
Lease agreement liabilities to be due within one year	7.1	0.3	6.8	2,267
Short-term loans from related parties	8.0	-	8.0	100
Short-term loans	48.0	-	48.0	100
Accrued corporate income tax	2	-	2	100
Other current liabilities	1.4	0.6	0.8	133
Total current liabilities	640.3	88.4	551.9	624

For the year ended 31 December	Consolidated Financial Statement		Changes	
	2020	2019	Million Baht	%
Non-current liabilities				
Lease agreement liabilities	215.8	0.3	215.5	71,833
Long-term loans from financial institutions	126.6	-	126.6	100
Estimated non-current liabilities for employee benefits	22.4	23.2	(0.8)	(3)
Total non-current liabilities	364.8	23.5	341.5	1,452
Total liabilities	1,005.1	111.9	893.2	798
Shareholders' equity				
Share capital				
Registered capital				
7,305,000 ordinary shares of 10 Baht each	73.1	73.1	-	-
Issued and fully paid-up share capital				
6,000,000 ordinary shares of 10 Baht each				
Fully paid-up	60.0	60.0	-	-
Excess of share value				
Excess of ordinary share value	140.0	140.0	-	-
Retained earnings				
Legal reserve				
Legal reserve	10.0	10.0	-	-
General reserve	106.0	106.0	-	-
Unappropriated	391.4	520.7	(129.3)	(25)
Total equity attributable to equity holders of the parent company	707.4	836.7	(129.3)	(15)
Non - controlling interests	-	-	-	-
Total shareholders' equity	707.4	836.7	(129.3)	(15)
Total liabilities and shareholders' equity	1,712.5	948.6	763.9	81

Investments in subsidiaries

On 24 April 2020, the Board of Directors' Meeting No.3/2020 resolved to approve the investments in energy business by accepting the transfer of assets and liabilities from Living Energy Company Limited, including ordinary shares of 8 subsidiaries under solar power plant business group. As of 24 July 2020, the net book value of the identifiable net assets of the solar power plant business group is 147.2 Million Baht, while the consideration for the acquisition of the business is valued at 215.0 Million Baht. As a result, the goodwill was 67.8 Million Baht, reflected in non-current assets, the Company is in the process of assessing the fair value of the identifiable assets acquired and the liabilities assumed, and the fair value allocation of transactions on the acquisition date. During the valuation period, the Company retroactively restores the estimate recognized on the acquisition date, and recognizes additional assets and liabilities, as well as related accounts to reflect the effect of additional information obtained regarding the facts and circumstances available on the acquisition date, in accordance with the requirements of IFRS 3 Business Combinations.

Disposal and leaseback transactions

On 9 June 2020, the Company's Extraordinary General Meeting of Shareholders No. 1/2020 resolved to approve the disposal of assets related to the production and distribution of galvanized steel sheet products, including land, buildings, machinery, and equipment to TCB. Later, TIW Industry Co., Ltd. ("TIWI"), a subsidiary of the Company has entered into a property lease agreement with TCB for using in the production and distribution of galvanized steel sheet products, and installation services. Such disposal transaction generated the cash inflow of 239.3 Million Baht, leasehold rights of 52.8 Million Baht, revenue from disposal and leasing back of 38.8 Million Baht, and finance lease liabilities of 108.1 Million Baht.

Assets

The total assets of the Company Group as of 31 December 2020 was 1,712.6 Million Baht, divided into current assets of 1,098.4 Million Baht or 64% of total assets, and non-current assets of 614.1 Million Baht or 36% of total assets.

Most of current assets consisted of cash and cash equivalents amounting 653.1 Million Baht or 59% of current assets, increasing by 562.0 Million Baht or 617% compared to previous year, due to the borrowing from financial institutions and sale and leaseback transactions of the Company Group's assets.

Inventories were 378.3 Million Baht or 34% of current assets, decreasing 174.0 Million Baht or 32% compared to previous year due to the sales of galvanized steel sheet.

Most of non-current assets consisted of property, plant and equipment amounting 307.1 Million Baht or 50% of non-current assets, increasing 133.1 Million Baht or 76% compared to previous year, mainly due to the acquisition of the solar power plant group for 313.5 Million Baht and the sale and leaseback of the Company Group's assets for 168.2 Million Baht and the depreciation for 14 Million Baht.

Right-of-use assets was 166.9 Million Baht or 27% of non-current assets, mainly due to the sale and leaseback of assets for 53.8 Million Baht and roof rental of the solar power plant group for 113.2 Million Baht.

Liabilities

The total liabilities of the Company Group as of 31 December 2020 was 1,005.1 Million Baht or 59% of the liabilities and shareholders' equity, divided into current liabilities for 640.6 Million Baht or 64% of total liabilities, and non-current liabilities for 364.8 Million Baht or 36% of total liabilities.

Most of current liabilities consisted of short-term loans from financial institutions of the subsidiaries amounting to 477.7 Million Baht, or 75% of current liabilities, mainly as a trust receipt loan of 350.0 Million Baht and promissory notes of 127.7 Million Baht, increasing 398.8 Million Baht. The increase during the year was due to the borrowings from a financial institution of the subsidiaries to operate their businesses.

Short-term loans from related parties were 8.0 Million Baht or 1.25% of current liabilities, increasing by 8.0 Million Baht when compare to previous year, for using as a working capital.

Trade payables and other current payables were 59.5 Million Baht, or 9% of current liabilities, increasing by 51.1 Million Baht or 594% compare to previous year, due to the subsidiaries' domestic purchases of raw materials.

Long-term loans from financial institutions to be due within one year were 36.6 Million Baht or 6% of current liabilities, consisting of long-term loans of the Solar Power Plant Business Group to invest in the solar power generation and distribution projects.

Short-term loans were 48.0 Million Baht, representing 7% of current liabilities, to be used for the purchase of the solar power plant business group.

Long-term loans from financial institutions were 126.6 Million Baht or 35% of non-current liabilities, consisting of long-term loans of the Solar Power Plant Business Group to invest in the solar power generation and distribution projects.

Financial lease liabilities were 215.8 Million Baht, or 59% of non-current liabilities, due to the sale and leaseback of assets of the Company Group amounting to 98.7 Million Baht and from long-term lease agreements of the Solar Power Plant Business Group for 117.1 Million Baht

Analysis on the Statement of Cash Flows

For the year ended 31 December 2020 (Unit: Million Baht)	Annual Financial Statement	
Cash Flows Statement of Cash Flows	2020	2019
Net cash provided by (used in) operating activities	99.87	(99.93)
Net cash provided by investing activities	41.41	78.75
Net cash provided by financing activities	420.63	9.03
Cash and cash equivalents, at beginning of the year	91.14	103.05
Net increase (decrease) in cash and cash equivalents	561.92	(11.91)
Net increase (decrease) in cash and cash equivalents	653.05	91.14

As of 31 December 2020, cash and cash equivalents were 653.05 Million Baht, increasing by 561.91 Million Baht or 6.12% compared to previous year, consisting of:

- Cash provided by operating activities in 2020 was 99.87 Million Baht, mainly due to the loss of operations from the production and distribution of galvanized steel.
- Net cash provided by investing activities in 2020 was 41.41 Million Baht, mainly due to cash payments for the purchase of the solar group, and the sale and leaseback of assets.
- Net cash provided by financing activities in 2020 was 420.63 Million Baht, mainly due to cash received from borrowing from financial institutions and other individuals.

Table of Important Financial Ratios

Important Financial Ratios	Consolidated Financial Statement ended 31 December		
	2018	2019	2020
Liquidity Ratio (Times)	5.58	7.74	1.72
Quick Liquidity Ratio (Times)	(2.76)	(4.84)	0.51
Account Receivable Turnover Ratio (Times)	9.09	11.47	6.66
Average Collection Period (Days)	39.62	31.39	54.08
Gross Profit Margin (%)	0.19	0.07	(0.17)
Profit (Loss) Margin from Operations (%)	0.06	(0.01)	(0.31)
Net Profit Margin (%)	0.07	(0.01)	(0.31)
Return on Equity (%)	0.03	(0.01)	(0.18)
Return on Assets (%)	0.02	(0.01)	(0.08)
Debt to Equity Ratio (Times)	0.18	0.13	1.42
Interest Coverage Ratio (Times)	13.58	(177.98)	(13.59)

Calculation of Financial Ratios

- Liquidity Ratio = Current assets/ Current liabilities
- Quick Liquidity Ratio = (Cash + Bank Deposit + Marketable Securities + Trade accounts receivable and bills receivable – Inventories) / Current liabilities
- Account Receivable Turnover Ratio = Net sales / (Trade accounts receivable before doubtful debts + Trade notes receivable) (average)
- Average Collection Period = 360 / Account Receivable Turnover Ratio
- Gross Profit Margin = Gross profit / Net revenue from sales and services

- Profit Margin from Operations = Profit from Operations / Net revenue from sales and services
- Net Profit Margin = Net profit / Total revenue
- Return on Equity = Net profit / Shareholders' equity
- Return on Assets = Net profit / Total assets
- Debt to Equity Ratio = Total liabilities / Shareholders' equity
- Net Debt to Equity Ratio = (Total liabilities – Account payable) / Shareholders' equity
- Interest Coverage Ratio = Cash flow from operation + Interest paid from operation + Taxes / Interest paid from operation and investment

Asset Management

Statements of Financial Position (condensed) as of 31 December 2020 and 2019

as of 31 December	Consolidated Financial Statement		Changes	
	2020	2019	Million Baht	%
Assets				
Cash and cash equivalents	653.1	91.1	562.0	617
Trade and other current receivables	54.4	32.8	21.6	66
Contract assets	8.6	1.6	7.0	438
Long-term loans to employees to be due within one year	2.3	2.7	(0.4)	(15)
Inventories	378.3	552.3	(174)	(32)
Other current assets	1.7	3.7	(2.0)	(54)
Deposits in financial institutions with restrictions on use	66.7	70.0	(3.3)	(5)
Deferred tax assets	-	15.7	(15.7)	(100)
Other long-term investments	-	1.2	(1.2)	(100)
Long-term loans to employees	3.0	3.5	(0.5)	(14)
Property, plant and equipment	307.1	174.0	133.1	76
Right-of-use assets	166.9	-	166.9	100
Goodwill	67.8	-	67.8	100
Non-current assets	2.6	-	2.6	100
Total assets	1,712.5	948.6	763.9	81

The total assets of the Company and its subsidiaries as of 31 December 2020 were 1,712.5 Million Baht, increasing by 763.9 Million Baht or 81% compare to previous year, due to financing activities in 2020.

Operating efficiency ratio	Consolidated Financial Statement ended 31 December		
	2018	2019	2020
Return on Assets (%)	0.02	(0.01)	(0.08)

The consolidated financial statement as of 31 December 2020 showed lower return on assets compared to previous year, from -0.01% to -0.08%. Based on aforementioned ratio, it can be seen that in 2020 the ratio was decreased compared to previous year, due to operating loss in the galvanized steel production and distribution business. However, the company has a policy to reduce the risk of impacts from the steel and zinc business which slows down, by finding fund sources for the energy business with better yield.

Liquidity and Capital Adequacy of the Company

Statements of Financial Position (condensed) as of 31 December 2020 and 2019

as of 31 December	Consolidated Financial Statement		Changes	
	2020	2019	Million Baht	%
Liabilities and Shareholders' equity				
Short-term loans from financial institutions	477.7	78.9	398.8	505
Trade and other accounts payable	59.5	8.6	50.9	592
Long-term loans from financial institutions to be due within one year	36.6	-	36.6	100
Lease agreement liabilities to be due within one year	7.1	0.3	6.8	2,267
Short-term loans from related parties	8.0	-	8.0	100
Short-term loans	48.0	-	48.0	100
Accrued corporate income tax	2	-	2	100
Other current liabilities	1.4	0.6	0.8	133
Lease agreement liabilities	215.8	0.3	215.5	71,833
Long-term loans from financial institutions	126.6	-	126.6	100
Estimated non-current liabilities for employee benefits	22.4	23.2	(0.8)	(3)
Total liabilities	1,005.1	111.9	893.2	798

The total liabilities of the Company and its subsidiaries as of 31 December 2020 were 1,005.1 Million Baht, increasing by 893.2 Million Baht or 798% compared to previous year, due to financing activities in 2020.

Liquidity Ratio	Consolidated Financial Statement ended 31 December		
	2018	2019	2020
Liquidity Ratio (Times)	5.58	7.74	1.72
Quick Liquidity Ratio (Times)	(2.76)	(4.84)	0.51

The consolidated financial statements as of 31 December 2020 had a liquidity ratio of 1.72 times, decreasing compared to previous year, due to the increased debt from a short-term loan by subsidiaries from financial institutions to be used for working capital, and the long-term loans to be due within one year from the long-term loan agreement of the solar group. In overview, the Company still has sufficient liquidity for its operations.

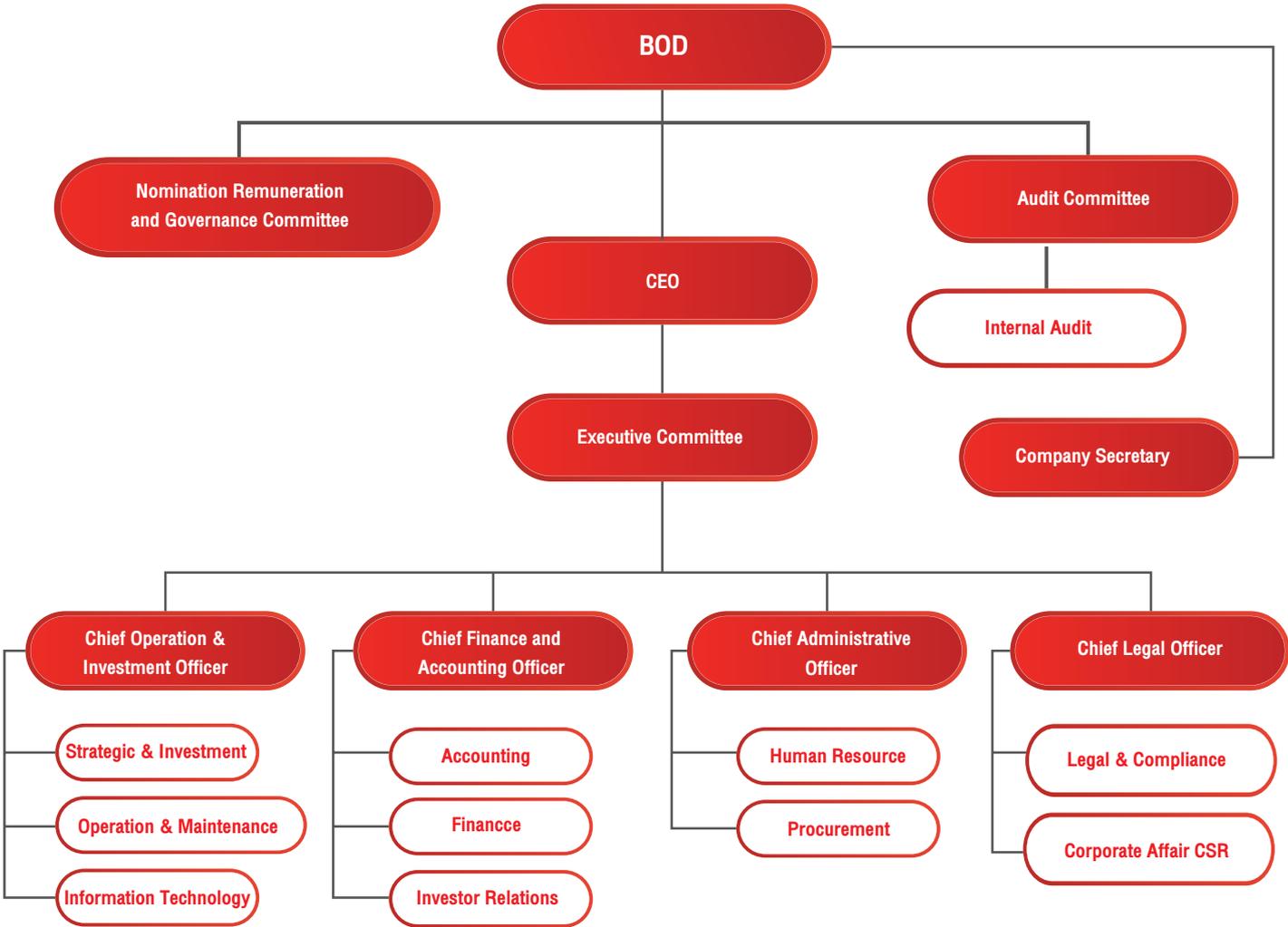
Summary of the Management's Opinions

Based on the performance in 2020, the Company Group is adversely affected by the current economic conditions as a result of the competitive situation in the industry and the situation of Covid-19 outbreak, especially the galvanized steel product business as described above; however, the management has planned and adjusted the business strategies to be more in line with the economic situation. During 2020, the Company has invested in the solar power plant group of 7.825 MW in size, the project has stable revenue due to the 25-year power purchase agreement with government agencies. It is also a project that started the commercial operation date and had good past performance, in which the Company has expected to be another stable source of revenue that will reduce the volatility and dependence on the manufacturing and distribution of galvanized steel sheet.

In addition, during 2021, the Company has approved the purchase of 2,598,750 shares of Winchai Company Limited or representing 26.25% of its total shares, this company operates the business of wind power generation and distribution and has the power plant located in Mukdahan Province, with maximum production capacity of 45.0 MW and has entered into a 5-year power purchase agreement with the Electricity Generating Authority of Thailand, which can be renewed for 5 years each time, the Company has started the commercial operation date (COD) on 1 April 2019, in addition to the expected operating results, Winchai Company Limited is one of clean power plants with a commitment to manage and develop areas in the community, engage communities in reducing environmental impact and encourage communities to make cost-effective use of energy and resources.



8. Corporate Governance Structure



9. Policy Overview of Corporate Governance and Significant Performance on Corporate Governance

The Board of Directors and management of the Company adhere to the principles of Good corporate governance according to the code of corporate governance for listed companies in 2017 prescribed by the Securities and Exchange Commission, and the Stock Exchange of Thailand, to maintain and enhance the values of shareholders in a long run.

The Board of Directors has established a policy on corporate governance consisting of a corporate governance structure and a risk management process, strategy formulation, financial reporting and internal control. In addition, the Board of Directors has prepared business ethics applied to the directors, executives and employees of the Company as well as other persons acting on behalf of the Company, covering areas such as human rights, labor, health and sanitation, safety, security, environment, conflicts of interest, use of inside information, corruption, internal control, and information disclosure, etc., in accordance with international standards.

The Company has published the policy on corporate governance and the guidelines on the Company's website at www.novaempire.co.th for the convenience of executive directors and employees to access and use as references. In order to follow up the compliance with the policy on corporate governance, the Chief Executive Officer is responsible for evaluating the enforcement of corporate governance documents, as well as the level of compliance, and reporting the results to the Board of Directors at least once a year.

The Company has paid great attention on the compliance with the principles of corporate governance referenced from the code of good corporate governance for listed companies in 2017, stipulated by the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand (SET), which has been improved to be in line with the criteria of ASEAN CG Scorecard. The code of good corporate governance could be summarized into 5 sections (Section 5 related to the structure of the Board of Directors is explained in the topic "10. Significant Information about Board of Directors, Subcommittees, Executives and Employees") as follows:

Section 1 Rights of Shareholders

The Board of Directors has realized and prioritized the basic rights of shareholders including the purchase and transfer of shares, receiving a share of the Company's profits, attending the meetings to independently and equitably exercise their rights of votes in the shareholders' meeting, making decisions on important matters of the Company, appointment or dismissal of directors, determination of Directors' remunerations, appointment of Auditors and determination of Auditor's Remuneration, and being provided of the Company's information in a quick, complete and adequate manner, through accessible channels. All shareholders are encouraged to fully exercise their rights through shareholders' meetings. (The Company has only ordinary shares with one-share-one-vote rule) so that shareholders will involve in making decisions that affect or relate to their rights and interests.

The Company has a policy to promote and facilitate the shareholders including institutional investors, in attending the shareholders' meetings which will be announced of meeting date in advance through the disclosure channel of Stock Exchange of Thailand. In 2020, two shareholders' meetings were held: the 2020 Annual General Meeting of Shareholders on 10 April 2020 with the record date on 24 March 2020, to consider agendas as required by law, including the annual report on performance, consideration of annual financial

statements, the appointment of directors who retire by rotation, determination of Directors' remuneration, appointment of Auditor and determination of Auditor's remuneration; and the Extraordinary General Meeting of Shareholders No. 1/2020 on 9 June 2020 with the record date on 12 May 2020 to consider and approve the sale and leaseback transactions of the Company's assets, and the establishment of new companies to support the energy business based on the Company's long-term strategies. In these two meetings, the Company selected the meeting venues where are accessible by public transportation system with adequate services, so that the shareholders could travel to attend the meeting with ease, and the meeting period was scheduled in the afternoon session to allow shareholders time to prepare for the journey. The Company provided an opportunity for shareholders to submit registration documents for attending the meeting in advance of the meeting date, in order to reduce the time for document inspection on the meeting day. Additionally, the Company also organized systematic registration channels at the meeting venue for shareholders, natural persons, juristic persons, and institutional investors, by applying barcode system for meeting registration and vote counting, so that the registration and voting process will be faster, and prepared stamp duty for shareholders giving proxy for their convenience.

The Company conducted the meetings with transparency and verifiable mechanisms and provided all shareholders with opportunities to inquire and express their opinions related to agendas which will be summarized in the minutes. All directors, relevant senior management and the Auditors were encouraged to attend the meetings to answer questions and acknowledge shareholders' opinions.

In arranging the shareholder's meeting, the Company appointed Thailand Securities Depository Co., Ltd. (TSD) as the registrar to send the invitation letter with supporting documents for the shareholders' meeting to all shareholders at least 14 days prior to the date of the meeting. The Company has also published the invitation letter and supporting documents in both Thai and English on the Company's website, to enable shareholders to access information related to the shareholders' meeting more conveniently and quickly. The invitation letter to the shareholders' meeting contains sufficient and complete details of the agendas together with the opinions of the Board of Directors, clearly stating whether it be an agenda for acknowledgment or for consideration, and proxy forms as formatted by the Ministry of Commerce were attached while proposing a list of independent directors in the proxy forms as an alternative for the shareholders to appoint a proxy to any of independent directors.

The Company had provided the shareholders with opportunities to send inquiries related to meeting agendas and to nominate their candidates to be considered and selected as a director of the Company in advance during 6 -31 March 2020. Details regarding criteria and methods for such process were published in the form of newsletter submitted to the Stock Exchange of Thailand and on the Company's website from 5 March 2020, and none of shareholders proposed any meeting agenda or nominated any person for directorship.

The Company clarified rules applying to the meeting including procedures and method to vote on each agenda to shareholders before commencing the meeting. The attending shareholders and shareholders by proxy have the right to vote based on the number of their shares; however, in each agenda their number of votes could not be separated, except shareholder by proxy form C, the Company also provides independent legal advisors (inspector) to supervise the meeting and verify the vote counting in order to comply with the laws and regulations of the Company, in the shareholders' meeting, the Chairperson of the meeting gave the

shareholders opportunities to express their opinions and raise questions on matters related to the Company and meeting agendas.

The Company notified the resolutions of the shareholders' meeting by specifying the voting results for each agenda, divided as "Agree", "Disagree" and "Abstain" votes by sending a newsletter to the Stock Exchange of Thailand within the same day after the completion of the shareholders' meeting.

Section 2 Equitable Treatment to Shareholders

The Company has prioritized and given equitable and fair treatment to all shareholders as follows:

The company has a policy to protect the rights of all shareholders, in both shareholders' meetings in 2020, the Chairperson of the meeting conducted the meeting in accordance with the meeting agendas stated in the invitation letter of shareholders' meeting and there was no additional agenda without advance notice to shareholders. However, all shareholders of the Company have their rights to vote based on the number of shares holding with one-share-one-vote rule.

The Company allowed shareholders who are unable to attend the meeting by themselves, can authorize any of independent directors of the Company or other persons to attend the meeting and vote on their behalf, the proxy forms were prepared in accordance with the forms specified by the Ministry of Commerce. The shareholders can determine the direction of their votes and the proxy forms were delivered to the shareholders together with the invitation letter to the shareholders' meeting. In addition, the proxy forms were also available on the Company's website to be downloaded by shareholders.

The Company has outsourced the third party with expertise and independence to act on behalf of the Company in the registration and vote counting, in which the Company has prepared ballots for shareholders to cast their votes on various agendas. For the agenda regarding the election of directors, the Company provided shareholders with opportunities to exercise their right in electing individual directors, the number of votes in each agenda was counted in an open and transparent manner, the ballots were collected for further inspection, and the minutes of the meeting was prepared and published on the Company's website.

Section 3 Role of Stakeholders

(1) Treatment of the Rights of Stakeholders

The Company is aware of the rights of all groups of stakeholders, both internal and external of the Company and takes care to ensure that those rights are well protected and exercised in order to foster good understanding and cooperation between the Company and stakeholders, which will be beneficial to the operation, build confidence and stability, for the Company and stakeholders, and increase the Company's long-term competitiveness.

Rights of Shareholders

The Company has realized and prioritized the rights of shareholders as the Company's owners, all shareholders are equally and fairly treated by the Company and provided of accurate, transparent and timely information, and the Company's assets have been also maintained. We are committed to operating its business for profitability and sustainable growth.

Rights of Employees

The Company has always realized that employees are a valuable resource and the foundation of success, so we are committed to develop the potential of employees throughout their career path, by developing their skills, knowledge and competencies, and also providing equal opportunities for work advancement to all employees with compensation at an appropriate rate. The Company regularly studies and reviews the organizational structure, roles, duties and responsibilities of each function, evaluates the work performance and work progress of employees in order to build potential and readiness within the organization to develop the organization to become a good organization, and pays attention to the determination of policy regarding employee compensations to be in line with the Company's short-term and long-term performances.

The Company places great emphasis on the welfare and safety of its employees by providing basic welfare and benefits as required by law, such as working days, holidays, annual holidays, and various types of leaves, including social security fund, workmen's compensation fund, and provident Fund, by continuously promoting these benefits to employees.

The Company has provided benefits other than those stipulated by law, such as health insurance covering outpatient and inpatient medical treatments, life insurance, accident insurance, annual health check-up, and provided measures to take care of health and sanitation of employees, such as public relations on disease prevention guidelines, and provision of masks and alcohol gel for hand washing of employees and visitors.

The Company has implemented environmental and safety management that is strictly consistent and in accordance with the standards stipulated by the law, by stipulating and promoting good health care and maintenance, and providing a safe working environment as well as controlling hazards and taking actions required to prevent all employees from work accidents and diseases.

Rights of Community, Society and Environment

The Company is aware of being part of society and community, and pays attention to responsibility on community, society and environment. Initially, the Company has focused on learning and understanding the community in order to listen to expectations and find appropriate management measures by focusing on activities that benefit both the Company and community, society and environment, such as participating and supporting local cultural events to create familiarity, trust which is the foundation of the Company to realize its true expectations and to formulate future plans linking the Company's business with the expectations of community, society and environment, for example, engaging people in fire prevention activities in the areas of power transmission lines or power generation sources, setting up a plan for hiring local people, improving and installing active electrical generating equipment in the community, which will be a more concrete plan in 2021.

The Company has a policy to prevent and protect the environment by promoting the responsibility on environment. The Company takes actions to reduce the impacts on environment and continuously control activities that may affect the environment, such as management of waste arising from the Company's operations, e.g. production process for steel and zinc products is designed to minimize wastes, campaigning the best use of energy, in particular, reducing carbon emissions in both office buildings and factories, and promoting the use of technology in communication, for example, E-conference to reduce the carbon dioxide emissions from the use of fuel energy for travelling, etc.

Rights of Customers

The Company is committed to improving service efficiency and offering products and services to meet customer needs, as well as taking various actions to make customers confident and satisfied in the Company's services. We also have a clear policy that all customers will be fairly and equally treated with respect and good manners based on the principle of "Customer Centricity" or prioritizing customers, focusing on understanding the customers' needs and ensuring that all employees adhere to these actions.

At present, the Company has prepared channels of email and telephone to support the contacts from customers, where the customers can contact for information, notify changes including complaints through the Company's Sales Department

The Company has a policy on protecting personal information of customers by requiring the processing of personal information to be cautiously and carefully done. The processing of personal information is limited to the extent necessary for the operating purpose, effective customer care, and related commercial activities, as required by laws.

Right of Trade Partners

The Company has a policy on fairly and equitably treating trade partners, whereby the Company has stipulated the principles of good corporate governance and business ethics so that the Company's trade partners could be confident in the selection process of the Company's trade partners in all cases, the Company has a clear policy to organize a bidding competition, additionally, contract negotiation between trade partners and the Company will be in accordance with general commercial conditions.

The Company has a policy to encourage its trade partners to comply with the principles of good corporate governance and business ethics of the Company in areas such as labor, health, safety, security, environment and corruption, etc. Initially, the Company's trade partners must not be illegal in those areas to enhance business standard and to create sustainable stability for the Company's trading partners.

In addition, the Company has paid attention in respecting the intellectual property rights of trade partners and others by requiring the directors, executives, employees and any other person acting on behalf of the Company, to avoid infringement on the intellectual property rights of trade partners and others, meanwhile, directors, executives, employees and any other person acting on behalf of the Company are required to protect and monitor the Company's intellectual property for the benefits of the Company.

Rights of Competitors

The Company has promoted and supported fair and open competition and will not perform any action that violates or conflicts with the laws related to trade competition or that may cause damage to the reputation of competitors. The Company competes in the market by offering good products and services at reasonable prices and confronts its competitors with honesty and professionalism.

Rights of Creditors

The Company is always striving to maintain a lasting relationship between the Company and its creditors with a policy to treat creditors equally and fairly by providing them with accurate, transparent and verifiable information and strictly adhering to the terms and conditions of the contract with creditors including repayment of principal, interest and fees, maintaining financial ratios and other conditions, etc. In the event that the Company fails to comply with any of the conditions, the creditors will be notified soonest to jointly consider and find solutions. In 2020, the Company had not any default and obligations of guarantees.

(2) Respect on Human Rights

The Company has supported the respect on human rights internally enacted, including the United Nations' declaration and conventions on human rights. The Company's directors, executives and employees and any other person acting on behalf of the Company shall respect on human dignity, privacy and the rights of individuals whom they have contacted during working by not taking any action or support to any infringement or harassment on human rights, as set forth in the principles of good corporate governance and business ethics of the Company.

(3) Anti-corruption & Anti-bribery

In 2021, the Company has revised its anti-corruption policy to prepare it in various areas and have a plan to join the Thai Private Sector Collective Action Coalition against Corruption (Collective Action Coalition). 2020 The Company has established a work plan for 2021 as the year of building a sustainable ethical corporate culture, including anti-corruption, so that the employees and society will understand and support the Company in conducting business in an ethical manner.

(4) Handling of whistle blowing and protection of whistle-blower

The Company has updated the Policy on Complaints Handling and Whistleblowing for Misconduct and Corruption and the Policy on Complaint Investigation and Whistleblowing of Misconduct and Corruption to protect relevant persons including whistleblower, accused, any person who assists in any relevant process by establishing channels for receiving complaints or whistleblowing that are convenient, secure, and have a transparent and credible process to prevent misconducts and corruptions that may occur in the Company and its companies in the Company Group, and as an administrative tool in detecting corruptions or misconducts, as well as reduce the damage from misconduct or corruption. The duties and guidelines for employees and management at all levels have been clearly established by opening the channel to send the complaints to the Audit Committee, or notifying the supervisors trusted by whistleblower at all levels, and having a fair investigation process by an investigation and punishment committee appointed by the persons involved in each department who have no interest in that matter. The process will be confidential to minimize the impact on the whistleblower with fair punishment measures, the results will be reported to the Audit Committee.

Section 4 Disclosure of Information and Transparency

The Company has complied with the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), regarding disclosure of material information by disclosing the Company's financial data and development, information related to business operations, performance, and important news through the website of the Stock Exchange of Thailand for transparent and fair disclosure of information.

The Company has realized that our financial and non-financial information affects the decisions of shareholders and general investors. To ensure the correct disclosure of important information in a fast and transparent manner, the Company has assigned investor relations officers to regularly communicate with shareholders and general investors. Interested persons can contact the Company to obtain information from the Investor Relations Department at investorrelations@novaempire.co.th. In 2020, the Company has disclosed information through the Stock Exchange of Thailand system for 33 times in total.

