

**NOVA EMPIRE**

NOVA EMPIRE PUBLIC COMPANY LIMITED

**One Report 2021**  
NOVA EMPIRE PUBLIC COMPANY LIMITED



# **F**OCUS

**NOVA EMPIRE**  
NOVA EMPIRE PUBLIC COMPANY LIMITED

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# Business Operations and Performance

## 1. 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.

The strategic plan for 2021 outlined three correlating dimensions for sustained leapfrog growth with both financial and non-financial targets as follows:

### 1. Financial Investment

Focus on capital management to support growth plans and improve work systems to increase both efficiency and revenue, especially in regard to engineering equipment improvements, preventative maintenance, and the installation of solar panels for businesses in the solar power generation group, as well as monitoring key financial ratios to ensure they do not become an obstacle when it is necessary to seek additional funding sources and studying future investment projects to create continuous growth.

### 2. Governance, Risk Management, and Compliance (GRC)

Establish a management framework for supporting businesses with the same goals, reduce redundancy, foster understanding and exchange between relevant departments, and increase efficiency by prioritizing the same goals divided into five key areas:

#### 1) Corporate Governance

Enhance the corporate governance of the Company at a level comparable with other leading listed companies in the energy sector, using the criteria specified in the Corporate Governance Report (CGR) of Thai Listed Companies by the Thai Institute of Directors Association.

#### 2) Human Resource Management in Accordance with Risk Management

The Company's human resource management framework covers 8 key elements: 1) Employee Handbook, 2) Performance Management System, 3) Job Description Form (JD), 4) Employee Recruitment Policies and Procedures, 5) Organizational Structure, 6) Performance and Job Appraisals, 7) Compensation and Welfare Benefits, and 8) Employee Orientation.

The above management framework is based on a three-year development concept, with the first year focusing on building and establishing a solid foundation, process steps and procedures, concrete improvements in policies and practices, a manpower work plan, and succession planning. In the second and third years, the emphasis will be on raising development levels in accordance with TLS.8001:2010 standards, with a focus on being an active, agile, modern organization, with employees who have a wide range of capabilities beyond their own tasks and responsibilities and thus are able to substitute for others as well.

### 3) Risk Management

Implement risk management concepts under the framework of the Committee of Sponsoring Organizations (COSO) in all five areas as follows: 1) Governance and Corporate Culture; 2) Strategy and Goal Setting; 3) Efficiency; 4) Review and Assessment; and 5) Information, Public Relations, and Reporting Process, all of which are also in line with the GRC framework, allowing the Company to focus on and manage in a clear, unified direction with consistent goals.

Risk management is currently under the purview of the Executive Committee, with the Audit Committee responsible for monitoring and reporting to the Board of Directors. The Company is also in the process of developing a risk management control environment, and a proposal will be given to the Board of Directors for consideration on appointing a Risk Management Committee as another subcommittee in the future.

### 4) Information Technology

Apply modern, state-of-the-art technology to support business, increase efficiency, and reduce costs in a variety of fields, such as cloud computing and artificial intelligence under the concepts of 1) confidentiality and preventing unauthorized disclosure; 2) reliability to ensure that stored information may not be modified without authorization; and 3) availability of information to be used by authorized persons.

### 5) Compliance Supervision

Assign the legal department as the entity responsible for compliance supervision. This is a proactive responsibility which requires monitoring the movement of new or emerging laws, rules and regulations and analyzing if and which segment of the Organization is legally responsible to follow said new regulations or not and then communicating said information to the relevant departments for review of Company practices and whether they are consistent or not and/or whether additional internal rules or guidelines should be established or not. In 2021, the Company's 3 major plans were the reduction of its Carbon Footprint according to the Stock Exchange of Thailand regulations, the establishment of a Contract Management System, and the establishment of Information Compliance Management per the Personal Data Protection Act B.E. 2562 (2019) ("PDPA") of Thailand, which will come into full force on June 1, 2022.

## 3. Corporate Identity and Investor Relations

Prepare a work plan to be communicated to stakeholders for their awareness of the Company's progress, especially in the area of business plan modifications as an energy sector Company ready for investment and joint-investment with other companies in the energy sector, both upstream and downstream, and the development of a new Company website. At present, management is in the process of procuring consultants with expertise in preparing a public relations communications plan for presentation to investors, shareholders, and other various stakeholders.

## 2. Financial Highlights

 <b>Statements of financial position</b> (Unit: Million Baht)	2019	2020 (Restated)	2021
Total assets	948.64	1,718.88	1,273.68
Total liabilities	111.94	1,015.37	269.52
Equity attributable to owners of parent company	836.70	703.51	1,004.16

 <b>Statements of comprehensive income</b> (Unit: Million Baht)	2019	2020 (Restated)	2021
Revenue from sales and services	394.80	21.15	44.02
Gross profit	27.03	6.07	7.38
EBITDA	12.98	7.79	89.73
Net profit	(5.35)	(21.13)	44.56
Net profit from operations <sup>1</sup>	(15.32)	(20.16)	38.45
Net profit attributable to parent company	(5.35)	(21.13)	44.56
Non-operational transactions <sup>2</sup> - attributable to parent company	9.97	(0.97)	6.11
Net profit from operations - attributable to parent company	(15.32)	(20.16)	38.45
Profit (loss) from discontinued operations	-	(111.76)	69.73

 <b>Financial ratios</b>	2019	2020 (Restated)	2021
Book value per share <sup>3</sup> (Baht)	117.91	117.25	7.17
Return on assets (%)	(0.56)	(1.23)	3.50
Earnings per share (Baht)	(0.89)	(0.18)	0.33
Return on equity (%)	(0.64)	(3.00)	4.44
Debt-to-equity (D/E) ratio (Times)	0.10	1.31	0.24

1 Non-operational transactions are excluded.

2 Such as unrealized foreign exchange gains/losses, a gain on sale of assets, compensation income from insurance contracts, and non-recurring income/expenses.

3 The total number of ordinary shares issued and paid up at the end of the year without adjusting for the effect of change in par value.



### 3. Message from the Board of Directors and Executive Management

The year 2021 marked a significant turning point due to our strategic business restructuring plan from a steel and zinc product business to becoming a fully integrated energy company. The success of this business transition gives the Board and Management the confidence that we made the right decision, especially when considering the impact of the second wave of COVID-19 and any subsequent phases that pose significant, continuous impacts to purchases and the economy overall. While competition in the steel and zinc business sector has softened somewhat, purchasing power has not yet fully recovered.

The Company thanks all shareholders for their continued support and the approval of the acquisition of 26.25% shares in Winchai Company Limited, a wind power company able to generate returns for the Company, in January of 2021, as well as the approval for the sale of all assets in TIW Industry Co., Ltd., a subsidiary operating in the steel and zinc product business, in April of 2021, thus reducing the Company's financial burden and providing more flexibility. As a result, the Company is now a fully-fledged energy company.

As for our operations, the Company has increased its capital in solar power generation group subsidiaries for the purpose of equipment improvements, in particular the replacement of new solar power panels received from insurance claims. This will help to increase long-term income due to increased efficiency in electricity generation.

Additionally, throughout 2021, the Company reviewed all its internal control systems, including information technology, with the hiring of independent external experts to act as internal auditors of the Company. This was done to ensure that the Company's internal control system is both standardized and up-to-date, in line with business and management structures for this new era, emphasizing conciseness, flexibility, and efficiency. In terms of Corporate Governance, the Company has revised a number of policies, resulting in significantly higher Corporate Governance Assessment results than the previous year, with further improvements slated for 2022, including distinction between the Chairman of the Board of Directors and the Chief Executive Officer, joining the Thai Private Sector Collective Action Against Corruption (CAC), the appointment of non-executive directors with experience in the energy business, goal setting for non-personal businesses, preparations for carbon footprint reductions, and the initiation of social projects for the creation of mutual benefits for the Company and the community, etc.

The Company wishes to thank all shareholders, including the directors and executives, who have contributed to the forward progress of the Company. We continue to strive for further development in both performance and good governance, allowing us to care for and treat all stakeholders with fairness and to create sustainability together.

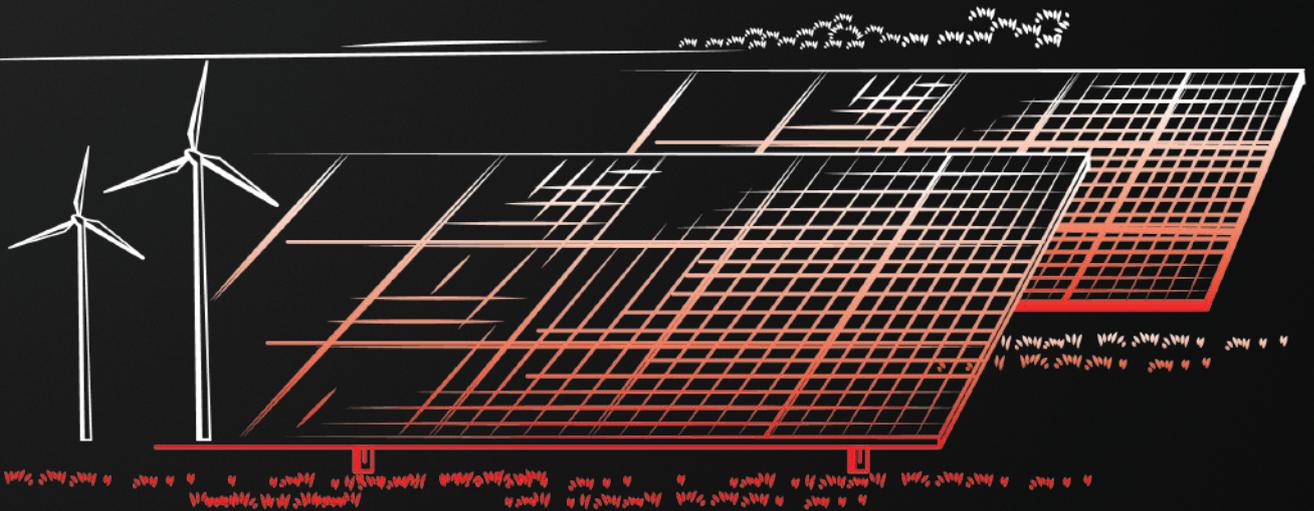
Niti Jungnitnirundr  
Vice Chairman

Parleerat Panboonhom  
Chief Executive Officer

Nova Empire Public Company Limited

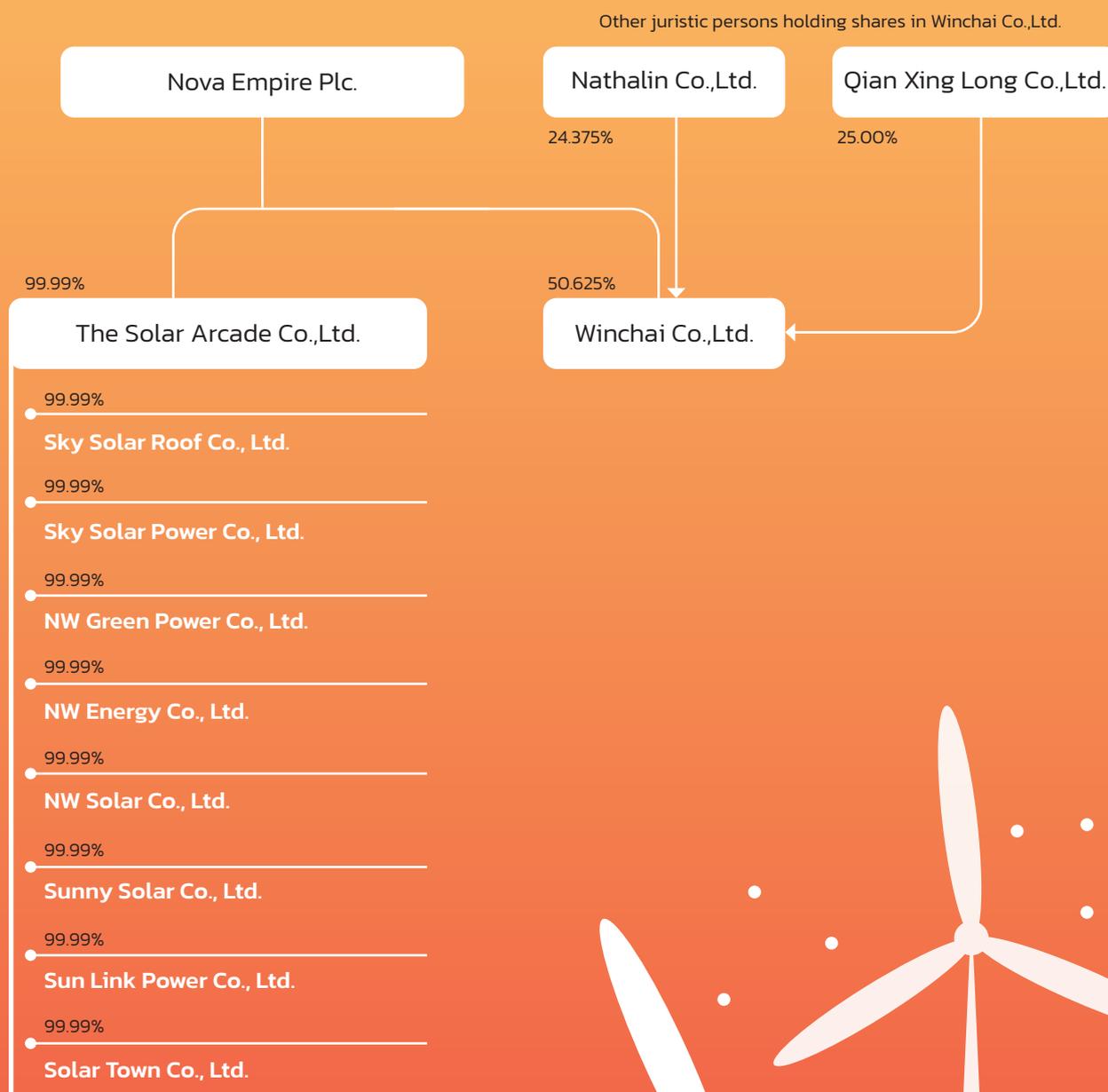
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**We continue to strive for further development in both performance and good governance, allowing us to care for and treat all stakeholders with fairness and to create sustainability together.**



## 4. Structure and Operations of Company Group

### 4.1 Structure of Company Group as of 31 January 2022



Throughout the year 2021, the Company changed its business structure with the aim of transitioning from that of a company operating in steel and zinc products to that of a company operating in the energy business. As a result, the Company may have resembled a holding company during some periods of 2021.

From the beginning of 2021 to April 30, 2021, if viewed from the perspective of a holding company, the Company had two main companies operating its businesses: 1) TIW Industries Company Limited, a company whose main business operations involved the importation, production, and distribution of galvanized steel sheet products, and the provision of roof and wall installation services. This was a subsidiary in which the Company held 99.99% of shares, and 2) the power generation and distribution business, divided into 8 companies producing solar energy electricity, with the Solar Arcade Company Limited as the central company responsible for managing the subsidiaries operating businesses for the production and distribution of solar energy electricity, as well as a joint venture company or other business, namely, Winchai Company Limited, in which the Company held 26.25% shares, operating a business for the production and distribution of wind power electricity.

Subsequently, on April 30, 2021, the Company carried out an entire business transfer of TIW Industries Co., Ltd., resulting in only the Solar Arcade Co., Ltd. carrying out the Company's main business, holding 99.99% of the 8 subsidiaries operating businesses for the production and distribution of solar energy electricity.

However, on December 17, 2021, the Extraordinary General Meeting of Shareholders No. 2/2021 resolved to approve the purchase of 2,413,125 ordinary shares in Winchai Company Limited, or 24.375% of the total issued ordinary shares, via an entire business transfer from The Planet X Holding Co., Ltd. The transfer of said shares was completed on January 24, 2022, resulting in Winchai Co., Ltd.'s change of investment status from an associated company to a subsidiary in which the Company is the major shareholder at 50.635%, changing the Company's business structure once again. As of January 31, 2022, the Company has a subsidiary that operates its primary business that is Winchai Company Limited, in which the Company directly holds 50.625 percent of its paid-up capital. Winchai Company Limited engages in the production and distribution of electricity from wind energy. In addition, the Company has another group of 8 subsidiaries that produce and sell electricity from solar energy, with The Solar Arcade Company Limited holding 99.99%. Besides, there is none of any affiliates or joint venture companies.

However, if the Company's business operations of shares held in other companies are considered, the size of the company operating its core business and the sizes of other companies will be in accordance with the relevant rules of the Notification of the Securities and Exchange Commission regarding Application for Approval for Offering of Newly Issued Shares and the Notification of the Securities and Exchange Commission regarding Consideration of Company Sizes for Approval of Companies Operating as Holding Companies for Offering Newly Issued Shares as the size of the subsidiary operating the Company's main business accounts for 41% of the Company's total size. As of December 31, 2021, the Company held Winchai Co., Ltd., as the associate company/other company in which the Company held shares. The Company supervises these subsidiaries with the appointment of those serving as directors and executives and has the right to set the direction, strategies, business plans, powers of approval, and other significant matters, as well as to establish planning for regular performance reports.

The subsidiaries operating businesses for the production and distribution of solar energy electricity and Winchai Co., Ltd. hire external companies specializing in the maintenance of equipment and assets utilized in business operations. These are maintained according to cycles stipulated in the contract in accordance with the technical instructions of the respective equipment.