The Board of Directors is responsible for the Company's Annual Financial Statement and the financial data appearing in the Annual Report, such annual financial statement has been prepared in accordance with the generally accepted accounting standards of Thailand. The Company has chosen an appropriate accounting policy and applied the same accounting policy for each fiscal year. The Board of Directors has appointed the Audit Committee to be in charge of the quality of financial reports and the internal control system of the Company, as well as adequate disclosure of important information in the notes to the annual financial statement to ensure the accuracy, integrity and adequacy of accounting records for the benefits of shareholders and general investors. In addition, the Board of Directors also prepared a report of the Board of Directors to be presented in the annual report to the shareholders in terms of operating results and important issues that occurred in the year.

In 2020, none of any events in which the Company was notified by regulators due to failure of notification or disclosure of material information within the time limit.

On 10 March 2021, the Board of Directors assessed the Corporate Governance system of the Company and gave an opinion that the current practices are appropriate for driving existing strategies and plans to achieve their goals and in the same direction as stipulated in the principles of good corporate governance for listed companies in 2017 of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

10. Significant Information about Board of Directors, Subcommittees, Executives and Employees

10.1 Structure of the Company's Board of Directors

At present, the Board of Directors consists of 8 directors, 3 of them are independent directors, 4 of them or half of them are female, 2 of them are executives and 2 of them are executives of subsidiaries. The Company's directors and independent directors are not holding a position in more than 4 listed companies, at present, there is no director in the Company to hold a directorship in more than 3 listed companies and the Company has no policy to allow any executive director to hold a directorship in more than 2 listed companies, excluding subsidiary, affiliated company, and joint venture of the Company, where the Company is required to oversee the management for its efficiency. The Company has more than one director with working experience related to its business.

In 2020, the Company has restructured its governance by requiring 2 subcommittees including the Audit Committee and the Remuneration, Nomination and Corporate Governance Committee to make the organization more concise and respond to business changes in a more comprehensive manner. The Audit Committee is responsible for controlling the risk management, comprising top management responsible in proposing the guideline of risk management.

The Company does not require the Chairperson of the Board to be an independent director, because we view that the Chairperson of the Board and directors of the Company has the knowledge, ability and understanding well on the nature of the Company's business operations, this qualification is necessary to make decisions for the utmost benefits of the Company and shareholders as a whole. Even if the Chairperson of the Board is not an independent director, the Board of Directors gives an opinion that the Company has a good internal control system, including a mechanism that can make shareholders and stakeholders confident that decisions about various matters by the Board of Directors use independent, cautious, prudent discretion, and without any domination or suggestion on point of view during consideration.

The Company has established the criteria and qualifications of independent directors which are stricter than the regulations stipulated by the SEC and the Stock Exchange of Thailand as follows:

The independent director must have all the qualifications required and must be able to equally look after the interests of all shareholders and avoid any conflict of interest, and could independently give opinions, as follows:

(1) Holding no more than 5 % of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company, including the shareholding of persons related to the independent directors.

(2) Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties of the company, parent company, subsidiary, affiliate, subsidiary in same level, major shareholder(s), or controlling parties of the company, unless It has been at least two years after the person has held the position, such prohibited characteristic does not include cases where an independent director had been a government official or an advisor of the government sector which is a major shareholder or controlling parties.

(3) Not by blood or legally registered as parents, spouse, sibling and child including spouse of child, executives, major shareholders, controlling parties of the company, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.

(4) Not currently having or never had any business relations with the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company, unless it has been at least two years after the person has held the position.

The business relationship under first paragraph includes regular commercial transactions for conducting business, renting or leasing real estate, transactions relating to assets or services, or giving or receiving financial assistance by accepting or lending, guaranteeing, giving assets as collateral for liabilities, including other similar behaviors, causing the Company or contractual party to have debt burden to pay another party, from 3% of the net tangible assets of the Company, or from 20 Million Baht or more., whichever is lower. The calculation of debt burden shall be in accordance with the calculation method for the value of related-party transactions under the Notification of the Capital Market Supervisory Board on rules of related-party transactions, mutatis mutandis, but in considering the said debt burden, the debt incurred during one year prior to the date of having a business relationship with the same person must be included.

(5) Not currently being or never been the auditor of the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company and not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm which the auditor of the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company is under, unless It has been at least two years after the person has held the position.

(6) Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company, with a fee more than 2 Million Baht per year and the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers, unless it has been at least two years after the person has held the position.

(7) Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.

(8) Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, or executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.

(9) Not under any conditions that may impede the person from having independent views towards the company's operations.

After being appointed as an independent director, independent director may be assigned by the Board of Directors to make decisions in the business operations of the company, parent company, subsidiary, associate, subsidiary in same level, major shareholder(s) or controlling persons of the company in a collective decision manner.

The Company may appoint a person currently having or had ever been in a business relationship or professional service in excess of the above value as an independent director. If the Board of Directors has carefully considered and is of the opinion that the appointment of such person will not affect the independent performance of duties and opinions, and the following information shall be disclosed in the invitation letter of

shareholders' meeting under the agenda regarding the appointment of independent directors.

(1) Nature of business relationship or professional service that makes such person failed to meet specified qualification;

(2) Reason and necessity to maintain or appoint such person as independent director;

(3) Opinion of the Board of Directors in proposing the appointment of such person as independent director.

The Board of Directors has established as a policy that independent directors may lose their independence after working for a period of 9 years or 3 consecutive terms, the Board of Directors will consider and review to expand their office term once a year.

List and number of shares held by directors as of 31 December 2020 are as follows:

No.	Name	Position	Number of shares held as of 31 December 2019	Number of shares held as of 28 December 2020	+ / (-)
1.	Ms. Parleerat Panboonhom	Chairperson of the Board	-	3,691,968	3,691,968
2.	Dr. Prasit Kanchanasakdichai	Director	3,965,368	654,000	(3,311,368)
	Spouse			-	-
	Minor(s)			-	-
3.	Mr. Kriengchai Trinapakorn	Director	-	-	-
	Spouse		-	-	-
	Minor(s)		-	-	-
4.	Mr. Kriangkrai Danchaivichit	Director	650,000	650,000	-
	Spouse		-	-	-
	Minor(s)		-	-	-
5.	Mr. Sudwin Panyawongkhanti	Independent Director Chairperson of the Audit Committee	-	-	-
	Spouse		-	-	-
	Minor(s)		-	-	-
6.	Dr. Ratana Sithiprasasna	Independent Director Member of the Audit Committee, Member of the Nomination, Remuneration and Corporate Governance Committee	-	-	-
	Spouse		-	-	-
	Minor(s)		-	-	-
7.	Assoc. Prof. Dr. Punchada Sirivunnabood	Independent Director Member of the Audit Committee, Chairperson of the Nomination, Remuneration and Corporate Governance Committee	-	-	-
8.	Ms. Sukanya Tipmanee	Director Member of the Nomination, Remuneration and Corporate Governance Committee	-	-	-

Remark:

1. Directors No. 1, 7, 8 are single and does not have a child or a person living as husband and wife according to the definition of relevant criteria;
2. The number of shares held comparable to the total number of shares sold was 60,000,000 shares at a par value of 10 Baht.

10.2 Diversity of the Board

The Board of Directors must consist of persons with extensive expertise and experience in various fields required for the Company's business, and a number of directors sufficient to supervise the business of the Company, for not less than 5 people as stipulated by law and not more than 12 people, with at least one person having experience related to the main business of the Company, and at least one person having experience in accounting and finance.

The Board of Directors believes that the diversity of the Board of Directors will provide the Board with a broad perspective that will enhance the decision-making process and be able to effectively function its roles, the composition of the Board is therefore diverse in each field of knowledge and expertise, and consists of at least one lady director; however, in the selection of directors, the emphasis is on the work experience and qualifications of each director.

The Board of Directors is mainly composed of independent directors and non-executive directors, at least one-third of the total number of directors, but not less than three directors, must be independent directors.

10.3 Roles of the Chairperson of the Board and Chief Executive Officer

The Chairperson of the Board has different roles and duties from the Chief Executive Officer. The Chairperson of the Board is elected by the Board of Directors, act as the Chairperson of the meeting by controlling the meetings of the Board of Directors in accordance with the agenda of the meeting, and encouraging all directors to participate in the meeting, such as raising questions or observations, giving a advice and suggestions to executives, and supporting the Company's business, but will not interfere in the management of the Company. Chief Executive Officer is responsible for managing the affairs of the Company and supervises he operations of the company in accordance with the regulations, resolutions of the shareholders' meetings, resolutions of the Board of Directors, policy and business plan of the Company and related laws.

The Chief Executive Officer is the top management of the Company, plays the role of chief and leader of the Company's executive team, has duties and responsibilities to the Board of Directors in managing the company in accordance with its direction, strategies and budgets approved by the Board of Directors to achieve the goals.

Where necessary, the Chairperson of the Board and Chief Executive Officer may be the same person, the Company has set measures to ensure an appropriate balance, for example, at present, the Chairperson of the Board has no right to be a casting vote at the Board of Directors' meeting. The Company is in process of nominating two qualified persons to hold the positions of the Chairperson of the Board and Chief Executive Officer.

10.4 Duties and Responsibilities of the Board

The Board of Directors gives approvals to the Company's vision, mission, strategies, directions and policy in operations, business plan and the annual budget, and supervises the management to act in

accordance with the policies and business plans determined under the scope of laws, objectives and the Company's Articles of Association and resolutions of the Board of Directors and Shareholders' Meeting, taking into account the best interests of the Company and its stakeholders. In order to create the sustainable stability for the Company and to add value to shareholders in long term, the Board of Directors has determined to review and approve the Company's vision, mission, strategies, directions and operating policy on an annual basis, to adapt to the changing business situations and conditions, details of the powers, duties and responsibilities of the Board of Directors.

The Board of Directors supervises the compliance with the regulations on procedures and disclosures of transactions that may lead to conflicts of interest, in accordance with the regulations of the SEC, the Stock Exchange of Thailand, and relevant regulators by appointing the Audit Committee to consider and approve, and give opinions on transactions that may have conflicts of interest. In entering into a transaction that may have a conflict of interest that is large or material to the Company's business operations, the management is required to ask for approve for such transactions from the Board of Directors, and the Company will report transactions with interested persons to the Board of Directors on a quarterly basis. In the past, there was no transaction that appeared the transfer of interest to the person who may have a conflict of interest with the Company.

The powers, duties and responsibilities of the Board of Directors are defined with reference to the Public Limited Companies Act, the Securities and Exchange Act, Regulations of the Stock Exchange of Thailand, and the Company's Articles of Association. The powers, duties, and responsibilities of the Board of Directors, including the powers to consider and approve are as follows:

- (1) To perform and assume responsibilities and duties with care and honesty, taking into account the best interests of the Company and its shareholders;
- (2) To be responsible in managing the affairs of the Company, establish long-term business strategies and plans, organize a suitable organizational structure, and supervise business operations on a daily basis;
- (3) To approve the directions, vision, values and expectations in the leadership of the Company;
- (4) To consider, approve, make decision on important transactions and take any action, and in some cases, give decision-making power to others in accordance with applicable laws, the Company's objectives and Articles of Association, resolutions of shareholders' meetings, including the Company's policy on corporate governance.
- (5) To effectively operate the Company in compliance with generally accepted rules on corporate governance and control.
- (6) To approve and supervise goals, strategies and action plans Including any changes in the aforementioned goals, strategies and operational plans.
- (7) To prepare accurate and complete reports on the Company's business operations and finance for shareholders and general investors.
- (8) To monitor, audit and make internal control over financial reporting on an adequate manner, to ensure the governance is in line with its objectives, legal requirements, and Policy on Corporate Governance of the Company.
- (9) To evaluate and discuss about the optimal capital structure, dividend payment policy, strategies for financing, and optimal funding composition on a regular basis.
- (10) To consider and approve the payment of interim dividends to shareholders from time to time, if considering that the Company is profitable enough to do so.
- (11) To be responsible in reviewing the draft of annual financial statement prepared by the management

team to ensure that the annual financial statement is accurately and completely prepared, and reflects the Company's financial status and operating results, for the benefits of shareholders and general investors.

(12) To prepare the annual report with the management team.

(13) To consider, approve and determine the overall business operations of the Company and its subsidiaries.

(14) To proactively plan for risk management and handle the Company's critical business risks by mainly taking into account strategic, financial and legal risks.

(15) To carry out transactions that may cause a conflict of interest of the management team, Board of Directors, and shareholders including the person related to such persons, in the same way as Arm's Length Basis under general commercial terms, and without impacts on the interests of the Company and minor shareholders.

(16) To arrange the internal control for the Company in an adequate and appropriate manner and assign a person responsible for the internal audit function to monitor and audit the internal control of the Company, and to report any failure or weakness in significant controls, as well as to suggest solutions.

(17) To prepare agendas and opinions to be proposed to the shareholders' meeting.

(18) To recruit candidates for director positions with appropriate knowledge, capability and experience to increase the potential of the Board of Directors and main subsidiaries.

(19) To consider and propose the remuneration of the Board of Directors to shareholders for consideration and approval.

(20) To have the power to appoint and remove the Chief Executive Officer of the Company; monitor, audit and arrange an annual performance evaluation for the Chief Executive Officer.

(21) To monitor, audit and provide appropriate and effective risk management in terms of security and protection of personnel, information, and other assets.

(22) To provide adequate procedures and processes to prevent the Company from being involved in any corruption.

(23) To provide the assessment of performance, duties and abilities in performing their duties.

In 2020, the Board of Directors has approved the vision, mission, goals, and strategies to cope with the volatility of the business, and the world economy, enabling the Company to firmly stand during crisis and least affect the employees. This includes key decisions to sell assets in the steel and zinc business and enter into lease agreements to mitigate risks and increase liquidity for the Company. Part of the funds is spent to acquire shares in solar power business that will generate stable revenue in a long run.

In addition, the Board has also monitored issues regarding Corporate Governance by reviewing and approving policies on corporate governance and business ethics to be up-to-date and cover good practice on various matters, including reviewing the approval power and internal policies relating to the management of conflicts of interest, such as insider trading and securities policy of directors, executives and employees of the Company, policy on prevention of conflicts of interest, anti-corruption policy, complaint-related policy to emphasize all personnel to strictly implement, which is one of the measures to manage the corruption risk. In addition, the resolution of the Board of Directors regarding transactions between directors or executives and the Company is revised in accordance with Section 89/12 of the Securities and Exchange Act, stipulating the principles for the Audit Committee to monitor and quarterly report the results to the Board. In the past, there is none of complaints that the directors, executives, or employees do not comply with the internal rules as aforementioned.

10.5 Attendance of meetings of the Board and sub-committees

The Board of Directors and sub-committees are required to hold meetings to consider matters within the scope of their duties and responsibilities stipulated in the Charter, in which the Company secretary will coordinate the date, time and main agenda of each meeting in advance every year, so that the directors can arrange times and attend the meetings in unison. Meeting agenda will be clearly prepared in each meeting and the meeting invitation letter together with supporting documents will be delivered to relevant directors at least 7 days in advance, except in the case of urgency, to allow directors to have sufficient time to study information before attending the meeting. At each meeting, high-level executives involved will attend the meetings to clarify details and answer inquiries. The Chairperson of the meeting has a duty to allow all directors to openly express their opinions before voting and summarize the resolution of the meeting on each agenda. Any director with interests, whether directly or indirectly, is not entitled to vote and must leave the meeting during the consideration of any agenda related to him/her.

The Board of Directors requires a meeting of the Board of Directors to not be attended by executive directors and management for at least once a year, so that the directors could consider and review the performance of the executive board and the Company, as well as to consider and discuss management-related issues or in the interest of the Board. The results of the meeting will be notified to the Chief Executive Officer for further consideration and improvement. In addition, the Board of Directors also requires the Company's Auditors to attend a meeting with the Board of Directors but without executive directors and management at least once a year.

The Company secretary is responsible in recording the minutes in writing and storing the manuscript together with the meeting invitation letter and supporting documents, and then saving it in an electronic copy for convenience of directors and those involved in the audit.

In 2020, the Company held 15 meetings of the Board and 6 meetings of the Audit Committee meetings, with a director's attendance rate of approximately 99%, details of meeting attendance by individual director is as follows:

Name	Board of Directors' Meetings (15 meetings)	Audit Committee's Meetings (6 meetings)
1. Ms. Parleerat Panboonhom	6/6	
2. Dr. Prasit Kanchanasakdichai	15/15	
3. Mr. Kriengchai Trinapakorn	15/15	
4. Mr. Kriangkrai Danchaivichit	14/15	
5. Mr. Sudwin Panyawongkhanti	5/5	3/3

Name	Board of Directors' Meetings (15 meetings)	Audit Committee's Meetings (6 meetings)
6. Dr. Ratana Sithiprasasna	6/6	3/3
7. Assoc. Prof. Dr. Punchada Sirivunnabood	5/5	3/3
8. Ms. Sukanya Tipmanee	6/6	

Details of on meeting attendance by directors who resigned during the year of 2020 is as follows:

Name	Board of Directors' Meetings (15 meetings)	Audit Committee's Meetings (6 meetings)
Miss Naratip Tabtieng	1/1	1/1
Mr. Suravit Asavayutphol	9/9	3/3
Mr. Surachai Pirmsinthavee	9/9	3/3
Mr. Chokeychai Srisrawekkanjana	1/1	
Mr. Yasuyuki Nakashima	8/8	
Mr. Somsak Jirapornkul	6/6	2/2
Miss Oranuch Pakirasa	6/6	

Notes:

Miss Naratip Tabtieng resigned from the positions of director and a member of the Audit Committee on 9 March 2020.

Mr. Somsak Jirapornkul was appointed as a director to replace Miss Naratip Tabtien, with the effect from 12 March 2020.

Mr. Chokeychai Srisrawekkanjana resigned from the position of director, with the effect from 10 March 2020.

Miss Oranuch Pakirasa has replaced Mr. Chokchai Srisewakkana, with the effect from 12 March 2020.

Mr. Yasuyuki Nakashima resigned from the position of director, with the effect from 17 August 2020.

Ms. Parleerat Panboonhom assumed the position of director in place of Mr. Yasuyuki Nakashima and has been appointed as the Chairperson of the Board, and Chief Executive Officer, with the effect from 17 August 2020.

Miss Oranuch Pakirasa resigned from the position of director, with the effect from 17 August 2020.

Ms. Sukanya Tipmanee assumed the position of director in place of Miss Oranuch Pakirasa, with the effect from 17 August 2020.

Mr. Somsak Jirapornkul resigned from the position of director, with the effect from 17 August 2020.

Dr. Ratana Sithiprasasna assumed the position of director in place of Mr. Somsak Jirapornkul, with the effect from 17 August 2020.

Mr. Surachai Permsinthavee resigned from the position of director, with the effect from 18 August 2020.

Mr. Sudwin Panyawongkhanti assumed the position of director in place Mr. Surachai Permsinthavee, and has been appointed as the Chairperson of the Audit Committee, with the effect from 18 August 2020.

Mr. Suravit Asavayutphol resigned from the position of director, with the effect from 18 August 2020.

Assoc. Prof. Dr. Punchada Sirivunnabood assumed the position of director in place Mr. Suravit Asavayutphol, with the effect from 18 August 2020.

10.6 Duties and responsibilities of the Audit Committee and the appointment of external Auditors

The Audit Committee consists of three independent directors. In 2020, the Audit Committee is responsible in reviewing the Company's financial reporting process, the Internal Control system and the internal audit system, compliance with the laws applicable to the Company's business; considering and selecting (including proposing to remove) the Auditors of the company and reviewing the related-party transactions, stakeholders' transactions or transactions that may lead to conflicts of interest, etc.

In performing the duties of the Audit Committee in relation to the consideration and selection (including proposing to remove) the Company's Auditors, the Audit Committee will consider and select the Auditors based on the evaluation criteria of the Company, consisting of experience, performance, business knowledge and audit expertise, including the independence of the Auditor in the previous year, to propose to the Board of Directors and the shareholders' meeting for consideration and appointment of Auditors. In the 2020 Annual General Meeting of Shareholders held on 10 April 2020, the meeting appointed Dr. Kiatniyom Khuntisuk, Certified Public Accountant License No. 4800 and/or Miss Pensri Thamvarodom, Certified Public Accountant License No. 4923 and/or Miss Sophaphan SuptippayaRatana, Certified Public Accountant License No. 6523 and/or Miss Kornthong Luangvilai, Certified Public Accountant License No. 7210, all are auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., to be the Company's Auditors and subsidiaries, with an audit fee of not more than 1,700,000 Baht.

In addition, in 2020, the Audit Committee has proposed the Board of Directors to consider and approve an additional audit fee for Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., amounting for 160,000 Baht, because during the year of 2020, the Company had many significant transactions that were unexpected in the forecast of external Auditors, resulting from the entering into the related - party transactions as resolved by the Extraordinary General Meeting of Shareholders No. 1/2020, and also asked for the approval on appointing PricewaterhouseCoopers ABAS Company Limited (PWC) to audit the Annual Financial Statements of 9 subsidiaries under the solar power generation group with an audit fee of 100,000 Baht as PWC has been the Auditor of the subsidiaries under the solar power generation group. The Audit Committee's meeting gave an opinion that the amount of audit fee was appropriate for the actual workloads, and this audit will also help to prepare the Company's Annual Financial Statements more smoothly. This appointment will be proposed to the 2021 Annual General Meeting of Shareholders for further ratification.

In addition to the audit fee as mentioned above, the Company has hired the Auditor of PricewaterhouseCoopers ABAS Company Limited (PWC) to audit the BOI certificate, which is non-audit service, with the objective to submit an application for annual corporate income tax benefits, and the compensation to be paid is totally 200,000 Baht.

Dr. Kiatniyom Khuntisuk is responsible for the auditing of the Company and expressing opinions on the Annual Financial Statement of the Company for the year ended 31 December 2020.

The Audit Committee has the powers, duties and responsibilities as follows:

1.1 To review and ensure the Company's correct financial reports in accordance with generally accepted accounting standards and with adequate disclosure.

1.2 To review that the Company has an internal control system and internal audit systems that are appropriate and effective.

1.3 To review and ensure that the Company has a system for accepting complaints and whistleblowing of misconducts and corruptions, as well as to enable the employees and other stakeholders to confidently provide information on concerns about the improperness of financial reports or other matters, to ensure that all complaints are independently investigated of facts with appropriate monitoring.

1.4 To review the Company to comply with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and laws relating to the Company's businesses.

1.5 To approve changes to accounting policies or to adopt new accounting policies prior to the enforcement (Early Adoption) before proposing to the Board of Directors for consideration and approval.

1.6 To consider and propose to propose, re-elect, terminate, and determine the Company's Auditor's remuneration.

1.7 To have a specific meeting with the Auditors at least once a year to discuss various matters deemed necessary to discuss by the Audit Committee or the Auditors privately.

1.8 To review the independence of the Auditors and establish a policy for receiving services other than auditing from the same audit firm.

1.9 To consider and review related-party transactions or transactions that may lead to conflicts of interest, to be in line with the laws and regulations of the Stock Exchange of Thailand, the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and other relevant laws to ensure that such transactions are reasonable and in the best interest of the Company.

1.10 To review and ensure that the Company has an appropriate and effective risk management system.

1.11 To consider the independence of the internal audit function and approve the appointment, transfer, terminate, and consider the Chief of Internal Audit's performance and accomplishments.

1.12 To review and comment on the internal audit plan, operations of the Internal Audit Office and to coordinate with the Auditors.

1.13 To prepare the Audit Committee's report and disclose it in the Company's annual report, the said report must be signed by the Chairperson of the Audit Committee and must contain at least the following information:

(1) Opinions on the accuracy, completeness, and creditability of the Company's financial reports.

(2) Opinions on the adequacy of the Company's internal control system.

(3) Opinions on the compliance with the Securities and Exchange Act, regulations of

the Stock Exchange of Thailand, the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and other laws relating to the Company's businesses.

(4) Opinions on the suitability of the Auditors.

(5) Opinions on transactions that may lead to conflicts of interest.

(6) The number of the Audit Committee's meetings and the meeting attendance of each member of the Audit Committee.

(7) Overall opinions or observations received by the Audit Committee in the performance of their duties under the charter.

(8) Other transactions deemed that the shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors.

1.14 To have the power to hire consultants or third parties to give opinions or advices if necessary.

1.15 To have the power to invite the management or any relevant person of the Company to give opinions, attend meetings or provide relevant information.

1.16 To regularly report the performance of the Audit Committee to the Board of Directors.

1.17 To annually evaluate their performance.

1.18 To consider, review and assess the sufficiency of the Charter and propose to the Board of Directors for consideration and approval of the changes.

1.19 To audit suspected behaviors that the directors, managers, or persons responsible in the Company's operations have committed an offense under the Securities and Exchange Act, detected and reported by the Auditors; and the Audit Committee will report the preliminary audit results to the Board of Directors, the Office of the Securities and Exchange Commission, and the Auditor within 30 days from the date of receiving the notification from the Auditors. The suspected behaviors that must be reported and the method for obtaining facts about such behaviors are in accordance with the notification of the Capital Market Supervisory Board.

1.20 In performing duties of the Audit Committee, if it is found or suspected that any of the following transactions or actions may have a material impact on the Company's financial position and performance, the Audit Committee shall report to the Board of Directors for amendments within the timeframe deemed appropriate by the Audit Committee.

(1) Transactions that cause conflicts of interest

(2) Corruptions or unusual or material defects in the internal control system.

(3) Violation of Securities and Exchange Act, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses.

If the Board of Directors or executives fail to make amendments within the timeframe under first paragraph, any member of the Audit Committee may report such transaction or action to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

1.21 Additional powers and duties as assigned by the Board of Directors

At least one member of the Audit Committee must have sufficient knowledge and expertise

to review the reliability of the Annual Financial Statement. At present, Mr. Sudwin Panyawongkhanti, the Chairperson of the Audit Committee, is qualified because he had served as a partner in a nationally renowned auditing firm for more than 20 years.

10.7 Duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee consists of at least 3 directors and a majority must be independent directors, with the office term based on the office term of directorship, the member of the Nomination, Remuneration and Corporate Governance Committee who vacate the office by rotation may be re-appointed. Followings are powers and duties of the Nomination, Remuneration and Corporate Governance Committee:

1.1 To consider and review as well as make recommendations to the Board of Directors on qualifications, size, structure, composition, office term, work processes and practices of the Board of Directors and sub-committees.

1.2 To consider and propose prospective persons to serve as directors for the Board of Directors so that the Board of Directors will consider and propose for approval for the appointments at the shareholders' meeting, or the Board of Directors will consider and approve the appointment to replace any resigned director or appoint a new director.

1.3 To evaluate and determine the successors to the positions of Chief Executive Officer, senior management, together with the Chairperson of the Board and Chief Executive Officer, and to annually report the results of the succession plan to the Board of Directors.

1.4 To consider and nominate persons of the Company to serve as directors in subsidiaries, associate and joint ventures of the Company

1.5 To determine the remuneration of the Board of Directors, Sub-committees, to propose to the Board of Directors and the shareholders' meeting for consideration and approval.

1.6 To prepare criteria and policies for determining the remunerations for the Board of Directors to propose to the Board for approval and/or to propose to the shareholders' meeting for approval, as the case may be.

1.7 To consider and review the Policy on Corporate Governance and propose to the Board of Directors for the approval of any changes.

1.8 To consider and review Business Ethics and the effectiveness of compliance monitoring and enforcement systems of Business Ethics.

1.9 To ensure that the Board of Directors has an annual performance assessment.

1.10 To annually evaluate their performance.

1.11 To take any other action or to perform based on the powers and responsibilities as assigned by the Board of Directors from time to time

The Charter of the Nomination, Remuneration and Corporate Governance Committee requires to hold at least two meetings a year (starting in 2021), to be called by the Chairperson of the Nomination, Remuneration and Corporate Governance Committee or the Company Secretary under the order of the Chairperson of the Nomination, Remuneration and Corporate Governance

Committee by means of sending meeting invitation letters to the members of Nomination, Remuneration and Corporate Governance Committee at least 7 days in advance before the meeting date, unless in an urgent case, the meeting will be called by other means or set a meeting date earlier.

10.8 Appraisal on the Performance of the Board and Sub-committees

In general, the Company has established an annual appraisal on the overall performance of the Board of Directors to evaluate the efficiency of the Board's operations based on the code of Corporate Governance with following processes:

- The Company Secretary prepares and reviews the performance appraisal form to be correct, complete and in accordance with the rules set by the regulator, and presents to the Board of Directors for the consideration of performance appraisal.
- The Company Secretary summarizes of the Board's performance including advantages and disadvantages that should be improved and presents to the Nomination, Remuneration and Corporate Governance Committee for consideration and recommendations before presenting to the Board of Directors for consideration and improvement of operations for more efficiency.

The performance appraisal form of the Board of Directors is divided into 6 topics: (1) Structure and qualifications of the Board of Directors; (2) Roles, duties and responsibilities of the Board of Directors; (3) The Board's meetings; (4) Performance of directors' duties; (5) Relationship of the management; and (6) Self-development of Directors and management development; and the evaluation appraisal was represented into percentage in each topic as following ratings: Scores more than 85% = excellent, more than 75% = very good, more than 65% = good, more than 50% = fair, and less than 50% = improvement required.

However, in 2020, the Board of Directors gave an opinion that the performance appraisal form as mentioned above should be temporary exempted, because during the year, many directors have replaced and the Company has also made significant changes to its business operations, so the appraisal to be compared to previous year may not reflect the actual performance of the Board and sub-committees. However, the Board of Directors resolved to assign the Company Secretary to collect suggestions from all directors and then apply as a plan for enhancing the performance of the Board and sub-committees, most of suggestions concern the enhancement of skills, specialized knowledge of the Company's businesses, and encouraging directors to attend training courses relating to the duties of the Board and sub-committees.

10.9 Nomination of directors and skill diversity of the Board

The Company has prioritized the nomination and selection of directors by requiring the qualifications of the Company's directors and independent directors to be consistent with the laws and regulations of relevant regulators as well as the Company's Articles of Association.

The Company will nominate directors by considering educational background, work experience, knowledge and expertise, especially in the energy industry, including skills that are unavailable in the Board of Directors, as well as other diversities, such as gender, to encourage the Board of Directors to more efficiently perform their duties.

The Board of Directors is aware of the nomination of directors with various qualifications and takes into account the essential elements for effective decision-making and management, the Nomination, Remuneration and Corporate Governance has established the guideline for determining the components as specified with Board Skill Matrix, a tool helping in nominating knowledgeable and competent directors with a wide range of skills and experience suitable for energy businesses, divided into 5 areas including: knowledge and understanding in the Company's business, business development and strategic planning, accounting and finance, risk management, and good corporate governance and sustainable development, each area is required at least one director with special expertise.

The Company's directors should have the qualifications of directorship and should not have any prohibited characteristics as stipulated by laws, and should not hold a directorship in more than 4 listed companies. Additionally, the Company's executive directors should not hold a directorship in other companies and in more than 3 listed companies, excluding subsidiaries, affiliates, and joint ventures of the Company, so that directors will be able to effectively perform their duties and responsibilities.

The Nomination, Remuneration and Corporate Governance Committee is responsible for the selection process of the Company's directors by considering, nominating and selecting persons with qualification suitable for holding the Company's directorship, then summarizing the results of the selection before proposing to the Board of Directors or shareholders' meeting for further consideration and approval (as the case maybe).

The Company's directors will have an office term for 3 years and any director who vacates office may be re-elected, the appointment, dismissal, or the vacation of the company's directorship will be in accordance with the Company's Article of Association, and appointed by the shareholders' meeting, except in the case of any director resigning during the office term, and the Board resolves to appoint a new director to replace the resigned director with the remaining office term to be held by the resigned director, except the term of that resigned director is less than two months, the shareholders' meeting will consider and appoint based on following criteria:

- At each shareholders' meeting, one-third of the total number of director, whom have served the longest term, shall retire by rotation. those retired directors may be re-elected.
- The shareholders shall have the number of votes equal to the number of shares they are holding.
- Each shareholder must exercise all votes in selecting one or more persons as the director(s) provided that, such votes cannot be devisable.
- All candidates will be ranked in order descending from the one with the highest number to the lowest number of votes until the positions to be elected are filled. Where the votes are tied, which otherwise causes the number of directors to be exceeded, the Chairperson of the shareholders' meeting will cast the vote.

In the event that any director wishes to resign from the position, he/she is required to submit a resignation letter to the Company, the resignation will be effective from the date the Company receives the resignation letter. However, the shareholders' meeting may vote for the directors to vacate

office before their office term is expired, with a supporting vote of not less than three-fourths of the total number of shareholders with voting rights attending the meeting and having shares totaling not less than one-half of the total number of shares of the total number of shareholders with voting rights attending the meeting.

10.10 Succession plan for key positions and nomination of senior management

The Board of Directors requires the Nomination, Remuneration and Corporate Governance Committee to be responsible in the process, together with the Human Resources Department, for considering, nominating and selecting qualified persons for key positions, and establishing a Succession Plan for the position of senior management based on qualifications, knowledge and competence suitable for the management of the Company's affairs, taking into account the agility of the organization and the changing of technology, some areas may be performed by outsourced experts under the control of top management to be consistent with the Company's plans.

10.11 Remuneration of the Board of Directors and Sub-committees

The Board of Directors has established and approved the director's remuneration framework and policy to propose to the shareholders' meeting for approval. The compensation must be in line with the duties and responsibilities, containing a combination and compositions of both short-term and long-term motivation, including taking into account factors such as the Company's businesses and performance, market and industry norms, economic condition, as well as duties and responsibilities of the Board and sub-committees, etc. The Board of Directors requires the Nomination, Remuneration and Corporate Governance Committee to consider the remuneration of directors, and then propose to the Board of Directors and the shareholders' meeting for consideration and approval every year. In addition, the Nomination, Remuneration and Corporate Governance Committee will consider and review the remuneration structure of the Board of Directors and sub-committees every 3 year to be in line with the market and industry trends.

At present, the remuneration of directors consists of annual compensation and meeting allowance only and any other benefits have not been provided to the directors of the Company.

The 2020 Annual General Meeting of Shareholders has considered and approved the remuneration of directors as follows:

Details of remuneration for directors for the year of 2020		
Committee/Sub-committee	Director's compensation (per year)	Meeting allowance for the Board's meeting (per meeting/per person)
The Board of Directors		
- Chairperson of the Board	140,000	10,000
- Directors	105,000	7,500

Details of remuneration for directors for the year of 2020

Committee/Sub-committee	Director's compensation (per year)	Meeting allowance for the Board's meeting (per meeting/per person)
Audit Committee		
- Chairperson of the Audit Committee	85,000	10,000
- Members of the Audit Committee	70,000	7,500

In 2020, the Company paid remuneration to each director as follows:

Name-Surname	Number of days in holding office	Board of Directors		Audit Committee		Total
		Annual Compensation	Meeting Allowance per time	Annual Compensation	Meeting Allowance per time	
Ms. Parleerat Panboonhom	136.00	52,022	60,000			112,022
Dr. Prasit Kanchanasakdichai	366.00	126,995	132,500			259,495
Mr. Kriengchai Trinapakorn	366.00	105,000	112,500			217,500
Mr. Kriangkrai Danchaivichit	366.00	105,000	105,000			210,000
Mr. Sudwin Panyawongkhanti	135.00	38,730	37,500	31,352	30,000	137,582
Dr. Ratana Sithiprasasna	136.00	39,016	45,000	26,011	22,500	132,527
Assoc. Prof. Dr. Punchada Sirivunnabood	135.00	38,730	37,500	25,820	22,500	124,549
Ms. Sukanya Tipmanee	136.00	39,016	45,000			84,016
Miss Naratip Tabtieng	69.00	19,795	7,500	16,025	10,000	53,320
Mr. Suravit Asavayutphol	231.00	66,270	67,500	44,180	22,500	200,451
Mr. Surachai Pirmsinthavee	231.00	66,270	67,500	48,156	27,500	209,426
Mr. Chokechai Srisrawekkanjana	70.00	20,082	7,500			27,582
Mr. Yasuyuki Nakashima	172.00	49,344	60,000			109,344
Mr. Somsak Jirapornkul	158.00	45,328	45,000	30,219	15,000	135,546
Miss Oranuch Pakirasa	158.00	45,328	45,000			90,328
Total						2,103,689

10.12 Power and Duties of the Management

The Board of Directors has clearly determined the scope of powers, duties and responsibilities of the Board of Directors and the management. In short, the Board of Directors has the power and duties to establish policies and monitor the performance of the management, the management has the power and duties to implement the policy and report its performance to the Board of Directors.

The Board of Directors assigns the Chief Executive Officer, who holds the highest management position of the Company, to have powers, duties and responsibilities as follows:

(1) To be responsible for managing the affairs of the Company in compliance with the guidelines and resolutions of the Board of Directors, as well as the Company's Policy on Corporate Governance.

(2) To have the powers to make decisions on matters that are not reserved as the decision - making power of the Board of Directors in compliance with the relevant laws, orders or resolutions of the Board of Directors. The Chief Executive Officer must take reasonable actions to enable the Company to operate and develop its businesses in accordance with the relevant laws, the Company's Articles of Association, resolutions of the shareholders' meeting or the Board of Directors.

(3) To form the organization of the Company and the allocation of personnel according to the guidelines set by the Board of Directors.

(4) To ensure the Company will effectively comply with generally accepted rules on corporate governance and controls.

(5) To approve and control the budgets and operational plans, including any changes to such budgets and operational plans.

(6) To make an internal risk management plan to handle the business risks associated with the Company by considering the strategic risks, operations and laws; and to establish a Risk Committee Management consisting of the management of the Company to act on supporting the performance of duties of the Chief Executive Officer.

(7) To propose a business strategy plan of the Company and its main subsidiaries to the Board of Directors for approval and to propose solutions in other issues that are strategically important to the Company.

(8) To carry out transactions that may cause a conflict of interest of the management team, Board of Directors, and shareholders, including the person related to such persons, in the same way as Arm's Length Basis under general commercial terms, and without impacts on the interests of the Company and minor shareholders.

(9) To arrange the internal control for the Company adequately and appropriately, as part of action plans and working procedures of the Company to be a reasonable guarantee that the Company shall be able to effectively achieve the objective related to the use of resources, maintenance of the Company's assets, reliability of both internal and external financial reports, and the compliance with the Company's Policy on Corporate Governance and related laws and regulations.

(10) To establish a person responsible for the internal audit function to inspect the Company's working procedures in accordance with the approved internal audit plan, report any failure or weakness in its critical controls, and provide relevant advices. The internal audit function must directly report to the Audit Committee.

(11) To be responsible for communication and cooperation with employees or employee representatives as deemed appropriate to create a reliable business cooperation practice by mainly taking into account the experiences and understanding of employees.

(12) To have the power to request a shareholders' meeting and represent the Company (or appoint a representative) at the shareholders' meeting of the main subsidiaries, including voting as assigned by the Board of Directors, and monitor the business development results, status and profits of main subsidiaries.

(13) To monitor and audit whether the risk management on security and personnel protection, information and other assets is appropriate and effective.

(14) To provide the management and adequate measures to enforce employees to comply with the Company's Policy on Corporate Governance (if any) and report significant non-compliance to the Board of Directors.

(15) To implement appropriate process and steps to prevent the Company from being involved in corruption. The Chief Executive Officer is required to conduct an annual audit of such process risk and make corrective actions for any deficiencies found and report the audit results to the Board of Directors.

10.13 Oversight of Subsidiaries and Associates

The Company has a mechanism to oversee its subsidiaries and associates to supervise the management, operations and safeguard the Company's interests by appointing the representative to hold positions of directors and top management in those companies. The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance to consider and give advices on qualified persons to be nominated and appointed as directors or top management for all those subsidiaries. In addition, the Company has taken steps to ensure that the powers, duties and responsibilities of the directors and executives of the subsidiaries, regulations on related-party transactions and other important transactions are in line with the Company's guidelines in order to ensure the supervision in the same direction, the Company has also provided quarterly reports on the financial status and performance of main subsidiaries to the Board of Directors.

10.14 Policy on Human Resource Development and Management Compensation

The Company has a challenge goal to become an energy organization with an active corporate culture that is modern and adaptable to a rapidly changing era, so employee skills and attributes are essential to make the Company achieving such goal. The Company assigns Human Resources Department to plan and define employee attributes in all processes from recruiting, interviewing, and probation, and using personality test for preliminary screening, as well as planning to develop personnel through trainings in various areas. In addition, the Company has designed a model of compensation to employees that are fair and suitable for each business in which the company operates, and such compensation model could be internally and externally competitive to attract, motivate and retain potential people in the organization for sustainable growth of the Company, creation of shareholders' values based on the Company's operating principles.

At present, the total number of employees as of 31 December 2020 was 166 persons, divided into

Function/Department	No. of Employees (persons)
Management	3
Roofing & Siding	10
Factory	108
Procurement	3
Sales & Marketing	19
Personnel & Administration	12
Finance & Accounting	11
Total	166

The Company has not changed the number of employees at a significant level due to the restructuring of the Company, to support the energy business, or to manage costs during the Covid-19 situation. In 2020, the Company has none of major disputes related to labor laws.

The remuneration structure for employees and management consists of:

Remuneration structure	Main Target
1. Salary & fixed benefits	The compensation management to be competitive with overall market, such as salary and overtime, etc.
2. Compensation based on short-term performance	Improve the management of supervisor's team and drive the operations to achieve the Company's strategic goals such as determining bonus payments.
3. Compensation based on long-term performance	To create long-term value for the Company such as provident funds.
4. Welfares and other benefits	To offer insurance plans and benefits tailored to the events of each life stage by taking into account the economic conditions and standard of living, such as awards to encourage employees with long service years, provident funds, diligence allowances, compensation and special compensation for retired employees, medical treatment for employees and their families, and activities, or parties, etc. In addition, the Company also promotes the personnel development in many ways, for example, providing employees with trainings, domestic and overseas study tours, etc.

However, as of 31 December 2020, the Company paid remuneration for employees totaling 51,302,688 Baht, in which the remuneration of senior managements for 6 persons, totaling 7,328,938 Baht.

The Company has a policy to continually and properly promote and develop the knowledge and competence for its employees of each position and function in accordance with the annual training plan, by sending employees to attend training programs from both public and private sectors, including in-house trainings to be annually organized. Such trainings are focused on providing employees with the skills, knowledge, understanding and ability to effectively perform their jobs, encouraging them to participate in activities for the unity of employees in the organization; shall be systematically and continuously developed.

In 2020, the Company has a policy to develop employees' potential with in-house trainings to enhance the level of their knowledge, competence, and skills of employees for accurate workings, in-house training programs were as follows:

No.	Training Program	Training Date	No. of employees attended (persons)
1.	Laws on employment of persons with disabilities in establishment	30 January 2020	1
2.	Wastewater surveillance project in establishments	3 March 2020	2
3.	Application for a license of product test and inspection TIS 50-2561	7 August 2020	1

10.15 Company Secretary

The duties and responsibilities of the Company Secretary are defined in reference to the Public Limited Companies Act, the Securities and Exchange Act and the Code of Corporate Governance for Listed Companies in 2017 stipulated by the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. The Company Secretary has duties and responsibilities as follows:

- (1) To Provide advices on laws and regulations related to the performance of duties of the Board of Directors, and business operation of the Company;
- (2) To prepare documents and supporting information for the Board of Directors 'meetings and shareholders' meetings.
- (3) To coordinate and monitor to ensure the compliance with the resolutions of the Board of Directors and the shareholders' meeting.
- (4) To prepare and maintain a register of directors, invitation letter of the Board's meetings, minutes of the Board's meetings, Annual Report, invitation letter to shareholders' meeting, and minutes of the shareholders' meetings.
- (5) To maintain reports of stake holding reported by directors or executives.
- (6) To prepare information and explanation of the Company's businesses including other information related to the Company's business operations to newly appointed directors.
- (7) To oversee the activities of the Board of Directors and shareholders.

11. Internal Control

The Company's Internal Control system is a process supervised by the Board of Directors and the management to reasonably ensure that the Company has achieved following objectives:

- To efficiently and effectively operate;
- To assure the reliability of financial reports; and
- To comply with the Company's Policy on Corporate Governance, related laws and regulations.

The Company uses the framework of internal control structure in compliance with the international standards of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the guidelines provided by SEC Office, consisting of 5 areas as following details:

11.1 Controlling Environment

The Company has an organizational structure that facilitates the efficient administration of the management and the performance of employees, and establishes clear and appropriate business goals, taking into account the possibilities of the set goals, and communicates such goals to employees at least once a year as a guideline for employees.

The Company has a principle of "Business Ethics" covering requirements to prohibit directors, executives and employees of the Company to behave in a manner that could cause a conflict of interest with the Company, guidelines for treating both internal and external stakeholders, employees, customers, trading partners, competitors and government agencies, including requirements related to environment, assets, internal controls, accounting, reporting and disclosure of information, management and protection of personal information, all employees can directly consult or report the violations of the Code of Conduct to the Audit Committee. The formulation of policy and practices are based on considering the fairness for stakeholders and the benefits of the Company in a long run.

The Audit Committee is responsible for supervising and promoting the Internal Control over Financial Reporting (ICFR) to be accurate and suitable for the nature of the Company's businesses.

In addition, in 2021, the Company has planned to express our responsibility to the public in protecting the environment, especially greenhouse gas emissions, and reducing global warming. The progress will be reported in following year.

11.2 Risk Assessment

The objective of the Company's risk management is to proactively and effectively identify, assess and manage anticipated risks, which is proper to the objective of the Company. We use the information obtained from risk management processes to manage its holistic corporate risk, which is a repetitive and continuous process. The objective is to help support the Company to achieve its given goals and objectives,

and maintain risk status at an acceptable level by managing critical threats and taking advantage of critical opportunities. The management of each line is responsible for ensuring the risks management in daily strategic and business processes, the Company's employees have duties and responsibilities for managing risks within the scope of their work, and the management is responsible for assessing the risks of the Company on a regular basis by owning and managing the major risks of the Company. Such major risks will be quarterly reported to the Board of Directors by the management.

11.3 Operational Control

The Company has established policies and procedures for managing many areas including transactions in finance, procurement, and administration, we have clearly defined the authority and the limit of approval for each level of management in the policy on determining the approval authority approved by the Board of Directors. The authorization function will be separated from the accounting and data recording function, and the function of keeping assets for cross checking.

In transactions with major shareholders, directors, executives, or people related to such persons, the Company has a strict measure to monitor and ensure that those transactions are conducted in accordance with regulations, practices and approved by the given approval process to prevent conflicts of interest by taking into account the best interests of the company as a priority.

11.4 Information and Communication System

The Company pays attention to information and communication system in order to communicate information that is correct and sufficient for the decision-making of the Board of Directors, management, shareholders and related persons. The Company has adopted an accounting policy in accordance with generally accepted accounting standards and suitable for the Company's businesses. We appropriately and verifiably store accounts and supporting documents, prepare invitation letters to the meeting together with supporting documents, including minutes of the Board of Directors 'meetings and the shareholders' meetings to propose to the Board of Directors and shareholders (as the case may be) for consideration before the meeting within a reasonable time and as required by laws.

11.5 Monitoring System

The Company has a clear process for monitoring the internal control system and report any significant errors and weaknesses in the internal control, along with details of corrections in which the management provides ongoing monitoring and period evaluation to ensure that the Company has stable and practical internal systems. The ongoing monitoring includes regular reviews of performance and significant financial data, analysis and monitoring of operational reports that may identify abnormalities indicating failures in the internal control system, etc. In addition, the management is responsible for reporting to the Audit Committee and the Board of Directors on any cases that appear or suspect of corruption, illegal conduct or misconduct that could seriously affect the Company's reputation and financial position.

11.6 Internal Audit

The internal audit function is committed to independently and fairly perform their duties and provide consultation for value added and improvement of the Company's performance to achieve its business objectives and goals, the internal audit function is independent from the management by directly reporting to the Audit Committee on the performance of internal audit, objectives, powers, duties and responsibilities of the internal audit function, including duties and responsibilities of the head of internal audit function. The appointment, transfer or termination of the head of the internal audit function and any other function under the internal audit function will be approved by the Audit Committee.

In 2020, the Company has appointed I.A.P. Internal Audit Company Limited as an internal auditor of the Company by preparing the internal audit plan and completing the plan by determining the audit activities on issues with critical risk in each quarter as follows:

1st Quarter of 2020: To audit and monitor the general control of information technology;

2nd Quarter of 2020: To audit the sales process;

3rd Quarter of 2020: To audit the processes of payment, revenue submission, and billing;

4th Quarter of 2020: To audit and monitor inventory management.

The Company's internal auditors have reported the audit results to the Audit Committee regarding internal control issues detected, such as the setting of debts is inconsistent with the receipt date, causing the account records error, or is not stamped "Paid" on the payment evidence, the debt setting is recorded without complete documentation, etc., and proposed the guidelines on management so that the management could apply, as a result, the processes and procedures being audited are more efficient, the amount of outstanding debt is reduced, and the amount of outstanding debts is increased. The Audit Committee gave an opinion that the Company's internal control process and internal audit in overall are adequate in accordance with international standards. However, the improvement of internal control processes or procedures which are defective will enhance the business efficiency.

12. Related-party transactions

12.1 Measures and procedures for approving related-party transactions

The Company has established policies and procedures for related-party transactions to be transparent and for the best interest of the Company. We have established the guidelines for internal operations relating to the transactions between the Company or its subsidiaries and connected persons in accordance with the rules on related-party transactions based on related notifications of SEC and the Stock Exchange of Thailand. The stakeholders will not be able to involve in the consideration and approval of the said transaction to ensure that it will not move or transfer the benefits between companies or shareholders of the Company, but it is a transaction that the Company considers the best interests of its shareholders as a whole.

In addition, the Board of Directors' meeting held on 9 November 2020 resolved to revise the policy on transactions between directors or executives and the Company or its subsidiaries based on Section 89/12 of the Securities and Exchange Act, as follows:

The Company and its subsidiaries may have related-party transactions such as trading of raw materials, goods, inventory, buying or selling of assets for business operation, renting or leasing assets for future business operations with directors, executives or related persons; therefore, the Board of Directors resolved to approve in the principle that the Company or its subsidiaries can undertake such transactions if those transactions are regular business transactions or support regular business of the Company or its subsidiaries which has a commercial agreement with general trade terms, and the Accounting Department is assigned to collect and summarize such related-party transaction to quarterly propose to the Audit Committee's meeting, so that the Audit Committee will further report to the Board of Directors.

A commercial agreement with general trade terms means a commercial agreement in the same manner as a normal person would do with general contractual party in the same situation, with trade bargaining power that will not be influenced by the status as director, executive or related person such as:

- Regular transactions that the Company or its subsidiaries have with other trading partners (other than a director, executive or a person related to a director or executive), in which the related products or services have clear standard characteristics and prices. When compared to the transactions made by the company or its subsidiaries with other trading partners, and transactions with directors, executives or related parties have not different prices, conditions or agreements.

- The transactions made by the Company or its subsidiaries only with director, executive or a related person but the related products or services have clear standard characteristics and prices, with many purchaser and sellers in the market, the Company or its subsidiaries could find information about the standard characteristics and prices in the market to compare with transactions with directors, executives or related persons, and when compared, prices, conditions or other agreements are not different.

- The transactions usually made by the Company or its subsidiaries with other trading partners (other than a director, executive or a person related to a director or executive) in which the related products or services have specific characteristics or are tailored made, so the prices of product could not be compared, but the Company or its subsidiaries could demonstrate that the gross profit margin obtained from inter-transactions is not different from transactions with other trading partners, or the gross profit margin obtained

by directors, executives or related persons from inter-transaction is not different from transactions with other trading partners, and other conditions or agreements are not different.

If the law requires the related-party transactions must be approved by the Board of Directors' meeting or shareholders' meeting, the Company will assign the Audit Committee to attend the meeting for consideration and giving opinions on the necessity of transactions and justification of that transaction to ensure that the proposed transaction is in the best interest of the Company and the transactions are annually gathered and disclosed in the Annual Report of the Company.

12.2 Policy or tendency of related-party transactions in the future

For related-party transactions that may occur in the future, the Company will strictly comply with the laws and accounting standards. In the event that the Company's practice or policy is different from those stipulated by law, whether on the grounds of amendment of those laws or accounting standards, or compliance with the same standards as the best practice of leading listed companies, the Company assigns the Audit Committee to consider, amend, and propose to the Board of Directors for consideration and approval.

In the future, the Company may have related-party transactions with companies or juristic persons in which the director or major shareholder is a connected person, especially, transaction with The Prodigy Group Co., Ltd., where Ms. Parleerat Panboonhom, the Company's director, is a connected person, most transactions are transactions that support the Company's energy business by calculating the compensation in accordance with general commercial terms. In addition, the Company may have a related-party transaction with Nathalin Group (Nathalin) or a person related to Nathalin in matters related to the energy business in the form of future technology or capital cooperation. Since Ms. Parleerat Panboonhom, director of the Company, has a relationship according to the definition of "close relative" by being a child of major shareholder and controlling person of Nathalin. However, the management of Nathalin and the Company are independent from each other without any other relationships that might put the Company under the control of Nathalin. Therefore, decisions will depend on the resolution of the Board of Directors' meeting, and the resolution of the shareholders' meeting (as the case maybe).

In addition, the Company will have a related-party transaction made by a subsidiary with Thai Const & Building Manufacturing Public Company Limited (Thai Const) or a person related to Thai Const based on the asset leasing agreement for business operation as approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on 9 June 2020, which is a 10-year lease agreement with the right to renew twice, a total of leasing periods is up to 30 years, including product sales transactions between each other since it is a company in the iron and zinc production chain, having Dr. Prasit Kanjanasakchai, the Company's director, as a major shareholder and a controlling person of Thai Const.

12.3 Related-party transactions of the Company and its subsidiaries with persons or enterprises that may have conflict of interest

Party who may have conflicts of interest	Characteristic of transaction	Amount (Million Baht)	Reason and Necessity	Opinion of the Audit Committee
Sea Oil Public Company Limited	The Solar Arcade Company Limited has paid the compensation for acquiring shares of 8 companies under the solar power group, consisting of: (1) NW Energy Company Limited; (2) NW Green Power Company Limited; (3) NW Solar Company Limited; (4) Sky Solar Power Company Limited; (5) Sky Solar Roof Company Limited; (6) Solar Town Company Limited; (7) Sun Link Power Company Limited; and (8) Sunny Solar Company Limited, by having Ms. Parfeerat Panboonhom, the director, and a major shareholder, being a connected person as a "close relative" to a major shareholder of Sea Oil Public Company Limited.	215.00	It is a related-party transaction approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on 9 June 2020, in line with the Company's risk management policy to mitigate the impact from the slowdown of steel and zinc business and find funding for the energy business with better yields.	It is a necessary and beneficial transaction for the company to acquire the investment in solar power generation business with the compensation and conditions that are beneficial to the Company and shareholders in a long run.
Nathalin Co., Ltd. (Nathalin)	Nathalin has guaranteed loans for eight subsidiaries under the solar power generation business, where these 8 subsidiaries will pay the compensation from this guarantee to Nathalin at the rate of 0.03% of the remaining loan amount in each year. Ms. Parfeerat Panboonhom, a director and a major shareholder, is a connected person as a "close relative" to Nathalin's major shareholder.	For the whole year at 0.44	It is an existing financial aid transaction prior to the acquisition of solar power generating companies from companies in Sea Oil Public Company Limited Group in accordance with the bank's conditions. However, on 27 January 2021, the Board of Directors resolved to approve the Company to secure the said loan instead of Nathalin.	It is an existing related-party transaction before accepting the transfer of companies in the solar power generation business during the third quarter of 2020, however, the Audit Committee had considered such transaction and proposed the Board of Directors to approve the guarantee instead of Nathalin because it is a financial assistance transaction given to subsidiaries.
Nathalin Co., Ltd.	Sunlink Power Company Limited paid the rental fee for space located of solar panels to Nathalin, by having Ms. Parfeerat Panboonhom, a director and a major shareholder, being a connected person as a "close relative" to Nathalin's major shareholder.	For the whole year at 0.16	It is a business support transaction having general commercial terms similar to that of companies in a solar power generation business with other external contract parties.	It is a business support transaction with general commercial terms and without appearance of interest transfer.

Party who may have conflicts of interest	Characteristic of transaction	Amount (Million Baht)	Reason and Necessity	Opinion of the Audit Committee
Thai Const & Building Manufacturing Public Company Limited* or Thai Const	TIW Industry Company Limited has entered into a contract with Thai Cons Land to rent land for Title Deed No. 36479, Parcel No. 85, Dealing File No. 8 and Certificate of Utilization (Nor. Sor. 3) No. 103, Volume 2, Page 8, Laem Fa Pha Sub-district, Phra Samut Chedi District, Samut Prakan Province; and a building lease agreement, including 8 office buildings, factories and other buildings, with a license of building construction, modification and demolition (Form Or.1) and a permit of building construction, modification and removal (Form Or.6), located at 86 Village No. 1, Suksawat-Pom Phra Chun Road, Laem Fa Pha Sub-district, Phra Samut Chedi District, Samut Prakan Province, by having Dr. Prasit Kanchanasakdichai, a director and major shareholder, being a connected person as a director and major shareholder of Thai Const.	180	It is a related-party transaction approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on 9 June 2020, in line with the Company's risk management policy to mitigate the impact from the slowdown of steel and zinc business and find funding for the energy business with better yields.	It is a necessary and beneficial transaction for the Company to acquire the investment in solar power generation business with the compensation and conditions that are beneficial to the Company and shareholders in a long run.
Thai Const & Building Manufacturing Public Company Limited*	Machine lease agreement with 59 equipment for zinc and steel business, together with 10 certificates of machinery ownership registration (Form Ror. 2/1) by having Dr. Prasit Kanchanasakdichai, a director and major shareholder, being a connected person as a director and major shareholder of Thai Const.	60	It is a related-party transaction approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on 9 June 2020, in line with the Company's risk management policy to mitigate the impact from the slowdown of steel and zinc business and find funding for the energy business with better yields.	It is a necessary and beneficial transaction for the Company to acquire the investment in solar power generation business with the compensation and conditions that are beneficial to the Company and shareholders in a long run.

Party who may have conflicts of interest	Characteristic of transaction	Amount (Million Baht)	Reason and Necessity	Opinion of the Audit Committee
C.M. Manufacturing Company Limited	The Company has sold iron and zinc products C.M. Manufacturing Company Limited by having Dr. Prasit Kanchanasakdichai, a director and major shareholder, being a connected person as a director and major shareholder of Thai Const.	For the whole year at 5.56	It is a regular trade transaction of goods with general commercial terms in the same manner as those of other companies.	It is a regular business transaction of the Company with general commercial terms without interest transfer.
Dr. Prasit Kanchanasakdichai	Dr. Prasit Kanchanasakdichai has provided the Company with a short-term loan of up to 12 months at the interest rate of 6.5%.	0.12	It is a financial aid with general commercial terms with an interest rate which is comparable to those in the market during that period.	It is a short-term transaction for financial assistance provided to the Company by a director to use as working capital during the slowdown of economy, and the access to other sources of funds may be more costly and time consuming.

13. General Information and Other Key Information

Company Name:	Nova Empire Public Company Limited
Registration Number:	0107537001714
Type of Business:	Manufacture and distribute galvanized steel sheet, color-coated steel roofing products and contractor service for the installation of roof and side separation, generate solar and wind powers, and other types of energy.
Registered Address (Head Office) :	No. 88 Bang Na-Trat 30 Alley, Debaratana Road, Bang Na Tai Sub-district, Bang Na District, Bangkok Metropolis
Telephone Number:	0-2425-0011
Facsimile Number:	0-2425-8882
Homepage:	http://www.novaempire.co.th
Email address:	investorrelations@novaempire.co.th
Registered Capital:	70,000,000 million Baht with 140,000,000 ordinary shares at par value of 0.50 Baht
Paid-up Capital:	69,999,412 million Baht with 139,998,824 ordinary shares at par value of 0.50 Baht (as of 3 March 2021)

The name list of top 10 shareholders as of 5 February 2021 is as follows: (a total number of shares sold is 120,000,000 shares at a par value of 0.50 Baht)

No.	Name	No. of shares holding	%
1.	Ms. Parleerat Panboonhom	73,839,360	61.53
2.	Dr. Prasit Kanchanasakdichai	13,080,000	61.53
3.	Mr. Kriangkrai Danchaivichit	13,000,000	10.83
4.	MITSIAM INTERNATIONAL LTD.	6,000,000	5.00
5.	Ms. Wilaiwan Ajariyanon	1,060,000	0.88
6.	Ms. Kulthida Kongrunpakorn	620,000	0.52
7.	UBS AG LONDON BRANCH	618,000	0.52
8.	Mr. Surot Triolhns Wong	600,000	0.50
9.	Mr. Taninchot Tantipanrak	550,000	0.46
10.	Mr. Jarungsak DuangRatanachaya	478,000	0.46

A group of major shareholders who, by behavior, have a significant influence on the policy-making, management or operation of the Company, for example, a person has been assigned to be an Authorized Director.

Details of Independent Financial Advisor

Name : Pioneer Advisory Company Limited
 Head Office Location : 999/9 The Offices at Central World, Unit No. ML 2303,
 23rd Floor, Rama I Road, Pathum Wan Sub-district,
 Pathum Wan District, Bangkok Metropolis 10330

Details of Independent Legal Advisor

Name : Kudan and Partners Company Limited
 Head Office Location : Gaysorn Tower, 23rd Floor, Units C&F, No. 127
 Ratchadamri Road, Lumpini Sub-district, Pathum Wan
 District, Bangkok Metropolis 10330
 Telephone Number : +66 2838 1750
 Facsimile Numbe : +66 2838 1795
 Homepage : <https://www.kap.co.th>

Details of Securities Broker for Capital Increase Shares

Name : Thanachart Securities Public Company Limited
 Head Office Location : No. 444 MBK Tower, 14th, 18th and 19th Floor,
 Phayathai Road, Wang Mai Sub - district, Pathum Wan
 District, Bangkok Metropolis 10330,
 Telephone Number : +66 2779 9119
 Facsimile Number : +66 0217 8312
 Email address : tcap_ir@thanachart.co.th

Legal Dispute in 2020 - None -

14. Annual Financial Statement

14 Report on Responsibility of the Board of Directors to the Financial Statement

The Board of Directors of Nova Empire Public Company Limited is responsible for the consolidated financial statements of the Company and its subsidiaries and separate financial statements of the Company, including information, data disclosure and financial presentations as appeared in the 2020 Annual Financial Statements to be prepared in accordance with Thai Financial Reporting Standards, and using appropriate accounting policies to be practiced on a regular basis, using discretion and estimating as necessary in a careful and reasonable manner. In addition, information is sufficiently disclosed in the notes to the Annual Financial Statement. The said Annual Financial Statement has been audited and independent Auditor of the Company also gave unconditioned opinions.

The Board of Directors has continuously emphasized their duties and responsibilities to be in line with the Policy on Corporate Governance in order to efficiently, transparently and reliably operate the Company, and provides appropriate control system and risk management system, including an appropriate and effective internal control system on many areas to reasonably ensure that the accounting information is accurate, complete and sufficient to maintain the Company's assets, as well as to prevent corruption or materially unusual transaction.

In addition, the Board of Directors has appointed the Audit Committee consisting of independent directors to review accounting policies and to oversee the quality of information contained in financial reports, to review the adequacy of the internal control system and internal audit, including a risk management system, and to consider the disclosure of related-party transactions, the opinions of the Audit Committee on such matters have been included in the Audit Committee Report as shown in the Annual Report.

The Board of Directors gave an opinion that the overall internal control system at an satisfactory level, and the internal audits can reasonably build confidence that the consolidated annual financial statements of the Company and its subsidiaries and the separate financial statements for the year ended 31 December 2020 are reliable in accordance with financial reporting standards and comply with applicable laws and regulations.



(Parleerat Panboonhom)



(Sukanya Tipmanee)

Authorized Directors

15. Report of Audit Committee

Dear Shareholders of Nova Empire Public Company Limited

The Audit Committee of Nova Empire Public Company Limited consists of 3 independent directors who are highly qualified and experienced in finance, accounting, and business administration; and meet all the qualifications as specified in the Audit Committee Charter established in accordance with the guidelines and requirements of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Presently, the Audit Committee consists of:

- | | |
|--------------------------------------------|------------------------------------|
| 1. Mr. Sudwin Panyawongkhanti | Chairperson of the Audit Committee |
| 2. Dr. Ratana Sithiprasasna | Member of the Audit Committee |
| 3. Assoc. Prof. Dr. Punchada Sirivunnabood | Member of the Audit Committee |

All members of the Audit Committee are not executives, employees or consultants of the Company.