Company	Office Location	Business Type	Registered Capital (million Baht)	Stock Type	Number of Shares Held (%)	Total Number of Shares
The Solar Arcade Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Investment in other companies	234.0	Common Stock	99.99	23,400,000
Sky Solar Roof Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	9.5	Common Stock	99.99	95,000
Sky Solar Power Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	23.1	Common Stock	99.99	231,000
NW Green Power Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	24.1	Common Stock	99.99	241,000
NW Energy Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	12.0	Common Stock	99.99	120,000
NW Solar Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	10.0	Common Stock	99.99	100,000

Company	Office Location	Business Type	Registered Capital (million baht)	Stock Type	Number of Shares Held (%)	Total Number of Shares
Sunny Solar Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	9.9	Common Stock	99.99	99,000
Sun Link Power Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	3.9	Common Stock	99.99	39,000
Solar Town Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	11.3	Common Stock	99.99	113,000
Winchai Company Limited	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture, wholesale, and retail of solar energy, wind energy, and other renewable energy	990.0	Common Stock	99.99	9,900,000
TIW Industries Company Limited* (The Company's sale of all investments in the business was completed on April 30, 2021)	88 Soi Bangna-Trad 30, Debaratna Road, Bangna-Tai, Bangna, Bangkok	Manufacture and distribute galvanized metal sheet products and providing services of roof and wall installation contractor services.	39.0*	Common Stock	99.99*	3,900,000*

Note: \* As at April 29, 2021

## Board of Directors



1. Mr. Niti Jungnitnirundr  
Vice Chairman



4. Mr. Sudwin Panyawongkhanti  
Independent Director /  
Chairman of the Audit  
Committee



5. Mrs. Ratana Sithiprasasna  
Independent Director/  
Audit Committee Member  
/Nomination, Remuneration,  
and Corporate Governance  
Committee Member



6. Ms. Punchada Sirivunnabood  
Independent Director/  
Audit Committee Member  
/ Nomination, Remuneration,  
and Corporate Governance  
Committee Member



2. Ms. Parleerat Panboonhom  
Director



3. Mr. Prasit Kanchanasakdichai  
Director



7. Mr. Kriengchai Trinapakorn  
Director



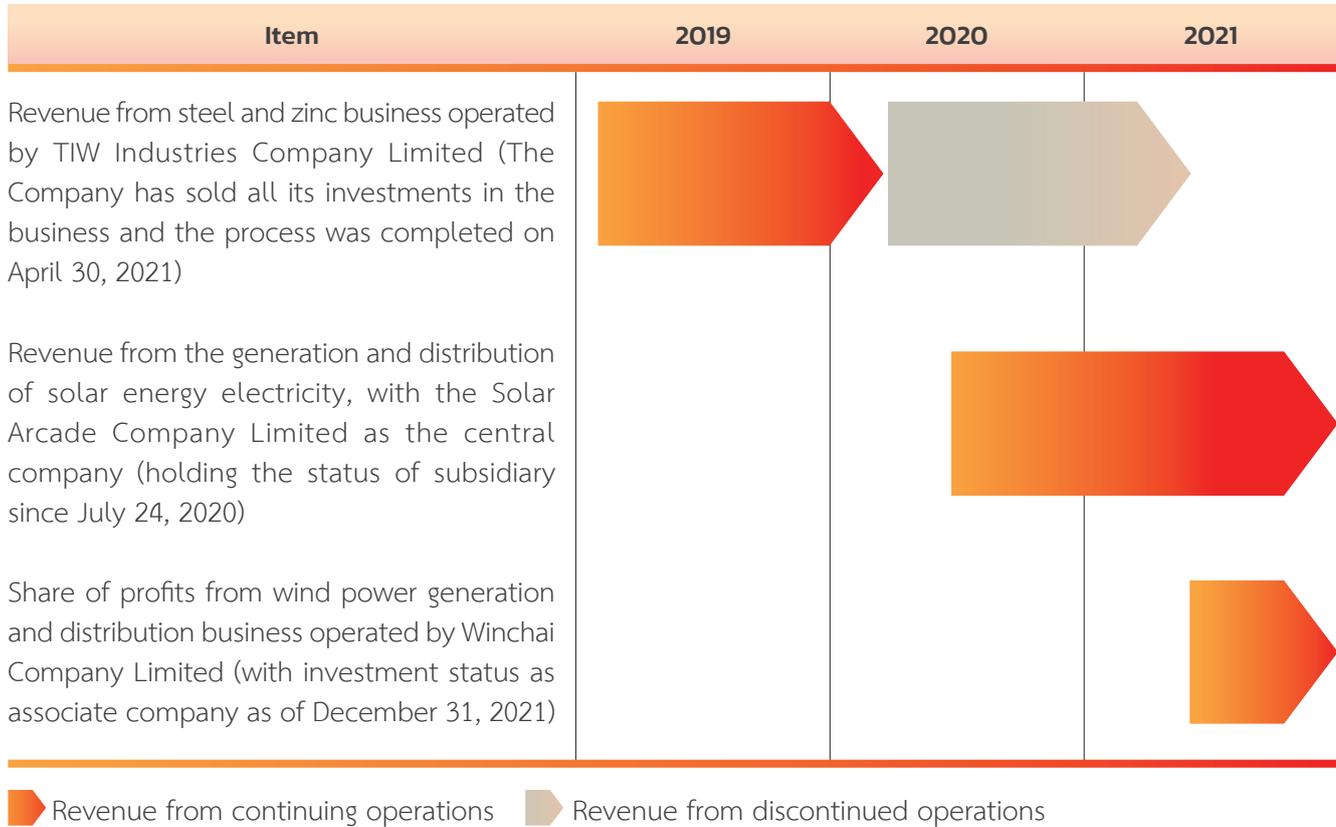
8. Mr. Tossri Khowsurat  
Director



9. Ms. Sukanya Tipmanee  
Director / Nomination,  
Remuneration, and  
Corporate Governance  
Committee Member

## 4.2 Revenue structure for the past three years

Revenue structure classified by core business



Item	2019		2020		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue from steel and zinc business	394.80	97	398.47	89	289.05 (Jan.-Apr.)	57
Revenue from solar power generation and distribution business			21.15 (Jul.-Dec.)	5	44.02	9
Share of profits from wind power generation and distribution business					90.26 (May.-Dec.)	18
Other revenues	14.27	3	26.95	6	87.71	17
<b>Total Revenue</b>	<b>409.07</b>	<b>100</b>	<b>446.57</b>	<b>100</b>	<b>511.04</b>	<b>100</b>
Revenue from continuing operations	409.07	100	23.98	5	140.62	28
Revenue from discontinued operations	-	-	422.59	95	370.42	72

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

Item	2019 12 months		2020 12 months		2021 4 months (Jan.-Apr.)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Production and distribution of galvanized steel sheet products	379.25	96	374.62	94	287.08	99
Installation services	15.55	4	23.85	6	1.97	1
Total value of sales and services	394.80	100	398.47	100	289.05	100
Increase (decrease) in the value of sales and services	20.44	5	3.67	1	(109.42)	(27)

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

Item	2019		2020		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Production and distribution of solar energy electricity to the Provincial Electricity Authority and the Metropolitan Electricity Authority			21.15 (Jul.-Dec.)	100	44.02	8
Production and distribution of wind power electricity to the Electricity Generating Authority of Thailand*					528.78 (May.-Dec.)	92
Total value of sales					572.80	100
Increase (decrease) in the value of sales					551.65	2,608

\* As of 2021, Winchai Company Limited is an associate company only and the Company Group recognizes its share of profit from that company's operations in the consolidated financial statements.

### 4.3 Assets used in business operations

Main fixed assets used in business operations by the Company

Asset Type/Characteristic	Contract Party	Value (Million Baht)	Obligation
<b>Solar power generation business</b>			
<b>Solar panels with power supply system for 10 projects:</b>			
Sky Solar Roof Company Limited (Lampang Province)	None, as the Company has ownership of the assets	30.84	Registered as mortgage collateral for long-term loans and promissory notes
Sky Solar Power Company Limited (Lamphun Province)		35.38	
Sky Solar Power Company Limited (Samut Prakan Province)		4.09	
NW Green Power Company Limited (Mukdahan Province)		26.73	
NW Green Power Company Limited (Prachuap Khiri Khan Province)		27.80	
NW Energy Company Limited (Prachuap Khiri Khan Province)		27.92	
NW Solar Company Limited (Phitsanulok Province)		21.66	
Sunny Solar Company Limited (Nakhon Sawan Province)		23.11	
Sun Link Power Company Limited (Bangkok Metropolis)		4.88	
Solar Town Company Limited (Phrae Province)		28.96	
<b>Roof rental contract for installation of solar panels with power supply system for 10 projects</b>			
Sky Solar Roof Company Limited (Lampang Province)	Siam Global House Public Company Limited	14.99	Leasehold rights under the contract are secured for long-term loans and promissory notes
Sky Solar Power Company Limited (Lamphun Province)	Siam Global House Public Company Limited	15.03	
Sky Solar Power Company Limited (Samut Prakan Province)	Mr. Supachai Teung-Fang	1.42	
NW Green Power Company Limited (Mukdahan Province)	Siam Global House Public Company Limited	15.06	
NW Green Power Company Limited (Prachuap Khiri Khan Province)	The Prachuab Fruit Canning Company Limited	9.93	
NW Energy Company Limited (Prachuap Khiri Khan Province)	The Prachuab Fruit Canning Company Limited	9.93	

Asset Type/Characteristic	Contract Party	Value (Million Baht)	Obligation
NW Solar Company Limited (Phitsanulok Province)	Siam Global House Public Company Limited	11.96	Leasehold rights under the contract are secured for long-term loans and promissory notes
Sunny Solar Company Limited (Nakhon Sawan Province)	Siam Global House Public Company Limited	12.00	
Sun Link Power Company Limited (Bangkok Metropolis)	Nathalin Company Limited	1.95	
Solar Town Company Limited (Phrae Province)	Siam Global House Public Company Limited	14.95	
<b>Total value of main fixed assets</b>		<b>339 million baht</b>	

## Intangible Assets

Asset Type/Characteristic	Contract Party	Value (Million Baht)	Obligation
<b>Solar power generation business</b>			
<b>Power sale and purchase agreements for 9 projects:</b>			
Sky Solar Roof Company Limited (Lampang Province)	Provincial Electricity Authority	18.40	None
Sky Solar Power Company Limited (Lamphun Province)	Provincial Electricity Authority	15.34	
Sky Solar Power Company Limited (Samut Prakan Province)	Metropolitan Electricity Authority	0.33	
NW Green Power Company Limited (Mukdahan Province)	Provincial Electricity Authority	19.63	
NW Green Power Company Limited (Prachuap Khiri Khan Province)	Provincial Electricity Authority	18.85	
NW Energy Company Limited (Prachuap Khiri Khan Province)	Provincial Electricity Authority	18.04	
NW Solar Company Limited (Phitsanulok Province)	Provincial Electricity Authority	13.35	
Sunny Solar Company Limited (Nakhon Sawan Province)	Provincial Electricity Authority	12.91	
Solar Town Company Limited (Phrae Province)	Provincial Electricity Authority	14.17	
<b>Total value of main intangible assets</b>		<b>131 Million Baht</b>	

## 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.

1992

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.

1994

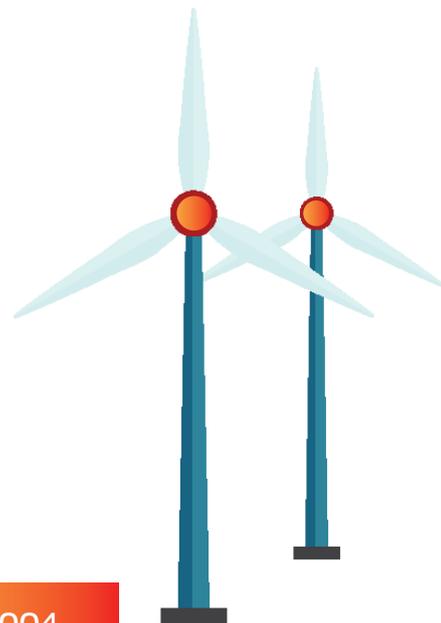
In 1994, the Company transformed from a limited company to be a public company and changed its name to "Thailand Iron Works Public Company Limited" and increased its registered capital to 100 Million Baht.

1995

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.

2004

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.



2012

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.

2018



In 2018, the Company changed its shareholding structure whereby Mr. Kriangkrai Danchaivichit acquired the Company’s shares from Dr. 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 Pubic 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.

29 March 2019

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.



24 April 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.

**9 June 2020**

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.

**8 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.



30 July 2020

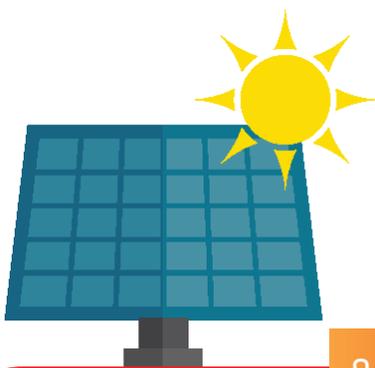
On 30 July 2020, the Company received a letter of Conditional Voluntary Tender Offer from Ms. Parleerat Panboonhom (the Tender Offeror), who has not yet been the Company's shareholder at that time, that she intended to purchase the newly issued & paid-up ordinary shares from the Company's shareholders 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).



14 August 2020

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.



9 September 2020

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.



## 4.5 Key developments in the past year



### 27 January 2021

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

- 1) Acquisition of 2,598,750 shares of Winchai Company Limited, or 26.25% of the total shares, at a total price of 660 million baht from Ms. Parleerat Panboonhom or the juristic person, of which Khun Palirat was the sole owner and is a director and major shareholder of the Company. The said transaction is considered to be a related parties transaction as per the specifications of related parties transactions.
- 2) Approved the reduction of registered capital by writing off unissued ordinary shares of 13,050,000 baht, thereby reducing the original registered capital from 73,050,000 baht to a registered capital of 60,000,000 baht, writing off 1,305,000 unissued registered ordinary shares at a par value of 10 baht per share.
- 3) Approved the change of the Company's par value from the original value of 10.00 baht per share to 0.5 baht per share.
- 4) Approved the increase of the Company's registered capital in the amount of 10,000,000 baht, thereby increasing the original registered capital of 60,000,000 baht to a registered capital of 70,000,000 baht by issuing 20,000,000 new ordinary shares at a par value of 0.50 baht per share.
- 5) Approved the allocation of the Company's newly-issued ordinary shares to the existing shareholders in the proportion of not more than 20,000,000 shares at a par value of 0.50 baht per share in a Rights Offering (RO) at the offering price of 9.10 baht per share (or equivalent to the share price before the change in the par value of the Company's shares at 182 baht per share), offered at a ratio of 6 existing shares to 1 new share, with fractional shares to be disregarded.
- 6) Approved the change of the Company's name, securities abbreviation, Company seal, head office location, and additionally Company objectives related to the energy business with the new name of "Nova Empire Public Company Limited."
- 7) Considered and approved the amendment of the Company's Articles of Association in compliance with electronic conferencing laws.

### 30 April 2021

On April 30, 2021, the 2021 Annual General Meeting of Shareholders resolved to approve the disposal of all investments in TIW Industries Company Limited to a related party, namely Dr. Prasit Kanchanasakdichai, at a price equal to 20,000,000 baht, which is a price not lower than the book value. The compensation for this disposition is based on a mutual agreement between the parties based on financial status, performance, and key financial figures. The divestment of this investment is part of the Company's goals and strategy for dealing with the impact of the continued loss-making performance of the galvanized steel sheet and galvanized color-coated steel sheet, both in sheet and coil form, manufacturing and distribution business. In addition, debt and interest expenses can be reduced from the line of credit of TIW Industries Company Limited and opportunities to invest using the received capital in business expansion can be increased. Also, the value the Company receives from entering into this related party transaction remains appropriate, as the price is higher than the fair value.

17 December 2021

On December 17, 2021, the Extraordinary General Meeting of Shareholders No. 2/2021 resolved to approve the investment in the ordinary shares of Winchai Company Limited via an entire business transfer from The Planet X Holding Company Limited of 2,413,125 shares at a par value of 100 baht per share, or equivalent to 24.375% of the total shares of Winchai Company Limited, with a cash payment of 700,000,000 baht (seven hundred million baht only). As of the completion of the entire business transfer transaction, the Company holds 5,011,875 shares in Winchai Company Limited, or 50.625% of the total shares. This transaction has resulted in a steady source of income and greater operating performance stability, as well as the control of Winchai Company Limited due to the latter's status as a subsidiary. This is in line with the Company's strategy of focusing on energy investments and reducing the risk of unsuccessful project development in case of choosing to invest in other projects that are not yet commercially operational.

The sources of the funding for entering into the entire business transfer transaction, amounting to 700,000,000 baht, are as follows:

- (1) Loans from financial institutions in the amount of 450,000,000 baht.
- (2) Capital in the amount of 170,050,500 baht from the offering of newly-issued ordinary shares to a private placement (PP), namely, Sermsang Power Corporation Public Company Limited, amounting to 16,430,000 shares at a par value of 0.50 baht per share with the subscription price of 10.35 baht per share. This is in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 2/2021.
- (3) Capital in the amount of 79,949,500 baht from the Rights Offering (RO) of newly issued ordinary shares amounting to 13,999,882 shares at a par value of 0.50 baht per share with a Rights Offering subscription price of 10.35 baht per share. This is in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 2/2021 (The Company received a total amount of 139,934,070 baht from this capital increase, with the remainder being used as working capital of the Company.)

## 4.6 Nature of Business

In 2021, the Company operated two main businesses: 1) the business relating to the production and distribution of galvanized steel sheets and galvanized color-coated steel sheet products, both in sheet and coil form, operated by TIW Industries Co., Ltd. until April 30, 2021; and 2) the business of the production and distribution of solar and wind energy electricity, which is operated through 8 subsidiaries acquired during the third quarter of 2020. The business of the production and distribution of wind energy electricity is 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"> <li>Distributor</li> <li>Purchaser</li> <li>Overseas Purchaser</li> <li>Large retail store with branches nationwide</li> </ul>

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

- 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.
- 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.

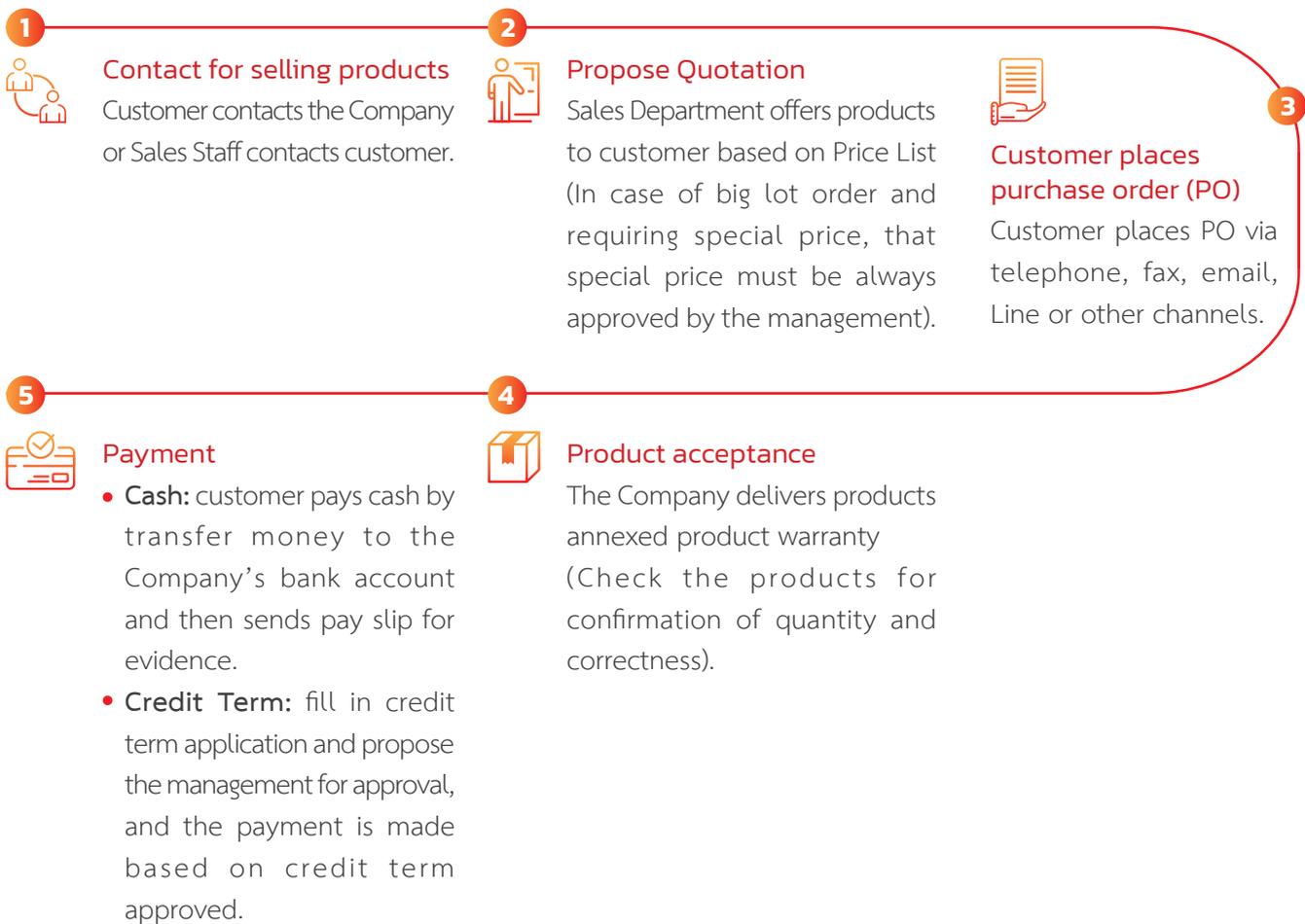
Trademark	Manufacturing Quality	Distribution Channel
	High quality TIS. 2131-2545	<ul style="list-style-type: none"> <li>Distributor</li> <li>Purchaser</li> </ul>

### (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 a 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 Quality	Distribution Channel
	High quality TIS. 2131-2545	<ul style="list-style-type: none"> <li>• Distributor</li> <li>• Purchaser</li> </ul>

### 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

**Industry conditions and competition (during the period from January 1, 2021 to April 30, 2021)**

In 2021, the steel industry production index began to expand as compared to the same period during the previous year, with an overview of Thailand's steel industry in 2021 showing that the demand for steel increased by 15% from 2020. However, the import volume continued to grow at a much higher rate than domestic production, with production volume growing by 8.3% while imports grew by 20.9%. The Iron and Steel Institute of Thailand has jointly prepared the Steel Industry 4.0 Development Plan in conjunction with the Ministry of Industry and a group of 7 steel industry associations, aiming for sustainable development in the steel industry and to help solve current issues facing the steel industry, especially production structure issues, whereby the price of steel imported from abroad is cheaper than that of steel produced in the country.