The Audit Committee Charter, approved by the Board of Directors, requires the audit committee meetings to be held at least four times a year. In 2020, the Company held a total of 6 audit committee meetings to report all meeting results to the Board of Directors. At each meeting, a senior management involved, those responsible in internal audit function and the Auditors attended the meetings on relevant agendas. The Audit Committee has performed the duties and responsibilities assigned as follows:

- To review quarter financial statements and Annual Financial Statements for the year of 2020 to propose to the Board of Directors for consideration and approval. These financial statements have been prepared in accordance with generally accepted accounting principles and are accurate and provided adequate information disclosure.

- To review the adequacy and effectiveness of the internal control system of the Company by using the SEC's internal control system adequacy assessment form to be prepared in accordance with the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) as part of the assessment on the adequacy of the Company's internal control system and submitted to the Board of Directors.

- To review the adequacy and evaluation of the effectiveness of the risk management system, compliance with the laws applicable to the Company's businesses by holding a meeting with the management and the internal audit function to provide useful suggestions for the Company's management.

- To consider and approve an annual audit program that has been prepared in accordance with the risk guidelines, and the audit results of the internal audit function, it is concluded that the Company's internal system is effective without any key non-compliance.

- To review the related-party transactions, transactions of stakeholders, or transactions that may cause conflicts of interest with the Company to ensure that the Company operates in accordance with regular business conditions and complies with the Securities and Exchange Act.

- To acknowledge risks and monitor the progress of risk management as proposed by the risk management function.

- To review and evaluate their own performance in accordance with the Audit Committee Charter and Corporate Governance Guidelines which results are satisfactory.

- To consider and select a qualified Auditor, and propose the appointment and the auditor's fee for the year of 2020 to the Board of Directors.

From the performance of the Audit Committee as mentioned above, the Audit Committee has considered and gave an opinion that the Company has prepared annual financial statements in accordance with generally accepted accounting standards and having sufficient data disclosure, having internal control system and internal audit system that is effective enough without any material non-compliance, complying with laws and regulations applicable to the Company's businesses and the related-party transactions are reasonable with the highest benefits according to the Company's policy.

The Audit Committee has considered and selected the Auditors based on the evaluation criteria of the Company to be adhered and practiced, experience, performance and the independence of the Auditors in previous year, and also gave an opinion that the performance of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited are satisfactory, additionally, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is an internationally recognized auditing firm, the Audit Committee agreed to propose the Auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Company's Auditor for the year of 2020; as well as considered and determined the auditors' remuneration, which had proposed for approval at the Annual General Meeting of Shareholders on 10 April 2020.



(Sudwin Panyawongkhanti)

Chairperson of the Audit Committee

10 March 2021

16. Annual Financial Statement

Report Of The Independent Certified Public Accountants

To The Shareholders And Board Of Directors

Nova Empire Public Company Limited

(Formerly Named “Thailand Iron Works Public Company Limited”)

Opinion

We have audited the consolidated financial statements of Thailand Iron Works Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Thailand Iron Works Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Thailand Iron Works Public Company Limited and its subsidiaries and of Thailand Iron Works Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to following Notes to the financial statements as follows:

1) As disclosed in Notes 1 and 4 to the financial statements which described that the Group acquired the shares of 8 entities on the Solar Group from Sea Oil Public Company Limited, Miss Parleerat Panboonhom, who is currently the Company’s major shareholder, is not the related person in accordance with Section 258 of Securities and Exchange Act B.E. 2535 (As Amended) with Sea Oil Public Company Limited and was not involved in the disposal of the above Solar Group companies. At the reporting date, the Group is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date.

2) As disclosed in Notes 1 and 35.6 to the financial statements which described that the Company approved the change of the Company’s name from “Thailand Iron Works Public Company Limited” to “Nova Empire Public Company Limited”. The Company has registered the changes of name with the Department of Business Development on January 28, 2021.

Our opinion is not qualified in respect of these matters.

Key Audit Matters

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

Key Audit Matter	Key Audit Responses
<p>Revenue recognition</p> <p>The Group has substantially revenues from sales of galvanized iron sheets. Revenues from sales had different sales terms and pricing conditions. We have focused on cut-off sales of goods whether they have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies of revenues and detail of revenues from sales of goods were disclosed in the Notes 3.16 and 30 to the financial statements, respectively.</p>	<p>Key audit procedures were included:</p> <ul style="list-style-type: none"> • Understanding the Company’s revenue recognition process and related internal control procedures. • Reviewing the design and implementation of the Company’s internal control procedure on the revenue recognition. • Substantive testing consist as follows: <ul style="list-style-type: none"> - Performing test of details on a sample of sales transaction during the year and near the end of accounting periods by inspecting delivery documents, delivery terms, volumes and prices. - Examining credit notes issued after year- end. - Examining material journal entries that were posted to revenue accounts and reviewing supporting evidence to ensure correctness.

Key Audit Matter	Key Audit Responses
<p>Significant business acquisition</p> <p>On July 24, 2020, the Group acquired Solar Group comprised of 8 entities (“Solar Group”) at the amount of Baht 215.00 million. Key audit matter is whether the acquisition assets and liabilities at the acquisition date has been recognized in accordance with TFRSs including related disclosures. At the reporting date, the Group is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date as described in the Emphasis of Matters paragraph.</p> <p>Accounting policies of the consolidated financial statement preparation basis and details of the business acquisition were disclosed in the Notes 3.1 and 4 to the financial statements, respectively.</p>	<p>Key audit procedures were included:</p> <ul style="list-style-type: none"> • Understanding the Company’s business acquisition process and related internal control procedures. • Reviewing the design and implementation of the Company’s internal control procedure on the business acquisition. • Substantive testing consist as follows: <ul style="list-style-type: none"> - Examining the terms and conditions of Business Transfer Agreement, payment documents and related supporting documents. - Examining details of assets and liabilities of Solar Group at the acquisition date which consists of the examination of existence, rights and obligations, valuation of assets and liabilities. - Examining the presentation and related disclosures.

Other Information

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

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 our 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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

Dr. Kiatniyom Kuntisook

Certified Public Accountant (Thailand)

Registration No. 4800

BANGKOK

February 25, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	653,052,799	91,137,196	613,759,683	65,469,956
Trade and other current receivables	6.1	54,426,679	32,846,860	45,168,440	52,367,196
Contract assets	7	8,608,225	1,581,104	-	1,581,104
Current portion of long-term loans to employees	11	2,340,840	2,658,378	-	2,658,378
Inventories	8	378,317,259	552,344,315	-	552,344,315
Other current assets		1,676,896	3,652,229	776,162	3,666,436
Total Current Assets		<u>1,098,422,698</u>	<u>684,220,082</u>	<u>659,704,285</u>	<u>678,087,385</u>
NON-CURRENT ASSETS					
Restricted deposit at financial institutions	15.2 and 15.3	66,701,645	70,000,000	-	70,000,000
Deferred tax assets	14	-	15,653,041	-	15,653,041
Investment in subsidiaries	9	-	-	189,999,940	999,970
Other long-term investment	10	-	1,207,200	-	1,207,200
Long-term loans to employees	11	2,954,408	3,545,310	-	3,545,310
Property, plant and equipment	12	307,145,585	174,009,634	-	174,009,634
Right-of-use assets	13	166,912,868	-	-	-
Goodwill	4	67,774,303	-	-	-
Other non-current assets		2,643,062	-	-	-
Total Non-current Assets		<u>614,131,871</u>	<u>264,415,185</u>	<u>189,999,940</u>	<u>265,415,155</u>
TOTAL ASSETS		<u>1,712,554,569</u>	<u>948,635,267</u>	<u>849,704,225</u>	<u>943,502,540</u>

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	15.2	477,650,000	78,938,874	-	78,938,874
Trade and other current payables	16	59,488,845	8,595,038	7,112,065	7,930,269
Current portion of long-term borrowings from financial institution	15.3	36,628,010	-	-	-
Current portion of lease liabilities	17	7,069,642	312,791	-	312,791
Short-term borrowings from related parties	29.1	8,000,000	-	20,000,000	-
Short-term borrowings	15.1	48,000,000	-	48,000,000	-
Corporate income tax payable		2,003,717	-	-	-
Other current liabilities		1,528,093	584,933	52,737	285,206
Total Current Liabilities		640,368,307	88,431,636	75,164,802	87,467,140
NON-CURRENT LIABILITIES					
Lease liabilities	17	215,758,124	299,760	-	299,760
Long-term borrowings from financial institution	15.3	126,586,000	-	-	-
Non-current provisions for employee benefit	18.1	22,406,795	23,206,369	-	23,206,369
Total Non-current Liabilities		364,750,919	23,506,129	-	23,506,129
TOTAL LIABILITIES		1,005,119,226	11,937,765	75,164,802	110,973,269
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
7,305,000 ordinary shares of Baht 10 each		73,050,000	73,050,000	73,050,000	73,050,000
Issued and paid-up share capital					
6,000,000 ordinary shares of Baht 10 each, fully paid		60,000,000	60,000,000	60,000,000	60,000,000

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHARE PREMIUM ACCOUNT					
Share premium on ordinary shares		140,000,000	140,000,000	140,000,000	140,000,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	19	10,000,000	10,000,000	10,000,000	10,000,000
General reserve	20	106,000,000	106,000,000	106,000,000	106,000,000
Unappropriated		<u>391,435,283</u>	<u>520,697,472</u>	<u>458,539,423</u>	<u>516,529,271</u>
Total Attributions To Owners Of The Parent		707,435,283	836,697,472	774,539,423	832,529,271
Non-Controlling Interests		<u>60</u>	<u>30</u>	<u>-</u>	<u>-</u>
Total Shareholders' Equity		<u>707,435,343</u>	<u>836,697,502</u>	<u>774,539,423</u>	<u>832,529,271</u>
Total Liabilities And Shareholders' Equity		<u>1,712,554,569</u>	<u>948,635,267</u>	<u>849,704,225</u>	<u>943,502,540</u>

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Continued operations					
Revenues from sales and services	30				
Revenues from sales, net	30	395,764,085	379,253,267	-	-
Revenues from services	31	23,851,362	15,549,634	-	-
Total revenues from sales and services		<u>419,615,447</u>	<u>394,802,901</u>	<u>-</u>	<u>-</u>
Costs of sales and services					
Costs of sales	23 and 28	472,061,051	351,465,430	-	-
Costs of services	31	20,229,488	16,306,096	-	-
Total costs of sales and services		<u>492,290,539</u>	<u>367,771,526</u>	<u>-</u>	<u>-</u>
Gross profit (loss)		(72,675,092)	27,031,375	-	-
Gain on sale of investments in subsidiary	9	-	9,731,395	-	-
Other income	24	24,959,490	4,073,203	851,721	2,257,492
Distribution costs		8,394,957	11,878,025	-	-
Administrative expenses		43,961,680	31,421,825	19,700,382	12,734,870
Net gain on exchange rate		12,672	462,644	-	-
Loss from operating before finance costs and income tax expense		(100,059,567)	(2,001,233)	(18,848,661)	(10,477,378)
Finance costs		12,341,668	2,774,641	1,225,205	-
Loss from operating before income tax expense		(112,401,235)	(4,775,874)	(20,073,866)	(10,477,378)
Income tax expenses	25	16,553,559	573,707	-	-
Loss for the years from continuing operations		(128,954,794)	(5,349,581)	(20,073,866)	(10,477,378)
Discontinued operations					
Loss for the years from discontinued operations - net of tax	28	-	-	(37,915,982)	(6,937,655)
Net loss for the years		(128,954,794)	(5,349,581)	(57,989,848)	(17,415,033)
Other comprehensive income					
Actuarial loss					
Total Comprehensive Loss		307,395	-	-	-
FOR THE YEARS		<u>(129,262,189)</u>	<u>(5,349,581)</u>	<u>(57,989,848)</u>	<u>(17,415,033)</u>

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LOSS ATTRIBUTABLE FROM CONTINUING OPERATIONS TO					
Owners of the parent		(128,954,794)	(5,349,581)	(20,073,866)	(10,477,378)
Non-controlling interests		-	-	-	-
		<u>(128,954,794)</u>	<u>(5,349,581)</u>	<u>(20,073,866)</u>	<u>(10,477,378)</u>
LOSS ATTRIBUTABLE TO					
Owners of the parent		(128,954,794)	(5,349,581)	(57,989,848)	(17,415,033)
Non-controlling interests		-	-	-	-
		<u>(128,954,794)</u>	<u>(5,349,581)</u>	<u>(57,989,848)</u>	<u>(17,415,033)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO					
Owners of the parent		(129,262,189)	(5,349,581)	(57,989,848)	(17,415,033)
Non-controlling interests		-	-	-	-
		<u>(129,262,189)</u>	<u>(5,349,581)</u>	<u>(57,989,848)</u>	<u>(17,415,033)</u>
BASIC LOSS PER SHARE					
Basic loss attributable to owners of					
the parent per share from continuing operations	BAHT	(21.49)	(0.89)	(3.35)	(1.75)
Basic loss attributable to owners of					
the parent per share from discontinuing operations	BAHT	-	-	(6.32)	(1.16)
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARE	6,000,000	6,000,000	6,000,000	6,000,000

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

Note	CONSOLIDATED FINANCIAL STATEMENTS							Non-controlling interests	Total shareholders equity
	Issued and paid-up share capital	Share account-ordinary shares	Share premium	Retained earnings	Unappropriated	Appropriated	General reserve		
For the year ended December 31, 2019									
Beginning balance as at January 1, 2019	60,000,000	140,000,000	10,000,000	106,000,000	532,047,053		80	848,047,133	
Dividend paid	-	-	-	-	(6,000,000)		-	(6,000,000)	
Total comprehensive loss for the year	-	-	-	-	(5,349,581)		-	(5,349,581)	
Non-controlling interests	-	-	-	-	-		(50)	(50)	
Ending balance as at December 31, 2019	60,000,000	140,000,000	10,000,000	106,000,000	520,697,472		30	836,697,502	
For the year ended December 31, 2020									
Beginning balance as at January 1, 2020	60,000,000	140,000,000	10,000,000	106,000,000	520,697,472		30	836,697,502	
Total comprehensive loss for the year	-	-	-	-	(129,262,189)		-	(129,262,189)	
Non-controlling interests	-	-	-	-	-		30	30	
Ending balance as at December 31, 2020	60,000,000	140,000,000	10,000,000	106,000,000	391,435,283		60	707,435,343	

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	SEPARATE FINANCIAL STATEMENTS						Total shareholders equity
		Issued and paid-up share capital	Share premium account-ordinary shares	Legal reserve	Retained earnings		Unappropriated	
					Appropriated	General reserve		
UNIT : BAHT								
For the year ended December 31, 2019								
Beginning balance as at January 1, 2019		60,000,000	140,000,000	10,000,000	106,000,000	539,944,304	855,944,304	
Dividend paid	22	-	-	-	-	(6,000,000)	(6,000,000)	
Total comprehensive loss for the year		-	-	-	-	(17,415,033)	(17,415,033)	
Ending balance as at December 31, 2019		<u>60,000,000</u>	<u>140,000,000</u>	<u>10,000,000</u>	<u>106,000,000</u>	<u>516,529,271</u>	<u>832,529,271</u>	
For the year ended December 31, 2020								
Beginning balance as at January 1, 2020		60,000,000	140,000,000	10,000,000	106,000,000	516,529,271	832,529,271	
Total comprehensive loss for the year		-	-	-	-	(57,989,848)	(57,989,848)	
Ending balance as at December 31, 2020		<u>60,000,000</u>	<u>140,000,000</u>	<u>10,000,000</u>	<u>106,000,000</u>	<u>458,539,423</u>	<u>774,539,423</u>	

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash Flows From Operating Activities					
Net loss for the years		(128,954,794)	(5,349,581)	(57,989,848)	(17,415,033)
Adjustments:					
Income tax expense	25	16,553,559	573,707	15,653,041	-
Unrealized gain on exchange rates		-	(235,990)	-	(235,990)
Gain on disposal of investment in subsidiary	9	-	(9,731,395)	-	(30)
Loss (reversal) on diminution in value of inventories	8	(4,425,485)	11,555,410	-	11,555,410
Depreciation	12 and 13	19,013,483	14,966,152	7,415,664	14,966,152
Amortization on debt security classified as held-to-maturity		7,200	14,623	7,200	14,623
Doubtful account		(84,721)	(42,103)	(84,721)	(42,103)
Employee benefit expenses		3,345,171	4,267,115	6,455,932	4,267,115
Gain arising from sale and leaseback	24	(21,340,924)	-	(76,662,357)	-
Gain on transfer of inventories to subsidiary		-	-	(1,501,620)	-
Loss on write-off of equipment		4,971,096	-	5,614,363	-
Interest income		(1,173,130)	(2,540,730)	(851,721)	(2,257,492)
Finance cost		12,341,668	2,774,641	2,059,862	2,718,972
Profit (loss) from operations before changes in operating assets and liabilities		(99,746,877)	16,251,849	(99,884,205)	13,571,624
(Increase) decrease in operating assets					
Trade and other current receivables		(16,053,907)	5,976,270	8,809,447	24,256,306
Inventories		178,452,541	(48,843,391)	164,194,486	(48,843,391)
Other current assets		2,750,496	1,379,112	2,890,274	1,393,815
Restricted deposits at financial institutions		3,488,718	(25,000,000)	70,000,000	(25,000,000)
Long-term loans to employees		908,440	(646,130)	994,130	(646,130)
Other non-current assets		(2,643,062)	-	-	-
Increase (decrease) in operating liabilities					
Trade and other current payables		42,986,539	(47,128,937)	(1,609,414)	(48,949,996)
Other current liabilities		773,558	(834,861)	(232,469)	(510,473)
Cash received from business transfer to subsidiary	28	-	-	368,133,313	-
Cash paid for employee benefit expenses	18	(4,452,140)	(903,200)	(2,934,607)	(903,200)
Cash received from (paid for) operations		106,464,306	(99,749,288)	510,360,955	(85,631,445)
Cash received from interest income		1,388,794	2,578,298	906,855	2,295,060
Cash paid for interest expense		(7,979,219)	(2,754,595)	(1,637,978)	(1,305,347)
Net cash received from (used in) operating activities		<u>99,873,881</u>	<u>(99,925,585)</u>	<u>509,629,832</u>	<u>(84,641,732)</u>

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Net decrease in other long-term investment		1,200,000	-	1,200,000	-
Net decrease in temporary investment		-	81,473,342	-	81,473,342
Cash received from (paid for) investment in subsidiaries	9	-	1,000,000	(188,999,970)	1,000,000
Net cash paid for acquisition of business	4	(197,289,933)	-	-	-
Cash received from sales of property, plant and equipment		239,260,570	-	239,260,570	-
Cash paid for purchases of equipment	5.2	(1,756,984)	(3,727,850)	(1,234,748)	(3,727,850)
Net cash provided by investing activities		<u>41,413,653</u>	<u>78,745,492</u>	<u>50,225,852</u>	<u>78,745,492</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase (decrease) in short-term borrowings from financial institutions	5.3	395,961,126	15,349,797	(78,938,874)	15,349,797
Net decrease in current portion of long-term borrowings from financial institution	5.3	(18,421,892)	-	-	-
Increase in short-term borrowing	5.3	48,000,000	-	48,000,000	-
Increase in short-term borrowing from related company	5.3	8,000,000	-	20,000,000	-
Cash paid for lease liabilities	5.3	(12,911,195)	(298,654)	(627,083)	(298,654)
Dividend paid		-	(6,021,411)	-	(6,021,411)
Cash received from (paid for) non-controlling interest		30	(50)	-	-
Net cash provided by (used in) financing activities		<u>420,628,069</u>	<u>9,029,682</u>	<u>(11,565,957)</u>	<u>9,029,732</u>
Effect of exchange rate changes on cash and cash equivalents		-	235,990	-	235,990
Net increase (decrease) in cash and cash equivalents		561,915,603	(11,914,421)	548,289,727	3,369,482
Cash and cash equivalents at the beginning of the years		91,137,196	103,051,617	65,469,956	62,100,474
Cash and cash equivalents at the end of the years	5.1	<u>653,052,799</u>	<u>91,137,196</u>	<u>613,759,683</u>	<u>65,469,956</u>

Notes to the financial statements form an integral part of these statements

Thailand Iron Works Public Company Limited And Subsidiaries

Notes To The Financial Statements

For The Year Ended December 31, 2020

1. Operations And Other Information Of The Company

Thailand Iron Works Public Company Limited (the “Company”) is a public company limited under the Thai laws and is a listed company in The Stock Exchange of Thailand. The Company operates in Thailand and is principally engaged in the manufacturing and distribution of galvanized iron sheets, installation services. The registered office of the Company is located at 86 Moo 1, Suksawad Road, Tambol Laemphapa, Ampur Phrasamudjedee, Samutprakarn Province, 10290, Thailand.

The Company’s manufacturing and distribution of galvanized iron sheets business is seasonally fluctuated having the high season covering the period from January through June which comes after the harvesting season.

In November 2020, the Company restructured the organizations chart in order to pursue growth and enhance efficiency. The Company has changed its operation strategy from engaged in the manufacturing and distribution of galvanized iron sheets, installation services to a holding company.

On January 28, 2021, the Company changed the Company’s name from “Thailand Iron Works Public Company Limited” to “Nova Empire Public Company Limited” and changed the registered office of the Company is located at No. 88 Soi Bangna-Trad 30, Debaratana Road, Bangna Tai, Bangna, Bangkok 10260, Thailand. The Company has completed the registration with the Department of Business Development on January 28, 2021 (see Note 35.1.5).

On July 30, 2020 the Company acknowledged of intention to acquire shares of Thailand Iron Works Public Company Limited by means of a conditional voluntary tender offer (the “Tender Offer”) from Miss Parleerat Panboonhom which was not the shareholder of the Company. Miss Parleerat Panboonhom expressed her intention to make a Tender Offer for issued and paid-up shares of the Company. On August 11, 2020 Dr. Prasith Kanchanasakdichai, the major shareholder of the Company sold share of 55.19% of issued and paid-up share capital in response to the offer. Subsequently on September 14, 2020, the Company reported the result of Tender Offer which presented the total shares that Ms. Parleerat Panboonhom acquired 3,691,968 shares or 61.53% of issued and paid-up share capital. Regarding the acceptance of the Tender Offer, the major of shareholding structure has been changed from Dr. Prasith Kanchanasakdichai to Miss Parleerat Panboonhom.

As at December 31, 2020, Miss Parleerat Panboonhom, who is currently the Company’s major shareholder owning 61.53%. Miss Parleerat Panboonhom is not a person in accordance with Section 258 of Securities and Exchange Act B.E. 2535 (1992) (As Amended) with Sea Oil Public Company Limited and was not involved in disposal of the Solar Group companies (see Note 4) to The Solar Arcade Co., Ltd. (As at December 31, 2019, Dr. Prasit Kanchanasakdichai was the Company’s major shareholder owning 66.09%).

As at December 31, the Company has shareholding portion in the subsidiaries as follows: (see Note 3.1)

Subsidiaries	Type of business	Country of Registration	Registration date	Shareholdings (%)	
Direct subsidiaries				2563	2562
TIW Industries Co., Ltd.	Manufacturing and distribution of galvanized iron sheets	Thailand	March 6, 2018	99.99	99.99
ThailandThe Solar Arcade Co., Ltd.	Holding investments	Thailand	June 17, 2020	99.99	-
Subsidiaries of The Solar Arcade Co., Ltd.					
NW Energy Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
NW Green Power Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
NW Solar Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
Sky Solar Power Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
Sky Solar Roof Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
Solar Town Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
Sun Link Power Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-
Sunny Solar Co., Ltd.	Energy	Thailand	September 2, 2013	99.99	-

TIW Industries Co., Ltd. was incorporated as a limited company under Thai laws on March 6, 2018. The registered office of the Company is located at 86 Moo 1, Suksawad Road, Tambol Laemphapa, Ampur Phrasamudjedee, Samutprakarn Province, 10290, Thailand and its principal activity is manufacturing and distribution of galvanized iron sheets and provide installation services (see Notes 3.1 and 9).

The Solar Arcade Co., Ltd. was incorporated as a limited company under Thai laws on June 17, 2020. The registered office of the Company is located at 39/172 Soi Ladprao 23, Chan Kasem, Chatuchak, Bangkok, 10900, Thailand and its principal activity is a holding company (see Notes 3.1 and 9).

Sun Power Corporation Company Limited was incorporated as a limited company under Thai laws on February 13, 2018. The registered office is located at 123, Unit 1501, Sun Tower A, 15th Fl., Vibhavadi-Rangsit Road, Jomphol, Chatuchak, Bangkok, 10900, Thailand and its principal activity is incorporated related to energy included renewable energy (see Notes 3.1 and 9).

Sun UBE Company Limited, a subsidiary of Sun Power Corporation Company Limited, was incorporated as a limited company under Thai laws on July 12, 2018. The registered office is located at 123, Unit 1501, Sun Tower A, 15th Fl., Vibhavadi-Rangsit Road, Jomphol, Chatuchak, Bangkok, 10900, Thailand and its principal activity is incorporated related to energy included renewable energy (see Notes 3.1 and 9).

On March 29, 2019, Thailand Iron Works Public Company Limited had disposal of investment in Sun Power Corporation Company Limited (see Note 9).

On August 27, 2020, Thai Industrial Standards Institute adopted standard, TIS 50-2561, for standardization the industrial product. Inventories of the Group were listed under this standard. On October 5, 2020, TIW Industries Co., Ltd., a subsidiary, received the certificate under TIS 50-2561 from Thai Industrial Standards Institute.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. Basis For Preparation And Presentation Of The Financial Statements

2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (TFRSs) and accounting practices generally accepted in Thailand.

2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standards which become effective for fiscal year and involve changes to key principles are summarized below:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards (“TFRS”)

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments.

The impact of the adoption of these standards on the Group's classification is as follows.

- Classification and measurement of 1) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost (see Note 10), 2) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI), and 3) all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). (see Note 2.5).

- Impairment of financial assets

In relation to the impairment of financial assets, Thai Financial Reporting Standards No. 9 (TFRS 9) requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized (see Note 2.5).

Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

TFRS 16 supersedes Thai Accounting Standards No. 17 "Leases" together with related Interpretations. TFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Group adopted TFRS 16 using the modified retrospective method of initial adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated (see Note 2.5).

A) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on "risk and rewards" in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

B) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Group:

1) Recognizes right-of-use assets as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application and recognizes lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments.

2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss and other comprehensive income.

3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within "other expenses" in the statement of profit or loss and other comprehensive income.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2.5 Impact of first-time adoption of financial reporting standards related to Group of Financial Instruments Standards and Thai Financial Reporting Standards No. 16 "Leases"

The Group has adopted financial reporting standards related to Group of Financial Instruments Standards and TFRS 16. The cumulative effect of initially applying these standards is recognized as an adjustment to retained earnings as at January 1, 2020, and the comparative information was not restated. As at January 1, 2020, the Group recorded right-of-use assets and lease liabilities in amounting of Baht 1.39 million in the statement of financial position.

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

Unit : Baht

Consolidated and Separate financial statements					
	Carrying amounts December 31, 2019	Remeasurements	Reclassifications	Carrying amounts January 1, 2020	Category
Assets					
Other long-term investment	1,207,200	-	(1,207,200)	-	-
Other non-current financial assets	-	-	1,207,200	1,207,200	Amortized Cost

The Group recognized lease liabilities in relation to leases, which had previously been as operating leases under the principles of TAS 17. Recognizes right-of-use assets and lease liabilities initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 2.40% per annum.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Unit : Baht

	Consolidated financial statements	Separate financial statements
Operating lease commitments at December 31, 2019	1,697,281	1,697,281
Short-term leases	(257,795)	(257,795)
Effect of discounting the above amounts	(48,799)	(48,799)
Lease liabilities recognized at January 1, 2020	1,390,687	1,390,687

2.6 Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2.7 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This

amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Company’s Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company Group in the period of initial application.

Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

However, the Group had no transaction relating to Rent Concessions related to COVID-19 during the year.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are summarized below:

3.1 Basis of preparation of the consolidation financial statements

The Consolidated financial statements comprise the Company and its subsidiaries’ financial statements.

Business combinations

The Group applies the acquisition method for all business combinations except for the business combination under common control.

The Group’s control is achieved when the Group

- (1) has power over the investee
- (2) is exposed, or has rights, to variable returns from its involvement with the investee and
- (3) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the net realized amount (fair value) of identifiable assets acquired and liability assumed is higher than the fair value of the consideration transfer, the Group will recognize the surplus as gain in statement of profit or loss and other comprehensive income.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized as other expenses.

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

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

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are recognized as expenses when incur.

Transactions eliminated on consolidation financial statements

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2020 and 2019 were prepared by using the financial statements of its subsidiaries as of the same date.

3.2 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in Note 3.1. Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment. The Group assesses an impairment of goodwill annually, regardless of consideration of indication that such goodwill may be impaired (see Note 3.12).

Goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the business combination.

3.3 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

3.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, all types of deposits at banks and at financial institutions and temporary investments with original maturities of three months or less, excluding deposits at banks and at financial institutions used as collateral (if any).

3.5 Trade and other current receivables

Policies applicable from January 1, 2020

Trade and other current receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.9.

Policies applicable prior to January 1, 2020

Trade and other current receivables are stated at the net realizable value. Allowance for doubtful accounts (if any) is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

3.6 Contract assets

The recognized revenue which is not yet due per the contracts has been presented as “Unbilled receivables” and also presented as a part of Current Contract Assets in the statement of financial position (see Note 3.16).

The obligation to transfer service to a customer for which the Group had received consideration or an amount of consideration is due from the customer is presented as “Deferred income” and also presented as a part of Current Contract Liabilities in the statement of financial position (see Note 3.16).

3.7 Inventories

Inventories are stated at cost by the first-in, first-out method or net realizable value whichever is the lower.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The Group provides an allowance for obsolete and slow-moving of certain kinds of inventories that are not expected to be used in the future based on unmoved balances exceeding 1 year from the produced month.

3.8 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are stated at cost less allowance for impairment (if any).

3.9 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Group’s consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets 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.

All other financial assets are measured subsequently at FVTPL.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss.

Debt instruments classified as at FVTOCI

The debt instruments are initially measured at fair value plus transaction costs. Subsequently changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these debt instruments are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these debt instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortized cost or at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the trade receivables.

Reversal of impairment of financial assets

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statements of profit or loss and other comprehensive income.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3.10 Other long-term investment

Policies applicable prior to January 1, 2020

Other long-term investment consists of investment in held-to-maturity debt security which is recorded at amortized cost. The premium/discount on debt security is amortized/accreted by the effective rate method with the amortized/accreted amount presented as an adjustment to the interest income.

The investment in debt security is classified as held-to-maturity debt securities when the Company has the positive intention and ability to hold them to maturity.

3.11 Property, plant and equipment

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and provision for impairment of assets.

Depreciation of plant and equipment is calculated by the straight-line method based on the estimated useful lives of the assets as follows:

Buildings	30	years
Machinery and equipment	5 - 25	years
Furniture and office equipment	5	years
Vehicles	5	years

3.12 Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

3.13 Lease

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows:

a) Policies applicable from January 1, 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

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

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as (see Note 3.12).

Sale and leaseback transaction

The Group - lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group - lessee. Accordingly, the Group - lessee shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer - lessor.

Depreciation of right-of-use assets are calculated by the straight-line method based on term of the lease as follows:

Right-of-use land and buildings	20 - 30	years
Right-of-use machines and equipment	10	years
Right-of-use vehicles	5	years

b) Policies applicable prior to January 1, 2020

Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of profit or loss and other comprehensive income on the straight-line method over the lease term.

Finance lease

Lease in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the Company is accounted for as finance lease. The Company capitalizes the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. Depreciation of the leased assets is calculated by the straight-line method over their estimated useful lives of assets. Interest or financial charge is calculated by the effective interest rate method over the term of contracts. Interest or financial charges and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

In case of sale and lease back which cause a finance lease, benefit from sale which are higher than carrying value of assets are recognized as deferred transaction and will be amortized over the lease term.

3.14 Provision

Provisions are recognized when the Company 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.

3.15 Employee benefits

Post-employment benefits and other long-term employment benefits

The Company reserves the provision for post-employment benefits according to the Labour Law, as well as benefits provided by the Company in addition to what has been mandate by law, by estimating the amount of future benefits that employees have earned in return for their services in the current and previous periods. In addition, the Company reserves the provision for other long-term employment benefits for employees who work for the Company for a long period. Such calculations are performed by an independent qualified actuary using the Projected Unit Credit Method.