**Corrugated galvanized iron sheet** The Company's products have the same competitive potential as that of large manufacturers, of which there are currently only 3 major manufacturers, comprising Bangkok Steel Industry Public Company Limited, The Tree Sourcing Company Limited, and Siam Box Company Limited. All three are considered to be the country's main producers and distributors. It is expected that, at present, the Company continues to be a leader in the corrugated galvanized iron market.

**Metal Sheet** The Company's products are of similar competitive quality to those of large domestic producers, such as NS BlueScope (Thailand) Company Limited, Bangkok Steel Industry Public Company Limited, and Dongbu Thai Steel Company Limited, all of which are considered to be major producers and distributors in the country as well.

Competitive conditions from January 1, 2021, to April 30, 2021 remained intense as, over the past few years, the corrugated galvanized iron sheet market has received fierce competition from imports of galvanized iron sheets from the People's Republic of China. Said sheets have very thin zinc coating and low steel quality and these dumped imports are causing a fair amount of injury to the industry. At present, therefore, there are only 3 manufacturers of galvanized corrugated iron sheets in the country and it is expected that competition in the future will only intensify, especially with regard to competition in the price and sale of products that do not focus on quality, both of which will directly impact consumers. As such, in order to maintain competitiveness, the Company utilizes the method of producing its own products if the production cost is close to or less than that of imported products but the quality is higher than that of the direct imports. If at any time the production cost becomes higher than the imported products, the Company will elect to import products from abroad instead while still focusing on the quality of said imported products, thus enabling the Company to maintain continuous inventory and be ready to sell to customers at all times, creating customer confidence. At the same time, competitors who only import from foreign countries will have difficulty managing inventory for ready sale.

In addition, the Company holds a competitive advantage due to the requirement that industrial products of pre-painted hot-dipped galvanized cold-rolled flat steel, whether coil sheet, strip sheet, cut sheet, or corrugated sheet, must be of Thailand Industrial Standard (TIS) only and, at present, the Company has already received this industrial product standard. For metal roofing products and galvanized steel sheets, the Company has benefited from new tariff amendments to cover and prevent evasion of anti-dumping duties. Such measures will make it more difficult to import pre-painted galvanized steel (PPGI) sheets and pre-painted galvalume steel (PPGL) sheets.

In order to acquire products for sale throughout the past year, the Company has one manufacturing plant with a total production capacity of 60,000 tons per year, mainly sourcing raw materials from domestic manufacturers and suppliers, with some parts imported from abroad, after which the Company carries out cutting and forming within the factory area itself or at the customer's construction site. However, as of April 30, 2021, which is the date that the Company disposed of its steel and zinc business, it did not appear to have any projects with a value of more than 10% of the total revenue according to financial statements which have not yet been delivered and for which the Company takes responsibility.

## Industrial Standards

 <p><b>TIS.50-2548</b></p>	<p>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</p>
 <p><b>TIS.2132-2545</b></p>	<p>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.</p>

## 2) Business of production and distribution of electricity from solar energy and wind energy

as of 31 December 2021 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)	Share holding (%)	Purchaser	Commercial Operation Date
<b>Eight Subsidiaries</b>					
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
<b>One Associated Company</b>					
Winchai Company Limited	Mukdahan	44.85	26.25	EGAT	1 April 2019

**Remarks:** Shareholding information is as of December 2021. However, in January 2022, the Company acquired the shares of Winchai Company Limited and retained control over key activities, thus changing its investment position from an associated company to a subsidiary in January 2022.

## Nature of Products or Services

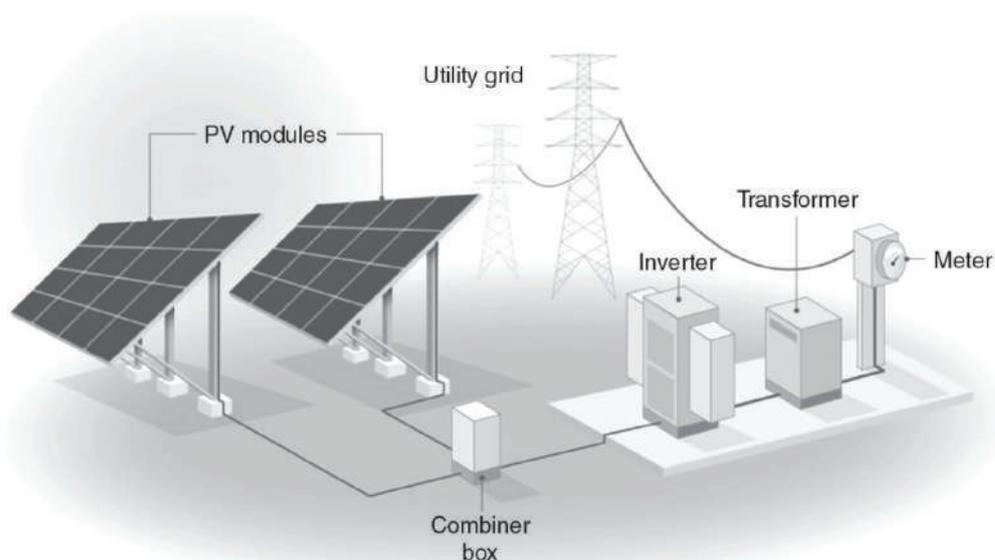
### Solar Power Production Business

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 have entered into a loan agreement with Bangkok Bank Public Company Limited to acquire a source of funds for the project. Said loan is repayable in monthly installments, totaling 120 installments, with interest starting from January 1, 2020, at the rate of MLR -1.25, with the remaining long-term loan amount totaling 126,373,874 baht as of December 31, 2021. Said loan is secured by bank deposits. Assets of the solar power plant business group include equipment and leasehold rights for rooftop space, as well as insurance for all assets, directors, and the Company. In addition, according to the terms of the contract, the solar energy business group must open a savings account for receiving payment of income from the sale of electricity and repay the loan.

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 219.36 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 467.50-6,958.33Baht 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 408 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 privileges under the Investment Promotion Act, B.E. 2520 by the resolution of the Board of Investment according to prescribed in each promotion certificate as follows:

Promotion Certificate		Commercial Operation Date
Number	Dated	
1561(1)/2557	30 April 2014	20 November 2014
1562(1)/2557	30 April 2014	9 March 2015
1563(1)/2557	30 April 2014	26 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

As such, under certain conditions, benefits include:

- Income tax exemption for promoted businesses for a period of 8 years starting from the date income is first derived from said business;
- A 50% reduction of the normal rate of income tax on the net profit derived from the promoted activity for a period of not more than 5 years commencing from the expiry date of the 8-year promotion period.
- Exemption of import duties on machineries approved by the Board of Investment.
- In order for dividends derived from a promoted activity granted an exemption of juristic person income tax to be exempted from computation of taxable income throughout the promotional period, the juristic person or Company group must comply with the terms and conditions stipulated in promotional certificates.

### 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) Company Limited, a company in the Vestas Wind System A/S group of wind turbine manufacturing companies which has a world class reputation for its specialization in designing, manufacturing, installing and providing a full range of services related to wind turbines and wind power generation for the past more than 40 years. Vestas Wind System A/S has installed wind turbines in more than 85 countries throughout the world. As such, Winchai Company Limited has entered into a long-term contract with Vestas Wind Technology (Thailand) Company Limited in order to receive better conditions and proposals for the provision of operation and maintenance services as compared to a year-to-year contract.

Operation and Maintenance Contract	Contract Details
Contract party Relationship between contract parties Scope of work according to the contract	Vestas Wind Technology (Thailand) Company Limited None Providing services and maintenance under the wind power plant maintenance contract as well as engineers for maintenance of wind power plants to ensure the project will operate efficiently and that the availability of wind turbines is guaranteed. The operation and maintenance contract also includes the cost of equipment replacements for the wind power plant and other equipment already.
Contract effective date Contract duration Power generation efficiency guarantee	May 7, 2011 25 years from the commercial operation date A minimum of 98.00% of the minimum period for which the project can generate electricity

In addition, Winchai Company Limited has hired The Prodigy Sete Company Limited to serve as a consultant and representative of Winchai Company limited in the management of the project from the contract effective date. Details are summarized as follows:

Technical Consulting and Project Management Service Contract	Contract Details
Contract party Scope of work according to the contract	The Prodigy Sete Company Limited Serve as consultant and representative of Winchai Company Limited in project management starting from the contract effective date, including aspects related to operations and maintenance (by engineering consultants), procurement, finance, legal and related regulations, public relations, and coordination with various government agencies, the general public and surrounding local areas.
Fees	2,061,855.67 baht per month

Technical Consulting and Project Management Service Contract	Contract Details
Contract effective date	August 1, 2021
Contract duration	3 years and 1 month starting from August 1, 2021, with possibility of renewal if Winchai Company Limited provides written notice at least 30 days prior to the prescribed period.

In this regard, Prodigy Sete Company Limited currently has The Prodigy Group Company Limited holding 99.97% of the total shares of the company, and Ms. Parleerat Panboonhom, who is an executive and major shareholder of the company, currently holding 90.00% of the total shares. In 2022, this transaction will be a connected party transaction, whereby the Company will comply with the regulations prescribed by the Capital Market Supervisory Board (Notification No. TorChor 21/2551).

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 energy power generation industry in Thailand includes electricity generation from biomass, biogas, waste energy, wind energy, hydroelectric energy, and solar energy. If private power producers are divided according to production capacity, they can be divided into 3 main groups: (1) Independent Power Producers (IPP) with a capacity of more than 90 MW and revenue from 2 channels, which includes the actual amount of electricity supplied to the system according to consumer usage, and the minimum take, which will be received as stipulated in long-term power purchase agreements with the Electricity Generating Authority of Thailand; (2) Small Power Producers (SPP) with a production capacity in the range of 10-90 MW, who will have revenue from 3 channels, including income from power purchase agreements with the Electricity Generating Authority of Thailand, for which the contract period is usually between 20-25 years, as well as a minimum take, and income from the sale of electricity directly to consumers; (3) Very Small Power Producers (VSPP), with a capacity of less than 10 MW, and revenue from the sale of electricity to the Metropolitan Electricity Authority and the Provincial Electricity Authority at the purchase price under the Feed-in Tariff (FIT) system, as well as the sale of electricity to customers with direct contracts according to agreed-upon prices.

In 2021, the private power generation business tended towards growth due to the growth of the domestic electricity demand at an average of 2.8-3.8 percent per year, as well as government policies to support investments according to the Power Development Plan and the Alternative Energy Development Plan. Power plant groups expected to accelerate investment expansion include the installation of rooftop solar power systems in the public sector, biomass power plants (community power plants and civil biomass power plants in the Southern region), biogas (community power plants), and waste, as these are the target groups from which

the government plans to purchase electricity throughout 2021-2024. These groups also have the potential to compete both in terms of cost and raw material sources. As such, business competitiveness will likely intensify due to the continuous expansion of investment from large operators and investments from new investors in renewable energy generation. As a result, overall business revenue grew at a moderate rate.

On September 20, 2021, the Energy Policy and Planning Office decided to revisit the Thailand's Power Development Plan (PDP) 2018-2037 (Rev. 1) (PDP2018) for the 2021 – 2030 timeframe, or over the next 10 years, in order to increase the proportion of renewable energy. Firstly, there are ways to increase the amount of electricity purchased from renewable energy sources, such as from Community Power Plant Projects for Grassroots Economy and General Public Solar Projects. In addition, delayed renewable energy projects will be expedited, such as a power plant expansion project of about 140 megawatts, a 400 megawatt community waste power plant project, and civil biomass power plant projects in the 3 southern border provinces, etc. As an overview of the preparation for the energy plan at this time, we will start from the National Energy Plan, with the preparation of 5 sub-plans, namely, the Thailand Power Development Plan (PDP) 2022, the Gas Plan, the Alternative Energy Development Plan (AEDP), the Energy Efficiency Plan (EEP), and the Oil Plan, for which improvements are expected to be completed by 2022.

The 2018-2037 Power Development Plan (PDP rev.1), which maps out the long-term energy needs and capacity of the country, expects Thailand to add 56,431 megawatts of new capacity by 2037 to reach a total capacity of 77,211 megawatts. The said plan aims to reduce the share of coal-fired power plants, supports natural gas power plants and aims to increase power generation by natural gas to 53% and power generation by renewable energy to 20%. This long-term plan will likely result in competitive bidding for a large number of new power stations to replace 8,300 megawatts of large natural gas power plants whose supply contracts are expected to expire throughout the 2025 – 2027 period. In addition, small power plants will likely increase installed power generation capacity and investment in new power stations, especially natural gas power plants whose contracts expire throughout 2016 – 2025. As such, it can be seen that the demand for electricity throughout the country continues to grow, and that, while the government sector has reduced the overall proportion of production capacity from new power plants to some extent, business opportunities still remain and the Company plans to invest in the power generating business for distribution to the Electricity Generating Authority, the Metropolitan Electricity Authority, and the Provincial Electricity Authority, but according to the Power Purchase Agreement only, whereby the amount of electricity sold is at a fixed amount 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.

## 5. Risk Management

### 5.1 Risk management policy and important developments in 2021

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 plans 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 established its Business Ethics and is working to raise awareness and understanding of business ethics, including the anti-corruption issue by establishing an anti-corruption policy and a whistleblower policy for complaints of misconduct or corruption, whereby if any misconduct is observed, it can be reported directly to the Audi Committee. In addition, the Company has sufficient and appropriate risk management and internal control systems in place, including an internal audit unit and independent external experts who are responsible for monitoring work processes and reporting quarterly audit results to the Audit Committee. In 2021, the Company also became a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and plans to become certified as an anti-corruption organization by the CAC in 2022. Additionally, throughout the past year, the Company has not received any complaints or encountered any incidents in which employees or executives acted in violation of anti-corruption issues, nor has the Company or any of its subsidiaries ever been accused of corruption.

## 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.

Additionally, the Company places great importance on the creation of mutual benefits. In 2021, the Company hired people from the local community itself for solar panel cleaning, providing them with fair fees and training them in correct and safe cleaning methods as opposed to hiring external companies for this process as in the past.

In 2021, the Company also donated 200 solar panels to Wat Phrabat Nam Phu, Lopburi, in order to produce lighting for animal housing, with an ongoing plan for 2022, aiming to create mutual benefits between the temple, the Company, and the local community, whereby the Company's follow-up plan seeks to optimize the use of local resources.

## 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 Environmental Sustainability Management

While the Company operates a clean energy business, its environmental management approach focuses not only on reducing the impact of the business on the environment, but also considers the promotion and development of that environment in order to create business value for the community. For 2021, the Company established a concrete environmental action plan with a focus on reciprocal coexistence with the local community and support of the Sustainable Development Goals (SDGs) guidelines of the United Nations, as well as guidelines for the reduction of greenhouse gas emissions, promotion of human rights, reduction of social inequalities, and energy access for local communities. This is in accordance with the Company's business commitments as a company operating primarily in energy. That said, due to the COVID-19 pandemic, work plans aiming to develop surrounding areas as eco-tourism attractions, especially in Mukdahan Province, where the Company aims to work with the government sector and local communities to develop the wind turbine area as a tourist attraction to stimulate the local economy, have slowed down. However, at present The company is continually promoting the creation of a culture of conservation and energy saving, starting with the actions and habits of employees, such as saving water, saving electricity, or reducing the use of paper in the workplace, as well as planning transportation in a way that helps reduce fuel consumption. and having staff coordinate and communicate with local communities in the areas where we operate to receive their opinions on important issues. The company has had no environmental disputes in the past.

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.

**Carbon Footprint Assessment**

The Board of Directors has required the Company to prepare and verify the Company's Carbon Footprint Assessment for the year 2021. This is part of the Corporate Strategy Roadmap for 2021 in the area of Governance, Risk, and Compliance in order to support government policies for reduction of the country's greenhouse gas emissions by 20% by 2030. Currently the government sector is considering the Climate Change Act B.E....., a key part of which is the government's authority to call on relevant organizations to submit or report information related to greenhouse gas emissions.

However, since this is a new development, Company management therefore proposed to establish and verify the Organization's greenhouse gas emissions for 2021 on a limited scale reflecting actual business operations, through a specific monitoring period from May 1, 2021, to December 31, 2021, as this was the period when the Company sold all its steel and zinc business and also covers the solar power business operated by 8 subsidiaries and the Company's Head Office.

In regard to the preparation and verification of the Organization's Carbon Footprint Assessment for the year 2021, the Company has established the scope and identifiers for greenhouse gas emission sources from various activities of the Organization, covering Scope 1: Direct greenhouse gas emissions; Scope 2: Indirect emissions and consumption of greenhouse gases from energy use; and Scope 3: Other indirect greenhouse gas emissions. This also includes the setting of guidelines and formats for data collection, verified by an accredited external assessor, Bureau Veritas Certification (Thailand) Limited.

The results of the assessment and verification of the Company's greenhouse gas emissions for 2021 revealed that the Company has a very small amount of greenhouse gas emissions, particularly because throughout 2021,

the Company implemented 100% Work from Home measures, thus resulting in zero use of the Company headquarters all year. Employees were also encouraged by the Information Technology Department to use various applications for work and meetings, resulting in a very small amount of energy, water, and electricity consumption, as well as minimal use of paper at the head office. At the same time, the electricity-generating subsidiary does not have an office or employees working there, but instead the Company uses remote control technology, whereby employees can inspect or access the solar power plant locations when needed, resulting in minimal fuel consumption.

For 2022, the Company plans to conduct its preparation and verification of corporate greenhouse gas emissions by setting clear boundaries throughout the year in all businesses, including the wind energy business operated by Winchai Company Limited, which currently has its status as subsidiary of the Company as of January 31, 2022.

The Company expects the 2022 assessments to be used as a guideline for setting greenhouse gas emission reduction targets for the coming years. The information obtained will be released for comparative analysis and clear guidelines for reduction of all 3 scopes of greenhouse gas emissions in the coming annual report for 2022.

## 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 undertaken, 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 Performance Analysis and Discussion

### Overall Performance

Results from the implementation of strategies and plans for the year 2021 show that since the investment in Winchai Company Limited at an initial proportion of 26.25% of paid up capital, the Company has recognized the positive and consistent performance of Winchai Company Limited as an associated company from the beginning of the year to now. The Company believes that continued investment in the energy business has a good future outlook in terms of both performance and support of the Sustainable Development Goals (SDGs) of the global community, especially SDG 7—“Affordable and Clean Energy.”

Throughout the year 2021, the Company planned to improve its solar power business, operated by 8 subsidiaries for a total of 10 projects, taking into account various risks, especially climate change risks. The Company has monitored the power capacity of each of the 10 projects and has upgraded equipment to make these data more granular and remotely trackable online. Solar power generation panels have also been replaced, utilizing new technology to coat panel surfaces to make them more resistant to Thailand’s hot, humid conditions. For these improvements, funding was utilized from the capital increase in subsidiaries in mid-2021. In addition, as a result of monitoring climate change and increasing lightning statistics, the Company also participated in the decision to install lightning protection technology for Winchai Company Limited wind turbines. This technology allows the electric currents coursing through the blades to transfer electricity to the ground, thus significantly reducing hazards to wind turbine equipment.