The actuarial gains (losses) for post-employment benefits are recognized in other comprehensive income and transferred in full amount to the retained earnings in the period in which they arise and the actuarial gains (losses) for other long-term employment benefits are recognized in profit or loss in the period in which they arise.

Provident fund

Contributions to employees' provident fund are recorded as expense in the statement of profit or loss and other comprehensive income when incurred.

3.16 Revenue recognition

Revenue from sale of goods

Revenue from sale of goods is recognized in the statement of profit or loss and other comprehensive income when control of the goods is transferred to customers, generally on delivery of goods. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of returns and discounts, excluding value added tax.

Revenue from rendering of service

Service revenue is recognized over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

3.17 Income taxes

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date.

Deferred tax asset shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the statement of financial position date.

3.18 Discontinued operation

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary

acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss and other comprehensive income (see Note 28).

3.19 Basic earnings per share

Basic earnings per share are calculated by dividing profit or loss for the period/year by the weighted average number of ordinary shares outstanding during the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscription received for the increase in issued and paid-up capital.

3.20 Fair value measurement for disclosure purpose

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Company uses market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability

3.21 Use of management's judgments and key sources of estimation uncertainty

3.21.1 Management's judgments in applying accounting policies

The preparation of financial statements in conformity with TFRSs requires the Company's management to exercise various judgements in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgements in applying accounting policies are as follows:

- Allowance for diminution in value of inventories

Details of the allowance for diminution in value of inventories are set out in Notes 3.7 and 8.

- Lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension option is only included in the lease term if the lease is reasonably certain to be extended. Details of the leases are set out in

Notes 3.13, 13 and 17.

3.21.2 Key sources of estimation uncertainty

The Company has estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

- Fair value measurements and valuation processes

Details of the fair value measurements and valuation processes are set out in Notes 3.20, 33.6 and 34.

- Calculation of loss allowance

When measuring expected credit losses the Group estimates using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the trade receivables.

4. BUSINESS ACQUISITION

On June 9, 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 resolved and approved to set up the new entity who invests in Solar Group. Subsequently, The Solar Arcade Co., Ltd. acquired Solar Group comprised of 8 entities which are (1) NW Energy Co., Ltd. (2) NW Green Power Co., Ltd (3) NW Solar Co., Ltd. (4) Sky Solar Power Co., Ltd. (5) Sky Solar Roof Co., Ltd. (6) Solar Town Co., Ltd. (7) Sun Link Power Co., Ltd. (8) Sunny Solar Co., Ltd. from Sea Oil Public Company Limited (Sea Oil Public Company Limited is not related with Miss Parleerat Panboonhom in accordance with Section 258 of Securities and Exchange Act B.E. 2535 (1992) (As Amended)) (see Note 1). The Solar Arcade Co., Ltd. paid for the acquisition in cash by Baht 215.00 million.

As at July 24, 2020, the cost amounts of net identifiable assets of the Solar Group acquired on the date of acquisition were as follows:

	Unit : Baht
Cash and cash equivalents	17,710,067
Trade and other current receivables	12,999,069
Other current assets	775,252
Restricted deposit at financial institutions	190,363
Equipment	313,486,836
Right-of-use assets	115,660,989
Short-term borrowings from financial institution	(2,750,000)
Trade and other current payables	(5,846,510)
Current portion of long-term borrowings from financial institution(1)	(181,635,902)
Corporate income tax payable	(1,418,381)
Other current liabilities	(169,602)
Lease liabilities	(121,776,484)
Net identifiable assets and liabilities	147,225,697
Goodwill	67,774,303
Consideration transferred	215,000,000
Cash flows paid for acquisition of business	
Consideration transferred	215,000,000
<u>Less</u> Cash and cash equivalent received from business acquisition	<u>17,710,067</u>
Net cash flows paid for acquisition of business	<u><u>197,289,933</u></u>

(1) As at December 31, 2020, current portion of long-term borrowings from financial institution reclassify to long-term borrowings from financial institution (see Note 15.3)

The Group is in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date. However, the Group used the net assets value at the business acquisition date from the financial information of such subsidiaries and other relevant factors which may affect such information as the consideration received from the acquired businesses. The assessment shall be completed within one year from the business acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 “Business Combination”. During the measurement period, the Group shall retrospectively adjust the provisional value recognized at the business acquisition date and recognizes additional assets and liabilities and other related accounts to reflect new information obtained about facts and circumstances that existed as of the business acquisition date.

Since the acquisition date up to December 31, 2020, The Solar Group had total revenue and net income which were included in the consolidated financial performance for the year ended December 31, 2020 in the amount of Baht 21.15 million and Baht 2.88 million, respectively.

5. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	50,108	100,000	-	100,000
Deposits at banks				
Current accounts	19,681,921	1,518,545	13,485,420	698,865
Savings accounts	633,319,770	88,062,188	600,274,263	63,214,628
Time deposit accounts with maturities less than three months	1,000	1,456,463	-	1,456,463
	<u>653,052,799</u>	<u>91,137,196</u>	<u>613,759,683</u>	<u>65,469,956</u>

5.2 Cash paid for purchases of equipment for the years ended December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Equipment payables as at January 1, (recorded as a part of trade and other payables)	5,564	35,595	5,564	35,595
Add Purchases of equipment	1,902,311	3,697,819	1,229,184	3,697,819
Less Cash paid for purchases of equipment	<u>(1,756,984)</u>	<u>(3,727,850)</u>	<u>(1,234,748)</u>	<u>(3,727,850)</u>
Equipment payables as at December 31, (recorded as a part of 1 trade and other payables)	<u>50,891</u>	<u>5,564</u>	<u>-</u>	<u>5,564</u>

5.3 Reconciliation of liabilities arising from financing activities for the years ended December 31, are as follows:

	Consolidated Financial Statements					Unit : Baht
	Balance January 1, 2020	Adjustment adoption of TFRS 16	Cash flows financing activities	Increase from acquisition	Others Changes ⁽¹⁾	Balance December 31, 2020
Short-term borrowings from financial institutions	78,938,874	-	395,961,126	2,750,000	-	4 77,650,000
Short-term borrowings from related parties	-	-	8,000,000	-	-	8,000,000
Current portion of long-term borrowings from financial institution	-	-	(18,421,892)	55,049,902	-	36,628,010
Long-term borrowing from financial institution	-	-	-	126,586,000	-	126,586,000
Short-term borrowings	-	-	48,000,000	-	-	48,000,000
Lease liabilities	612,551	1,390,687	(12,911,195)	121,776,484	111,959,239	222,827,766

⁽¹⁾ Other change came from additional leases and sale and lease back and right-of-use transaction.

	Consolidated Financial Statements					Unit : Baht
	Balance January 1, 2019	Cash flows from financing activities	Non-cash Changes	Others Changes (2)	Balance as at December 31, 2019	
Short-term borrowings from financial institutions	63,589,077	15,349,797	-	-	78,938,874	
Short-term borrowing	13,063,542	-	-	(13,063,542)	-	
Lease liabilities	1,041,054	(298,654)	-	(129,849)	612,551	

⁽²⁾ Short-term borrowing and liabilities under financial lease of Sun Power Corporation Co., Ltd. which was disposed during the year (see Note 9)

	Separate Financial Statements					Unit : Baht
	Balance January 1, 2020	Adjustment from adoption of TFRS 16	Cash flows from financing activities	Non-cash Changes	Others Changes ⁽³⁾	Balance as at December 31, 2020
Short-term borrowings from financial institutions	78,938,874	-	(78,938,874)	-	-	-
Short-term borrowings from related parties	-	-	20,000,000	-	-	20,000,000
Short-term borrowings	-	-	48,000,000	-	-	48,000,000
Lease liabilities	612,551	1,390,687	(627,083)	-	(1,376,155)	-

⁽³⁾ Other change came from transfer lease liabilities to subsidiary.

	Separate Financial Statements					Unit : Baht
	Balance January 1, 2019	Cash flows from financing activities	Non-cash Changes	Others Changes (2)	Balance as at December 31, 2019	
Short-term borrowings from financial institutions	63,589,077	15,349,797	-	-	78,938,874	
Lease liabilities	911,205	(298,654)	-	-	612,551	

5.4 As at December 31, 2020, the Group has unused credit facilities including letters of guarantee in the consolidated financial statements in the amount of Baht 123.35 million (As at December 31, 2020 the separate financial statements: Nil).

As at December 31, 2019, the Group has unused credit facilities including letters of guarantee in the consolidated and the separate financial statements in the amount of Baht 171.06 million.

6. TRADE AND OTHER CURRENT RECEIVABLES

6.1 Trade and other current receivables as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Trade receivables (see Note 6.2)	26,504,763	18,146,062	-	37,666,398
<u>Less</u> Allowance for doubtful accounts	-	(84,721)	-	(84,721)
	26,504,763	18,061,341	-	37,581,677
Advance payments	213,500	327,999	-	327,999
Prepaid for merchandise	-	13,877,579	-	13,877,579
Prepaid expenses	1,303,289	445,878	71,962	445,878
Accrued interest	58,063	55,134	-	55,134
Other receivables	26,347,064	78,929	45,096,478	78,929
	54,426,679	32,846,860	45,168,440	52,367,196

6.2 Aging analysis for trade receivables as at December 31, are as follows:

Within credit terms	20,568,820	11,325,845	-	37,537,108
Overdue:				
Less than 1 month	5,935,943	6,735,496	-	44,569
Over than 12 months	-	84,721	-	84,721
Trade receivables (see Note 6.1)	<u>26,504,763</u>	<u>18,146,062</u>	<u>-</u>	<u>37,666,398</u>

The average credit term of trade receivables was 39 days.

7. CONTRACT ASSETS

Contract assets as at December 31, consisted of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Unbilled revenues from services	4,113,337	1,581,104	-	1,581,104
Accrued income from electricity	4,494,888	-	-	-
	<u>8,608,225</u>	<u>1,581,104</u>	<u>-</u>	<u>1,581,104</u>

8. INVENTORIES

Inventories as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Finished goods	207,948,298	369,960,021	-	369,960,021
Work in process	119,974,487	50,119,718	-	50,119,718
Materials and supplies	76,746,585	163,042,172	-	163,042,172
Total	404,669,370	583,121,911	-	583,121,911
Less Allowance for diminution in value of inventories	<u>(26,352,111)</u>	<u>(30,777,596)</u>	<u>-</u>	<u>(30,777,596)</u>
Inventories	<u>378,317,259</u>	<u>552,344,315</u>	<u>-</u>	<u>552,344,315</u>

Cost of inventories which was recognized as expenses and included in the cost of sales for the years ended December 31, consisted of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht (see Note 28)	Baht (see Note 28)
Cost of inventories recognized as an expense in cost of sales:				
- Cost of sale of goods	464,010,350	325,441,281	723,346,761	325,441,281
- Reversal/(loss) of allowance for diminution in value of inventories	(4,425,485)	11,555,410	(30,777,596)	11,555,410
- Temporary ceased (see Note 23)	12,476,186	14,468,739	9,317,107	14,468,739
Total	<u>472,061,051</u>	<u>351,465,430</u>	<u>701,886,272</u>	<u>351,465,430</u>

9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, consist of:

Companies	Type of business	Country of registration	Shareholding (%)	Paid-up share capital (Million Baht)	Separate financial statements Cost method (Baht)	
					2020	2019
TIW Industries Co., Ltd.	Manufacturing and distribution of galvanized iron sheets	Thailand	99.99	20.00	19,999,970	999,970
The Solar Arcade Co., Ltd.	Holding investments	Thailand	99.99	170.00	169,999,970	-
					<u>189,999,940</u>	<u>999,970</u>

THAILAND IRON WORKS PCL.

On February 28, 2019, the Board of Directors' Meeting had passed the resolution to approve to dispose all investment in Sun Power Corporation Co., Ltd. at the selling price of Baht 1.00 million. On March 29, 2019, the Company disposed such investment amounting to Baht 1.00 million and recognized gain on disposal of investment in subsidiary in consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2019 of Baht 9.73 million.

TIW Industries Co., Ltd.

On July 8, 2020, the Extraordinary General Meeting No. 1/2020 of TIW Industries Co., Ltd. passed a resolution to increase in registered capital by Baht 49.00 million by issuing new shares divided into 4,900,000 ordinary shares with a par value of Baht 10 per share. This resulted in the Company's registered capital totally be Baht 50.00 million. The Company received all subscriptions and registered as a limited company with the Department of Business Development on July 8, 2020.

On July 24, 2020, the Extraordinary General Meeting No. 2/2020 of TIW Industries Co., Ltd. passed a resolution to decrease in registered capital from Baht 50.00 million to Baht 39.00 million by reducing 1,100,000 ordinary shares, the remaining in 3,900,000 ordinary shares with a par value of Baht 10 per share. In addition, it was already amended in the registration of the Department of Business Development on August 5, 2020. On September 8, 2020, the subsidiary received the paid-up from shareholder of 3,800,000 shares at Baht 5 per share, totally amount Baht 19.00 million.

The Solar Arcade Co., Ltd.

On April 24, 2020, the Board of Director Meeting No. 3/2020 resolved to establish a new subsidiary company, the Solar Arcade Co., Ltd., by holding 99.99% of total shareholding. The Company invest in ordinary share 99,997 shares at par value of Baht 10 per share, totaling Baht of 999,970. The purpose of subsidiary is investing in Solar Group by entering Entire Business Transfer transaction from other Company (see Note 4).

On July 13, 2020, the Executive Committee Meeting of the Company resolved to grant approval to increase in registered capital of The Solar Arcade Co., Ltd. by Baht 214.00 million by issuing new shares divided into 21,400,000 ordinary shares with a par value of Baht 10 per share. This resulted in The Solar Arcade Co., Ltd.'s registered capital totally be Baht 215.00 million. The Solar Arcade Co., Ltd.'s registered to increase capital with Department of Business Development on July 24, 2020 and partial received share payment amount of Baht 169.00 million, totally paid-up share of Baht 170.00 million. The incremental of investment are the same proportion of shareholding at 99.99% of the total shares.

10. OTHER LONG - TERM INVESTMENT

Other long-term investment as at December 31, 2019, was an investment in debt security classified as held-to-maturity, which were stated at the amortized cost, which consists of the following:
(As at December 31, 2020: Nil)

	Interest rate % p.a.	Consolidated and Separate Financial Statements Baht
Government bond (with maturities on June 26, 2020)	2.55	1,207,200
		<u>1,207,200</u>

Such other long-term investment was pledged as collateral (see Note 32.2)

11. LONG-TERM LOANS TO EMPLOYEES

Long-term loans to employees as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Long-term loans to employees	5,295,248	6,203,688	-	6,203,688
<u>Less Current portion</u>	<u>(2,340,840)</u>	<u>(2,658,378)</u>	<u>-</u>	<u>(2,658,378)</u>
Long-term portion	<u>2,954,408</u>	<u>3,545,310</u>	<u>-</u>	<u>3,545,310</u>

Such long-term loans to employees have interest rates at 5.25% per annum.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, consist of the following : As at December 31, 2020

Consolidated Financial Statements

Cost	Balance as at January 1, 2020	Additions	Disposals ⁽¹⁾	Increase from business acquisition ⁽²⁾	Transfer In / (Transfer out)	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht	Baht	Baht
Land	65,203,193	-	(65,203,193)	-	-	-
Buildings	139,621,059	-	(139,621,059)	-	-	-
Machinery and equipment	332,022,085	54,890	(335,010,747)	313,486,836	4,265,548	314,818,612
Furniture and office equipment	10,624,370	526,077	(10,624,370)	-	-	526,077
Vehicles	1,389,938	-	(1,389,938)	-	-	-
	<u>548,860,645</u>	<u>580,967</u>	<u>(551,849,307)</u>	<u>313,486,836</u>	<u>4,265,548</u>	<u>315,344,689</u>
Accumulated depreciation						
Buildings	(120,232,072)	(2,275,546)	122,507,618	-	-	-
Machinery and equipment	(243,307,681)	(11,971,263)	247,085,970	-	-	(8,192,974)
Furniture and office equipment	(9,946,661)	(325,733)	10,230,559	-	-	(41,835)
Vehicles	(1,389,934)	(111,345)	1,389,934	-	-	(111,345)
	<u>(374,876,348)</u>	<u>(14,683,887)</u>	<u>381,214,081</u>	<u>-</u>	<u>-</u>	<u>(8,346,154)</u>
<u>Add</u> Construction in Progress	173,984,297					306,998,535
	8,062,034	1,321,344	(4,970,780)	-	(4,265,548)	147,050
<u>Less</u> Allowance for impairment of machinery and equipment	(8,036,697)	(17,483,033)	25,519,730	-	-	-
Property, plant and equipment	<u>174,009,634</u>					<u>307,145,585</u>

(1) On July 3, 2020, the Company entered into an agreement to sale the Company's fixed assets to Thai Const & Building Manufacturing Public Company Limited, a connected person of the Company at the price of Baht 250.00 million. The Company transferred ownership of land and buildings to such Company on July 3, 2020 and July 29, 2020, respectively (see Notes 24).

(2) Fixed assets increase from business acquisition of Solar Group are used for collateral on short-term borrowings and long-term borrowings from financial institution. (see Notes 15.2 and 15.3).

As at December 31, 2019

Consolidated Financial Statements

	Balance as at January 1, 2019	Additions	Disposals	Decrease from disposal of investment in subsidiary ⁽¹⁾	Transfer in / (Transfer out)	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Land	65,203,193	-	-	-	-	65,203,193
Buildings	139,621,059	-	-	-	-	139,621,059
Machinery and equipment	329,194,075	1,425,527	-	(341,934)	1,744,417	332,022,085
Furniture and office equipment	13,937,990	-	-	(3,313,620)	-	10,624,370
Vehicles	1,389,938	-	-	-	-	1,389,938
	<u>549,346,255</u>	<u>1,425,527</u>	<u>-</u>	<u>(3,655,554)</u>	<u>1,744,417</u>	<u>548,860,645</u>
Accumulated depreciation						
Buildings	(115,705,713)	(4,526,359)	-	-	-	(120,232,072)
Machinery and equipment	(233,584,329)	(9,746,408)	-	23,056	-	(243,307,681)
Furniture and office equipment	(9,585,798)	(693,385)	-	332,522	-	(9,946,661)
Vehicles	(1,389,934)	-	-	-	-	(1,389,934)
	<u>(360,265,774)</u>	<u>(14,966,152)</u>	<u>-</u>	<u>355,578</u>	<u>-</u>	<u>(374,876,348)</u>
	189,080,481					173,984,297
Add Construction in progress	7,534,159	2,272,292	-	-	(1,744,417)	8,062,034
Less Allowance for impairment of machinery and Property, plant and equipment	(8,036,697)	-	-	-	-	(8,036,697)
	<u>188,577,943</u>					<u>174,009,634</u>
Depreciation for the years ended December 31,						
2020						<u>14,683,887</u>
2019						<u>14,966,152</u>

(1) Machinery and equipment of Sun Power Corporation Co., Ltd. which was disposed during the year (see Note 9.)

As at December 31, 2020 and 2019, cost value of equipment which are fully depreciated but still in use in the consolidated financial statements are Baht 2.68 million and Baht 55.73 million, respectively.

As at December 31, 2019, the Group had vehicle and equipment acquired under a finance lease agreement with net book value of Baht 0.61 million presented as a part of property, plant and equipment in the consolidated financial statements.

As at December 31, 2020

	Separate Financial Statements					
	Balance	Additions	Disposals	Transfer in /	Transfer to	Balance
	as at December 31,					
	2020			(Transfer out)		2020
Cost	Baht	Baht	Baht	Baht	Baht	Baht
Land	65,203,193	-	(65,203,193)	-	-	-
Buildings	139,621,059	-	(139,621,059)	-	-	-
Machinery and equipment	332,022,085	54,890	(335,010,747)	4,265,548	(1,331,776)	-
Furniture and office equipment	10,624,370	-	(10,624,370)	-	-	-
Vehicles	1,389,938	-	(1,389,938)	-	-	-
	<u>548,860,645</u>	<u>54,890</u>	<u>(551,849,307)</u>	<u>4,265,548</u>	<u>(1,331,776)</u>	<u>-</u>
Accumulated depreciation						
Buildings	(120,232,072)	(2,275,546)	122,507,618	-	-	-
Machinery and equipment	(243,307,681)	(4,466,798)	247,085,970	-	688,509	-
Furniture and office equipment	(9,946,661)	(283,898)	10,230,559	-	-	-
Vehicles	(1,389,934)	-	1,389,934	-	-	-
	<u>(374,876,348)</u>	<u>(7,026,242)</u>	<u>381,214,081</u>	<u>-</u>	<u>688,509</u>	<u>-</u>
	173,984,297					-
<u>Add</u> Construction in progress	8,062,034	1,174,294	(4,970,780)	(4,265,548)	-	-
<u>Less</u> Allowance for impairment of machinery and equipment	(8,036,697)	(17,483,033)	25,519,730	-	-	-
Property, plant and equipment	<u>174,009,634</u>					<u>-</u>

As at December 31, 2019

	Separate Financial Statements				Balance as at December 31, 2019 Baht
	Balance as at January 1, 2019 Baht	Additions Baht	Disposals Baht	Transfer in / (Transfer out) Baht	
Cost					
Land	65,203,193	-	-	-	65,203,193
Buildings	139,621,059	-	-	-	139,621,059
Machinery and equipment	328,852,141	1,425,527	-	1,744,417	332,022,085
Furniture and office equipment	10,624,370	-	-	-	10,624,370
Vehicles	1,389,938	-	-	-	1,389,938
	<u>545,690,701</u>	<u>1,425,527</u>	<u>-</u>	<u>1,744,417</u>	<u>548,860,645</u>
Accumulated depreciation					
Buildings	(115,705,714)	(4,526,358)	-	-	(120,232,072)
Machinery and equipment	(233,561,272)	(9,746,409)	-	-	(243,307,681)
Furniture and office equipment	(9,253,276)	(693,385)	-	-	(9,946,661)
Vehicles	(1,389,934)	-	-	-	(1,389,934)
	<u>(359,910,196)</u>	<u>(14,966,152)</u>	<u>-</u>	<u>-</u>	<u>(374,876,348)</u>
	185,780,505				173,984,297
<u>Add</u> Construction in progress	7,534,159	2,272,292	-	(1,744,417)	8,062,034
<u>Less</u> Allowance for impairment of machinery and equipment	(8,036,697)	-	-	-	(8,036,697)
Property, plant and equipment	<u>185,277,967</u>				<u>174,009,634</u>
Depreciation for the years ended December 31,					
2020				Baht	7,026,242
2019				Baht	14,966,152

As at December 31, 2019, costs value of equipment which are fully depreciated but still in use in separate financial statements are Baht 55.73 million.

As at December 31, 2019, the Company had vehicle acquired under a finance lease agreement with net book value of Baht 0.61 million presented as a part of property, plant and equipment in the separate financial statements.

13. RIGHT-OF-USE ASSETS

Right-of-use assets were as follows:

Consolidated Financial Statements					
As at December 31, 2020	Balance as at January 1, 2020	Adjustment from adoption of TFRS 16 (see Note 2.5)	Increase during the year⁽¹⁾	Increase from business acquisition (see Note 4)	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht	Baht
Cost					
Land and buildings	-	-	42,120,130	115,660,989	157,781,119
Machinery and equipment	-	-	10,667,230	-	10,667,230
Vehicles	-	1,390,687	1,403,428	-	2,794,115
	<u>-</u>	<u>1,390,687</u>	<u>54,190,788</u>	<u>115,660,989</u>	<u>171,242,464</u>
Accumulated depreciation					
Land and buildings	-	-	(3,080,112)	-	(3,080,112)
Machinery and equipment	-	-	(447,147)	-	(447,147)
Vehicles	-	-	(802,337)	-	(802,337)
	<u>-</u>	<u>-</u>	<u>(4,329,596)</u>	<u>-</u>	<u>(4,329,596)</u>
Right-of-use assets	<u>-</u>				<u>166,912,868</u>
Depreciation for the year ended December 31, 2020				Baht	<u>4,329,596</u>

(1) TIW Industry Company Limited entered into an agreement to lease fixed assets from Thai Const & Building Manufacturing Public Company Limited (see Notes 12 and 24). The lessee's incremental borrowing rates applied to lease liabilities recognized in the statement of financial position on August 3, 2020 are 5.53% per annum for land and buildings and 4.73% per annum for machines.

As at December 31, 2020	Separate Financial Statements				
	Balance as at January 1, 2020 Baht	Adjustment from adoption of TFRS 16 (see Note 2.5) Baht	Increase during the year Baht	Transfer to subsidiary Baht	Balance as at December 31, 2020 Baht
Cost					
Vehicles	-	1,390,687	480,107	(1,870,794)	-
	-	1,390,687	480,107	(1,870,794)	-
Accumulated depreciation					
Vehicles	-	-	(389,422)	389,422	-
	-	-	(389,422)	389,422	-
Right-of-use assets					
	-	-	-	-	-
Depreciation for the year ended December 31, 2020				Baht	389,422

The maturity analysis of lease liabilities is presented in Note 17.

	Consolidated Financial Statements		Separate Financial Statements	
	2020 Baht	For the year ended December 31, 2020 Baht	2020 Baht	For the year ended December 31, 2020 Baht
Amounts recognized in profit or loss				
Depreciation on right-of-use assets	4,329,596		389,422	
Interest expense on lease liabilities	4,719,828		36,026	
Expense relating to short-term leases	257,795		-	

14. DEFERRED TAX ASSETS

The movements of deferred tax assets during the years are as follows:

As at December 31, 2020

	Consolidated and Separate Financial Statements		
	Balance as at January 1, 2020 Baht	Recognized in Profit or Loss (Income) Expense Baht	Balance as at December 31, 2020 Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,821,122	(3,821,122)	-
Accumulated depreciation	3,645,304	(3,645,304)	-
Allowance for impairment of machinery and equipment	1,607,339	(1,607,339)	-
Employee benefit obligations	5,873,298	(5,873,298)	-
Accrued expenses	705,978	(705,978)	-
Total	<u>15,653,041</u>	<u>(15,653,041)</u>	<u>-</u>

(1) For the year ended December 31, 2020, the Company reversed deferred tax assets in the statements of profit or loss and other comprehensive income in the consolidated and separate financial statements of Baht 15.65 million, since the management considered that it is no longer probable that the related tax benefit will be realized.

As at December 31, 2019

	Consolidated and Separate Financial Statements		
	Balance as at January 1, 2019 Baht	Recognized in Profit or Loss (Income) Expense Baht	Balance as at December 31, 2019 Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,821,122	-	3,821,122
Accumulated depreciation	3,645,304	-	3,645,304
Allowance for impairment of machinery and equipment	1,607,339	-	1,607,339
Employee benefit obligations	5,873,298	-	5,873,298
Accrued expenses	705,978	-	705,978
Total	<u>15,653,041</u>	<u>-</u>	<u>15,653,041</u>

The Company and subsidiaries used a tax rate of 20% for the corporate income tax and deferred tax calculation for the years ended December 31, 2020 and 2019.

15 BORROWINGS

15.1 SHORT-TERM BORROWINGS

Short-term borrowings from other party with no collateral in the consolidated and the separate financial statements as at December 31, 2020 of Baht 48.00 million, represents carrying interest rates at 6.50% per annum (As at December 31, 2019: Nil).

15.2 SHORT-TERM BORROWINGS FROM FINANACIAL INSTITUTIONS

Short-term borrowings from financial institutions in the consolidated financial statements as at December 31, 2020 of Baht 477.65 million represent trust receipts of Baht 350.00 million and promissory note of Baht 127.65 million carrying interest rates at 1.30% - 1.95% per annum. Such short-term borrowings are guaranteed by deposit at financial institutions, director, other company and Solar Group assets including machinery and equipment, roof rental leasehold right, insurance beneficiary (see Notes 12 and 13).

Short-term borrowings from financial institutions in the consolidated financial statements as at December 31, 2019 of Baht 78.94 million represents trust receipts carrying interest rates at 2.40% - 2.43% per annum. Such short-term borrowings are guaranteed by deposit at financial institutions.

Short-term borrowings from financial institutions in the separate financial statement as at December 31, 2019 of Baht 78.94 million carrying interest rates at 2.40% - 2.43% per annum. Such short-term borrowings are guaranteed by deposit at financial institutions (As at December 31, 2020: Nil).

However, the subsidiaries are in process to change a guarantor from other company to the Company expected completion in March 2021.

15.3 LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTION

Long-term borrowings from financial institution as at December 31, 2020 are as follows: (As at December 31, 2019: Nil)

	Consolidated Financial Statements	Separate Financial Statements
	Baht	Baht
Beginning balance	-	-
<u>Add</u> Increase from business acquisition (see Note 4)	181,635,902	-
<u>Less</u> Repayment during the years	(18,421,892)	-
<u>Less</u> Current portion long-term borrowings from financial institution	(36,628,010)	-
Ending balance	<u><u>126,586,000</u></u>	<u><u>-</u></u>

Long-term borrowings from financial institution of Solar Group are Baht 163.21 million. The borrowings bear interest at Minimum Loan Rate (MLR) - 1.25% to MLR - 1.75% per annum. The repayments are made of 120 installments from the date of receiving the borrowings. The loans are guaranteed by Solar Group fixed assets (see Note 12), including right to receive payment from selling electricity and other benefits from the Power Purchase Agreement, roof rental leasehold right, insurance beneficiary and guaranteed by other company. The bank requires the saving accounts be opened for collecting receivable from selling electricity and for settlement of principal and interest of borrowings.

However, the subsidiaries are in process to change a guarantor from other company to the Company expected completion in March 2021.

The loan agreements required the Solar Group to comply with debt covenants in maintaining financial ratios which comprise the maximum debt-to-equity of 3:1 and the minimum debt service coverage ratio (DSCR) of 1. As at December 31, 2020, the Solar Group have breached the covenants. However, the Solar Group received waive letters from the bank on December 22, 2020.

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consist of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Trade payables	46,146,298	890,441	-	890,441
Other payable	1,463,924	2,141,879	804,879	1,477,110
Dividend payable	626,203	626,203	626,203	626,203
Accrued expenses	11,252,420	4,936,515	5,680,983	4,936,515
	<u>59,488,845</u>	<u>8,595,038</u>	<u>7,112,065</u>	<u>7,930,269</u>

17. LEASE LIABILITIES

Lease liabilities as at December 31, consist of the following:

Payment periods	Consolidated Financial Statements			
	The minimum amount to be paid in the future		Present value of the minimum amount to be paid in the future	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Within 1 year	18,183,403	334,680	7,069,642	312,791
1 - 5 years	69,726,730	306,790	28,542,175	299,760
5 - 10 years	85,808,645	-	43,018,542	-
10 - 30 years	206,267,823	-	144,197,407	-
	<u>379,986,601</u>	<u>641,470</u>	<u>222,827,766</u>	<u>612,551</u>
<u>Less</u> Deferred interest under lease agreement	(157,158,835)	(28,919)	-	-
<u>Less</u> Current portion	<u>(7,069,642)</u>	<u>(312,791)</u>	<u>(7,069,642)</u>	<u>(312,791)</u>
	<u>215,758,124</u>	<u>299,760</u>	<u>215,758,124</u>	<u>299,760</u>

Payment periods	Separate Financial Statements			
	The minimum amount to be paid in the future		Present value of the minimum amount to be paid in the future	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Within 1 year	-	334,680	-	312,791
1 - 5 years	-	306,790	-	299,760
	-	641,470	-	612,551
<u>Less</u> Deferred interest under lease agreement	-	(28,919)	-	-
<u>Less</u> Current portion	-	(312,791)	-	(312,791)
	-	299,760	-	299,760

18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

18.1 Non-current provisions for employee benefits

Non-current provisions for employee benefits as at December 31, consist of the followings:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Non-current provisions on post-employment benefit (see Note 18.2)	18,701,351	16,184,132	-	16,184,132
Non-current provisions on other long-term employee benefit (see Note 18.3)	3,705,444	7,022,237	-	7,022,237
	<u>22,406,795</u>	<u>23,206,369</u>	<u>-</u>	<u>23,206,369</u>

The significant principal actuarial assumptions used to calculate the employee benefit obligations as at December 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Discount rate (% p.a.)	1.36 - 1.51	2.51	1.36 - 1.51	2.51
Expected rate of salary increase (% p.a.)	3.00	3.80	3.00	3.80
Voluntary resignation rate (Depended on employee's age) (% p.a.)	1.91 - 22.92	4.00 - 26.00	1.91 - 22.92	4.00 - 26.00
Retirement age (years)	60	60	60	60
Price of gold ornament per 15.16 grams (Baht)	27,350	19,600	27,350	19,600

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at December 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Discount rate				
Discount rate, decrease of 1 percent	1,540,655	1,949,755	1,540,655	1,949,755
Discount rate, increase of 1 percent	(1,353,874)	(1,722,740)	(1,353,874)	(1,722,740)
Salary rate				
Salary rate, decrease of 1 percent	(975,711)	(1,586,184)	(975,711)	(1,586,184)
Salary rate, increase of 1 percent	1,100,605	1,785,172	1,100,605	1,785,172

18.2 Non-current provisions on post-employment benefit

Non-current provisions on post-employment benefit as at December 31, consist of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Beginning balance	16,184,132	13,336,854	16,184,132	13,336,854
Reclassification from other long-term employee benefits (see Note 18.3)	3,241,684	-	3,241,684	-
Current service cost and interest cost increase (decrease) during the years	2,606,239	(90,008)	4,608,510	(90,008)
Past service cost	-	3,649,286	-	3,649,286
Paid during the years	(3,638,099)	(712,000)	(2,598,450)	(712,000)
Actuarial loss	307,395	-	-	-
Transfer to subsidiary	-	-	(21,435,876)	-
Ending balance (see Note 18.1)	<u>18,701,351</u>	<u>16,184,132</u>	<u>-</u>	<u>16,184,132</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. Which effective within 30 days after the announcement date. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. The Company recognized the effect of the change in such estimate past service cost of Baht 3.65 million as an expense in consolidated and separate statement of profit or loss and other comprehensive income for year ended December 31, 2019.