In the steel and zinc business, the Company has monitored competitive market conditions both domestically and internationally, along with the continuing loss and pressure of higher costs in galvanized steel production. Starting from mid-2020, therefore, the Company restructured its business by changing its core business to an energy investment focused enterprise and selling its steel and zinc business, consolidating all assets and liabilities in April of 2021, thereby reducing financial risk and allowing the Company to look for new business opportunities to benefit the Company’s shareholders and investors.

At the end of 2021, the Company also successfully negotiated the purchase of 24.375 additional shares in Winchai Company Limited, or 25.375% of the shares, at a total price of 700 million baht, as a result of increased flexibility for the Company after the sale of the steel and zinc business. This acquisition provides the Company with control over Winchai Company Limited, thus enabling the Company to formulate strategies, business plans, and dividend policies.

Under the conditions of the COVID-19 pandemic, the Company continues to look after the wellbeing of its employees as previously, changing the work style to 100% work-from-home, which was highly successful. Supporting this initiative the Company’s Information Technology Department supported a wide variety of suitable devices, technologies, and communication formats, allowing work goals to be set and tracked by supervisors and the HR Department. As a result, office expenses were reduced to almost zero for the usage of paper, garbage, electricity, and water. In addition, sanitary and testing measures to prevent risk of infection were established and carried out at all times, including in unavoidable cases of outsider contact with the business. As a result, no Company employee was infected with Covid-19 throughout the past year.

From the above operations, we see visible proof of improvement in the Company’s operating results. In 2021, the Company Group’s revenues from subsidiaries in the production and sale of electricity were at 44.02 million

baht, and the share of profit from associated companies in the production and sale of wind power electricity was 90.26 million baht.

The Board and Management are confident that the investment plans and strategies being implemented will generate sufficient returns for investors in accordance with the National Energy Plan, which was part of the government's energy policy last year. This includes support of clean energy and reducing carbon dioxide emissions to zero in the next 10 years. As such, the Company Group has a continuous investment policy and strategy that is consistent with that of the government sector.

### Statement of Comprehensive Income for Years Ending December 31, 2021 and 2020.

For years ending December 31	Consolidated Financial Statements		Changes	
	2021	2020	Million Baht	Percent
<b>Continuing Operations</b>				
Sales of Goods	44.02	21.15	22.87	108%
Cost of Sales	(36.64)	(15.08)	(21.56)	143%
<b>Gross Profit</b>	<b>7.38</b>	<b>6.07</b>	<b>1.31</b>	<b>22%</b>
Other Income	6.34	2.83	3.51	124%
Administrative Expenses	(46.14)	(20.50)	(25.64)	125%
Impairment Loss on Goodwill	-	(2.95)	2.95	(100%)
<b>Operating Loss</b>	<b>(32.42)</b>	<b>(14.55)</b>	<b>(17.87)</b>	<b>123%</b>
Share of Profit from Investment in Associate	90.26	-	90.26	100%
Financial Cost	(12.49)	(6.77)	(5.72)	84%
<b>Profit (Loss) Before Income Tax</b>	<b>45.35</b>	<b>(21.32)</b>	<b>66.67</b>	<b>313%</b>
Income Tax Benefits (Expenses)	(0.78)	0.19	(0.97)	(511%)
<b>Profit (Loss) for the Year from Continuing Operations</b>	<b>44.57</b>	<b>(21.13)</b>	<b>65.70</b>	<b>311%</b>
<b>Discontinued Operations</b>				
Profit (Loss) for the year from Discontinued Operations	69.72	(111.75)	181.47	162%
<b>Profit (Loss) for the Year</b>	<b>114.29</b>	<b>(132.88)</b>	<b>247.17</b>	<b>186%</b>
<b>Other Comprehensive Income</b>				
Share of Other Comprehensive Income from Investment in Associate	4.37	-	4.37	100%
Other Comprehensive Income for the year from Discontinued Operations	-	(0.31)	0.31	100%

For years ending December 31	Consolidated Financial Statements		Changes	
	2021	2020	Million Baht	Percent
Other Comprehensive Income for the Year	4.37	(0.31)	4.68	1510%
Total Comprehensive Income for the Year	118.66	(133.19)	251.85	189%

For the year ending on December 31, 2021, the consolidated financial statements showed a total comprehensive income of 118.66 million baht, an increase of 251.85 million baht or 189% from the previous year, comprised of 44.57 million baht in profit for the year from continuing operations and 69.72 million baht in profit for the year from discontinued operations as follows:

### Sales of Goods and Cost of Sales

Since the Company investment in the solar power business on July 24, 2020, revenue from sales of solar power electricity this past year was 44.02 million baht, an increase of 108% from the same period the previous year.

Cost of sales amounted to 36.64 million baht, an increase of 143% from the previous year due to the solar power business division, which consisted of the rental of solar panel rooftop space and depreciation of machinery and equipment related to this business division.

### Administrative Expenses

Administrative expenses increased by 25.64 million baht, or 125%, mainly due to professional consultant fees incurred during the business restructuring as per the Company's strategy.

### Share of Profit from Investment in Associate

The share of profit from investment in associate totaling 90.26 million baht is the share of profits from investment in 26.25% of ordinary shares of Winchai Company Limited starting on the date of investment on April 21, 2021. Winchai Company Limited operates its business in the production and distribution of wind power electricity.

### Financial Costs

The majority of the financial costs arose from long-term debt of subsidiaries in the solar energy business segment and from recognition of right of use of solar panel rooftop space according to the Thai Financial Reporting Standards No. 16, "Leases."

### Profit for the Year from Continuing Operations

The Company currently operates investment business in other businesses. In 2021, the Company entered into a sale of investment transaction in TIW Industries Company Limited (TIWI) and entered into an agreement to purchase investments in other companies. In order to comply with regulations associated with listed companies, the Company therefore incurred expenses related to professional consulting fees for the increased reporting of relevant consultants to the general public, thus resulting in the increase of necessary expenses.

## Analysis and Details of Discontinued Operations are as follows:

Statement of Comprehensive Income for Years Ending December 31, 2021 and 2020

For years ending December 31	Consolidated Financial Statements		Changes	
	2021	2020	Million Baht	Percent
Sales of Goods	287.08	374.62	(87.54)	(23%)
Service Income	1.97	23.85	(21.88)	(92%)
<b>Total Revenue from Sales and Services</b>	<b>289.05</b>	<b>398.47</b>	<b>(109.42)</b>	<b>(27%)</b>
Cost of Sales	283.95	460.13	(176.18)	(38%)
Cost of Services	2.55	20.23	(17.68)	(87%)
<b>Total Cost of Sales and Services Income</b>	<b>286.50</b>	<b>480.36</b>	<b>(193.86)</b>	<b>(40%)</b>
<b>Gross Profit (Loss)</b>	<b>2.55</b>	<b>(81.89)</b>	<b>84.44</b>	<b>103%</b>
Gain on Sales of Investment in Subsidiary	80.29	-	80.29	100%
Other Income	1.08	24.12	(23.04)	(96%)
Selling and Distribution Expenses	(3.40)	(8.40)	5.00	(60%)
Administrative Expenses	(7.26)	(23.47)	16.21	(69%)
<b>Operating Profit (Loss)</b>	<b>73.26</b>	<b>(89.64)</b>	<b>162.90</b>	<b>182%</b>
Financial Cost	(3.54)	(5.57)	2.03	(36%)
<b>Profit (Loss) Before Income Tax</b>	<b>69.72</b>	<b>(95.21)</b>	<b>164.93</b>	<b>173%</b>
Income Tax Expenses	-	(16.55)	16.55	(100%)
<b>Profit (Loss) for the Year from Discontinued Operations</b>	<b>69.72</b>	<b>(111.76)</b>	<b>181.48</b>	<b>162%</b>

Results of the Statement of Comprehensive Income from Discontinued Operations for the year ending on December 31, 2021 show the operating results of TIWI from the beginning of the year until the date of the Company's disposal of investment (April 30, 2021). When comparing the Statement of Comprehensive Income for the year ending on December 31, 2021, with that of the previous year, a significant change in numbers can be seen as a result of said disposal of investment in the subsidiary.

### Gain on Sales of Investment in Subsidiary

The Board of Directors Meeting No. 3/2021 held on March 10, 2021, and the Annual General Meeting of Shareholders for the year 2021 on April 30, 2021, resolved to approve the Company's disposal of all investments in TIWI, a subsidiary in which the Company held 99.99% of registered and paid-up capital. The total number of shares was 3,899,997 shares with a par value of 10 baht and these were sold to Dr. Prasit Kanchanasakdichai at the price of 20.00 million baht. The Company entered into an agreement to sell said ordinary shares in TIWI and has received the payment of 20.00 million baht on April 30, 2021. The Company recognized a gain on the disposal of investment of 80.29 million baht, which is presented as part of the profit from discontinued operations in the consolidated statement of comprehensive income.

## Statement of Financial Position as of December 31, 2021 and 2020

As of December 31	Consolidated Financial Statement		Changes	
	2021	2020	Million Baht	Percent
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	37.44	653.05	(615.61)	(94%)
Trade and Other Receivables	3.02	26.56	(23.54)	(89%)
Contract Assets	2.98	8.61	(5.63)	(65%)
Current Portion of Long-Term Loans to Employees	-	2.34	(2.34)	(100%)
Inventories	-	378.32	(378.32)	(100%)
Other Current Assets	3.60	29.37	(25.77)	(88%)
<b>Total Current Assets</b>	<b>47.04</b>	<b>1,098.25</b>	<b>(1,051.21)</b>	<b>(96%)</b>
<b>Non-current Assets</b>				
Restricted Bank Deposit	0.02	66.70	(66.68)	(100%)
Long-term Loans to Employees – net of current portion	-	2.96	(2.96)	(100%)
Investment in Associate	754.63	-	754.63	100%
Property, Plant and Equipment	231.65	242.45	(10.80)	(4%)
Intangible Assets	131.07	138.73	(7.66)	(6%)
Right-of-Use Assets	107.23	166.91	(59.68)	(36%)
Deferred Tax Assets	0.40	0.23	0.17	74%
Other Non-current Assets	1.64	2.65	(1.01)	(38%)
<b>Total Non-current Assets</b>	<b>1,226.64</b>	<b>620.63</b>	<b>606.01</b>	<b>98%</b>
<b>Total Assets</b>	<b>1,273.68</b>	<b>1,718.88</b>	<b>(445.20)</b>	<b>(26%)</b>

As of December 31	Consolidated Financial Statement		Changes	
	2021	2020	Million Baht	Percent
<b>Liabilities and Shareholders' Equity</b>				
<b>Current Liabilities</b>				
Short-term Loans from Financial Institutions	-	477.65	(477.65)	(100%)
Bills of Exchange	-	48.00	(48.00)	(100%)
Short-term Loans from Related Parties	-	7.83	(7.83)	(100%)
Trade and Other Payables	11.86	59.49	(47.63)	(80%)
Current Portion of Long-term Loans from Financial Institutions	38.01	36.63	1.38	4%
Current Portion of Lease Liabilities	3.54	7.07	(3.53)	(50%)
Income Tax Payable	0.74	2.00	(1.26)	(63%)
Other Current Liabilities	1.26	1.53	(0.27)	(18%)
<b>Total Current Liabilities</b>	<b>55.41</b>	<b>640.20</b>	<b>(584.79)</b>	<b>(91%)</b>
<b>Non-current Liabilities</b>				
Long-term loans from financial institutions - net of current portion	88.36	126.59	(38.23)	(30%)
Lease Liabilities – net of current portion	113.51	215.76	(102.25)	(47%)
Deferred Tax Liabilities	10.00	10.42	(0.42)	(4%)
Long-term employee benefit Obligations	2.24	22.40	(20.16)	(90%)
<b>Total Non-current Liabilities</b>	<b>214.11</b>	<b>375.17</b>	<b>(161.06)</b>	<b>(43%)</b>
<b>Total Liabilities</b>	<b>269.52</b>	<b>1,015.37</b>	<b>(745.85)</b>	<b>(73%)</b>

As of December 31	Consolidated Financial Statement		Changes	
	2021	2020	Million Baht	Percent
<b>Liabilities and Shareholders' Equity (Cont.)</b>				
<b>Shareholders' Equity</b>				
Share Capital				
Registered				
170,428,706 Ordinary Shares of 0.5 each (2020 : 7,305,000 ordinary shares of 10 each)	85.21	73.05	12.16	17%
Issued and Fully paid				
139,998,824 Ordinary Shares of 0.5 each (2020 : 6,000,000 ordinary shares of 10 each)	70.00	60.00	10.00	17%
Share Premium	311.99	140.00	171.99	123%
Retained Earnings				
Appropriated				
Legal Reserve	10.00	10.00	-	-
General Reserve	106.00	106.00	-	-
Unappropriated	501.79	387.51	114.28	29%
Other Components of shareholders' Equity	4.38	-	4.38	100%
Equity attributable to owners of the company	1,004.16	703.51	300.65	43%
Non-Controlling Interests	-	-	-	-
<b>Total Shareholders' Equity</b>	<b>1,004.16</b>	<b>703.51</b>	<b>300.65</b>	<b>43%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,273.68</b>	<b>1,718.88</b>	<b>(445.20)</b>	<b>(26%)</b>

As of April 30, 2021, the Company disposed of its investment in TIWI, and thus the Company was not required to include TIWI's book value as part of the Consolidated Financial Statements as of December 31, 2021, since TIWI was not a subsidiary of the Company at that time. When comparing the Statement of Financial Position as of December 31, 2021, with that of December 31, 2020, there were significant changes in numbers resulting from the disposal of the investment in said subsidiary.

### Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2021, decreased by 615.61 million baht due to an increase in cash and cash equivalents of 96.16 million baht from normal operating activities. Cash and cash equivalents from investing activities decreased by 710.83 million baht, which was mainly due to the investment of 704.91 million baht in an associated company during that year, and a decrease in cash and cash equivalents from financing activities amounting to 0.94 million baht due to loan repayment and cash received from capital increase.

### Contract Assets

Contract assets as of December 31, 2021, are accrued electricity income from the operations of the solar power business segment.

### Inventories

In the Consolidated Financial Statements, there are no inventories as of December 31, 2021, because all inventories are goods for TIWI's galvanized steel product and installation segments, for which the Company sold its investments in said subsidiary during that year.

### Investment in Associate

On January 27, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 passed a resolution approving the purchase of 2,598,750 shares, or 26.25%, of Winchai Company Limited, a company which operates a business for the production and distribution of wind power electricity, from a juristic person holding all shares, Ms. Parleerat Panboonhom, at a price of 600.00 million baht. On April 19, 2021, the Company entered into a purchase and sales agreement for ordinary shares of the said company with a related company (100% of shares held by Ms. Parleerat Panboonhom). The Company has received all shares, and payment for said shares was completed on April 21, 2021. Operating results for the year ended December 31, 2021, and the Company recognized a share of profit and share of other comprehensive income from investment in associated company amounting to 90.26 million baht.

On December 17, 2021, the Extraordinary General Meeting of Shareholders No. 2/2021 passed a resolution approving an additional investment in the ordinary shares of Winchai Company Limited (associated company) of 2,413,125 shares, or equivalent to 24.375%, at a total price of 700.00 million baht, thus accepting the business transfer of said company. On January 24, 2022, the Company entered into said transaction and, as a result, the Company's stake in Winchai Company Limited increased from 26.25% to 50.625% of the total paid-up shares of Winchai Company Limited. The Company has changed the classification from investment in associate to subsidiary due to the Company's decision-making powers regarding strategic operations, including budgeting and returns, such as dividends.

### Intangible Assets

As of December 31, 2021, the intangible assets of the Company were 131.07 million due to the recognition of fair value appraisals of power purchase agreements in the solar power segment as of the date of acquisition (July 24, 2020). These were amortized using the straight-line method and the remaining useful life under the power purchase agreement is approximately 18 years.

## Cash Flow Analysis

Cash Flow Statement for years ending December 31, 2021 and 2020

For Years Ending December 31	Consolidated Financial Statements	
	2021	2020
Net Cash from Operating Activities	96.17	96.39
Net Cash From (Used In) Investing Activities	(710.83)	44.90
Net Cash From (Used In) Financing Activities	(0.95)	420.63
Cash and Cash Equivalents at the Beginning of the year	653.05	91.14
Cash and Cash Equivalents Net Increase (Decrease)	(615.61)	561.92
Cash and Cash Equivalents at the End of the year	37.44	653.05

As of December 31, 2021, cash and cash equivalents amounted to 37.44 million baht, a decrease from the end of 2020 by 615.61 million baht, consisting of:

- Net cash from operating activities for the year 2021 amounted to 96.17 million baht, mainly due to operating profit from the solar power generation and distribution segment and sales of inventories of the galvanized steel production and distribution segment.
- Net cash used in investing activities for the year 2021 amounted to 710.83 million baht, mainly due to cash paid for purchasing investments in an associate, Winchai Company Limited.
- Net cash used in financing activities for the year 2021 amounted to 0.95 million baht, mainly due to cash repayment of loans from financial institutions and other parties, and cash received from the capital increase.

## Table of Important Financial Ratios

Important Financial Ratios	Consolidated Financial Statements ending December 31		
	2019	2020	2021
Liquidity Ratio (times)	7.74	1.72	0.85
Quick Liquidity Ratio (times)	(4.83)	0.48	0.78
Accounts Receivable Turnover Ratio (times)	11.47	7.06	9.78
Average Collection Period (days)	31.39	50.99	36.80
Gross Profit Margin (percent)	6.85	28.70	16.76
Operating Profit (loss) Margin (percent)	(0.51)	(68.77)	(73.65)
Net Profit Margin (percent)	(1.36)	(99.89)	101.24
Return on Equity (percent)	(0.64)	(3.00)	4.44
Return on Assets (percent)	(0.56)	(1.23)	3.50

Important Financial Ratios	Consolidated Financial Statements ending December 31		
	2019	2020	2021
Debt to Equity Ratio (times)	0.13	1.44	0.27
Interest Coverage Ratio (times)	(37.28)	13.08	11.73

### Financial Ratio Calculation

- Liquidity Ratio = Current Assets / Current Liabilities
- Quick Liquidity Ratio = (Cash and Bank Deposits + Marketable Securities + Trade Accounts and Notes Receivable - Inventories) / Current Liabilities
- Accounts Receivable Turnover Ratio = Net Sales / (Trade Accounts Receivable before Doubtful Accounts + Trade Notes Receivable) (Average)
- Average Collection Period = 360 / Accounts Receivable Turnover Ratio
- Gross Profit Margin = Gross Profit / Net Revenue from Sales and Services
- Operating Profit Margin = Operating Profit / Net Sales and Service Income
- 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
- Interest Coverage Ratio = Cash Flow from Operations + Interest Expenses from Operations + Taxes / Interest Expenses from Operations and Investments

### Asset Management Capabilities

Statement of Financial Position (Condensed) as of December 31, 2021 and 2020

As of December 31	Consolidated Financial Statements		Changes	
	2021	2020	Million Baht	Percent
Current Assets	47.04	1,098.25	(1,051.21)	(96%)
Non-current Assets	1,226.64	620.63	606.01	98%
<b>Total assets</b>	<b>1,273.68</b>	<b>1,718.88</b>	<b>(445.20)</b>	<b>(26%)</b>

The total assets of the Company and its subsidiaries as of December 31, 2021, amounted to 1,273.68 million baht, a decrease of 445.20 million baht, or 26%, due to the disposal of investment in TIWI.

Operating Efficiency Ratio	Consolidated Financial Statements Ending December 31		
	2019	2020	2021
Return on Asset (%)	(0.56)	(1.23)	3.50

In the Consolidated Financial Statements as of December 31, 2021, the return on assets in the year 2021 showed an increase from the previous year from negative 1.23% to 3.50%, as the rate of return on assets in 2021 came from the power generation and distribution business segment, which had an operating profit that year. In 2020, however, that business segment had a negative rate of return on assets due to operating losses in the galvanized steel production and distribution business segment; however, the Company sold its investment in TIWI in 2021.

### Liquidity and Capital Adequacy of the Company

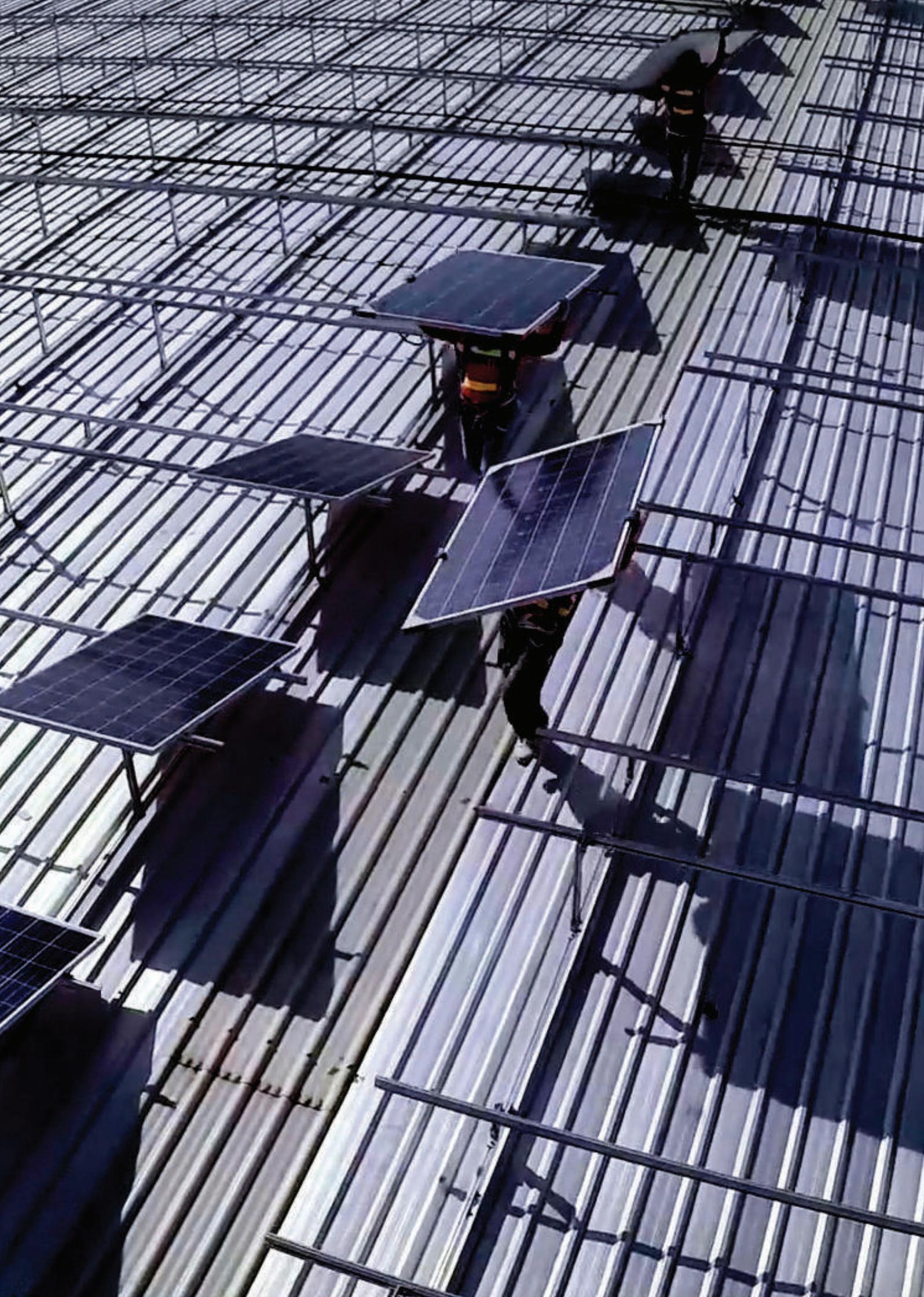
Statement of Financial Position (Condensed) as of December 31, 2021 and 2020

As of December 31	Consolidated Financial Statements		Changes	
	2021	2020	Million Baht	Percent
Current Liabilities	55.41	640.20	(584.79)	(91%)
Non-current Liabilities	214.11	375.17	(161.06)	(43%)
<b>Total Liabilities</b>	<b>269.52</b>	<b>1,015.37</b>	<b>(745.85)</b>	<b>(73%)</b>

As of December 31, 2021, the total liabilities of the Company and its subsidiaries amounted to 269.52 million baht, a decrease of 745.85 million baht, or 73%, from the previous year due to the disposal of investment in TIWI and net cash used in financing activities for the year 2021.

Liquidity Ratio	Consolidated Financial Statements Ending December 31		
	2019	2020	2021
Liquidity Ratio (times)	7.74	1.72	0.85
Quick Liquidity Ratio (times)	(4.83)	0.48	0.78

As of December 31, 2021, the Consolidated Financial Statements show a liquidity ratio of 0.85, a decrease from the previous year. This is due to the Company's investment of its cash flow in an associated company, Winchai Company Limited, which is classified as noncurrent and less liquid assets. However, the Company expects that the investment in Winchai Company Limited will allow the Company to receive returns in the form of dividends, which will enhance liquidity for the Company in future.





# Corporate Governance

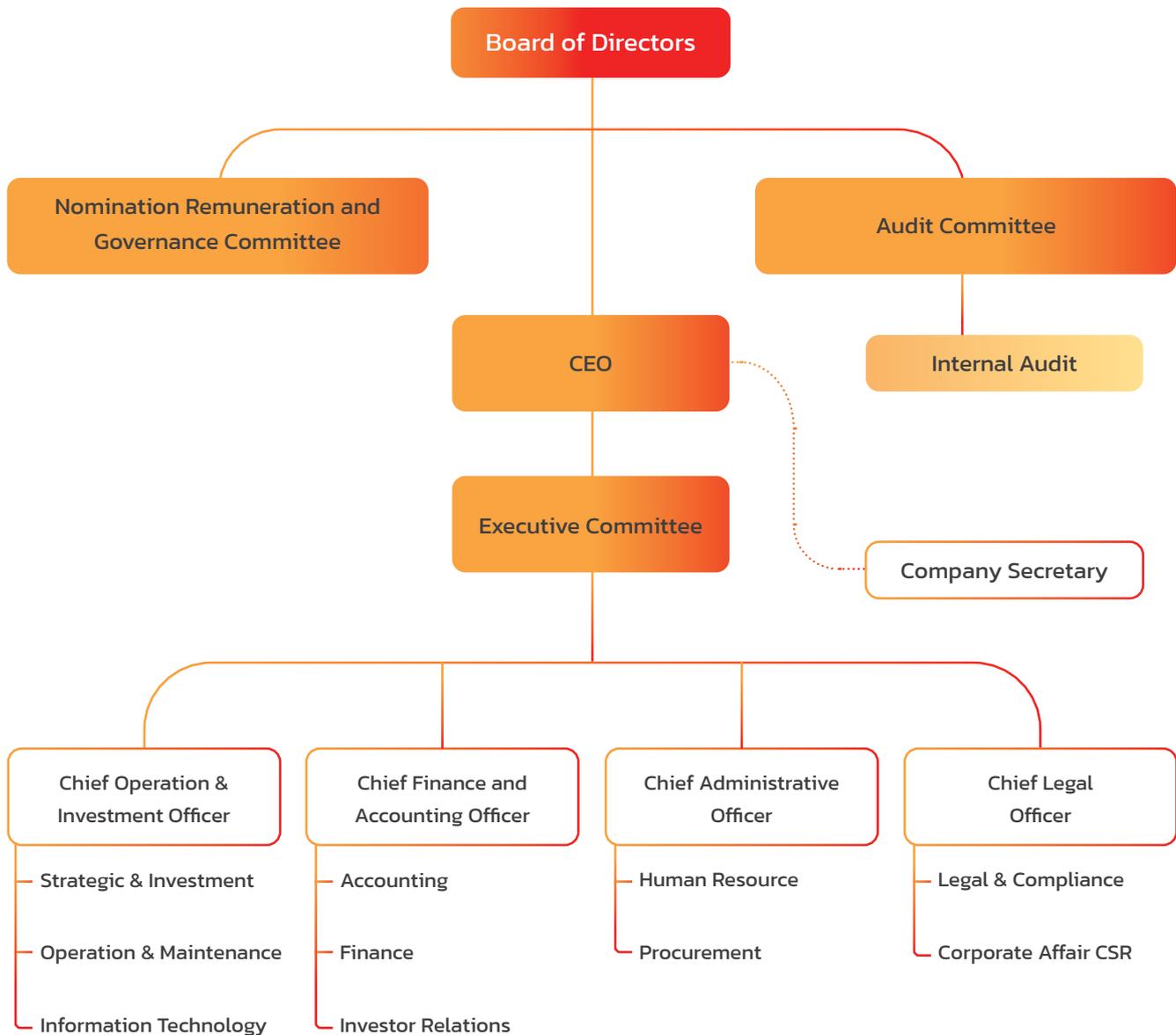




  
**WINCHAI**  
WINCHAI COMPANY LIMITED

## 8. Corporate Governance Structure

### Corporate Governance Structure of Nova Empire Public Company Limited



## 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](http://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 2021, three shareholders' meetings were held:

The Extraordinary General Meeting of Shareholders No. 1/2021 was held on January 27, 2021, the Record Date for which was set on December 28, 2020, for the purchase of 2,598,750 shares, or 26.25% of the total shares, of Winchai Company Limited. In addition, changes were made to the Company's name and seal, while there were also amendments the Company's objectives in order to include the energy business and amendments to the regulations concerning the organization of meetings via electronic media. Also, registered capital was increased by allocating the Company's newly issued ordinary shares to the existing shareholders in a Rights Offering (RO) in order to use the proceeds for the purchase of the above-mentioned shares.

The Annual General Meeting of Shareholders 2021 was held on April 30, 2021, the Record Date for which was set on March 29, 2021, in order to consider various agendas as required by law, including the Annual Performance Report, review of Annual Financial Statement, appointment of directors retiring by rotation, determine directors' remuneration, and appointment and remuneration of auditor. In addition, an important agenda matter was the disposal of all investments in TIW Industries Company Limited, in order for the Company to become a Company operating only in the energy business, which is in accordance with Company strategy.

In addition, the Company held an Extraordinary General Meeting of Shareholders No 2/2021 since December 17, 2021, setting the Book Closing Date on November 26, 2021, to consider the purchase of 2,413,125 ordinary shares in Winchai Company Limited, or 24.375% of the total issued ordinary shares, as well as a 15,214,941-baht increase in registered capital from the original registered capital of 69,999,412 baht to a registered capital of 85,214,353 baht by issuing 30,429,882 newly-issued ordinary shares with a par value of 0.50 baht per share in order to allocate the Company's newly-issued ordinary shares to existing shareholders in a Rights Offering in an amount not exceeding 13,999,882 shares at the rate of 10 existing shares per 1 ordinary share, offering them for sale at the offering price of 10.35 baht per share and allotting the Company's newly issued ordinary shares to a Private Placement, namely Sermsang Power Corporation Public Company Limited, in the amount not exceeding 16,430,000 shares at the offering price of 10.35 baht per share.

The Company chose to hold all three meetings via electronic conferencing for the safety of the shareholders amid the Covid-19 pandemic, scheduling meetings in the afternoon to give shareholders time to prepare. The Company also allowed shareholders to submit documents for registration to attend the meeting in advance of the meeting date in order to reduce the time required for document review on the meeting day itself. In addition, the Company provided a Call Center to recommend methods and procedures for registration and attendance in electronic format. Under normal conditions, the Company uses a barcode system for registration and vote counting, in order to help expedite the registration process and vote processing, and provides stamp duties for shareholders to grant their proxies.

The Company conducts its meetings with transparency and with auditable mechanisms in place, also providing shareholders with the opportunity to ask questions and express opinions related to the agenda and summarized in the meeting minutes. In addition, directors, relevant senior management and auditors attend shareholders' meetings in order to answer questions and acknowledge the opinions of the shareholders

The Company has assigned Thailand Securities Depository Company Limited, which is the Company's registrar, to deliver the shareholders' meeting invitation letter and meeting documents to shareholders at least 14 days prior to the meeting. The Company also publishes the invitation letter and meeting documents for the shareholders' meeting on the Company's website in both Thai and English, so that shareholders can access information related to the shareholders' meeting conveniently and quickly. The invitation letter for the shareholders' meeting contains sufficient and complete details of the various agenda items, along with the opinion of the Board of Directors and clear specification regarding whether a matter is for acknowledgement or consideration, and attaches a proxy form as prescribed by the Ministry of Commerce, as well as a proposed list of independent directors in the proxy form as options for appointment as proxy by shareholders.

The Company provided shareholders with an opportunity to submit questions related to the meeting agenda, to propose matters for consideration in the meeting agenda, and to nominate persons to be considered for election as directors of the Company prior to the Annual General Meeting of Shareholders, 2021, between September 6, 2021, and January 5, 2022. The Company published details in the form of a newsletter regarding the rules and procedures for submitting proposals, which was sent to the Stock Exchange of Thailand and published on the Company's website on September 3, 2021. None of the shareholders proposed any meeting agenda items or nominated any persons to be directors.

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 2022.

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 recognizes that the Company's information, both financial and non-financial, affects the decisions of shareholders and investors alike. As such, in order to properly disclose important information quickly and transparently, the Company established investor relations officers to communicate with shareholders and general investors on a regular basis. Interested parties can contact the Investor Relations Department to obtain information at [investorrelations@novaempire.co.th](mailto:investorrelations@novaempire.co.th). In 2021, the company disclosed information via the SET's system 43 times.

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 2021, there have been no incidents in which the Company faced any proceedings from a regulatory authority due to non-declaration of nondisclosure of material information within the specified period.

On February 28, 2022, the Board of Directors assessed the Company's corporate governance system and concluded that current practices are appropriate for driving existing strategies and plans for achieving the Company's goals and are in line with guidelines set forth in the Principles of Good Corporate Governance for Listed Companies 2017 by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 10. Key Information about the Board of Directors, Subcommittees, Executives, and Employees

### 10.1 Structure of the Board of Directors

At present, the Board of Directors consists of 9 directors, 4 of which are independent directors. There are 4 female directors, 1 non-executive director who has knowledge and experience in the energy business, 2 directors who are executives of the Company, and 2 directors who are executives of subsidiaries. Currently also, the Company has no directors or independent directors holding positions in more than 3 listed companies. The Company also has a policy that does not allow any executive director to hold a directorship in more than 2 other listed companies, excluding subsidiaries, affiliates, and joint ventures of the Company, for which the Company needs to supervise management for efficiency purposes. The Company has more than 1 director with experience working in the Company's realm of business.

The Company's governance structure requires the presence of two subcommittees - the Audit Committee and the Nomination, Remuneration, and Corporate Governance Committee - to help consolidate the Organization more completely and thereby enable more efficient, comprehensive response to business changes. The Audit Committee is responsible for controlling risk management, with the Executive Committee consisting of senior executives responsible for suggesting risk management guidelines. The Company also plans to add a Risk Management Committee in 2022.

Company policy designates that the Chairman of the Board must be an independent director and, at present, the Company is in the process of recruiting an independent and suitable person for this role. However, in 2021, the Board of Directors appointed Mr. Niti Jungnitnirundr, an independent director, as Vice Chairman of the Board to act as chairman of the Board of Directors' meetings and shareholders' meetings.

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 2021 are as follows:

**The name list and number of shares held by directors as of December 31, 2021, are as follows:**

No.	Name	Position	Number of shares held as of December 28, 2020	Number of shares held as of December 31, 2021	Increase/ (Decrease)
1	Mr. Niti Jungnitnirundr Spouse Minor Children	Vice Chairman, Independent Director	- - -	- - -	- - -
2	Ms. Parleerat Panboonhom	Director/Chief Executive Officer	73,839,360	80,726,406	6,897,046
3	Dr. Prasit Kanchanasakdichai Spouse Minor Children	Director	13,080,000 - -	15,280,000 - -	2,200,000 - -
4	Mr. Sudwin Panyawongkhanti Spouse Minor Children	Independent Director Chairman of the Audit Committee	- - -	- - -	- - -
5	Mr. Kriengchai Trinapakorn Spouse Minor Children	Director	- - -	- - -	- - -
6	Dr. Ratana Sithiprasasna Spouse Minor Children	Independent Director Audit Committee Member Nomination, Remuneration, and Corporate Governance Committee Member	- - -	- - -	- - -
7	Assoc. Prof. Dr. Punchada Sirivunnabood	Independent Director Audit Committee Member Nomination, Remuneration, and Corporate Governance Committee Member	-	-	-

No.	Name	Position	Number of shares held as of December 28, 2020	Number of shares held as of December 31, 2021	Increase/ (Decrease)
8.	Mr. Tossri Khowsurat** Spouse Minor Children	Director	- - -	6,500,800 - -	- - -
9.	Ms. Sukanya Tipmanee	Director Nomination, Remuneration, and Corporate Governance Committee Member	-	-	-
10.	Mr. Kriengkrai Danchaiwijitr* Spouse Minor Children	Director	13,000,000 - -	- - -	(13,000,000) - -

**Remarks:**

- Directors No. 2, 7, and 9 are single and do not have any child or person living as husband or wife according to the definition of the relevant criteria.
- The number of shares held in comparison to the number of shares sold was 169,949,024 shares at a par value of 0.50 baht per share.

\* Resigned from position of Director on November 3, 2021

\*\* Appointed as Director to replace Mr. Kriengkrai Danchaiwijitr, effective November 12, 2021

## 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 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 the 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.

Throughout 2021, the Board of Directors also monitored various issues related to corporate governance, assigning the Audit Committee to monitor a review of the Company's entire internal control system and information technology, as well as to follow up on preparations for personal data management according to the Personal Data Protection Act B.E. 2562 (2019) ("PDPA") of Thailand. The Company also joined the Thai

Private Sector Collective Action Against Corruption (CAC) and restructured directorships, separating the position of Chairman of the Board from Chief Executive Officer, designating the Chairman of the Board as an independent director. In addition, all disclosure of information was monitored and checked to ensure it was accurate and complete, and follow-up was carried out with directors, executives, and employees regarding compliance with various rules and regulations relating to corporate governance and/or regarding any complaints, although thus far there have been no complaints and it does not appear that any directors, executives, or employees are acting in a manner inconsistent with the Company's internal rules for the above-mentioned matters.

## 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 2021, the Company held a total of 8 Board of Directors' Meetings; 7 Audit Committee Meetings; and 4 Nomination, Remuneration, and Corporate Governance Committee Meetings, with an attendance of approximately 99%. Details of meeting attendance for each director are as follows:

Name	Board of Directors' Meetings (8 times)	Audit Committee Meetings (7 times)	Nomination, Remuneration, and Corporate Governance Committee Meetings (4 times)
1. Mr. Niti Jungnitnirundr	5/5		
2. Ms. Parleerat Panboonhom	8/8		
3. Dr. Prasit Kanchanasakdichai	8/8		
4. Mr. Sudwin Panyawongkunti	8/8	7/7	

Name	Board of Directors' Meetings (8 times)	Audit Committee Meetings (7 times)	Nomination, Remuneration, and Corporate Governance Committee Meetings (4 times)
5. Dr. Ratana Sithiprasana	8/8	7/7	4/4
6. Assoc. Prof. Dr. Punchada Srivunnabood	8/8	7/7	4/4
7. Mr. Kriengchai Trinapakorn	8/8		
8. Mr. Tosasi Kowsurat	-		
9. Ms. Sukanya Tipmanee	8/8		4/4
10. Mr. Kriengkrai Danchaiwijit	6/6		

**Remarks:**

Mr. Niti Jungnitnirundr appointed to directorship in the Annual General Meeting of Shareholders 2021, held on April 30, 2021.