18.3 Non-current provisions on other long-term employee benefits

Non-current provisions on other long-term employee benefits as at December 31, consist of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Beginning balance	7,022,237	6,505,600	7,022,237	6,505,600
Reclassification from post-employment benefits (see Note 18.2)	(3,241,684)	-	(3,241,684)	-
Current service cost and interest cost increase during the years	758,268	707,837	1,847,422	707,837
Paid during the years	(814,041)	(191,200)	(336,157)	(191,200)
Actuarial gain	(19,336)	-	-	-
Transfer to subsidiary company	-	-	(5,291,818)	-
Ending balance (see Note 18.1)	<u>3,705,444</u>	<u>7,022,237</u>	<u>-</u>	<u>7,022,237</u>

18.4 Provident Fund

The Company established a contributory Provident Fund and registered according to the Provident Fund Act, B.E. 2530 (1987) and Provident Fund Act (No.2), B.E. 2542 (1999). The contributions from the employees are deducted from their monthly salaries, and the Company matches the individuals' contributions.

For the years ended December 31, the Company's contributions recorded as expense in the statements of profit or loss and other comprehensive income are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
For the years ended December 31,	1,845,674	2,018,032	968,222	2,018,032

19. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the legal reserve reaches 10% of the authorized share capital of the Company. Such reserve fund is not available for distribution of dividend.

20. GENERAL RESERVE

The Company had appropriated annual profit as general reserve, with no specific purpose.

21. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company does not apply any particular financial ratio to monitor its capital whilst manages its capital to be sufficient for its working capital by, for instance, issuing new shares or adjusting the amount of dividend paid to shareholders, according to the prevailing situations.

22. DIVIDEND PAID

On April 23, 2019, the Annual General Meeting of shareholders approved the dividend payment at the rate of Baht 1.00 per share in respect of the earnings for the period from April 1, 2018 to December 31, 2018 in the total amount of Baht 6.00 million. The payment of dividend was made on May 17, 2019.

23. COSTS OF SALES

Costs of sales in the consolidated and separate financial statements for the year ended December 31, 2020, include certain expenses incurred during the temporary ceased their production lines of Baht 12.47 million and Baht 9.32 million, respectively. (For the year ended December 31, 2019 the consolidated and separate financial statements: Baht 14.47 million).

24. OTHER INCOME

Other income for the years ended December 31, consist of the following :

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Interest income	1,173,130	2,540,730	851,721	2,257,492
Gain arising from sale and leaseback	21,340,924	-	-	-
Other	2,445,436	1,532,473	-	-
	<u>24,959,490</u>	<u>4,073,203</u>	<u>851,721</u>	<u>2,257,492</u>

Gain arising from sale and leaseback transaction incurred from selling of assets to Thai Const & Building Manufacturing Public Company Limited (“TCB”), a connected person of the Company, by selling the Company’s fixed assets, to improve the liquidity and cash flows of the Company at the price of Baht 250.00 million (exclude costs to sell of Baht 10.74 million) which the Board of Directors considered that not lower than the appraised value from the valuers who are approved by the SEC. After the disposal of such assets, TIW Industries Co., Ltd. (“TIWI”) enters into a property lease agreement, from TCB, a connected person, for use in the operations of manufacturing and distribution of galvanized iron sheets, installation services. As the result, the Group recognized gain arising from sale and leaseback in the consolidated financial statements for the year ended December 31, 2020 amount of Baht 21.34 million and the Company recognized gain arising from sale of assets in the separate financial statements for the year ended December 31, 2020 amount of Baht 76.67 million (see Note 28).

25. INCOME TAX EXPENSE

Income taxes for the years ended December 31, consist of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Current income tax expense	900,517	573,707	-	-
Deferred tax expense	15,653,042	-	15,653,042	-
Income tax expense	<u>16,553,559</u>	<u>573,707</u>	<u>15,653,042</u>	<u>-</u>
Allocated to				
Income tax expense from				
continued operations	16,533,559	573,707	-	-
Income tax expense from				
discontinued operating (see Note 28)	-	-	15,653,042	-
Total income tax expense	<u>16,553,559</u>	<u>573,707</u>	<u>15,653,042</u>	<u>-</u>

Reconciliation of effective tax rates for the years ended December 31, are as follows:

	Consolidated Financial Statements			
	2020		2019	
	Baht	Tax rate	Baht	Tax rate
Accounting loss from operating before income tax expense - Promoted business	(52,569,255)	-	-	-
Accounting loss from operating before income tax expense - Non-Promoted business	<u>(59,831,980)</u>	20.0	<u>(4,775,874)</u>	20.0
Accounting loss from operating before income tax expense	<u>(112,401,235)</u>		<u>(4,775,874)</u>	
Income tax calculated at statutory tax rate	(11,966,396)		(955,175)	
Tax effect of income or expense that are not taxable income or expense	(587,048)	(1.0)	(2,066,641)	(43.3)
Unused tax loss	13,453,961	22.5	3,595,523	75.3
Reversal of deferred tax assets ⁽¹⁾	<u>15,653,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income tax expense	<u><u>16,553,559</u></u>	<u><u>1.5</u></u>	<u><u>573,707</u></u>	<u><u>12.0</u></u>

(1) For the year ended December 31, 2020, the Company reversed deferred tax assets in the statements of profit or loss and other comprehensive income in the consolidated and separate financial statements of Baht 15.65 million, since the management considered that it is no longer probable that the related tax benefit will be realized.

	Separate Financial Statements			
	2020		2019	
	Baht	Tax rate	Baht	Tax rate
Continued operations				
Accounting loss from operating before income tax expense	<u>(20,073,866)</u>		<u>(10,477,378)</u>	
Income tax calculated at statutory tax rate	(4,014,773)	20.0	(2,095,476)	20.0
Tax effect of income or expense that are not taxable income or expense	(644)	-	48,906	0.5
Unused tax loss	<u>4,015,417</u>	<u>20.0</u>	<u>2,046,570</u>	<u>19.5</u>
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

	Separate Financial Statements			
	2020		2019	
	Baht	Tax rate	Baht	Tax rate
Discontinued operations				
Accounting loss from operating before income tax expense	<u>(22,262,940)</u>		<u>(6,937,655)</u>	
Income tax calculated at statutory tax rate	(4,452,588)	20.0	(1,387,531)	20.0
Tax effect of income or expense that are not taxable income or expense	(265,294)	(1.2)	(169,268)	(2.4)
Unused tax loss	4,717,882	21.2	1,556,799	22.4
Reversal of deferred tax assets ⁽¹⁾	<u>15,653,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income tax expense	<u><u>15,653,042</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

(1) For the year ended December 31, 2020, the Company reversed deferred tax assets in the statements of profit or loss and other comprehensive

26. PROMOTIONAL PRIVILEGES

The Group was granted the promotional privileges under the Investment Promotional Act, B.E. 2520 (1977) by the Board of Investment under each promotion certificate as follows:

Certificates		1 st Income Date
No	Dated	
1561(1)/2557	30-Apr-14	20-Nov-14
1562(1)/2557	30-Apr-14	9-Mar-15
1563(1)/2557	30-Apr-14	12-Dec-14
1564(1)/2557	30-Apr-14	20-Nov-14
1565(1)/2557	30-Apr-14	19-Dec-14
1566(1)/2557	30-Apr-14	13-Feb-15
1567(1)/2557	30-Apr-14	12-Jan-15
1568(1)/2557	30-Apr-14	21-Jan-15
1569(1)/2557	30-Apr-14	13-Feb-15
1570(1)/2557	30-Apr-14	25-Dec-14

Subject to certain imposed conditions, the privileges include the following:

- Exemption of corporate income tax for the Company that was granted the promotional privileges for 8 years since 1st Income Date.
- Income tax reduction for net profit at the rate of 50 percent for 5 years after ending of the period that was granted the promotional privileges for 8 years
- The exemption of import duty for machine which authorized from Board of Investment.
- Exempt, dividends for the Group that was granted the promotional privileges are not required to be calculated for income tax throughout corporate income tax exemption

The Group has to comply with certain terms and conditions as stipulated in the investment promotion certificates.

To comply with the announcement of the Board of Investment No. Por. 14/2541 dated December 30, 1998 regarding the revenues reporting of a promoted industry, for the year ended December 31, 2020 the Group's total revenues from sales were domestic sales, which were allocated to promoted and non-promoted activities as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	Promoted activities	Non-promoted activities	Total
	2020	2020	2020
	Baht	Baht	Baht
Revenues from sales	21,147,597	374,616,488	395,764,085
Revenues from services	-	23,851,362	23,851,362
Other income	1,827	24,957,663	24,959,490
Total	<u>21,149,424</u>	<u>423,425,513</u>	<u>444,574,937</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Promoted activities	Non-promoted activities	Total
	2019	2019	2019
	Baht	Baht	Baht
Revenues from sales	-	379,253,267	379,253,267
Revenues from services	-	15,549,634	15,549,634
Other income	-	4,073,203	4,073,203
Total	<u>-</u>	<u>398,876,104</u>	<u>398,876,104</u>

The Company was not granted the promotional privileges under the Investment Promotional Act, B.E. 2520 (1977).

27. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, comprise the following significant items:

	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Changes in finished goods and work in process (increase) decrease	91,808,572	(42,711,868)	-	-
Raw material and consumables used	389,647,164	319,436,628	-	-
(Reversal)/ loss on diminution in value of inventories	(4,425,485)	11,555,410	-	-
Depreciation	19,013,483	14,966,152	-	-
Staff expenses	60,337,582	68,153,555	5,840,788	9,744,527
Consultant and professional fees	15,335,895	3,540,111	13,647,296	3,019,586
Utility expenses	3,803,912	4,037,317	-	-
Rental expenses	8,608,771	2,027,113	-	-
Repair and maintenance expenses	2,987,278	3,084,923	-	-

28. DISCONTINUED OPERATIONS

On June 9, 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 was resolved to approve the sale of fixed assets to Thai Const & Building Manufacturing Public Company Limited ("TCB") and leased back by TIW Industries Co., Ltd. ("TIWI"). The meeting was also resolved to approve of TIWI to operate manufacturing and distribution of galvanized iron sheets and installation services and related business. On

July 3, 2020 TIW transferred assets which consists of land, buildings, machineries and equipment that used in galvanized iron sheets and installation services operation to TCB (see Note 24). Subsequently, on August 1, 2020, TIWI enters into a lease agreement from TCB for use in the operations of manufacturing and distribution of galvanized iron sheets and installation services (see Note 24). Therefore, the separate financial statements present manufacturing and distribution of galvanized iron sheets and installation services segment as a discontinued operation.

Discontinued Operation

Discontinued operation for the years ended December 31, in separate financial statements are as follows:

	Unit : Baht	
	2020	2019
Revenues from sales and services		
Revenues from sales, net	616,242,330	375,616,057
Revenues from services	17,648,058	15,409,146
Total revenues from sales and services	<u>633,890,388</u>	<u>391,025,203</u>
Costs of sales and services		
Costs of sales (see Note 8)	701,886,272	351,465,430
Costs of services	14,347,597	16,306,096
Total costs of sales and services	<u>716,233,869</u>	<u>367,771,526</u>
Gross profit (loss)	(82,343,481)	23,253,677
Gain from sale investment	-	30
Other income (see Note 24)	77,942,328	1,823,534
Distribution costs	4,634,869	11,809,146
Administrative expenses	12,404,933	17,949,422
Net gain on exchange rate	12,672	462,644
Loss before finance cost and income tax expense	<u>(21,428,283)</u>	<u>(4,218,683)</u>
Finance costs	834,657	2,718,972
Loss before income tax expense	<u>(22,262,940)</u>	<u>(6,937,655)</u>
Income tax expense (see Note 25)	15,653,042	-
Loss for the years	<u><u>(37,915,982)</u></u>	<u><u>(6,937,655)</u></u>
		Unit : Baht
	2020	2019
Cash flows from discontinued operations		
Net cash received from (used in) operating activities	568,262,324	(73,672,715)
Net cash provided by investing activities	239,225,822	77,745,492
Net cash provided by (used in) financing activities	(79,565,957)	9,029,732

During July to August 2020, the Company sold inventories. Moreover, the Company transfer of loans to employees, machinery and equipment, liabilities under finance lease agreements and employee benefit obligations to TIW Industries Co., Ltd. ("TIWI") based on the details as follow:

	Unit : Baht
<u>Cash transaction</u>	
Current portion of long-term loans to employees	2,359,401
Long-term loans to employees	2,850,157
Inventories	389,651,449
Non-current provisions for employee benefits	(26,727,694)
Cash received from business transfer to subsidiary	<u>368,133,313</u>
<u>Non-cash transaction</u>	
Machinery and equipment	643,267
Right-of-use assets	1,481,372
Lease liabilities	(1,376,155)

29. TRANSACTIONS WITH RELATED PARTIES

The Group's business includes transactions with its related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. Therefore, the financial statements reflect the effects of these transactions on the basis determined by the Group and the related parties. The prices of these transactions are based on the prices indicated in the agreement or contract which are in the normal course of business.

29.1 Balances with the related parties as at December 31, are mainly as follows:

Transactions / Company names	Relationship	Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
List of related parties					
Trade receivable					
TIW Industries Co., Ltd.	Subsidiary	-	-	-	37,510,895
C.M. Manufacturing Co., Ltd.	Common directors and shareholders	5,562,014	877,142	-	-
		<u>5,562,014</u>	<u>877,142</u>	<u>-</u>	<u>37,510,895</u>
Other receivable					
The Solar Arcade Co., Ltd.	Subsidiary	-	-	44,035,790	-
TIW Industries Co., Ltd.	Subsidiary	-	-	263,527	-
Dr. Prasit Kanchanasakdichai	Shareholders and management	-	-	170,959	-
		<u>-</u>	<u>-</u>	<u>44,470,276</u>	<u>-</u>

Transactions / Company names	Relationship	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Other payable					
TIW Industries Co., Ltd.	Subsidiary	-	-	626,203	-
Short-term borrowings					
TIW Industries Co., Ltd. ⁽¹⁾	Subsidiary	-	-	12,000,000	-
Dr. Prasit Kanchanasakdichai ⁽¹⁾	Shareholders and management	8,000,000	-	8,000,000	-
		<u>8,000,000</u>	<u>-</u>	<u>20,000,000</u>	<u>-</u>

(1) Interest rate = 6.50% per annum

29.2 Transactions with related parties for the years ended December 31, are mainly as follows:

Transactions / Company names	Relationship	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenues from sales					
TIW Industries Co., Ltd.	Subsidiary	-	-	611,390,935	359,130,917
Thai Const & Building Manufacturing Public Co., Ltd.	Common directors and shareholders	350,932	103,160	-	-
C.M. Manufacturing Co., Ltd.	Common directors and shareholders	21,318,207	6,335,769	643	-
Thai Barge Container Service Co., Ltd.	Common directors and shareholders	21,535	-	-	-
TCB Solution Co., Ltd.	Common directors and shareholders	11,718	-	-	-
		<u>21,702,392</u>	<u>6,438,929</u>	<u>611,391,578</u>	<u>359,130,917</u>
Revenues from service					
TIW Industries Co., Ltd.	Subsidiary	-	-	17,648,058	13,908,342
Thai Const & Building Manufacturing Public Co., Ltd.	Common directors and shareholders	-	286,570	-	-
		<u>-</u>	<u>286,570</u>	<u>17,648,058</u>	<u>13,908,342</u>

Transactions / Company names	Relationship	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Other revenues					
TIW Industries Co., Ltd.	Subsidiary	-	-	252,461	14,194
Purchases of goods					
TIW Industries Co., Ltd.	Subsidiary	-	-	249,293	-
Thai Const & Building Manufacturing Public Co., Ltd.					
	Common directors and shareholders	125,400	-	125,400	-
C.M. Manufacturing Co., Ltd.	Common directors and shareholders	-	205,984	-	205,984
		<u>125,400</u>	<u>205,984</u>	<u>374,693</u>	<u>205,984</u>
Other expenses					
Thai Const & Building Manufacturing Public Co., Ltd.					
	Common directors and shareholders	-	13,730	-	13,730
C.M. Manufacturing Co., Ltd.					
	Common directors and shareholders management	88,367	566,533	88,367	566,533
		<u>88,367</u>	<u>580,263</u>	<u>88,367</u>	<u>580,263</u>
Finance cost					
TIW Industries Co., Ltd.	Subsidiary	-	-	222,247	-
Dr. Prasit Kanchanasakdichai					
	Shareholders and management	148,164	-	148,164	-
		<u>148,164</u>	<u>-</u>	<u>370,411</u>	<u>-</u>
Management benefit expenses	Management	9,324,411	9,744,527	5,840,788	9,744,527
Dividend paid					
Dr. Prasit Kanchanasakdichai	Shareholders and management	-	3,965,368	-	3,965,368

Sales are determined based on cost plus margin. Service revenues and other service fee income are determined based on rate as stipulated in the agreements which are in the normal course of business.

30. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with 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.

During the years ended December 31, 2020 and 2019, the Group did not have the revenue from sales and services with a single external customer contributed 10% or more to the Group's total revenue.

The revenue and profit information regarding the Group's operating segments are as follows:

	For the year ended December 31, 2020					Unit :Baht
	Galvanized iron sheets product segment	Installation services segment	Solar power plant segment	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	374,616,488	23,851,362	21,147,597	419,615,447	-	419,615,447
Inter-segment revenue	<u>611,390,935</u>	<u>17,648,058</u>	<u>-</u>	<u>629,038,993</u>	<u>(629,038,993)</u>	<u>-</u>
Total revenue from sale of goods and revenue from rental and rendering of services	<u>986,007,423</u>	<u>41,499,420</u>	<u>21,147,597</u>	<u>1,048,654,440</u>	<u>(629,038,993)</u>	<u>419,615,447</u>
Segment operation profit (loss)	(86,261,943)	3,416,719	9,217,732	(73,627,492)	952,400	(72,675,092)
Other income						24,959,490
Distribution costs						8,394,957
Administrative expenses						43,961,680
Net gain on exchange rate						<u>12,672</u>
Loss before income tax expense and finance						(100,059,567)
Finance costs						12,341,668
Income tax expense						<u>16,553,559</u>
Loss for the year						<u>(128,954,794)</u>

	For the year ended December 31, 2019					Unit : Baht
	Galvanized iron sheets product segment	Installation services segment	Solar power plant segment	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	379,253,267	15,549,634	-	394,802,901	-	394,802,901
Inter-segment revenue	<u>359,130,917</u>	<u>13,908,342</u>	<u>-</u>	<u>373,039,259</u>	<u>(373,039,259)</u>	<u>-</u>
Total revenue from sale of goods and revenue from rental and rendering of services	<u>738,384,184</u>	<u>29,457,976</u>	<u>-</u>	<u>767,842,160</u>	<u>(373,039,259)</u>	<u>394,802,901</u>
Segment operation profit (loss)	27,787,837	(756,462)	-	27,031,375	-	27,031,375
Other income						4,073,203
Gain on sale of investment in subsidiaries						9,731,395
Distribution costs						11,878,025
Administrative expenses						31,421,825
Net gain on exchange rate						<u>462,644</u>
Loss before income tax expense and finance costs						(2,001,233)
Finance costs						2,774,641
Income tax expense						<u>573,707</u>
Loss for the year						<u>(5,349,581)</u>

	Galvanized iron sheets product segment	Installation services segment	Solar power plant segment	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
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Statement of financial position

Segment total assets	Galvanized iron sheets product segment	Installation services segment	Solar power plant segment	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
As at December 31, 2020	1,413,503,310	8,242,566	505,781,384	1,927,527,260	(214,972,691)	1,712,554,569
As at December 31, 2019	948,054,133	1,581,104	-	949,635,237	(999,970)	948,635,267

Geographic information

The Group only operated in single geographic which is Thailand. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable segment.

31.SUPPLEMENTAL DISCLOSURE FOR INSTALLATION SERVICE CONTRACTS

Supplemental disclosure for installation service contracts for the years ended December 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020 ⁽¹⁾	2019 ⁽¹⁾
	Baht	Baht	Baht	Baht
Contract revenue recognized for the years	23,851,362	15,549,634	17,648,058	15,409,146
Contract costs recognized for the years	(20,229,488)	(16,306,096)	(14,347,597)	(16,306,096)
Recognized profit (loss) for the years	3,621,874	(756,462)	3,300,461	(896,950)
Contract costs related to future activity recognized as work in progress - beginning balance	-	-	-	-
Contract costs incurred during the years	20,229,488	16,306,096	14,347,597	16,306,096
Contract costs incurred and recognized as expenses during the years	(20,229,488)	(16,306,096)	(14,347,597)	(16,306,096)
Contract costs related to future activity recognized as work in progress - ending balance	-	-	-	-
Unbilled revenues from services - beginning balance	1,581,104	66,300	1,581,104	41,300
Contract revenue recognized for the years	23,851,362	15,549,634	17,648,058	15,409,146
Progress billings	(21,319,129)	(14,034,830)	(19,229,162)	(13,869,342)
Unbilled revenues from services - ending balance (see Note 7)	4,113,337	1,581,104	-	1,581,104

(1) Discontinued operations (see Note 28)

32. LETTERS OF GUARANTEE AND COMMITMENTS

32.1 As at December 31, 2020 and 2019 the Company and subsidiaries have letters of guarantee issued by a bank in the consolidated and the separate financial statements amount of Baht 0.30 million, which is in the normal course of business.

32.2 As at December 31, 2020, electric used guarantee with Metropolitan Electricity Authority of a subsidiary in amounting to Baht 1.20 million are pledged by government bond of a related company as a collateral to service agreement, which is in normal course of business.

As at December 31, 2019, electric used guarantee with Metropolitan Electricity Authority of the Company and a subsidiary in amounting to Baht 1.20 million are pledged by government bond of the Company amounting to Baht 1.21 million as a collateral to service agreement, which is in normal course of business (see Note 10).

32.3 As at December 31, 2020 and 2019, the Group has commitments on purchases of raw materials, which is in the normal course of business, in the consolidated financial statements in the amount of Baht 63.16 million and Baht 12.83 million, respectively.

33. DISCLOSURE OF INFORMATION OF FINANCIAL INSTRUMENTS

33.1 Accounting policies

Accounting policies have been disclosed in Note 3.

33.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss for the Company. The Company believes that there is no credit risk with respect to concentrations as the Company has a number of customers and most of sales are cash sales.

As at December 31, 2020, the consolidated financial statements have concentration of credit risk whereby 51.45% of its trade receivables from 3 major customers (As at December 31,

2019 the consolidated and separate financial statements: 44.44% and 100%, respectively, of its trade receivables from 3 major customers).

In case of recognized financial assets in the statement of financial position, the carrying amount of the assets net of a portion of allowance for doubtful debts (if any) represents the Company maximum exposure to credit risk.

33.3 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the Company in the current year and in future years.

The Group has no transaction in foreign currency as at December 31, 2020. The Group determines that there is no significant impact on profit before tax.

33.4 Interest rate risk

Interest rate risk arises from the potential change in interest rates having an adverse effect on the Company's operations in the current year and in future years.

Interest rate sensitivity analysis

The Group has financial liabilities both fix and floating interest rates. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding as at December 31, 2020 was outstanding for the whole year with all other variables held constant.

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Interest rate - increases by 1%	(4.78)	-
Interest rate - decreases by 1%	4.78	-

33.5 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

33.6 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

Financial instruments not measured at fair value

Cash and cash equivalents, trade and other current receivables, contract assets, restricted deposit at financial institution, investment in subsidiaries, long-term loan to employee, other long-term investment, short-term borrowings from financial institutions, trade and other current payables, current portion of long-term borrowings, short-term borrowings from related parties, short-term borrowings, lease liabilities and long-term borrowings from financial institution; the carrying value approximate their fair value.

34. CONTINGENT LIABILITY

On August 31, 2017, the Company has been sued by a local company to the Court on the basis of breach of the construction contract with respect to deodorization system, claiming of Baht 1.67 million which the Company already recorded as fixed asset and liability of Baht 1.35 million. Subsequently, on March 27, 2018, the Civil Court ruled in favor of the plaintiff and judged to the Company to pay damages for such loss included interest, amounting to Baht 1.67 million. As at March 31, 2018, the Company recorded an accrued interest payable of Baht 0.25 million in the consolidated and the separate financial statements. Subsequently, on December 28, 2018, the Appeal Court ruled in favor of the plaintiff and judged to the Company to pay damages for such loss included interest. However, the Company and the Company's legal counsel consider it appropriate for petition the Appeal Court.

During December 2019, the Company already filed an appeal with the Supreme Court. Subsequently, the Supreme Court dismissed such case. Therefore, the Company already paid of Baht 1.84 million in February 2020 which was included interest to such company.

35. EVENTS AFTER THE REPORTING PERIOD

35.1 On January 27, 2021, the Extraordinary General Meeting of Shareholders No.1/2021 resolved and approved the following.

35.1.1 Approval to propose the Shareholders' Meeting to consider approving the acquisition of shares in Winchai Co., Ltd. ("Winchai") in the amount of 2,598,750 shares or representing 26.25 percent of all shares in Winchai from Ms. Parleerat Panboonhom ("Khun Parleerat") or an entity which Khun Parleerat holds the entire shares, as the Company's connected person, at the price of THB 660,000,000 in cash (the "Share Acquisition Transaction"). However, the Share Acquisition Transaction will take place only after the conditions precedent as specified in the agreement to buy and sell shares between the Company (as buyer) and Ms. Parleerat Panboonhom (as seller) (the "Agreement to Buy and to Sell Shares") shall have been fulfilled. Such conditions precedent include, but are not limited to, the following:

(1) The Shareholders' Meeting of the Company shall have resolved to approve the execution of the Share Acquisition Transaction;

(2) As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the execution of the Share Acquisition Transaction;

(3) Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction. Initially, the Company anticipates that should the Shareholders' Meeting resolve to approve such transaction, and the conditions precedent as specified in the Agreement to Buy and Sell Shares have been fulfilled or waived, the Company shall conclude the acquisition of shares in Winchai by March 2021.

35.1.2 Approval the reduction of share capital from amount of Baht 73.05 million to Baht 60.00 million by deduct unissued 1,305,000 ordinary shares of Baht 10 each, remaining from the private placement of newly issued ordinary shares by resolution of Annual General Meeting of Shareholders for the year 2018 which held on July 26, 2018.

35.1.3 Approval the change of par value of share from 6,000,000 shares at par value of Baht 10 per share to 120,000,000 shares at par value of Baht 0.50 per share.

35.1.4 Approval the increase of authorized share capital by Baht 10.00 million, from Baht 60.00 million to Baht 70.00 million by issue ordinary shares 20,000,000 share at par value of Baht 0.50 per share, by right offering to existing shareholders with same ratio, at the offering price of 9.10 Baht per share (or equivalent to 182 Baht per share at the previous par value of 10 Baht). The Company has completed the registration process of share capital increment and change in par value with the Department of Business Development.

35.1.5 On January 28, 2021, the Company changed the Company's name from "Thailand Iron Works Public Company Limited" to "Nova Empire Public Company Limited" and changed the registered office of the Company is located at No. 88 Soi Bangna-Trad 30, Debaratana Road, Bangna Tai, Bangna, Bangkok 10260, Thailand. The Company has completed the registration with the Department of Business Development on January 28, 2021

35.2 The Solar Arcade Co., Ltd. registered to increase share capital from Baht 170 million (17,000,000 shares at Baht 10) to Baht 215 million (21,500,000 shares at Baht 10). The subsidiary registered to increase share capital with Department of Business Development on January 12, 2021.

36. RECLASSIFICATIONS

Certain reclassifications have been made in the consolidated and separate statement of financial position as at December 31, 2019 to conform to the classifications used in the consolidated and separate statement of financial position as at December 31, 2020 as follows:

Consolidated financial statements

	Before Reclassification Baht	Reclassification Baht	After Reclassification Baht
The statement of financial position			
As at December 31, 2019			
Trade and other current receivables	34,427,964	(1,581,104)	32,846,860
Contract assets	-	1,581,104	1,581,104

Separated financial statements

	Before Reclassification Baht	Reclassification Baht	After Reclassification Baht
The statement of financial position			
As at December 31, 2019			
Trade and other current receivables	53,948,300	(1,581,104)	52,367,196
Contract assets	-	1,581,104	1,581,104

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by an authorized director of the Company on February 25, 2021.