Mr. Kriengkrai Danchaiwijit resigned from the directorship on November 3, 2021.

Mr. Tosasi Kowsurat appointed as director to replace Mr. Kriengkrai Danchaiwijit, effective November 12, 2021.

## 10.6 Duties and Responsibilities of the Audit Committee and the Appointment of External Auditors

The Audit Committee consists of 3 independent directors. In 2021, the Audit Committee was responsible for reviewing the Company's financial reporting process, the internal control system and internal audit system, compliance with laws applicable to the Company's business, consideration and selection (including proposals for removal) of Company auditors, and review of any connected transactions, stakeholders' transactions, or transactions that may lead to conflicts of interest, etc.

In performing their duties regarding the consideration and selection (including proposals for removal) of the Company auditors, the Audit Committee will consider and select auditors based on the evaluation criteria of the Company, which consists of experience, performance, business knowledge, and audit expertise, as well as the independence of said auditors in the previous year, for proposal to the Board of Directors and at the shareholders' meeting for consideration and appointment of said auditors. In the 2021 Annual General Meeting of Shareholders held on April 30, 2021, the meeting appointed Mr. Supachai Panyawattano, Certified Public Accountant Registration No. 3930, and/or Ms. Isaraporn Wisutthiyon, Certified Public Accountant Registration No. 7480 and/or Mr. Preecha Arunnara, Certified Public Accountant License No. 5800, auditors from EY Office Limited, to be the auditors of the Company and its subsidiaries. The audit fee is 910,000 baht; for the subsidiaries 2,090,000 baht; and for the investment promotion certificates of subsidiaries 200,000 baht; at a total of not more than 3,200,000 baht (excluding VAT), excluding other out of pocket expenses of not more than 100,000 baht per year.

In addition in 2021, the Audit Committee proposed to the Board of Directors for consideration and approval the additional audit fee for EY Office Limited for the audit of the Purchase Price Allocation Report ("PPA Report") of companies in the solar power generation group for 250,000 baht, and for Winchai Company Limited for 250,000 baht, as well as to audit the financial information of TIW Industries Company Limited (TIWI) for the four-month period ending April 30, 2021, for the purpose of auditing the consolidated financial statements of the Company for the year ending December 31, 2021, with a designated audit fee for the scope of said audit work in the amount of 500,000 baht (excluding VAT), excluding other out of pocket expenses.

The audit fees in this section will be proposed to the Annual General Meeting of Shareholders 2022 for further ratification.

In this regard, Ms. Isaraporn Wisutthiyan is responsible for auditing the Company's accounts and providing opinions on the Company's financial statements for the year ending December 31, 2021.

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 that meetings be held at least twice per year, to be called by the Chairperson of the Nomination, Remuneration, and Corporate Governance Committee, or by the Company Secretary by order of the Chairperson of the Nomination, Remuneration, and Corporate Governance Committee, not less than 7 days before the meeting date, except for in urgent cases, for which the meeting may be held by other methods or the meeting date may be set earlier. In 2021, 4 meetings were held for consideration of the organizational structure, follow-up of guidelines for the development of the good corporate governance principles of the Organization, as well as for the recruitment of new directors and replacement directors in case of directors resigning during their term.

## 10.8 Performance Evaluation of the Board and Subcommittees

The Company has designated that an annual performance evaluation of the Board of Directors as a whole and individually be carried out in order to assess the Board's performance in accordance with good corporate governance guidelines. The performance evaluation process can be summarized as follows:

- The Company Secretary prepares and reviews the performance evaluation form to ensure that it is accurate, complete, and in accordance with the rules prescribed by regulatory agencies, and presents it to the Board of Directors for consideration and evaluation.
- The Company Secretary summarizes the performance of the Board of Directors, including strengths and any matters for improvement, and presents this to the Nomination Committee for their consideration and recommendations prior to presenting it to the Board of Directors for consideration and for further improvement of operations for increased efficiency.

The Performance Evaluation Form of the Board of Directors covers a variety of assessment aspects, including the structure and diversity of Directors; assessment of the performance of duties according to relevant laws, rules, and regulations; understanding of the roles and responsibilities of directors; understanding of the vision and mission, strategy, work plan, financial structure, and Company investments; access to information and senior management; and working atmosphere among directors. The overall evaluation results for the year 2021 are as follows:

Evaluation Form	Average Score
Board of Directors Overall Assessment	4.60
Board of Directors' Self-Assessment	4.72
Audit Committee Overall Assessment	4.67
Audit Committee Self-Assessment	4.64
Nomination, Remuneration, and Corporate Governance Committee Overall Assessment	4.67
Nomination, Remuneration, and Corporate Governance Committee Self-Assessment	4.54

The majority of recommendations involved skill enhancement, specialized knowledge of the Company's business, and encouraging Directors to attend training courses on the operations and practices of various committees, all of which the Company will continue to improve.

## 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 Annual General Meeting of Shareholders 2021 considered and approved the directors' remuneration as follows:

	Board of Directors		Audit Committee		Nomination, Remuneration, and Corporate Governance Committee
	Annual	Meeting Allowance	Annual	Meeting Allowance	Meeting Allowance
Chairperson of the Board	520,000	20,000			
Vice Chairman	480,000	20,000			
Chairman of the Audit Committee	100,000	10,000	280,000	20,000	
Audit Committee Members	100,000	10,000	150,000	10,000	10,000
Directors	100,000	10,000			10,000

Remuneration for each director in 2021 is as follows:

Name and Surname	Number of Days in Position	Board of Directors		Audit Committee		Nomination, Remuneration, and Corporate Governance Committee	Total
		Annual Compensation	Meeting Allowance Per Time	Annual Compensation	Meeting Allowance Per Time	Meeting Allowance Per Time	
Dr. Prasit Kanchanasakdichai	365.00	100,000	80,000				180,000
Mr. Niti Jungnitnirundr	245.00	323,836	100,000				423,836
Mr. Kriengkrai Danchaiwijitr	307.00	84,111	60,000				144,110

Name and Surname	Number of Days in Position	Board of Directors		Audit Committee		Nomination, Remuneration, and Corporate Governance Committee	Total
		Annual Compensation	Meeting Allowance Per Time	Annual Compensation	Meeting Allowance Per Time	Meeting Allowance Per Time	
Mr. Kriengchai Trinapakorn	365.00	100,000	80,000				180,000
Ms. Parleerat Panboonhom	365.00	238,082					238,082
Ms. Sukanya Tipmanee	365.00	100,000					100,000
Dr. Ratana Sithiprasasna	365.00	100,000	80,000	150,000	70,000	40,000	440,000
Mr. Sudwin Panyawongkhanti	365.00	100,000	80,000	280,000	140,000		600,000
Assoc. Prof. Dr. Punchada Sirivunnabood	365.00	100,000	80,000	150,000	70,000	40,000	440,000
Mr. Tossri Khowsurat	49.00	13,425					13,425
<b>Total</b>							<b>2,759,452</b>

**Remarks:** Two directors, Ms. Parleerat and Ms. Sukanya, expressed their intent to receive only annual directors' remuneration.

Mr. Niti Jungnitnirundr was appointed as director in the Annual General Meeting of Shareholders 2021 held on April 30, 2021.

Mr. Kriengkrai Danchaiwijit resigned from the directorship on November 3, 2021.

Mr. Tosasi Kowsurat was appointed as director to replace Mr. Kriengkrai Danchaiwijit, effective November 12, 2021.

## 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 Supervision of Subsidiaries and Associate Companies

The Company has a mechanism in place for the supervision of its subsidiaries and associates, allowing for good oversight and regulation of management and operations and to safeguard the Company's interests. To this end, the Company has appointed representatives to hold directorships and senior management positions in said companies. The Board of Directors has assigned the Nomination, Remuneration, and Corporate Governance Committee to consider and provide recommendations of qualified persons for nomination to directorships or senior management positions in all subsidiaries. Furthermore, in order to ensure unified, coordinated governance, the Company has taken steps to ensure that the powers, duties, and responsibilities of the directors and executives of subsidiaries, as well as the criteria for intercompany transactions and other important transactions, be in line with the Company's guidelines. The Company has also provided quarterly reports on the financial status and performance of its 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.

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.

Since April 30, 2021, there were significant changes in the number of employees of the Company due to the Company's restructuring to support its energy business with the sale of the steel and zinc business, and the buyer's acceptance of the transfer of all assets, liabilities, and employees, and therefore also paying all employee remunerations, including salaries, wages, and other employee benefits for this business segment, amounting to 18 million baht. As a result, the Company now retains only employees responsible for the energy business, which, by its nature, does not require a large number of employees, whereas the steel and zinc business operations included production, construction, and distribution. At present, therefore, as of December 31, 2021, the Company has a total of 9 employees, and pays remunerations for all employees, which includes salaries, wages, and other benefits for a total of 24 million baht, part of which is the remuneration of 5 high-level executives at 14-million-baht total. The Company has 4 male and 5 female employees, aged between 27-45 years for an average age of 37.3

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 2021, 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 Course	Day/Month/Year	Number of Employees in Training Course
1.	Review of understanding of policies for use of information technology, HR management policies for handling the COVID-19 situation, and the Company's business ethics practices (comprising safety, environment, equal treatment, use of internal information, and non-corruption)	02/September/2021	5
2.	Knowledge and understanding of the Personal Data Protection Act B.E. 2562 (2019) ("PDPA")	09/September/2021	5

## 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 2021, the Company appointed P&L Internal Audit Company Limited as its internal auditor. The scope of work presented comprises an audit of the entire business cycle,] and information technology, and an overall audit of the internal controls of the entire system.

In this regard, the internal auditor has provided a report summarizing audit results which state that, as a whole, the Company has an adequate internal control system. The internal auditor has also provided recommendations on important issues regarding the implementation of Business Continuity Plan policies to be enforced in a concrete manner, which the Company has planned to implement in 2022

## 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).

Additionally, the Company may have a connected transaction with a company in the Prodigy Group, where Ms. Parleerat Panboonhom is a director and major shareholder of the energy business management company. The key item involves Winchai Company Limited hiring The Prodigy Sete Company Limited, a company in the Prodigy Group, to provide consulting and representation services for Winchai Company Limited in project management, including operations and maintenance; procurement; finance; relevant laws and regulations; public relations; and coordination with various government agencies, the general public, and local communities in the surrounding areas, whereby compensation is calculated based on general commercial terms. However, companies in the Prodigy Group do not have the same business conditions or competition with the Company and, in the past, Prodigy Group companies have supported the Company's business as experts in energy business management.

Furthermore, in 2021, the Company will have a connected transaction with Dr. Prasit Kanchanasakdichai, which is the disposal of all investments in TIW Industries Company Limited at a price equal to 20,000,000 baht (a price higher than fair value) and not lower than the book value. This transaction was approved by the Annual General Meeting of Shareholders 2021.

## 12.3 Connected Transactions of the Company and Subsidiaries, Individuals, or Businesses that May Pose Conflicts of Interest

Contract Party	Type of Transaction and Necessity for Entering Transaction	Relationship	Item Value (Thousand Baht)	Audit Committee's Opinion
Winchai Company Limited	Dividends received from Winchai Company Limited	Associated company in which the Company holds 26.25% of shares.	44,914	Dividend received from Winchai Company Limited was announced in the operating results of Winchai Company Limited, which is a general business operation.
The Solar Arcade Company Limited	Advance payment made by the Company to The Solar Arcade Company Limited	Is a transaction between the Company and the subsidiary of a listed company that does not have other connected persons holding more than 10% of shares	181	Short-term financial assistance items that the Company provides to its subsidiaries to use as working capital is an exempted connected transaction which management can administer accordingly.
The Solar Arcade Company Limited and 8 subsidiaries in the solar power generation company group for the year 2021	Service and assistance agreements related to the business operations of subsidiaries	Financial assistance transaction between subsidiaries of listed companies that do not have other connected persons holding more than 10% of shares.	866	For subsidiary business support items which have the same commercial terms as those transacted with third parties or comparable, the Company uses the cost plus method, which is an exempted connected transaction. Management can administer accordingly.

Contract Party	Type of Transaction and Necessity for Entering Transaction	Relationship	Item Value (Thousand Baht)	Audit Committee's Opinion
8 companies in the solar group	Short-term loans between 8 subsidiaries in the solar power generation group totaling 7.8 million baht with an interest rate of 4.0 – 4.3%	Financial assistance transaction between subsidiaries of listed companies that do not have other connected persons holding more than 10% of shares.	7,787 (Additional Loan) 546 (Interest Expenses)	Is a short-term financial assistance transaction among the group of subsidiaries for use as working capital and accessing other funding sources can be costlier and take longer to process; as such, it is an exempted connected transaction which management can administer accordingly.
Dr. Prasit Kanchanasakdichai	Financial aid items during the year 2020. Dr. Prasit provided a short-term loan with a maturity of not more than 12 months to the Company, amounting to 8 million baht and due within April 30, 2021, with an interest rate of 6.5 percent. The Company already repaid the loan in full during the year 2021.	Item of financial assistance between the Company and Dr. Prasit Kanchanasakdichai, who is a director and shareholder of the Company	8 million baht (Principal Repayment) 171 (Interest Expenses)	Is a short-term financial assistance program provided by a director to the Company to use as working capital during a time of economic slowdown when accessing other funding sources can be costlier and take longer to process. Moreover, the Company has already repaid the loan in full.
TIW Industries Company Limited	Financial assistance items during the year 2020, whereby TIW Industries Company Limited provided the Company with a short-term loan with a maturity of not more than 12 months, amounting to 20 million baht, due within April 30, 2021, with an interest rate of 6.5%. The Company already repaid the loan in full during the year 2021.	Financial assistance transaction between subsidiaries of listed companies that do not have other connected persons holding more than 10% of shares.	12 million baht (Principal Repayment) 256 (Interest Expenses)	Is a short-term financial assistance transaction provided by subsidiaries to the Company to use as working capital during a time of economic slowdown when accessing other funding sources can be costlier and take longer to process. Moreover, the Company has already repaid the loan in full.

Contract Party	Type of Transaction and Necessity for Entering Transaction	Relationship	Item Value (Thousand Baht)	Audit Committee's Opinion
Dr. Prasit Kanchanasakdichai	Asset disposition transaction of all shares of TW Industries Company Limited sold to Dr. Prasit at the price of 20 million baht	Dr. Prasit Kanchanasakdichai is a director and major shareholder of the Company	20,000	Is a necessary transaction due to the Company's business restructuring from its original business of producing and selling galvanized steel to a business investing in energy. This is in accordance with the resolution approved by the Annual General Meeting of Shareholders, 2021.
Thai Barge Container Services Company Limited, CM Manufacturing Company Limited, and Thaiconst & Building Manufacturing Public Company Limited	Normal business transactions by TW Industries Company Limited, a subsidiary for the sale of steel and zinc products and providing installation services for steel and galvanized products to contracting companies	Dr. Prasit Kanchanasakdichai is a director and major shareholder of the Company and of Thai Barge Container Services Company Limited, CM Manufacturing Company Limited, and Thaiconst & Building Manufacturing Public Company Limited	4,495	Is a normal business transaction of a subsidiary with the same general commercial terms as with that of a third party
Fun Monday Limited	The acquisition of assets totaling 2.6 million shares of Winchai Company Limited, representing 26.25% of the total shares of Winchai Company Limited	A director and major shareholder of the Company and a major shareholder of Fun Monday Limited are the same person: Ms. Parleerat Panboonhom	660,000	Is a necessary and beneficial transaction for the Company in order to obtain investment in the wind power generation business. The remuneration and conditions are beneficial to the Company and its shareholders in the long-term and are in accordance with the resolution approved by the Extraordinary General Meeting of Shareholders No 1/21

Contract Party	Type of Transaction and Necessity for Entering Transaction	Relationship	Item Value (Thousand Baht)	Audit Committee's Opinion
The Prodigy Group Company Limited and The Prodigy Generation Company Limited	The Company purchased computers with computer programs from The Prodigy Group Company Limited and The Prodigy Generation Company Limited	A director and major shareholder of the Company, The Prodigy Group Company Limited, and The Prodigy Generation Company Limited are the same person: Ms. Parleerat Panboonhom	294	Is a normal business support transaction whereby the Company purchased computers at a mutually agreed price comparable to market prices
Prodigy House Company Limited	Transaction supporting the normal business of the Company, whereby the Company hired Prodigy House Company Limited to design the booklet and illustrations for the Company's annual report	A director and major shareholder of the Company and Prodigy House Company Limited are the same person: Ms. Parleerat Panboonhom	100	Is a normal business transaction with general commercial terms comparable to market prices
Nathalin Company Limited	Transaction supporting the normal business of the Company by using conference room services in Varich Building, which is a location owned by Nathalin Company Limited	Mr. Cherdchu Panboonhom, a major shareholder of Nathalin Company Limited, is the father of Ms. Parleerat Panboonhom, a director and major shareholder of the Company	10	Is a normal business transaction with general commercial terms similar to that of other companies
Nathalin Company Limited	Transaction supporting the normal business of a subsidiary, Sun Link Power Company Limited, who is a tenant of solar panel rooftop space on the building owned by Nathalin Company Limited	Mr. Cherdchu Panboonhom, a major shareholder of Nathalin Company Limited, is the father of Ms. Parleerat Panboonhom, a director and major shareholder of the Company	164	Is a business support transaction with general commercial terms similar to that which companies in the solar power generation group have with other external contract parties

Contract Party	Type of Transaction and Necessity for Entering Transaction	Relationship	Item Value (Thousand Baht)	Audit Committee's Opinion
Nathalin Company Limited	Financial assistance item, whereby Nathalin Company Limited guaranteed loans for 8 subsidiaries in the solar power generation business group, with guarantee charges at a rate of 0.03% of the remaining loan amount each year. However, Nathalin Company Limited released the subsidiaries from said guarantee obligation during the year	Mr. Cherdchu Panboonhom, a major shareholder of Nathalin Company Limited, is the father of Ms. Parleerat Panboonhom, a director and major shareholder of the Company	51	Is a pre-existing financial assistance transaction prior to the acquisition of companies in the solar power generation group from companies in the Sea Oil Public Company Limited group, according to the Bank's conditions. However, during the year 2021, the Company has already guaranteed the loan on behalf of Nathalin Company Limited

## 13. General Information and Other Key Information

Company Name:	Nova Empire Public Company Limited
Company Registration Number:	0107537001714
Business Type:	Holding company for investment in other businesses, including solar and wind power electricity generation and other energy-related businesses
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:	+66 2399-2210
Homepage:	<a href="http://www.novaempire.co.th">http://www.novaempire.co.th</a>
Email address:	<a href="mailto:investorrelations@novaempire.co.th">investorrelations@novaempire.co.th</a>
Registered Capital:	85,214,353 baht, divided into 170,428,706 ordinary shares with a par value of 0.50 baht per share
Paid-up Capital:	84,974,512 baht, divided into 169,949,024 ordinary shares with a par value of 0.50 baht per share (as of January 25, 2022)

The list of the top 10 shareholders as of December 27, 2021, is as follows (the total number of shares sold is 139,990,823 shares at a par value of 0.50 baht per share):

No.	Name	Number of Shares	Percent
1.	Ms. Parleerat Panboonhom	80,726,406	57.66
2.	Dr. Prasit Kanchanasakdichai	15,280,000	10.91
3.	Mr. Tosasi Kowsurat	6,500,800	4.64
4.	Ms. Sureeyot Kowsurat	6,500,000	4.64
5.	MITSIAM INTERNATIONAL LTD.	6,000,000	4.29
6.	UBS AG LONDON BRANCH	5,299,601	3.79
7.	Mr. Kereeput Supasinprapapong	3,644,567	2.60
8.	Ms. Wilaiwan Ajariyanon	1,146,428	0.82
9.	Mr. Thaninchot Tantiphanak	809,219	0.58
10.	Mr. Suroj Trilojwong	760,000	0.54

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.