NOVA EMPIRE

Profile of the Directors



Miss Parleerat Panboonhom

Position : Chairperson of the Board of Directors
Effective Date of Office : 17 August 2020
Age : 40 years
Educational Qualification : Master of Maritime Administration, Chulalongkorn University
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	Nova X Company Limited
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Group Nine Company Limited
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Vega Company Limited
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Five Company Limited
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Ten Company Limited
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Zete Company Limited
2020-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Eight Company Limited
2019-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	United Offshore Aviation Company Limited
2018-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	Prodigy House Company Limited
2018-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Generation Company Limited
2017-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	Put On The Ritz Company Limited
2015-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Tech Company Limited
2015-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	The Prodigy Group Company Limited
2006-Present	Chairperson of Executive Committee / Director / Chief Executive Officer	Speed Production Company Limited
2006-2017	Director	Winchai Company Limited
2015-2016	Director	Solar Reform Company Limited
2015-2016	Director	Solar Reform 2 Company Limited
2013-2016	Director	Solar Valley Company Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Miss Prasit Kanchanasakdichai

Position : Director
Effective Date of Office : 6 November 2015
Age : 57 years
Educational Qualification : Doctor of Business Administration (Honor) Program in Finance, Boston University, USA
 Master of Business Administration Program in Marketing, National Institute of Development Administration
 Bachelor of Engineering Program in Mechanical Engineering, Kasetsart University
Director Course Training:
 Role of the Chairman Program (RCP), Batch No. 38, Year 2016, Thai Institute of Directors
 Assessing Company Performance Enhancing Good Corporate Governance, Asst. Prof. Mr. J.Thomas Connelly

Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
2021-Present	Chairperson of the Board of Directors/Managing Director	Thaicons Max Company Limited
2019-Present	Chairperson of the Board of Directors/Managing Director	TCB Solution Company Limited
2018-Present	Chairperson of the Board of Directors/Managing Director	Thai Barge Container Service Company Limited
2018-Present	Chairperson of the Board of Directors/Managing Director	TIW Industries Company Limited
2015-17August2020	Chairperson of the Board of Directors/Chief Executive Officer	Thailand Iron Works Public Company Limited
2012-Present	Chairperson of the Board of Directors/Managing Director	TCB Daikure Company Limited
2011-Present	Director	Daikure (Thailand) Company Limited
2010-2020	Independent Director	Capital Numura Securities Public Company Limited
2007-Present	Managing Director	TCB Home Center Company Limited
2004-Present	Chairperson of the Board of Directors/Managing Director	C.M. Manufacturing Company Limited
2004-Present	Chairperson of the Board of Directors/Managing Director	Thai Const & Building Manufacturing Public Company Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Mr. Kriengchai Trinapakorn

Position : Director
Effective Date of Office : 26 May 2017
Age : 57 years
Educational Qualification : Master of Business Administration Program, Ramkhamhaeng University
 Bachelor in Marketing, Ramkhamhaeng University
Director Course Training:
 Director Accreditation Program (DAP) Course, Year 2016
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
2015	Independent Director	Big C Company Limited
2015	Director	Thai Digital Entertainment Content Federation
2015	Consultant	Chul Agriculture Company Limited
2007-2010	Marketing Department Manager	GMMGRAMMY Public Company Limited
2005	Consultant	Solartron Public Company Limited
2002-2003	Consultant	Digital Onpa Public Company Limited
2001-2002	Deputy Managing Director	IEMarket.Com Company Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Mr. Kriangkrai Danchaivichit

Position : Director
Effective Date of Office : 13 February 2018
Age : 55 years
Educational Qualification : Master of Business Administration (MBA), Pittsburg State University, Kansas U.S.A.
 Bachelor of Engineering Program (Mechanical Engineering), Chiang Mai University
Director Course Training: Director Accreditation Program (DAP), Year 2018
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
2018-17August2020	Director/ExecutiveDirector	Nova Empire Public Company Limited
2018-Present	Director	SunPowerCorporation Company Limited
2008-Present	Director	Superior Residence Company Limited
2003-Present	Director	Krungsri Estate Company Limited
2003-Present	Director	Kuer-Tawee Company Limited
1996-Present	Director	Krungsri Residence Company Limited
1996-Present	Director	Krungsri Park Company Limited
2020-Presen	Director	Thai Chamber of Official
2020-Present	Expert	Government Official Committee of PhraNakhon SiAyutthaya Provincial Administration Organization

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Mr. Sudwin Panyawongkhanti

Position : Independent Director/Chairperson of the Audit Committee
Effective Date of Office : 18 August 2020
Age : 60 years
Educational Qualification : Master of Science in IT in Business Program, Chulalongkorn University
 Bachelor of Accountancy, Chulalongkorn University
Director Course Training:
 Advanced Audit Committee Program (AACP), Year 2020
 Director Certificate Program (DCP), Year 2013
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
July1996-June2020	Audit Partner	Pricewaterhousecoopers ABAS Limited
1984-Present	Member of the Federation of Accounting Professions	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
1986-Present	Certified Public Accountant	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
1999-June2020	Certified Public Accountant approved by the Office of the Securities and Exchange Commission (SEC)	Pricewaterhousecoopers ABAS Limited
2009-Present	Consultant of Cooperative Auditing Department	Cooperative Auditing Department, Ministry of Agriculture and Cooperatives
2020-Present	Independent Director / Audit Committee Member	Chin Huay Company Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Dr. Ratana Sithiprasasna

Position : Independent Director/Audit Committee Member/Member of the Nomination, Remuneration, and Corporate Governance Committee

Effective Date of Office : 17 August 2020

Age : 59 years

Educational Qualification : Doctor of Philosophy Program in Tropical Medicine, Mahidol University
Master of Science Program in Entomology, University of California Davis, USA
Bachelor of Science Program in Zoology, Chulalongkorn University

Director Course Training:
Director Accreditation Program (DAP), Year 2020

Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
1998-2006	Medical Research Specialis	US Army Medical Component, Armed Forces Research Institute of Medical Sciences
1986-1997	Medical Researcherr	US Army Medical Component, Armed Forces Research Institute of Medical Sciences

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Assoc Prof. Dr. Punchada Sirivunnabood

Position : Independent Director/Audit Committee Member/Chairperson of the Nomination, Remuneration, and Corporate Governance Committee

Effective Date of Office : 18 August 2020

Age : 43 years

Educational Qualification : Doctor of Political Science, Northern Illinois University
Master of Political Science, Ohio University
Bachelor of Political Science, Chulalongkorn University

Director Course Training: Director Accreditation Program (DAP), Year 2020

Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
2010-Present	Associate Professor	Mahidol University

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None



Miss Sukanya Tipmanee

Position : Director/Nomination, Remuneration, and Corporate Governance Committee Member
Effective Date of Office : 17 August 2020
Age : 33 years
Educational Qualification : Bachelor of Accountancy, Chulalongkorn University
Director Course Training: Director Accreditation Program (DAP), Year 2020
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
April 2017-Present	Director/Director of Finance Department	The Prodigy Group Company Limited
April 2017-Present	Director	The Prodigy Tech Company Limited
		The Prodigy Partner Company Limited
		Speed Production Company Limited
		Prodigy House Company Limited
		The Prodigy Generation Company Limited
		Nova X Company Limited
		United Offshore Aviation Company Limited
		The Prodigy Group Nine Company Limited
		The Prodigy Vega Company Limited
		The Prodigy Five Company Limited
		The Prodigy Ten Company Limited
		The Prodigy Zete Company Limited
		The Prodigy Eight Company Limited
2016-2017	Accounting and Finance Department Manager	Laguna Holiday Club Company Limited
2009-2016	Audit Department Manager	Pricewaterhousecoopers ABAS Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None

Profile of the Executives

Miss Parleerat Panboonhom

Position	:	Chief Executive Officer
Effective Date of Office	:	17 August 2020
Shareholding Proportion	:	73,839,360 shares (par value of share at 0.50 Baht per share) or 61.53%
Age	:	40 years
Educational Qualification	:	Master of Maritime Administration, Chulalongkorn University
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand	:	None

Holding of the position in other organizations:

Period of Time	Position	Name
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	Nova X Company Limited
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Group Nine Company Limited
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Vega Company Limited
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Five Company Limited
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Ten Company Limited
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Zete Company Limited
2020-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Eight Company Limited
2019-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	United Offshore Aviation Company Limited
2018-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	Prodigy House Company Limited
2018-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Generation Company Limited
2017-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	Put On The Ritz Company Limited
2015-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Tech Company Limited
2015-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	The Prodigy Group Company Limited
2006-Present	Chairperson of Executive Committee/Director/Chief Executive Officer	Speed Production Company Limited
2006-2017	Chairperson of Executive Committee/Director/Chief Executive Officer	Winchai Company Limited
2015-2016	Director	Solar Reform Company Limited
2015-2016	Director	Solar Reform 2 Company Limited
2013-2016	Director	Solar Valley Company Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None

Miss Sukanya Tipmanee

Position : Chief Administration Officer/Acting Chief Operating and Investment Officer
Effective Date of Office : 9 November 2020
Shareholding Proportion : None
Age : 33 years
Educational Qualification : Bachelor of Accountancy, Chulalongkorn University
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
April 2017-Present	Director/Director of Finance Department	The Prodigy Group Company Limited
April 2017-Present	Director	The Prodigy Tech Company Limited
		The Prodigy Partner Company Limited
		Speed Production Company Limited
		Prodigy House Company Limited
		The Prodigy Generation Company Limited
		Nova X Company Limited
		United Offshore Aviation Company Limited
		The Prodigy Group Nine Company Limited
		The Prodigy Vega Company Limited
		The Prodigy Five Company Limited
		The Prodigy Ten Company Limited
		The Prodigy Zete Company Limited
		The Prodigy Eight Company Limited
2016-2017	Accounting and Finance Department Manager	Laguna Holiday Club Company Limited
2009-2016	Audit Department Manager	Pricewaterhousecoopers ABAS Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None

Miss Pornpassorn Chaipinyo

Position	: Acting Chief Financial and Accounting Officer
Effective Date of Office	: 11 September 2020
Shareholding Proportion	: None
Age	: 31 years
Educational Qualification	: Bachelor of Business Administration Program in Accounting, Assumption University
Trainings	: e-learning CFO's Orientation Course
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand	: None

Holding of the position in other organizations:

Period of Time	Position	Name
2020-Present	Acting Chief Financial and Accounting Officer	The Solar Arcade Company Limited
		Sky Solar Roof Company Limited
		Sky Solar Power Company Limited
		NW Green Power Company Limited
2019-Present	Accounting and Finance Division Manage	The Prodigy Group Company Limite
		The Prodigy Tech Company Limited
		The Prodigy Generation Company Limited
		Prodigy Partner Company Limited
		The Prodigy Five Company Limited
		The Prodigy Eight Company Limited
		Prodigy Group Nine Company Limited
		The Prodigy Ten Company Limited
		The Prodigy Zete Company Limited
		The Prodigy Vega Company Limited
		Nova X Company Limited
		Put On The Ritz Company Limited
		The Phenomena Company Limited
Royal Ammunition Company Limited		
Speed Production Company Limited		
Prodigy House Company Limited		
United Offshore Aviation Company Limited		
2011-2019	Audit Department Manager	Pricewaterhousecoopers ABAS Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None

Mr. Thiti Siripairoj

Position : Chief Legal Officer
Effective Date of Office : 31 March 2021
Age : 43 years
Educational Qualification : Master of Law (Honor), National Institute of Development Administration
 Thai Barristor-at-Law, Institute of Legal Education, The Thai Bar
 Bachelor of Law, Thammasat University
Trainings : None
Shareholding Proportion : None
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Holding of the position in other organizations:

Period of Time	Position	Name
2005-2020	Director of Law	Pricewaterhousecoopers Legal & Tax Consultants Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None

Mr. Wongwiwat Hema

Position : Company Secretary/Head of Compliance
Effective Date of Office : 17 August 2020
Shareholding Proportion : None
Age : 41 years
Educational Qualification : Bachelor of Law, Chulalongkorn University
Trainings : Company Secretary Course by Thai Listed Companies Association (FPCS 23)
Holding of the director/executive position in the entities which are the listed companies in the Stock Exchange of Thailand : None

Period of Time	Position	Name
April 2019-Present	Legal Counsel	Sonprasert Law Office Company Limited
2018-2019	Vice President, the Company Secretary Office	Total Access Communication Public Company Limited
2017-2018	Assistant Vice President, the Company Secretary Office	Intouch Holdings Public Company Limited
2016-2017	Company Secretary and Compliance Manager in Charge of Vietnam Office	Berli Jucker Public Company Limited
2012-2016	Assistant Company Secretary in Corporate Governance and Shareholder Relations Section	PTT Exploration and Production Public Company Limited

Family relationship with other directors, executives, or major shareholders of the Company or its subsidiaries : None

Details of the Subsidiaries' Directors and Executives

Details of the Subsidiaries' Directors and Executives

Holding of the position in other organizations:

Company Name	Director/Executive	Authorized Signing in Binding the Company
TIW Industries Company Limited	1. Dr. Prasit Kanchanasakdichai 2. Mr. Kriengchai Trinapakorn	ffixes the signature and the Company's seal
The Solar Arcade Company Limited	Mr. Patthiya Rattanasuwan	One director affixes the signature
Sky Solar Roof Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
Sky Solar Power Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
NW Green Power Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
NW Energy Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
NW Solar Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
Sunny Solar Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
Sun Link Power Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal
Solar Town Company Limited	Mr. Kitthanes Thienvutthivongse	One director affixes the signature and the Company's seal

Profile of Head Internal Audit

(1) Details relating to the name of the person entrusted by the Company to operate as the Chief of the internal auditor

The Company has hired I.A.P. Internal Audit Company Limited to perform the duty as the Chief of Internal Audit.

(2) Educational qualifications, related diplomas or certificates of the Chief of internal audit and the Chief of Internal Audit and the Chief of Compliance

Chief of Internal Audit

I.A.P. Internal Audit Company Limited

Mr. Wattana Channakin	Master's Degree, Kasetsart University CPA Thailand, IACP
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Mr. Thansarn Wasin	Bachelor of Accounting, Dhurakij Pundit University IACP
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(3) Work Experiences and Related Trainings

Chief of Internal Audit

He was employed for working in other companies which are listed in the Stock Exchange of Thailand as follows.

1. Millcon Steel Public Company Limited
2. Jack Chia Industries (Thailand) Public Company Limited
3. Abico Holdings Public Company Limited

(4) Duties and responsibilities of the Chief of Compliance

The practices and supervising the Company's practices in all respects are strictly taken place in conformity with the rules, regulations, requirements, practical guidelines prescribed by the regulatory agency of the listed companies and in accordance with other laws relating to the Company's business on constant basis.

Assets Used in Business Operation

1. The Company's assets used in business operation can be classified into two main types as follows.

Details of assets	Net value in consolidated financial statements as at 31 December 2020 (million Baht)	Net value in consolidated financial statements as at 31 December 2019 (million Baht)
Property, plant and equipment	307.15	174.01
Royalty	166.91	-
Total	474.06	174.01

1.1) Assets in type of property, plant, and equipment

Details of fixed assets of the Company and its subsidiaries are as follows.

Details of assets	Net value in consolidated financial statements as at 31 December 2020 (million Baht)	Net value in consolidated financial statements as at 31 December 2019 (million Baht)
Property	-	65.20
Plant	-	19.39
Machine and equipment	306.63	80.68
Furniture and fixture, and office equipment	0.37	0.68
Vehicle	-	-
Work in construction	0.15	8.06
Total	307.15	174.01

As at 31 December 2020, the Group's property, plant and equipment were estimated for total approximate value of 307.15 million Baht. Most of them are machines and equipment in generation of solar power

Estimated useful life of the following assets

- Plant 30 years
- Machine and equipment 5 - 25 years
- Furniture and office equipment 5 years
- Vehicle 5 years

1.2) Assets in type of royalty

As at 31 December 2020, the Group's assets in type of royalty are estimated for total approximate value of 166.91 million Baht. Most of them comprises roof royalty in solar power generation and distribution, and property, plant, and equipment royalty in manufacture and distribution of galvanized steel as per the following details.

Details of assets	Net value in consolidated financial statements as at 31 December 2020 (million Baht)	Net value in consolidated financial statements as at 31 December 2019 (million Baht)
Property and plant	154.70	-
Machine and equipment	10.22	-
Vehicle	1.99	-
Total	166.91	-

Depreciation of royalty assets is calculated using Straight-Line Method throughout the lease agreement as follows.

- Property and plant royalty asset 20 - 30 years
- Machine and equipment royalty asset 10 years
- Vehicle royalty asset 5 years

Investment and Governance in Subsidiaries and Associates Policy

The Company's investment and management in subsidiaries and associates policy is to invest in the business which brings about benefit and supports the Company's business operation to strengthen the Company's security and performance in governance and management of the subsidiaries and associates' businesses. The Company has appointed the directors whose experiences are appropriate for the said business to be the operating representative.

Corporate Governance Policy
Nova Empire Public Company Limited

Corporate Governance Policy

Nova Empire Public Company Limited

Commitment of board of directors

Nova Empire Public Company Limited (“Company”) aims to be a leading and successful business organization to create long-term values to shareholders and stakeholders. To achieve such objectives, the Company studies and applies the good corporate governance principles, universal principle, and code of practice or guideline of business operation of the companies that are sustainably successful and recognizes righteousness according to applicable laws in every area where the business is operated.

The board of directors has gathered the principles of the Company’s corporate governance in this “corporate governance policy” which include structure and authority of the board of directors, respect for rights of shareholders and equality of shareholders, roles of the Company to stakeholders of the organization, the principles of information disclosure and transparency, and risk management and internal control. It is consistent with the principles of good corporate governance of listed companies according to a guideline of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The board of directors as a representative of shareholders is committed to perform duties in supervising and monitoring the Company and entities within the group (“Group”) to operate businesses under the Company’s corporate governance principle. The executives and employees will implement it in support of the decision and definition of policy or other code of practices for sustainable growth of the Company.

Board of directors

Roles and duties of the board of directors and the management

1.1.1 The board of directors has duty to supervise operations of the Company and consortium according to laws, objectives and the articles of associations as well as the resolution of the shareholder’s meeting. Each director shall, under discretion make a decision related to business carefully and truthful with no interest by recognizing validity and highest benefits of the Company.

1.1.2 The management has duty to determine a strategic plan for practice in accordance with the Company’s vision and mission and manage daily works and businesses of the Company.

1.1.3 The board of directors authorizes the sub-committee, the chief executive officer and the management as specified in the charter of each sub-committee and the policy regarding approval authority of the Company in following matters. The board of directors reserves approval authority for important matters provided that these cases require consideration and approval from the board of directors.

- 1) Strategy, business plan and key performance indicator
- 2) Expenses and costs beyond specified amount in subject matters
- 3) Investment in a new business and investment sale
- 4) Organization structure and appointment of top executives
- 5) Succession plan of top executives
- 6) Top executive’s remuneration
- 7) Appointment of directors, top executives and financial highest-ranked executive
- 8) Important agreements and significant businesses

9) Crucial litigation and prosecution

10) Essential policies

11) Obligation about terms of loan and credit from a bank or a financial institution at significant level.

12) Dividend payment, interim dividend payment, and proposal for dividend payment approval to annual general meeting

Duties and responsibilities of the board of directors

The board of directors as a representative gaining trust from shareholders has duties to define a right organization's culture provided that every director shall behave as a good role model and supervise operations to ensure that the organization's culture is propagated and implemented entirely at all levels.

The board of directors has following duties and responsibilities

(1) Supervise operations of the Company and consortium in accordance with laws, objectives, articles of association and resolution of the shareholder's meeting

(2) Lead and define strategic objectives of the Company with aims to enhance sustainable value creation and operate the business with responsibility for stakeholders

(3) Review and approve the vision, mission, organizational culture, value and code of ethics of the Company

(4) Review and approve a strategy, business plan, budget and key performance indicator and monitor the management to implement the strategy as well as follow up results and give related suggestion.

(5) Consider approving key transactions and operations in some cases, authorize others to make decision as per the laws related to the Company's objectives, articles of association, resolution of the shareholder's meeting, and corporate governance of the Company such as new investment project, property sale and purchase, important investment budget and other particulars as specified by law.

(6) Consider approving and /or agreeing to transactions of the Company and consortium to be in accordance with notices, requirements and code of practice of the supervisory sector.

(7) Consider approving the appointment, performance assessment, remuneration and discharge of top executives

(8) Consider approving the policy and remuneration of Company's employees

(9) Supervise the disclosure process for subject matters of the Company to be adequate and timely

(10) Take care of the Company to have a risk management system and framework and efficient internal control as well as set the acceptable risks of the Company.

(11) Supervise the Company to have a correct and reliable accounting and reporting system with audit from external auditors.

(12) Provide the sufficient and suitable internal control to monitor the internal control of the Company and report failures or weakness in any important control and suggest a solution.

(13) Monitor the internal control about financial reporting adequately to meet the objectives, laws and the corporate governance policy of the Company.

(14) Prevent a conflict of interest and deal with any transaction that may cause conflict of interest of the management, board of directors, and shareholders as well as related persons on arm's length basis under normal trade conditions with no effect on benefits of the Company and minor shareholders.

(15) Review the corporate governance policy of the Company and evaluate efficiency and practice of such policy on a yearly basis.

(16) Supervise the implementation of the Company's corporate governance policy, accepted by the subsidiaries, and associates.

(17) Review the balance sheet and profit and loss statement draft provide by the management to ensure that the annual balance sheet and profit and loss statement are correct and complete and reflect financial status of the Company and operating result for benefits of shareholders and investors.

Chairperson of the board and Chief Executive Officer

Chairperson of the board performs duty as a chairperson of the board meeting and shareholder's meeting

Chairperson of the board and Chief Executive Officer shall be knowledgeable, skilled, experienced and qualified and must not be the same person to balance authority by separating governance from management unless it is necessary for the Chairperson of the board and Chief Executive Officer to be the same person. In this case, the Company must provide a measure to ensure suitable balancing; for example, Chairperson of the board has no right to finalize the vote in the board meeting (casting vote) etc.

Chief Executive Officer, in whatever position, has role to be a leader and leads the Company's management with duty and responsibility for the board of directors in managing the Company according to a guideline, strategy, and budget approved by the board of directors to achieve goals.

Elements and varieties of the board of directors

The board of directors shall consist of persons, skilled and experienced in different fields necessary for the Company's business operation, and the number of directors is enough for governing the Company including 5-12 directors provided that at least a person is experienced about main business of the Company and at least a person specializes in accounting and finance.

The board of directors believes that variety of directors will render the board to have broader perspective in support of decision process and to perform duties efficiently. So, the elements of the board of directors must be various in terms of knowledge and expertise in each field with at least a female director. However, the director nomination is still focused on work experience and qualification of each director as follows.

The board of directors comprise independent directors and non-executive directors with the independent directors for at least one-third of the whole board, or at least 3 persons.

Sub-committee

The board of directors appoints 2 sub-committees to ease burdens and screen works of the board of directors as follows

- (1) Audit committee
- (2) Nomination remuneration and corporate governance committee

Each subcommittee has a charter identifying components, authority, duty and responsibility approved by the board of directors.

Independent director

Independent directors shall be fully qualified as specified and can maintain benefits of every shareholder equally and prevent conflict of interest as well as freely give opinions. The qualifications are as follows

(1) Not to hold shares more than 0.5% of all shares with voting right of the Company, holding Company, subsidiaries, associates, major shareholders, or a regulator of the Company. Nevertheless, it is counted with shareholding of related persons of that independent director.

(2) Not to be or used to be a director participating in work administration, or employee, staff, advisor with salary, or a person controlling the Company, holding Company, subsidiaries, associates, same-level subsidiary, major shareholders, or a regulator of the Company unless he/she is released from such position for at least 2 years before the independent director appointment date. Nevertheless, such restriction excludes the case of an independent director that used to be a bureaucrat or advisor of the government authorities that are a major shareholder or a regulator of the Company.

(3) Not to have biological or legal relationship as a parent, spouse, sibling and child, as well as spouse of a child, executive, major shareholder, regulator, or a person proposed to be an executive or regulator of the Company or subsidiary.

(4) Not to have or used to have business relationship with Company, holding Company, subsidiary, associate, major shareholder or a regulator of the Company that interferes free discretion use and not to be or used to be an implicit shareholder or regulator having business relationship with the Company, holding Company, subsidiary, associate, major shareholder or regulator of the Company unless he/she is released from such position for at least 2 years before the date of independent director appointment.

The business relationship in previous paragraph includes any normal trade transactions to operate real estate rental or leasing business, transactions about assets or services or granting or receiving subsidy by receiving or loaning, guaranteeing, giving assets as debt guarantee and other similar manners that cause the Company or a signatory to have debt payable for at least 3 % of net tangible assets of the Company or at least 20 million Baht whichever has lower value. Nevertheless, such debt calculation shall be in accordance with the transaction value calculation method according to the notice of the Capital Market Supervisory Board on the transactions.

To consider such debts, it counts debt during 1 year before the date of having business relationship with the same person.

(5) Not to be or used to be an auditor of the Company, holding Company, subsidiary, associate, major shareholder, or regulator of the Company, and not to be an implicit shareholder or partner of an audit office with an auditor of the Company, holding Company, subsidiary, associate, major shareholder, or regulator of the Company unless he/she is released from such position for at least 2 years before the date of independent director appointment.

(6) Not to be or used to be a professional provider including services as a legal advisor or financial advisor with service charge more than 2 million Baht from the Company, holding Company, subsidiary, associate, major shareholder, or regulator of the Company and not to be an implicit shareholder or regulator or partner of that professional provider unless he/she is released from such position for at least 2 years before the date of independent director appointment.

(7) Not to be a director appointed as a representative of a director of the Company, major shareholder or shareholder that is related to the major shareholder.

(8) Not to do the same business that implicitly competes with the business of the Company or subsidiary or not to be an implicit partner in partnership or a director joining administration, employee, staff, or an advisor with regular payment, or hold shares more than 1 percent of all shares with voting right of other companies doing the same business that implicitly competes with the Company's or subsidiary's business.

(9) Not to have any other characters that render him/her not to freely give opinions about the Company's operation.

After appointment, the dependent directors may be assigned by the board of directors to make a decision about business operations of the Company, holding Company, subsidiary, associate, major shareholder, or regulator of the Company with optional collective decision.

The Company may appoint a person who has or had business relationship or professional services with value more than above specified to be an independent director, if the board of directors cautiously considers and agrees that such person appointment has no impacts on duty performance and free opinion giving and disclosure of following data in an invitation to shareholder's meeting in the agenda of independent director appointment.

(1) Business relationship or professional services that render such person not to have qualification as specified.

(2) Reason and necessity of maintaining or appointing such person to be an independent director.

(3) Opinions of the board of directors to propose appointment of such person as an independent director.

The board of directors may determine a policy that an independent director will not be independent when working for 9 years or 3 consecutive rotations. Nevertheless, the board of directors will consider extending the term for 1 year at a time.

Qualification of directors

Every director must have following minimum qualifications

- 1) Have knowledge, ability, integrity and honesty
- 2) Have enough time to dedicate knowledge and competency and perform duties for the Company.
- 3) Be fully qualified without restrictions according to public Company limited laws and other applicable laws.

Director nomination and appointment

The nomination remuneration and corporate governance committee shall be responsible for director nomination by selecting a qualified person and proposing him/her to the board of directors to consider appointment or ask approval in the shareholder's meeting as per the articles of association.

The nomination remuneration and corporate governance committee will provide a "skill matrix" to consider suitability together with variety in various aspects such as independence, age, race, gender, to ensure that overall components of the board of directors are consistent with the business operation and strategies at present and in the future. Nevertheless, to consider appointment of an existing director to be in service for another rotation. The nomination remuneration and corporate governance committee will consider factors and performance, record of attendance and participation in the meetings and support of activities of the board of directors.

To recruit a person to be director, the nomination remuneration and corporate governance committee will consider recruiting personnel from different sources including a person introduced by a Company's director or a person nominated by shareholders as per the criteria specified by the Company, director database of Thai Institute of Directors or suggestion of the external consulting Company.

Service rotation

A director has service rotation as specified in the articles of association. A director that retires by rotation may be reelected to take a new position.

Age limitation of directors

The board of directors has no policy to set the maximum age or age of retirement of directors, but will consider knowledge, ability and useful advice with the Company, and enough time for duty performance as a director.

Orientation and continuing knowledge development of directors

The Company secretary has duty to coordinate with executives regarding the orientation for new directors to realize important and necessary information before duty performance.

The Company supports directors to develop their knowledge continuously in different forms such as domestic and international trainings, field trip in a foreign country, visit of businesses of the consortium that may be beneficial to duty performance. Nevertheless, the board of directors will consider performance assessment of the board of directors or as requested by the directors properly.

Board meeting

The board of directors will organize a board meeting for at least 6 times a year to perform duty efficiently by determining all-year-long objectives in advance, and there may be special meeting and they see necessary.

Quorum and meeting

In a meeting, at least two-third directors shall attend the meeting to have quorum unless it is necessary and important that the committee chairman may determine quorum, of the board meeting that at least half of all directors attend the meeting.

Chairperson of the board presides over the meeting and has duty to take care of and allocate

time in each agenda sufficiently for inquiry with the management and opinion giving on important issues by recognizing benefits of the shareholders and related persons fairly.

In case the chairperson of the board is a chief executive officer, the audit committee chairman will make a final vote in case of tie vote for any agenda in the meeting.

Meeting agenda

Chairperson of the board, by discussion with top executives and the company secretary, will be in charge of approval for meeting agenda. Other directors can propose a meeting agenda or other related topics to be considered. The company secretary has duty to deliver an invitation to meeting and meeting regulations and supporting documents to the directors in advance for at least 7 days for the directors to study before the meeting date.

Non-executive directors' meeting

The board of directors may define that non-executive directors arrange a meeting for at least once a year with no executive directors or the management to attend that meeting so that they can discuss problems related to the Company's business, interest and the meeting report will be presented to the board of directors.

Access to the management and independent advisor

The directors have right to request and receive additional necessary information and access and contact and communicate with the management and Company's secretary as they see fit. However, it is not to interfere with normal business operation of the Company.

Director's position in other companies

Each director should not take a position as a director in more than 3 listed companies unless having approval from the board of directors. Nevertheless, the board of directors has no policy to the management to be a director in other listed companies outside the consortium unless having approval from the board of directors.

Performance assessment of the board of directors

The board of directors determines self-assessment for the whole board of directors, the sub-committees, and individual director on a yearly basis, and the assessment result will be used to enhance work effectiveness of the board of directors, to develop the Company's directors.

Succession plan

The board of directors provides a succession plan for top executives of the Company to ensure that any important positions will be succeeded in a timely manner when that position becomes vacant, and potentials of the top executives are expanded to be equivalent or similar that their function can be substituted.

Director's and executive's remuneration

The board of directors determines and approves the framework and policy about director's remuneration to be proposed to shareholder's meeting for approval. The remuneration shall be subject to duty and responsibility with combination of short-term and long-term incentives at competitive level with other companies in the same industry or having similar size. It must be enough to motivate and retain quality directors with the Company.

Nevertheless, the executive's remuneration will be considered from overall operation of the Company and it must not be abnormally high compared with average return in companies in the same industry by recognizing following principles.

- * To ensure that benefits of the executives and shareholders are consistent.
- * It is enough to attract, retain and motivate potential personnel of the Company by considering economic condition and the Company's overall operation.

Company secretary

Company secretary is a secretary of the board of directors and has direct responsibility to the board of directors through the chairperson of the board for every matter related to corporate governance and duty performance of the board of directors. Every director can access the company secretary. The board of directors, under proposal of the top executives, have duty and authority to appoint and discharge the company secretary.

Contact to the board of directors

The shareholders and other stakeholders can contact and communicate with the board of directors or audit committee to make an inquiry or complaint through following channels.

(1) Send a post to the company secretary

Nova Empire Public Company Limited

No. 88 Soi Bangna-Trad 30, Theprattana Road, Bangna Tai Sub-district, Bangna District, Bangkok 10260

(2) Send an email to comsec@novaempire.co.th

(3) Send an email to auditcom@novaempire.co.th to contact the audit committee

(4) Send an email to chairperson@novaempire.co.th to contact the committee chairman

Right and equality of shareholders

The Company realizes and emphasizes rights and duties in maintaining benefits of every shareholder equally whether they are minor or foreign shareholders, institutional investors or major shareholders. Every shareholder has rights and equality as follows

(1) Right to receive share certificate, transfer share and acknowledge data, overall operation and management policy regularly and timely.

(2) Right to receive profit share equally

(3) Right to attend a shareholder's meeting, give an opinion or suggestion, and engage in making a decision on important changes such as revision of the articles of association, appointment of the board of directors, appointment of the auditor, share issuance for capital increase.

Furthermore, every shareholder has equal right as specified by applicable laws and the Company's articles of association.

Nevertheless, the Company has mission to promote and facilitate right exercise of the shareholders as follows

(1) Arrange a shareholder's meeting legally and according to a guideline of shareholder's meeting specified by the supervisory sector.

(2) Arrange a shareholder meeting at a place that shareholders can travel to attend conveniently.

(3) Promote every shareholder and institutional shareholders to attend the shareholder's meeting

(4) Disclose meeting agenda and supporting documents on the Company's website for shareholders to access and study in advance for at least 30 days before the meeting.

(5) In every shareholder's meeting, at least an independent director is appointed as an authorized person for a shareholder not attending the meeting and informing in the invitation to meeting.

(6) Related directors and top executives will attend the meeting to answer questions in the shareholder's meeting, and the Company's auditor is invited to the annual general meeting to clear problems about the Company's financial statement.

(7) Allow the shareholders to propose a topic to be considered as a meeting agenda, and a person is nominated to be elected as the Company's director in the annual general meeting according to the principles specified by the Company.

(8) Every shareholder has right and equality to know information, give opinion and raise a question to the meeting according to the meeting agenda and proposed topics provided that the meeting president allocates time and promote opinion giving and inquiry in the meeting.

(9) Shareholders have right to make a separate vote for each proposed agenda. The board of directors shall not combine irrelevant matters to be approved as the same resolution. A director is elected individually.

(10) Make the minutes of shareholder's meeting within 14 days with enough details and questions and answers in the meeting, before publicized on the Company's website for shareholders attending the meeting to verify and give opinion on the minutes and it can be used as reference for absent shareholders.

The directors and executives shall submit a report of their interest and related persons according to the principles and methods of interest reporting specified by the board of directors to prevent conflict of interest. In case you have interest on any transaction of the Company, you are not allowed to engage in considering and approving that case.

The directors, executive and employees shall not use information the consortium as subject matters, not publicly disclosed, for personal or other's benefits. Offenders will be taken legal proceedings

The directors, executive and employees who desire to trade securities of the Company shall comply with the securities trading policy of the Company.

Roles of stakeholders

The Company emphasizes rights of every stakeholder including internal stakeholders i.e. shareholders and employees of the Company or external stakeholders i.e. competitors, trade partners, customers, creditors etc. The Company realizes that support and opinions from every stakeholder group is beneficial to business operation and development of the Company. Therefore, the Company will comply with applicable laws and regulations so that rights of such stakeholders are well maintained. Additionally, the Company's business operation is based on recognition of rights of every stakeholder as follows

Shareholder : The Company will operate the business transparently and effectively by focusing

on creating good overall operation and stable growth for highest benefits to the shareholders in the long run, and disclosing transparent and reliable data to the shareholders with complete and true presentation of the turnover, financial status, accounting and other reports.