The group of major shareholders who, by circumstance, have a significant influence on the Company's management policies or operations as of December 31, 2021, are as follows:

- Ms. Parleerat Panboonhom                      Chief Executive Officer
- Shareholders' Agreement:                      None

### Contact Investor Relations

Telephone Number : +66 2399-2210  
Email address : investorrelations@novaempire.co.th

### Contact Compliance Department and Company Secretary

Telephone Number : +66 2399-2210  
Email address : comsec@novaempire.co.th

### Details of Securities Registrar

Registrar Name : Thailand Securities Depository Co., Ltd.  
Head Office Location : 93 Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok  
Metropolis 10400  
Telephone Number : +66 2009 9000  
Facsimile Number : +66 2009 9991  
Customer Relations : +66 2009 9999  
Homepage : <http://www.set.or.th/tsd>

### Auditor Details

Auditor Name : Ms. Isaraporn Wisutthiyan, (Certified Public Accountant Registration. No. 7480)  
Office Name and Location : EY Office Limited  
193/136-137 Lake Rajada Office Complex, 33rd Floor, Rajadapisek Road,  
Klongtoey, Bangkok 10110  
Telephone Number : +66 264 0777  
Facsimile Number : +66 264 0789-90  
Website : <https://www.ey.com/th/en/home>

### 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**

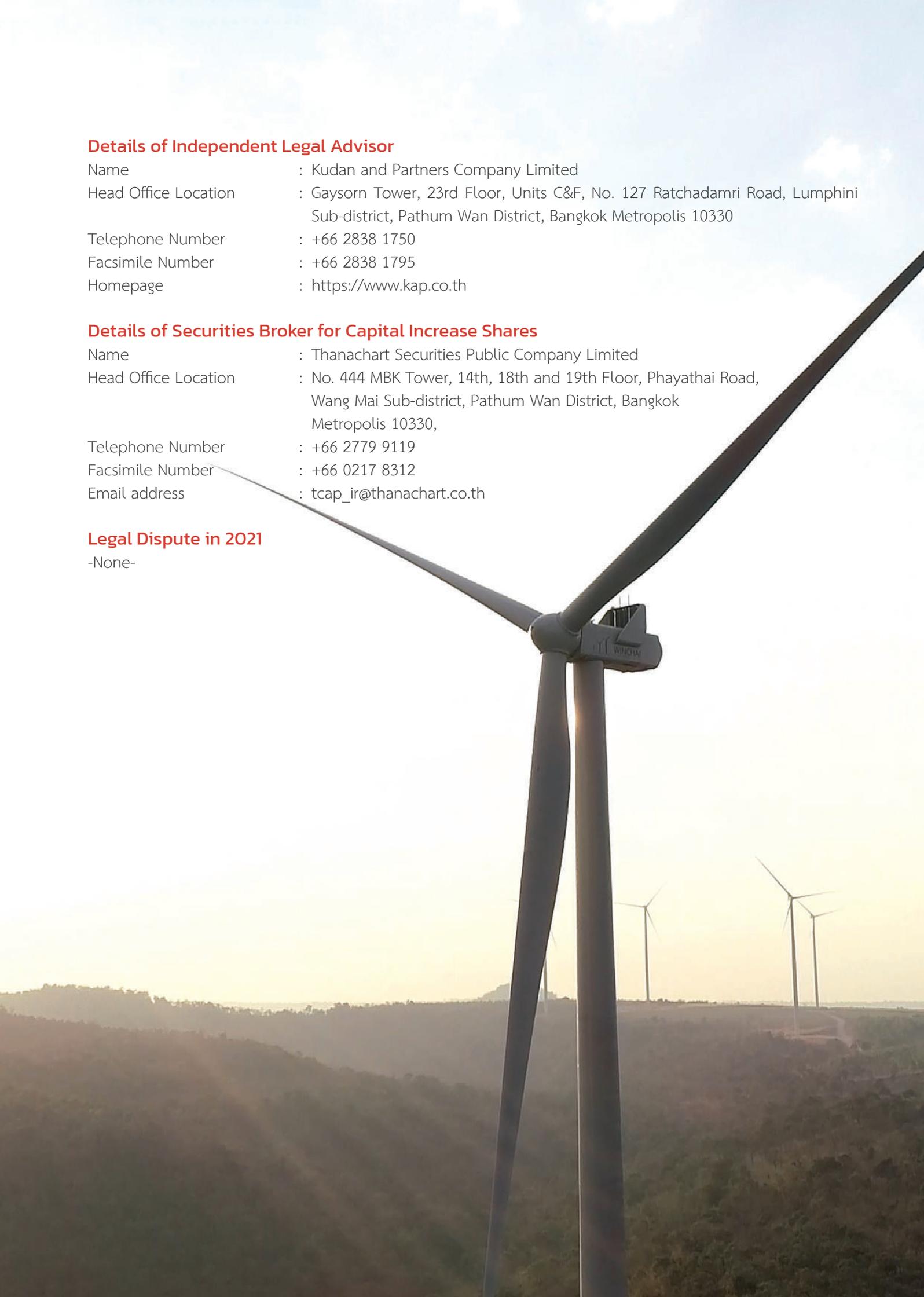
Name : Kudan and Partners Company Limited  
Head Office Location : Gaysorn Tower, 23rd Floor, Units C&F, No. 127 Ratchadamri Road, Lumpini Sub-district, Pathum Wan District, Bangkok Metropolis 10330  
Telephone Number : +66 2838 1750  
Facsimile Number : +66 2838 1795  
Homepage : <https://www.kap.co.th>

### **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](mailto:tcap_ir@thanachart.co.th)

### **Legal Dispute in 2021**

-None-





# 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 2021 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 2021 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 2021, 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 2021 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 2021 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.

Sudwin Panyawongkhanti  
Chairperson of the Audit Committee  
22 March 2022



## 16. Financial Statements

(Financial statement for the year 2021 and remarks on financial statements approved by the Board of Directors Meeting No. 2/2022.)

Nova Empire Public Company Limited and its subsidiaries  
(Formerly known as “Thailand Iron Works Public Company Limited”)

Report and consolidated financial statements

31 December 2021

## **Independent Auditor's Report**

To the Shareholders of Nova Empire Public Company Limited

### **Basis for opinion**

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nova Empire Public Company Limited and its subsidiaries and of Nova Empire Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for opinion**

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

**Emphasis of matter**

I draw attention to the following matters:

- a) As discussed in Note 13.5 to the consolidated financial statements regarding the acquisition of the business of the Solar Group during 2020, the Group completed its assessment of the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition of the subsidiaries during the current year and has restated the consolidated financial statements for the year ended 31 December 2020, presented herein for comparative purposes, to reflect the fair value of these assets and liabilities.
- b) As discussed in Note 14 to the consolidated financial statements regarding the acquisition of an associate during the current year. At present, the Company is in the process of assessing the fair value of the identifiable assets and liabilities at the acquisition date.

My opinion is not qualified in respect of these matters.

**Key Audit Matters**

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

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

Key audit matters and how audit procedures respond to each matter are described below.

### ***Business acquisition***

As discussed in Note 13.5 to the consolidated financial statements regarding the acquisition of the business of the Solar Group in 2020, in accordance with Thai Financial Reporting Standards 3 Business Combinations, the Group completed its assessment of the fair value of the Solar Group's identifiable assets acquired and liabilities assumed at the acquisition date during the current year and has restated the consolidated financial statements for the year ended 31 December 2020, presented herein for comparative purposes. In addition, as discussed in Note 14 to the consolidated financial statements regarding the acquisition of an associate during the current year, the Company is currently in the process of assessing the fair value of the identifiable assets and liabilities at the acquisition date. I have focused on this business acquisition since it is material to the financial statements as a whole and management was required to exercise substantial judgement when appraising the fair value of the identifiable assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the identifiable assets acquired and liabilities assumed, including recognised goodwill.

I reviewed the terms and conditions of the entire business transfer agreement and inquired with management as to the nature and objectives of the acquisition in order to determine whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 Business Combinations. In addition, I checked the value of the acquisition to supporting documents and payments to ensure that it corresponds to the fair value of the consideration transferred and does not include costs of the acquisition, and I tested the calculation of the fair value of the identifiable assets acquired and liabilities assumed using the purchase price allocation method. I also reviewed the appropriateness of the significant methods and assumptions used by an independent valuation specialist in calculating fair value and checked the expertise, ability and integrity of the independent valuation specialist. I tested the calculation and reviewed the reasonableness of the goodwill recorded by the Group and the completeness and accuracy of the disclosures related to the business combination in the notes to financial statements.

### ***The consideration of impairment of assets of the Solar Group***

As at 31 December 2021, the Group had equipment, intangible assets and right-of-use assets of the Solar Group with net book values of Baht 470 million, representing 37% of total assets in the consolidated statement of financial position, while the Company had investment in subsidiary of Baht 234 million, representing 24% of total assets in the separate statement of financial position. The Group's management performed impairment testing of these assets during the current year and concluded that no provision for impairment loss was required. I focused on auditing and considering the impairment of such assets since a provision for impairment of assets is a significant accounting estimate that requires management to exercise judgment with respect to the projections of future operating performance and the assessment of future plans, as well as the assessment of the appropriate discount rate.

I have examined management's assessment of indicator that assets of the Group may be impaired, identification of cash generating units and selection of financial models by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results, in order to evaluate the exercise of management judgment in estimating these cash flows. I also evaluated the discount rate applied by management through analysis of the average costs of the Group and of the industry and tested the calculation of the realisable values of the assets using the selected financial model. In addition, I assessed the adequacy of the disclosure of information relating to impairment assessment on assets in the notes to the financial statements.

#### **Other matter**

The consolidated financial statements of Nova Empire Public Company Limited and its subsidiaries (before restatement), and the separate financial statements of Nova Empire Public Company Limited as at 31 December 2020, presented herein as comparative information, were audited by another auditor who, under his report dated 25 February 2021, expressed an unmodified opinion on those statements but drew attention to the Group's acquisition of shares in 8 companies in the Solar Group which the major shareholder who was not a legal person in accordance with Section 258 of Securities and Exchange Act B.E. 2535, the Group being in the process of assessing the fair value of the assets acquired and liabilities assumed, and the change in the Company's general information as described in the note 1.1 to the consolidated financial statements.

#### **Other Information**

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

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Isaraporn Wisutthiyan  
Certified Public Accountant (Thailand) No. 7480

EY Office Limited  
Bangkok: 28 February 2022

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as "Thailand Iron Works Public Company Limited")**

**Statements of financial position**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	37,437,738	653,052,799	25,630,373	613,759,683
Trade and other receivables	6, 8	3,015,486	26,564,826	348,094	44,669,080
Contract assets	9	2,977,158	8,608,225	-	-
Current portion of long-term loans to employees		-	2,340,840	-	-
Inventories	10	-	378,317,259	-	-
Other current assets	11	3,608,196	29,367,790	1,791,209	848,124
<b>Total current assets</b>		<b>47,038,578</b>	<b>1,098,251,739</b>	<b>27,769,676</b>	<b>659,276,887</b>
<b>Non-current assets</b>					
Restricted bank deposits	12	19,976	66,701,645	-	-
Long-term loans to employees - net of current portion		-	2,954,408	-	-
Investments in subsidiaries	13	-	-	233,999,970	189,999,940
Investment in associate	14	754,631,953	-	704,913,750	-
Property, plant and equipment	15	231,649,142	242,447,142	283,755	-
Intangible assets	16	131,073,672	138,734,511	41,945	-
Right-of-use assets	21 a)	107,225,429	166,912,868	-	-
Goodwill	13.5	-	-	-	-
Deferred tax assets	27	399,494	231,767	-	-
Other non-current assets		1,646,077	2,643,062	-	-
<b>Total non-current assets</b>		<b>1,226,645,743</b>	<b>620,625,403</b>	<b>939,239,420</b>	<b>189,999,940</b>
<b>Total assets</b>		<b>1,273,684,321</b>	<b>1,718,877,142</b>	<b>967,009,096</b>	<b>849,276,827</b>

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

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as "Thailand Iron Works Public Company Limited")**

**Statements of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	17	-	477,650,000	-	-
Bill of exchange	18	-	48,000,000	-	48,000,000
Short-term loans from related parties	6	-	7,829,041	-	19,572,602
Trade and other payables	19	11,856,270	59,488,845	7,043,657	7,112,065
Current portion of long-term loans					
from financial institutions	20	38,009,874	36,628,010	-	-
Current portion of lease liabilities	21 b)	3,536,172	7,069,642	-	-
Income tax payable		743,898	2,003,717	-	-
Other current liabilities		1,264,770	1,528,093	279,137	52,737
<b>Total current liabilities</b>		<b>55,410,984</b>	<b>640,197,348</b>	<b>7,322,794</b>	<b>74,737,404</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions					
- net of current portion	20	88,364,000	126,586,000	-	-
Lease liabilities - net of current portion	21 b)	113,509,186	215,758,124	-	-
Deferred tax liabilities	27	10,002,699	10,423,155	-	-
Long-term employee benefits obligations	22	2,237,627	22,406,795	2,237,627	-
<b>Total non-current liabilities</b>		<b>214,113,512</b>	<b>375,174,074</b>	<b>2,237,627</b>	<b>-</b>
<b>Total liabilities</b>		<b>269,524,496</b>	<b>1,015,371,422</b>	<b>9,560,421</b>	<b>74,737,404</b>

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

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as "Thailand Iron Works Public Company Limited")**

**Statements of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Shareholders' equity</b>				
Share capital				
Registered	23			
170,428,706 ordinary shares of Baht 0.5 each (2020: 7,305,000 ordinary shares of Baht 10 each)	<u>85,214,353</u>	<u>73,050,000</u>	<u>85,214,353</u>	<u>73,050,000</u>
Issued and fully paid	23			
139,998,824 ordinary shares of Baht 0.5 each (2020: 6,000,000 ordinary shares of Baht 10 each)	69,999,412	60,000,000	69,999,412	60,000,000
Share premium	311,989,886	140,000,000	311,989,886	140,000,000
Retained earnings				
Appropriated - statutory reserve	24	10,000,000	10,000,000	10,000,000
Appropriated - general reserve	25	106,000,000	106,000,000	106,000,000
Unappropriated		501,794,136	459,459,377	458,539,423
Other component of shareholders' equity		<u>4,376,361</u>	-	-
Equity attributable to owners of the Company		<u>1,004,159,795</u>	<u>703,505,660</u>	<u>774,539,423</u>
Non-controlling interests of the subsidiaries		<u>30</u>	<u>60</u>	-
<b>Total shareholders' equity</b>		<u>1,004,159,825</u>	<u>703,505,720</u>	<u>774,539,423</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,273,684,321</u>	<u>1,718,877,142</u>	<u>849,276,827</u>

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

.....  
Directors  
.....

**Nova Empire Public Company Limited and its subsidiaries**  
(Formerly known as "Thailand Iron Works Public Company Limited")

**Statements of comprehensive income**

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<b>Profit or loss:</b>					
<b>Continuing operations</b>					
Sale of goods		44,017,396	21,147,597	-	-
Cost of sales		(36,638,438)	(15,077,698)	-	-
<b>Gross profit</b>		7,378,958	6,069,899	-	-
Dividend income	14	-	-	44,913,750	-
Other income		6,343,740	2,830,517	1,092,394	851,721
Administrative expenses		(46,142,035)	(20,495,843)	(44,000,601)	(19,700,382)
Impairment loss on goodwill	13.5	-	(2,947,617)	-	-
<b>Operating profit (loss)</b>		(32,419,337)	(14,543,044)	2,005,543	(18,848,661)
Share of profit from investment in associate	14	90,255,592	-	-	-
Finance cost		(12,487,768)	(6,771,007)	(1,085,589)	(1,225,205)
<b>Profit (loss) before income tax</b>		45,348,487	(21,314,051)	919,954	(20,073,866)
Income tax benefit (expenses)	27	(786,007)	188,855	-	-
<b>Profit (loss) for the year from continued operation</b>		44,562,480	(21,125,196)	919,954	(20,073,866)
<b>Discontinued operation</b>					
Profit (loss) for the year from discontinued operation	33	69,725,996	(111,759,221)	-	(37,915,982)
<b>Profit (loss) for the year</b>		114,288,476	(132,884,417)	919,954	(57,989,848)
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from investment in associate	14	4,376,361	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		4,376,361	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Other comprehensive income for the year from discontinued operation	22	-	(307,395)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(307,395)	-	-
<b>Other comprehensive income for the year</b>		4,376,361	(307,395)	-	-
<b>Total comprehensive income for the year</b>		118,664,837	(133,191,812)	919,954	(57,989,848)

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

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as "Thailand Iron Works Public Company Limited")**

**Statements of comprehensive income (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020 (Restated)
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company					
Profit (loss) from continued operation		44,562,480	(21,125,196)	919,954	(20,073,866)
Profit (loss) from discontinued operation	33	<u>69,725,996</u>	<u>(111,759,221)</u>	<u>-</u>	<u>(37,915,982)</u>
Total equity holders of the Company		<u>114,288,476</u>	<u>(132,884,417)</u>	<u>919,954</u>	<u>(57,989,848)</u>
Non-controlling interests of the subsidiaries		<u>-</u>	<u>-</u>		
		<u>114,288,476</u>	<u>(132,884,417)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company					
Profit (loss) from continued operation		48,938,841	(21,125,196)	919,954	(20,073,866)
Profit (loss) from discontinued operation	33	<u>69,725,996</u>	<u>(112,066,616)</u>	<u>-</u>	<u>(37,915,982)</u>
Total equity holders of the Company		<u>118,664,837</u>	<u>(133,191,812)</u>	<u>919,954</u>	<u>(57,989,848)</u>
Non-controlling interests of the subsidiaries		<u>-</u>	<u>-</u>		
		<u>118,664,837</u>	<u>(133,191,812)</u>		
<b>Basic earnings (loss) per share</b>					
	29				
Profit (loss) attributable to equity holders of the Company					
From continued operation		0.33	(0.18)	0.01	(0.17)
From discontinued operation		<u>0.51</u>	<u>(0.93)</u>	<u>-</u>	<u>(0.32)</u>
Total profit (loss) attributable to equity holders of the Company		<u>0.84</u>	<u>(1.11)</u>	<u>0.01</u>	<u>(0.49)</u>

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

Nova Empire Public Company Limited and its subsidiaries  
(Formerly known as "Thailand Iron Works Public Company Limited")  
Statements of changes in shareholders' equity  
For the year ended 31 December 2021