Employee: The Company will treat every employee equally and fairly with suitable return to the employees. Furthermore, the Company gives precedence to skill, knowledge and potential development of employees on a regular basis such as training, seminar, and workshop. Every employee is given this opportunity thoroughly. In addition, the skilled and highly able employees are motivated to retain with the Company for further organizational development. An anti-corruption guideline is provided, and every employee is implanted to comply with laws and related regulations such as strictly not using internal data etc.

Trade partner: The Company has a process of selecting a trade partner by asking the trade partners to compete based on equivalent information, and it is selected fairly according to the Company's trade partner evaluation and selection. Moreover, the Company provides a suitable and fair agreement for every party and a tracking system in every procedure of the recruitment process. The Company purchases products from the trade partner subject to the trade conditions, strictly complies with the trade agreement, and does not claim any dishonest benefits from the trade partner.

Customer: The Company is responsible for customers by maintaining quality and standard of products and services and responding customer' need completely and almost comprehensively to bring satisfaction to the customers in the long run. Additionally, the Company realizes hygiene and safety of the customers as well as giving correct and complete information to customers. It provides channels for the Company's customers to report a problem about unsuitable products or service for the Company to prevent and solve problems about the products and services rapidly.

Creditor: The Company will comply with contractual terms and conditions with creditors including repayment of principal, interest and guarantee maintenance under related agreements.

Competitor: The Company ethically follows the good competition framework subjected to legal provisions and supports and promotes a free and fair competition policy.

Society and public: The Company cares about and emphasizes social and environmental safety as well as quality of life and public of people related to the Company's operations, and promotes the Company's employees to be environmentally and socially conscientious and responsible. The Company renders them to comply with laws and regulations strictly and participates in any activities to construct and maintain environment and society.

Nevertheless, the Company is committed to develop a participation mechanism of stakeholders which is a factor contributing to the Company's business operation to sustainably grow. The Company will disclose important information about these stakeholders sufficiently, reliably and timely.

Information disclosure and transparency

The board of directors has duty to disclose information including financial and non-financial information completely, sufficiently, reliably and timely to shareholders and stakeholders of the Company to acknowledge such information equally.

The Company assigns a person to supervise investor relation works and to be a representative of the Company to communicate and publicize information and data beneficial to the shareholders, investors, securities analysts and related persons to acknowledge data of the Company. Additionally, the Company emphasizes regular data disclosure in Thai and English for the shareholders to keep updated about news and information on the Company's website. Information on the Company's website will be always updated.

The Company focuses on the Company's financial statements and information that is publicly disclosed provided that the audit committee will verify quality of the financial statements and internal control system as well as disclosure of adequate data in the notes to the financial statements and report to the board of directors. A report regarding responsibility of the board of directors for the financial reporting together with the auditor's report shall be provided with management discussion and analysis in support of the disclosure of the financial statement.

The Company gives precedence to keeping customer's information seriously and always confidential by not using such information for personal or others' benefit unless it is information to be publicized according to applicable laws. In case of a third party engaging in specific work related to non-disclosed information, and undergoing negotiation, it is regarded as storage of internal data which may affect movement of securities price of the Company and that third party. In this case, a confidential agreement with the Company shall be entered into until such information and data are publicized.

Risk management and internal control

Risk management

The Company provides a risk management framework and policy to be used to identify and manage risks to avoid and minimize potential loss with the Company and utilize it for value addition to the Company.

The board of directors assigns the audit committee to monitor and verify risk management and report to the board meeting regularly. The top executives of the organization are obliged to support and implement the policy and report the results to the audit committee occasionally.

Nevertheless, the management appointed by the Company's top executives with members from different sectors has duties and responsibilities to design and implement the risk management framework and manage the Company's risks to be acceptable as specified in the risk management policy. However, the Company identifies, assesses and manages risks in every process from a strategy development and selection, strategy implementation, investment decision and daily work management.

Internal control

The Company applies the universal internal control standard and code of practice issued by the Office of the Securities and Exchange Commission with the Company's internal control system, the management has duty and responsibility to design and implement the good internal control system to ensure that the Company complies with applicable laws and regulations and has an effective and efficient work process.

The board of directors assigns the audit committee to verify efficiency of the internal control system for at least once a year and present to the board of directors to consider approving before

reporting to the shareholders.

Internal audit

The Company assigns a person to take care of internal audit work, who is independent in reporting to the audit committee. The audit activities will be in accordance with the strategies, business plans and risk management in any matters.

This policy shall be effective from 09 November 2020 onwards.



(Parleerat Panboonhom)
Chairperson of the board
Nova Empire Public Company Limited

Code of Ethics

Nova Empire Public Company Limited

Code of Ethics

Nova Empire Public Company Limited

Introduction

Code of Ethics are important principles and code of practices for executives, employees to cling to and promote persons related to the Company to comply in the same way with directors as a good example. When everyone in the organization act in a unidirectional manner, it will reflect corporate governance of the Company as a guideline for making the organization to sustainably grow.

Persons to follow the Code of Ethics

Directors, executives and all employees are obliged to comply with this business ethic instruction and do a self-review if they act in consistence with the Code of Ethics. They also have duty to report an incident of violation or noncompliance with the Code of Ethics via specified channels.

Complaint channels

When detecting an act of violation or noncompliance with the Code of Ethics, please proceed with the following

1. When suspecting without clear evidence, consult a reliable supervisor at all levels, but should not refer to or identify any person for your safety and to protect human right of accused person without adequate evidence.
2. If believing that you have reliable and sufficient evidence that a violation or noncompliance with the Code of Ethics occurs, submit the evidence and report to the chief at highest rank of the human resource department, and identity nondisclosure can be opted.
3. In case of a related person being a top executive, report the audit committee via email of the committee Auditcom@novaempire.co.th.

Nevertheless, the Company does not support investigation by yourself for safety of the complaint or informant and to maintain personal rights of related persons.

Code of Ethics

1. Environment, health and safety

Principle

The Company operates businesses by emphasizing environment, health and safety and provides a standard management system. the directors, executives and employees as well as business-related persons shall comply with laws, standard policies and requirements regarding environment, health and safety in every area where the Company operates the business. They also should promote effective resource use including work system or information development which resources can be decreased.

Example of practice

- 1) Avoid taking any acts that may cause dangers to environment, health, and safety. If it is inevitable, such act shall not be illegal or against local custom and tradition.
- 2) Use resources in any activities of the Company worthwhile and economically
- 3) Promote the development of environmental-friendly work process or technology
- 4) Understand an emergency plan and cooperate in any emergency drill provided by the Company.
- 5) When finding unsafe work condition, cease any operation and correct it to be safe for working

before reporting related persons immediately.

2. Compliance with law, obligation, agreement, and respect for different custom, tradition and culture

Principle

Comply with laws, regulations and respect custom, tradition and culture of every area where the business is operated, and adhere to obligations and agreements.

Examples of practice

- 1) Study, understand and comply with laws about the Company's business operation and important custom and tradition especially in area where you work.
- 2) Study, understand and comply with regulations, rules, requirements and procedures related to your jobs according to your duty and responsibility
- 3) When finding that any internal rules, requirements or procedures are illegal or contrary to local custom and tradition, consult related sectors before operation.
- 4) When detecting any violation or noncompliance with the laws, internal rules, requirements, or procedures, report a supervisor or via complaint channels as per "the regulations of complaint and protection"
- 5) Respect difference of local culture, custom and tradition without taking any acts contrary to that culture, custom and tradition.

3. Human right and human resource

Principle

The Company respects human right of every person by treating everyone equally without discrimination, supporting human right and avoiding acts violating the human right.

The Company focuses on human resource which is a main factor to bring about sustainable growth of the Company. The Company thus provides a standard of welfare and remuneration management in different forms to attract decent and smart persons to work for the Company. It has a plan for continuous potential development and treats employees according to labor laws and other regulations related to the labors fairly.

Examples of practice

- 1) Treat other with respect
- 2) Treat each other equally without discrimination related to physical and mental condition, race, nationality, religion, sex, language, age, complexion, education, social status or other matters.
- 3) Perform duty carefully to prevent risk of violating human right in business operation and from those related to the business operation
- 4) Supervise and monitor respect for rights, human right and report a supervisor to prevent acts that violate the human right
- 5) Treat each other equally in every process of employment including recruitment, remuneration, working hours, assignment, performance assessment. Training and development, career path without discrimination
- 6) Do not used forced labors from human trafficking or child labors illegally as well as punish employees that may physically or mentally abuse them such as threatening, unlawful detention, intimidation, harassment or using violence in any form.

4. Conflict of interest

Principle

Every decision must be emphasized on highest benefits of the Company by recognizing impacts on stakeholders. Decision for personal or others' interest unlawfully or immorally is prohibited. However, the Company realizes that the conflict of interest is possible, but when knowing such case, you should not be involved with, make a decision on or make personal benefits without considering the Company's interest. In case of conflict of interest, you should report the supervisor or responsible sectors as soon as possible.

Examples of practice

- 1) Do not operate a business that competes or be a partner, shareholder having decision power, director or executive in a business that competes with, or has the same business as the Company or in a juristic person that the Company owns. If it is inevitable, report the supervisor immediately.
- 2) Do not engage in any transaction with a party related to you such as family, close relatives or persons that you own or are a partner despite benefits to the Company.
- 3) Do not seek benefits information or what you or others know from a position and responsibility.
- 4) Avoid doing other jobs for personal benefits than jobs under your duty and responsibility.
- 5) The employees should not spend working hours to search information, contact a person or trade any securities or assets regularly for personal or others' benefit, and it is not for the Company's interest.
- 6) In case of conflict of interest with the Company, report the supervisor immediately.

5. Data and property management

Principle

Using and storing data and property shall meet good management standard based on related laws and overall impacts on stakeholders. It is aimed to ensure that any data and property are utilized for highest benefits of the Company and are exploited that may prejudice the Company.

Company's property includes moveable properties such as office supplies, tools, machine, computer system for control and processing, software etc. and real estate such a lands, premises, which include technology and other intellectual properties of the Company.

Examples of practice

- 1) Record and report information correctly and straightforwardly
- 2) Documents or data must be stored and destroyed with a suitable method by each type of the document or data.
- 3) Use documentary evidence in support of correct, true and complete accounting and financial reports.
- 4) Keep data or documents in support of any approval especially related to the accounting and financial transactions safe, systematic, and traceable. When the term of data or document storage is due, their disposal must be right and suitable by each type of document or data.
- 5) Any persons to keep data in possession or custody of the Company shall protect personal information of employees and persons related to business operation. Therefore, disclosure or transmission of personal information of the employees and related persons will be performed by normal duty performance without violating legal rights.

6. Confidentiality and transparency of information disclosure

Principle

Information of all kinds created or obtained during duty performance is confidential information and shall not be disclosed to irrelevant persons unless such information is legally publicized.

The Company emphasizes correct, complete, timely and true disclosure to assure stakeholders of the Company.

Examples of practice

- 1) Not to use information of the Company for personal or others' benefits illegally
- 2) Supervise the responsible sectors not to disclose exaggerated or unnecessary information especially for data that may cause misunderstanding or affect abnormal securities trading. In case of information about co-investors or other partners, approval from co-investors or partners or as identified in the exiting agreement is required.
- 3) Keep data confidential such as official secrets, inventions, software, technology, academic knowledge etc. not to be released to irrelevant persons unless having approval from authorized persons or compliance with laws.
- 4) When detecting an abnormality or defect or invalidity of any information including accounting and financial particulars, it is necessary to report the commander or the finance and accounting department immediately.

7. Anti-corruption

Principle

The Company resists all kinds of corruption by adhering to laws related to anti-corruption in every area where the business is operated and not engaging in any fraud directly or indirectly. The directors, executive and every employee shall comply with verification of adequacy and suitability of the anti-fraud measures regularly for at least once a year. The fraud must be inspected by the audit department. Nevertheless, the directors, executives or supervisors at all level are obliged to monitor subordinates not to violate or fail to comply with ethics in this regard as well as to communicate and educate related persons.

Examples of practice

- 1) Not to do any fraud of all kinds with all methods or get involved with corruption directly or indirectly and for recruitment, their profile must be thoroughly examined to prevent fraud.
- 2) Operate works correctly, transparently, honestly, traceably when contacting, coordinating, asking approval, requesting permission, doing legal acts or transactions with government officials or public or private sectors.
- 3) To do any transaction or legal act with unfamiliar third party, the profile, background, reputation of that person must be thoroughly examined as well as conditions in that legal act or transaction to ensure that there will not be any fraud in any cases.
- 4) Hiring a government official in case of an advisor or employee, related persons have duty to ensure that the employment condition is legal, transparent, suitable and not corrupted.
- 5) Hiring any person to act for the Company, related persons shall inform that person of Code of Ethics in this regard and ensure that the employment condition is legal, transparent, suitable, and not corrupted
- 6) Not to ignore or neglect when detecting any actions that may be involved with fraud related to the

Company, it is important to report the supervisor or responsible person and cooperate in fact investigation.

7) The committee has duty and responsibility to determine a policy and supervise the internal control and risk management to support effective anti-fraud, implanted as the organizational culture.

8) The audit committee has duty and responsibility to verify the financial and accounting reporting system, internal control system, internal audit system and risk management system to ensure that they meet universal standard and are circumspect, appropriate, up-to-date and effective.

9) The audit unit has duty and responsibility to audit and verify work operation to be in accordance with this policy and to ensure that the audit control is suitable and adequate.

10) The executives have duty and responsibility to provide a system promoting and supporting anti-fraud acts including guideline for recruiting personnel to work with the Company, and communicating to employees and related persons as well as reviews suitability of the systems and measures.

8. Gift an entertainment

Principle

Giving or receiving or promising to give any benefit in any form or facilitating or providing entertainment to those related to the business shall be subject to tradition and custom in each area or country as well as applicable laws with comparably suitable value.

Examples of practices

1) Not to give a gift, souvenir, provide entertainment or other benefits unless specified by law, custom, tradition in each area provided that approval from an authority specified by the Company is required. It is necessary to ensure that such giving does not cause a conflict of interest or fraud especially giving with government officials.

2) Not to accept a gift, souvenir, entertainment or other benefits. In case of not being in a position to refuse or it is necessary to accept it to maintain good relationship that it cannot be returned, report the supervisor immediately provided that the supervisor shall consider, under his/ her discretion, that it does not cause conflict of interest or fraud.

3) Provide evidence of payment identifying value of the property, service or entertainment to be traceable.

4) Recognize that the code of practices in each area may be different. If unsure, ask the supervisor before any operation.

9. Political operation

Principle

The Company respects administrative regime in each area where the business is operated and supports employees in each area to behave in accordance with the administrative regime with different ways. However, the Company is politically neutral not to pay attention to or financially support or otherwise any political party, political movement, political authorities, or candidates for political election, directly or indirectly. The Company is ready to support the government in different aspects as it sees fit.

Examples of practice

1. Avoid any actions that are political expression and may cause other to misunderstand that they are the actions on behalf of the Company.

2. Not to dress an employee's uniform that may misguide others that they are the Company's employees in attending a political meeting or a public club with political context.

3. Avoid political expression or giving political opinions in workplace or during working hour that may cause disharmony among employees.

10. Trade competition

Principle

The Company adheres to fair competition by recognizing morality in trading and trade competition laws in different countries where the business is operated and realizes that laws in each area may be distinctively enforced in each circumstance.

Example of practices

1) Not to make any agreement with competitors or any persons that may decrease or restrict trade competition such as joining with others for bid pricing in a tender or price fixing etc.

2) Not to make any agreement with others to jointly abstain from doing a business with customers or any trade partner except for a case of sanction for international trade.

3) Trade competition law is complex. Therefore, any operations related to the competitors require consultation from legal units and responsible departments every time because there may be some uncertainties in interpreting and enforcing laws in each period.

11. Money laundering

Principle

The Company adheres to laws related to money laundering prevention or property transformation or supports transfer or transformation of properties regarding offence committing to prevent anyone from using the Company as a tool or channel to divert, conceal or cover up the source of property unlawfully obtained.

Examples of practice

1) Before any transaction with a party on behalf of the Company, the profile of that person shall be inspected whether he/she is a money-laundering offender or not.

2) In case of detecting an abnormal transaction that may be subject to money laundering, report the supervisor, legal sectors or financial and accounting department immediately.

3) When acting on behalf of the Company, not to accept payment in cash or cash equivalent in a manner that no payment or receipt confirmation is provided.

4) When acting on behalf of the Company, not to make payment to non-signatory party or any person identified as a recipient in an agreement or make payment through a person or via an unclear channel unless it is compliance with applicable laws such as legal execution, claiming right transfer etc.

This code of ethics shall be effective from 09 November 2020 onwards.



(Parleerat Panboonhom)

Chairperson of the Board

Nova Empire Public Company Limited

Whistleblower Policy
Nova Empire Public Company Limited

Whistleblower policy

1. Objectives

The board of directors determine the whistleblower policy ("Policy") to protect all related persons including whistleblowers, informants, persons being complained, any persons providing aid in any session. The provided complaint or whistleblowing channels are convenient, safe and contain transparent and reliable processes to suppress any misconduct and fraud that may happen in the Company and consortium and to be an instrument of management in detecting any corrupted acts or misconduct and minimizing damages from such misconduct or corruption.

2. Scope

(1) This policy applies with the directors, executives and all employees of the Company and the consortium.

(2) This policy covers any corrupted acts or misconduct that the Company is or will be damaged as the case may be.

3. Definition

"Misconduct" means any action or omission of an executive or employee that violates the code of ethics, work regulations, rules and policies of the Company as well as laws related to the Company's business.

"Fraud" means any intentional act to obtain unlawful benefits for him/herself or others, directly or indirectly, which can be divided into 3 types as follows

- o A fraud or financial statement manipulation means deception with others by falsifying message or concealing facts that should have been informed and by such deception, he/she obtains properties from the deceived or third party, or renders the deceived or the third party to withdraw or destroy any right documents.
- o Improper use of the Company's property
- o Corruption: Exercising power by duty to seek personal or others' benefits.

4. Duty and responsibility

4.1 Executive and supervisors

(1) Behave as a good model and supervise, monitor and promote subordinates to comply with the code of ethics, regulations, rules and policies of the Company.

(2) Promote and provide sufficient risk management and internal control system and try to understand characters of misconduct and any fraud that may happen in their sectors.

(3) Ensure that every employee in the sector acknowledges this policy

(4) Create suitable environment to ensure the whistleblowers about complaining and giving clue of misconduct and corruption.

(5) When detecting any misconduct or corruption, inform the Company secretary within 7 days.

4.2 Employee

(1) Acknowledge and comply with this policy

(2) Inform the related supervisor or via a channel specified in this policy immediately when detecting or having a cause to believe that a misconduct or fraud occurs.

(3) Cooperate with and assist related sectors that investigate facts

4.3 Company secretary

(1) Give advice to executive and employees about this policy implementation and communicate and provide a necessary training

(2) Inform progress and consideration result regarding whistleblowing to the informants

(3) Provide the registration of whistleblowing and make a report submitted to the audit committee for at least once a quarter.

(4) Follow up efficiency of this policy

5. Whistleblowing

(1) The informants can make a complaint or give a clue about misconduct and fraud through different channels as they see fit as follows

- Inform a reliable supervisor (at all levels)
- Send an email to the audit committee chairman (Auditcom@novaempire.co.th)
- Send a letter to the audit committee chairman to following address

Nova Empire Public Company Limited

80 Soi Bangna - Trad 30, Bangna - Trad Road, Bangna Tai Sub-district, Bangna District, Bangkok 10260

(2) In case a supervisor accepts a complaint and clue about misconduct or fraud and if finding that the misconduct or fraud happens, inform the Company secretary within 7 days to conduct the investigation as specified.

(3) The informants or whistleblowers should fill out a whistleblowing form according to the attachment sufficiently as much as they can for fact investigation such as relate persons, manners and details of an incident, date and information. Furthermore, the whistleblowers should reveal their name, address or other contact information for the Company to ask additional information. However, the whistleblowers may or may not disclose their names.

(4) For executives and employees that make a complaint and whistleblowing with integrity, despite the Company finding that it is not a misconduct as complained after investigation, the Company will not take any disciplinary action with such whistleblowing executives and employees.

(5) However, if the investigation result shows that it is intentional slandering or causing danger or falsifying statements, the Company will consider taking the disciplinary action according to the work regulation with penalty from verbal or written warning up to dismissal as well as legal proceedings.

(6) A complained or accused person will not be taken actions in the manner of slandering or discrimination from him/ her being slandered. However, suspension without pay or transfer to another position not lower than the existing one is not regarded as discrimination, and he/ she may be subject to any action by recognizing reputation and image of the complained or accused person.

6. Company's operation

(1) The Company will investigate the complaint and clue of misconduct and fraud independently and fairly in a confidential manner to obtain evidence to confirm or refute the received information. It will consider taking a disciplinary action and/or legal proceedings in accordance with the whistleblower policy.

(2) The Company will inform progress and result of considering the complaint about misconduct and fraud to the whistleblower disclosing name, address, telephone number, email or other contact channels. However, sometimes there may be necessity about personal information and confidentiality and the Company cannot give information about the investigation or disciplinary action.

7. Employee protection

(1) The Company will protect, and do not tolerate any intimidation or threatening with an employee who gives whistleblowing about any misconduct or fraud as well as any persons honestly cooperating or giving aid with the investigation.

(2) In case of an employee being threatened or intimidated, inform the chief supervising law compliance immediately to provide protection as he/she sees fit depending on severity and importance of the complaint.

(3) The executives or employees of the Company shall not dismiss, suspend work, take disciplinary action, or threaten to take any actions with a whistleblowing employee. Offender will be taken disciplinary action.

8. Confidentiality

Any related persons accepting a whistleblowing case shall keep obtained information confidential and shall not disclose any person unless it is necessary for work performance only or compliance with applicable laws.

9. Registration and reporting

The Company secretary has duty to provide a whistleblowing register and a report of summary of all whistleblowing cases of the Company and consortium, that were or are being investigated to the audit committee for at least once a quarter.

10. Related policy

Every executive and employee should read and try to understand this policy together with other policies and manuals of the Company as follows

- (1) Corporate Governance Policy
- (2) Code of Ethics
- (3) Anti-fraud policy
- (4) Word regulations of the Company

11. In case of doubts

If any executive or employee has a doubt or any question regarding this policy, please ask the supervisor or leader of the internal audit department

12. Acting by policy

The chief executive officer of Thailand Ion Works Public Company Limited will be an acting person according to this policy and have authority to issue regulations, requirements, notices and instructions about authorization as he/she sees fit and necessary.

13. Policy review

(1) The Company's secretariat, the internal audit department and legal department will cooperate in reviewing and improving this policy as they see necessary and fit for at least once a year and

(2) It will be presented to the audit committee to consider giving approval and opinions to be presented to the board of directors for approving this policy review and improvement.

The whistleblower policy shall be effective from 09 November 2020 onwards.



(Parleerat Panboonhom)

Chairperson of the Board

Nova Empire Public Company Limited

Complaint and Misconduct and Fraud Report Form

Date of report

Whistleblower's name (optional).....

Address:.....

Telephone..... Email.....

Name of Company involved.....

Date of incident (and/or date misconduct or fraud was discovered).....

Please provide full details of the type of misconduct or fraud committed or suspected:

.....
.....

Name(s) and job title(s) of person(s) believed to be involved and the basis for your belief

.....

Where money or other valuable assets are involved, estimate the suspected loss (if any)

.....
.....

Remark: Please provide additional documents (if applicable)

Misconduct and Fraud Investigation Policy

Misconduct and fraud investigation policy

1. Objective

- fraud
- (1) To determine standard and effective procedures and guideline for investigating misconduct and fraud
 - (2) To define a guideline of clear, transparent and fair punishment based on misconduct and fraud
 - (3) To suppress misconduct and fraud

2. Scope

- (1) This policy applies with every executive and employee at all levels in the Company and entities within group
- (2) This policy covers misconduct and fraud (existing or suspected) related to directors, executives and employees that the Company or entities within group encounters loss or damage from such action.

3. Definition

Any statements or terms used in this policy will have following meaning unless otherwise shown or explained

“Company” means Nova Empire Public Company Limited

“Entities within group” mean subsidiaries, joint ventures or companies that the Company has controlling power

“Whistleblower” means any person truthfully making a claim or giving a clue related to any misconduct or fraud that the Company or entities within group encounters loss or damage from such action

“Whistleblowing acknowledging person” means a person or sector identified to be a channel for accepting misconduct and fraud whistleblowing cases

“Alleged person” means a person being accused of or having behavior that appears to be a misconduct or fraud as basis for investigation including being a principal in exploiting or supporting the misconduct or fraud.

“Top executive” means the highest-ranked chief of the management and an employee being in the highest position in each sector, and an employee directly reporting the highest-rank employee in each sector.

4. Duty and responsibility

(1) The executives and supervisor have duty to support and cooperate with the internal audit department, the investigation and disciplinary action committee, and related sectors in investigating the whistleblowing cases about any misconduct or fraud

(2) Employee shall cooperate and help the management or any sector related to the Company doing investigating the whistleblowing cases about misconduct or fraud.

(3) Internal audit department has duty to basically examine complaints and clues about any misconduct or fraud as specified in this policy.

(4) Investigation and disciplinary action committee has duty to investigate, search after facts and evidence, gather evidence and take other necessary actions to realize fact or prove the guilt as well as consider determining a disciplinary action to be presented to an authority for approving the disciplinary action

with a guilty employee.

5. Fact investigation and examination

(1) A whistleblowing acknowledging person shall deliver the case to the internal audit department within 7 days from the date of accepting such whistleblowing case

(2) The internal audit department evaluates and verifies received information within 30 days (it may be extended for not over 30 days, and notified to the whistleblowing acknowledging person)

(3) After examination, if it is likely to be misconduct or fraud

o Under provision in clause 6, the internal audit department will appoint the investigation and disciplinary action committee that must be neutral, comprising persons not related to such matter, nor having a conflict or benefit concerning the suspect, and at least a top executive of the human resource and a top executive of legal department or an assignee of such persons will be a member in this investigation and disciplinary action committee.

o The internal audit department informs the whistleblower that such matter is undergoing the investigation.

(4) After examination, if it is not a misconduct or fraud

o The internal audit department informs the whistleblower to cease operation.

6. Principles and standard of fact investigation

6.1 Investigation and disciplinary action appointment

o In case of a suspect being an employee lower than top-executive level

The internal audit department has authority to appoint the Investigation and disciplinary action by selecting from executive employees who have knowledge and understanding about facts and have no interest or are an intimate person with the suspect.

o In case of a suspect being a top executive or director

The internal audit department reports the audit committee. The audit committee has authority to investigate the case and consider the disciplinary action with the internal audit department as a supporter, and to hire an outsourced expert to carry out the fact investigation.

o In case of a suspect being an audit director

The audit department reports the committee chairman. The committee chairman has authority to investigate the case and consider the disciplinary action with the internal audit department as a supporter, and to hire an outsourced expert to carry out the fact investigation.

6.2 Suspension or transfer during investigation

During the fact investigation and examination, the investigation and disciplinary action committee may have an order for suspending or transferring a suspect of misconduct or fraud according to work regulations of the Company. Nevertheless, it shall not misguide the suspect that he/she is suspended or transferred from him/her being suspected.

6.3 Document and searching

o The investigation and disciplinary action committee has authority to request information from internal sectors

- o Accessing documents that are business secret always requires permission from top executive
- o Any documentary evidence used for disciplinary action must contain an original or in case of loss, a daily report for document loss is required, and at least a clear copy must be provided.
- o Consult the legal department before searching properties of the Company in possession of any persons
- o Searching personal belongings requires written consent from that person and the legal department upon the searching
- o Related documents or information must be kept safe and convenient for use.

6.4 Fact investigation

- o Do not threaten, intimidate or otherwise the suspect until he/she confesses
- o Inviting a suspect to give a testimony requires sufficient information to believe that he/she has misconduct or fraud.
- o Explain a charge based on related evidence to the suspect and allow him/her to explain and show evidence to fully prove his/her innocence
- o The suspect has right to have any person he/she trusts to witness the statement giving
- o Fact investigation that the suspect has to be available shall be conducted during working hours and in secret not to be known by irrelevant persons in provided area unless it is necessary with consent from the suspect.
- o The statement must be signed by the testifier and every witness and there may be an audio or visual record must a notice must be made to the testifier. If any person gives no consent, a signature must be affixed as a record.
- o Fact investigation must be complete within 60 days from the appointment date, and when it is done, a report of summary shall be made and the disciplinary action measure (if any) shall be proposed to the chief of the internal audit department (extension of each period can be requested permission from the audit committee for not exceeding 30 days)
- o In case of not finding a misconduct or fraud, the internal audit department will finalize the case to the complainer or the whistleblower
- o In case of finding a misconduct or fraud, the disciplinary action will be taken as identified in the work regulations. In case a top executive or director has a misconduct or fraud, the case is proposed to the audit committee for consideration.
- o The internal audit department reports progress of any complaints to the audit committee every quarter which at least includes details of misconduct, losses or impacts on the Company, a corrective measure, progress of investigation, duration of investigation until now without identifying the name of the suspect.

7. Disciplinary action and legal proceeding

The disciplinary action shall be taken correctly and completely as specified in the work regulations. The Company reserves right to take legal proceedings in a civil and criminal case with the offender by considering acts of misconduct and severity of its consequences.

8. Result notification to whistleblower

The internal audit department will inform the investigation result to the complainer or whistleblower

who reveals name, address, telephone number, email or other contact channels.

9. Data retention and disclosure after investigation

The investigation and disciplinary action committee and any persons that have documents or evidence shall deliver them to the internal audit committee.

The internal audit department retains such documents or evidence to be safe, confidential and convenient for use, for at least 10 years. In case of expired, rotten, or outworn evidence, a photo or video recording shall apply.

To duplicate an investigation report (whether by printing or other methods) and deliver to other persons is prohibited unless it is disclosure as identified in the report only. If any person desires to request the investigation report or copy shall file a written request to the chief of the management and identify reasonable causes.

10. Confidentiality

Data, evidence, reports, investigation record or any related documents are confidential and shall not be disclosed unless it is compliance with an applicable law.

11. Related policy

Employees have duty to study and understand this policy together with other policies and manuals of the Company as follows

- (1) Work regulations of the Company
- (2) Anti-corruption policy
- (3) Code of ethics
- (4) Whistleblower policy

12. In case of doubt

If you have any doubt or question about this policy, you can ask law compliance supervisory sector, the Company's secretariat internal audit department or human resource department.

13. Policy review

The internal audit department will review this policy as it sees necessary and fit for at least once a year and present to the audit committee and board of directors to consider approval in case of change.

This misconduct and fraud investigation policy shall be effective from 09 November 2020 onwards.



(Parleerat Panboonhom)

Chairperson of the Board

Nova Empire Public Company Limited

Certification on the Accuracy of Information

The Company has reviewed the information in this Annual Report with prudence and hereby certifies that those information are accurate, complete, true, and do not mislead others, or lack of any information that should be disclosed in material matters. Additionally, the Company certifies that:

(1) The Annual Financial Statement and financial information summarized in the Annual Report show accurate and complete information about the financial position, performance and cash flow of the Company and its subsidiaries.

(2) The Company has established a good system of data disclosure to ensure that the Company has correctly and completely disclosed all material information of the Company and its subsidiaries, as well as supervised the implementation of systems.

(3) The Company has provided a good internal control system and supervised the implementation of such systems, the Company has notified the details of internal control system assessment as of 31 December 2020 to the Auditors and the Audit Committee, covering significant non-compliances and changes of internal control system, including any misconduct that may affect the financial reporting of the Company and its subsidiaries.

In this regard, as evidence that all documents are identical to those are verified, the Company has also assigned Mr. Wongwiwat Hema to endorse every page, any document or page without his endorsement will be regarded as unverified by the Company.



(Parleerat Panboonhom)



(Sukanya Tipmanee)

Authorized Directors



(Mr. Wongwiwat Hema)

Company Secretary

Authorized person

NOVA EMPIRE

NOVA EMPIRE PUBLIC COMPANY LIMITED

- Wind Energy
- Solar Energy
- Galvanized Sheet & Steel Production Business



NOVA EMPIRE PUBLIC COMPANY LIMITED

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