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to owners of the Company					Other components of shareholders' equity					
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings Appropriated - general reserve	Unappropriated	Share of other comprehensive income from associate	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	shareholders' equity	
<b>Balance as at 1 January 2020</b>	60,000,000	140,000,000	10,000,000	106,000,000	520,697,472	-	836,697,472	30	836,697,502		
Loss for the year - restated	-	-	-	-	(132,884,417)	-	(132,884,417)	-	(132,884,417)		
Other comprehensive income for the year	-	-	-	-	(307,395)	-	(307,395)	-	(307,395)		
Total comprehensive income for the year - restated	-	-	-	-	(133,191,812)	-	(133,191,812)	-	(133,191,812)		
Increase in equity attributable to non-controlling interests of the subsidiary from additional investment in subsidiary	-	-	-	-	-	-	-	30	30		
<b>Balance as at 31 December 2021 - restated</b>	60,000,000	140,000,000	10,000,000	106,000,000	387,505,660	-	703,505,660	60	703,505,720		
<b>Balance as at 31 December 2020</b>	60,000,000	140,000,000	10,000,000	106,000,000	391,435,283	-	707,435,283	60	707,435,343		
- as previously reported											
Cumulative effect of change in the fair values of identifiable assets acquired and liabilities assumed from business combination (Note 36)	-	-	-	-	(3,929,623)	-	(3,929,623)	-	(3,929,623)		
<b>Balance as at 1 January 2021 - restated</b>	60,000,000	140,000,000	10,000,000	106,000,000	387,505,660	-	703,505,660	60	703,505,720		
Profit for the year	-	-	-	-	114,288,476	-	114,288,476	-	114,288,476		
Other comprehensive income for the year (Note 14)	-	-	-	-	-	4,376,361	4,376,361	-	4,376,361		
Total comprehensive income for the year	-	-	-	-	114,288,476	4,376,361	118,664,837	-	118,664,837		
Increased share capital (Note 23)	9,999,412	171,989,886	-	-	-	-	181,989,298	-	181,989,298		
Decrease from sale of investment in subsidiary (Note 13.4)	-	-	-	-	-	-	-	(30)	(30)		
<b>Balance as at 31 December 2021</b>	69,999,412	311,989,886	10,000,000	106,000,000	501,794,136	4,376,361	1,004,159,795	30	1,004,159,825		

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

Nova Empire Public Company Limited and its subsidiaries  
(Formerly known as "Thailand Iron Works Public Company Limited")

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

	Separate financial statements						(Unit: Baht)
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings		Total shareholders' equity	
				Appropriated - general reserve	Unappropriated		
<b>Balance as at 1 January 2020</b>	60,000,000	140,000,000	10,000,000	106,000,000	516,529,271	832,529,271	
Total comprehensive income for the year	-	-	-	-	(57,989,848)	(57,989,848)	
<b>Balance as at 31 December 2020</b>	<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>	
<b>Balance as at 1 January 2021</b>	60,000,000	140,000,000	10,000,000	106,000,000	458,539,423	774,539,423	
Total comprehensive income for the year	-	-	-	-	919,954	919,954	
Increased share capital (Note 23)	9,999,412	171,989,886	-	-	-	181,989,298	
<b>Balance as at 31 December 2021</b>	<u>69,999,412</u>	<u>311,989,886</u>	<u>10,000,000</u>	<u>106,000,000</u>	<u>459,459,377</u>	<u>957,448,675</u>	

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

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as "Thailand Iron Works Public Company Limited")**

**Cash flow statements**

**For the year ended 31 December 2021**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax from continuing operations	45,348,487	(21,314,051)	919,954	(20,073,866)
Profit (loss) before tax from discontinued operations	69,725,996	(95,205,662)	-	(22,262,941)
Profit (loss) before tax	115,074,483	(116,519,713)	919,954	(42,336,807)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	31,890,213	22,336,771	32,285	7,422,864
Reversal of allowance for expected credit losses	-	(84,721)	-	(84,721)
Reversal of reduce cost to net resalible value	(12,238,317)	(4,425,485)	-	-
Gain on sale of investment in subsidiary	(80,289,715)	-	(30)	-
Gain on bargain purchase of subsidiaries	-	(1,976,970)	-	-
Impairment loss on goodwill	-	2,947,617	-	-
Share of profit from investment in associate	(90,255,592)	-	-	-
Dividend income from investment in associate	-	-	(44,913,750)	-
Gain arising from sale and leaseback	-	(21,340,924)	-	(76,662,357)
Gain on tranfer of inventories to subsidiary	-	-	-	(1,501,620)
Loss on sales and write-off of equipment	-	4,971,096	-	5,614,363
Long-term employee benefits obligations	4,168,270	3,345,171	2,237,627	6,455,932
Interest income	(304,478)	(1,173,130)	(181,546)	(851,721)
Interest expenses	16,017,068	12,341,668	1,085,589	2,059,862
Loss from operating activities before changes in operating assets and liabilities	(15,938,068)	(99,578,620)	(40,819,871)	(99,884,205)
Operating assets (increase) decrease				
Trade and other receivables	(54,094,510)	(9,026,786)	44,320,986	7,228,343
Contract assets	3,548,065	(7,027,121)	-	1,581,104
Inventories	160,214,303	178,452,541	-	164,194,486
Other current assets	9,988,809	2,750,496	(919,791)	2,890,274
Loans to the employees	2,583,436	908,440	-	994,130
Other non-current assets	996,985	(2,643,062)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(1,728,414)	42,818,282	786,387	(1,609,414)
Other current liabilities	673,523	773,558	226,400	(232,469)
Payment of long-term employee benefits	-	(4,452,140)	-	(2,934,607)
Cash flows from operating activities	106,244,129	102,975,588	3,594,111	72,227,642
Cash received from interest income	263,250	1,388,794	181,546	906,855
Cash paid for interest expenses	(9,079,012)	(7,979,219)	(1,512,986)	(1,637,978)
Cash paid for corporate income tax expense	(1,263,915)	-	(23,294)	-
<b>Net cash flows from operating activities</b>	<b>96,164,452</b>	<b>96,385,163</b>	<b>2,239,377</b>	<b>71,496,519</b>

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

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as "Thailand Iron Works Public Company Limited")**

**Cash flow statements (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	3,981,669	3,488,718	-	70,000,000
Net cash paid for purchases of investment in subsidiaries	-	(197,289,933)	-	-
Cash paid for additional capital of a subsidiary	-	-	(64,000,000)	(188,999,970)
Cash received (paid) from sale of investment in subsidiary	(48,751,018)	-	20,000,000	-
Cash paid for purchases of investment in associate	(704,913,750)	-	(704,913,750)	-
Cash received from dividend income from investment in associate	44,913,750	-	44,913,750	-
Cash received from sales of other long-term investments	-	1,200,000	-	1,200,000
Cash paid for acquisition of equipment	(6,016,440)	(1,756,984)	(313,799)	(1,234,748)
Cash received from transferring of assets to subsidiary	-	-	-	368,133,313
Cash received from disposal of property, plant and equipment	-	239,260,570	-	239,260,570
Cash paid for acquisition of intangible assets	(44,186)	-	(44,186)	-
<b>Net cash flows from (used in) investing activities</b>	<u>(710,829,975)</u>	<u>44,902,371</u>	<u>(704,357,985)</u>	<u>488,359,165</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(80,650,000)	395,961,126	-	(78,938,874)
Increase (decrease) in bill of exchange	(48,000,000)	48,000,000	(48,000,000)	48,000,000
Increase (decrease) in short-term loans from related parties	(8,000,000)	8,000,000	(20,000,000)	20,000,000
Decrease in long-term loans from financial institutions	(36,840,136)	(18,421,892)	-	-
Payments of lease liabilities	(9,448,700)	(12,911,195)	-	(627,083)
Proceeds from increase in share capital	181,989,298	-	181,989,298	-
Cash received for share subscription from non-controlling interests of subsidiary	-	30	-	-
<b>Net cash flows from (used in) financing activities</b>	<u>(949,538)</u>	<u>420,628,069</u>	<u>113,989,298</u>	<u>(11,565,957)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(615,615,061)</u>	<u>561,915,603</u>	<u>(588,129,310)</u>	<u>548,289,727</u>
Cash and cash equivalents at beginning of year	<u>653,052,799</u>	<u>91,137,196</u>	<u>613,759,683</u>	<u>65,469,956</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>37,437,738</u></u>	<u><u>653,052,799</u></u>	<u><u>25,630,373</u></u>	<u><u>613,759,683</u></u>

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

**Nova Empire Public Company Limited and its subsidiaries**  
**(Formerly known as “Thailand Iron Works Public Company Limited”)**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2021**

**1. General information**

**1.1 Corporate information**

Nova Empire Public Company Limited (“the Company”) is a listed company incorporated and domiciled in Thailand. Its major shareholder is Miss Parleerat Panboonhom. The Company is principally engaged in the investment. The registered address is at No. 88 Soi Bangna-Trad 30, Debaratana Road, Bangna Tai, Bangna, Bangkok.

On 27 January 2021, the Extraordinary General Meeting of the Company’s shareholders No. 1/2021 passed special resolutions approving the change of the Company’s name from “Thailand Iron Works Public Company Limited” to “Nova Empire Public Company Limited” and the change of the registered address of the Company from “No.86 Moo 1, Suksawad Road, Tambol Laemphapa, Ampur Phrasamudjedee, Samutprakarn” to “No. 88 Soi Bangna-Trad 30, Debaratana Road, Bangna Tai, Bangna, Bangkok”. The Company registered the changes with the Ministry of Commerce on 28 January 2021.

**1.2 Coronavirus disease 2019 Pandemic**

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

**2. Basis of preparation**

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

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Nova Empire Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u> Percent	<u>2020</u> Percent
<b><u>Subsidiaries directly owned by the Company</u></b>				
TIW Industries Co., Ltd. *	Manufacturing and distribution of galvanized iron sheets	Thailand	-	99.99
The Solar Arcade Co., Ltd.	Investment company	Thailand	99.99	99.99
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
Held by The Solar Arcade Co., Ltd.				
NW Energy Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
NW Green Power Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
NW Solar Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
Sky Solar Power Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
Sky Solar Roof Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
Solar Town Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
Sun Link Power Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99
Sunny Solar Co., Ltd.	Manufacture and distribution of electricity	Thailand	99.99	99.99

\* Sold during the year 2021

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

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

### 3. New financial reporting standards

#### 3.1 Financial reporting standards that became effective in the current year

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

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

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

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

#### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

### **3.3 Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

During the current year, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As the temporary relief measures on accounting alternatives is no longer applicable for the period after 31 December 2020. There is no significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Business Combinations**

Business combination are accounted for using the acquisition method, excluding a business combination under common control. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of the Group's previously held equity interest in the acquiree, in a business combination achieved in stages.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group measures the identifiable assets acquired and the liabilities assumed at acquisition date fair value and classifies and designates them in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

### **4.2 Revenue and expense recognition**

#### **Revenue from sales of electricity**

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

#### **Sales of goods**

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

### **Rendering of services**

Service revenue is recognised over time when services have been rendered taking into account 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 recognised only to the extent of contract costs incurred that are likely to be recoverable.

### **Interest income**

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

### **Finance cost**

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

### **Dividends**

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

## **4.3 Cash and cash equivalents**

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

## **4.4 Inventories**

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

Raw materials and factory supplies are valued at the lower of cost under the first-in, first-out method and net realisable value and are charged to production costs whenever consumed.

## **4.5 Investments in subsidiaries and associate**

Investment in associate is accounted for in the consolidated financial statements using the equity method.

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

#### 4.6 Property, plant and equipment and depreciation

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

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

Buildings	30	years
Machinery and equipment	5 - 25	years
Furniture, fixtures and office equipment	5	years
Motor vehicles	5	years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under installation.

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

#### 4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Power sale and purchase agreements	18 years
Computer software	5 - 10 years

## 4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

## 4.9 Leases

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

### **The Group as a lessee**

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

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Land and building	20 - 30 years
Rooftop area	25 years
Machinery and equipment	10 years
Motor vehicles	5 years

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

### ***Lease liabilities***

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

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

### ***Short-term leases and leases of low-value assets***

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

## **4.10 Related party transactions**

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

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

#### **4.11 Foreign currencies**

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

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

Gains and losses on exchange are included in profit or loss.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.13 Employee benefits**

##### **Short-term employee benefits**

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

##### **Post-employment benefits and other long-term employee benefits**

###### ***Defined contribution plans***

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

###### ***Defined benefit plans and other long-term employee benefits***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

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

#### **4.14 Provisions**

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

#### 4.15 Income tax

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

#### 4.16 Financial instruments

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

##### **Classification and measurement of financial assets**

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

***Financial assets at amortised cost***

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

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

***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

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

**Classification and measurement of financial liabilities**

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

## **Derecognition of financial instruments**

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

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

## **Impairment of financial assets**

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

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

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

## **Offsetting of financial instruments**

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

### **4.17 Derivatives and hedge accounting**

#### **Derivatives**

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **Hedge accounting**

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

#### ***Fair value hedges***

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

#### ***Cash flow hedges***

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

#### **4.18 Fair value measurement**

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

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

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

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

## 5. Significant accounting judgements and estimates

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

### Leases

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

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### **Allowance for expected credit losses of trade receivables and contract assets**

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

#### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment, goodwill and other intangibles recognised by the Group.

## Post-employment benefits under defined benefit plans

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

## 6. Related party transactions

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

					(Unit: Thousand Baht)
	Consolidated		Separate		Transfer Pricing Policy
	financial statements	financial statements	financial statements	financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	-	611,391	Cost plus margin
Service income	-	-	-	17,648	Contract price
Other income	-	-	866	252	Cost plus margin
Purchase of goods	-	-	-	249	Agreed price
Interest expenses	-	-	256	222	Interest rate at 6.5% per annum
<b><u>Transactions with associate</u></b>					
Dividend income	-	-	44,914	-	As declared
<b><u>Transactions with related person or related companies</u></b>					
Sales of goods	2,895	21,702	-	1	Cost plus margin
Service income	1,600	-	-	-	Contract price
Purchases of goods	-	125	-	125	Agreed price
Interest expenses	171	148	171	148	Interest rate at 6.5% per annum
Other expenses	100	88	100	88	Contract price
Purchases of assets	294	-	294	-	Agreed price
Purchase of investment in associate	660,000	-	660,000	-	Contract price
Sale of investment in subsidiary	-	-	20,000	-	Contract price

The balances of the accounts as at 31 December 2021 and 2020 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	341	44,669
Related companies (Common director/shareholder)	7	5,562	7	-
Total	<u>7</u>	<u>5,562</u>	<u>348</u>	<u>44,669</u>

### **Short-term loans from related parties**

As at 31 December 2021 and 2020, the balance of short-term loans from related parties and the movement of these loans are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at 31 December 2020	Amortisation of deferred interest	Repayment during the year	Balance as at 31 December 2021
Short-term loan from related person	Relationship				
Dr. Prasith Kanchanasakdichai	Shareholder and director	<u>7,829</u>	<u>171</u>	<u>(8,000)</u>	<u>-</u>

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2020	Amortisation of deferred interest	Repayment during the year	Balance as at 31 December 2021
Short-term loans from related person or related company	Relationship				
TIW Industries Co., Ltd. *	Subsidiary	11,744	256	(12,000)	-
Dr. Prasith Kanchanasakdichai	Shareholder and director	<u>7,829</u>	<u>171</u>	<u>(8,000)</u>	<u>-</u>
Total		<u>19,573</u>	<u>427</u>	<u>(20,000)</u>	<u>-</u>

\* Sold during the year 2021

Short-term loans from related person or related company carry interest at rates of 6.5 percent per annum.

### **Directors and management's remuneration**

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	16,871	9,324	14,680	5,841
Post-employment benefits	2,033	-	2,033	-
<b>Total</b>	<b>18,904</b>	<b>9,324</b>	<b>16,713</b>	<b>5,841</b>

### **Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties, as described in Note 32.2 to the financial statements.

## **7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	61	50	19	-
Bank deposits	37,377	653,003	25,611	613,760
<b>Total</b>	<b>37,438</b>	<b>653,053</b>	<b>25,630</b>	<b>613,760</b>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.13 percent per annum (2020: between 0.05 and 0.13 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	-	5,562	-	-
Total	-	5,562	-	-
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	3,008	15,007	-	-
Past due				
Up to 3 months	-	5,936	-	-
Total	3,008	20,943	-	-
Total trade receivables	3,008	26,505	-	-
<b><u>Other receivables</u></b>				
Accrued interest income	-	58	-	-
Other receivables - related parties	7	-	348	44,669
Other receivables - unrelated parties	-	2	-	-
Total other receivables	7	60	348	44,669
<b>Total trade and other receivables</b>	<b>3,015</b>	<b>26,565</b>	<b>348</b>	<b>44,669</b>

## 9. Contract assets

As at 31 December 2021 and 2020, the balance of contract assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Unbilled receivables	-	4,113
Accrued income of electricity	2,977	4,495
Total contract assets	2,977	8,608

## 10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	-	207,948	-	(26,352)	-	181,596
Work in process	-	119,975	-	-	-	119,975
Raw materials and supplies	-	76,746	-	-	-	76,746
<b>Total</b>	<b>-</b>	<b>404,669</b>	<b>-</b>	<b>(26,352)</b>	<b>-</b>	<b>378,317</b>

Movements in the reduction cost to net realisable value of inventory account during the year ended 31 December 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2021	26,352
Less: Reversal during the year	(12,238)
Less: Decrease from sale of investment in subsidiary (Note 13.4)	(14,114)
Balance as at 31 December 2021	-

## 11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Prepaid expenses	1,168	1,263	100	42
Receivables from the Revenue Department	1,930	27,161	1,482	419
Input vat	340	482	124	357
Others	170	462	85	30
<b>Total</b>	<b>3,608</b>	<b>29,368</b>	<b>1,791</b>	<b>848</b>

## 12. Restricted bank deposits

There represent bank deposits pledge with the banks to secure credit facilities.

### 13. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(%)	(%)		
TIW Industries Co., Ltd. *	-	20	-	99.99	-	20,000
The Solar Arcade Co., Ltd.	234	170	99.99	99.99	234,000	170,000
Total					234,000	190,000

\* Sold during the year 2021

- 13.1 On 11 January 2021, The Solar Arcade Co., Ltd. called-up 21% of 21.4 million registered ordinary shares of Baht 10 each, or for a total of Baht 45 million. The Company made a payment for this additional capital.
- 13.2 On 20 August 2021, the Extraordinary General Meeting of The Solar Arcade Co., Ltd.'s shareholders No.2/2021 passed a special resolution approving an increase of Baht 19 million in its registered share capital, through the issuance of 1.9 million new ordinary shares of Baht 10 each, to be offered to the Company at a price of Baht 10 per share. The Company invested Baht 19 million in the additional shares in order to maintain its existing shareholding in this company.
- 13.3 Extraordinary General Meeting of the following 8 subsidiaries of the Solar Group's shareholders No.2/2021 were held on 31 August 2021.
- 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.

The meetings passed a special resolution to approve increases in the registered share capital of the subsidiaries of the Solar Group, totalling Baht 19 million, through the issuance of a total of 190,000 new ordinary shares of Baht 100 each, to be offered to The Solar Arcade Co., Ltd. at a price of Baht 100 per share. The Solar Arcade Co., Ltd. invested a total of Baht 19 million in these additional shares in order to maintain its existing shareholding in these companies.

- 13.4 On 10 March 2021, the Meeting of the Company's Board of Directors No. 3/2021 passed a resolution approving the sale of all of the Company's investment in TIW Industries Co., Ltd. to Dr. Prasit Karnchanasakchai (the Company's shareholder) at a price of not more than Baht 20 million. Subsequently, on 30 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution approving the sale of that investment and the Company entered into a share purchase agreement for the sale of that company and has already collected Baht 20 million. The Company recognised gain on sale of the investment of Baht 80 million, and presented under profit for the year from discontinued operation in the consolidated statements of comprehensive income for the year ended 31 December 2021 (Note 33.2).

The net liabilities of TIW Industries Co., Ltd. as at the disposal date were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	68,751
Trade and other receivables	77,685
Contract assets	2,083
Inventories	230,341
Other current assets	15,794
Restricted bank deposits	62,700
Long-term loans to employees	2,711
Equipment	1,196
Right-of-use assets	52,638
Short-term loans from financial institution	(397,000)
Trade and other payables	(48,522)
Income tax payable	(585)
Other current liabilities	(1,745)
Lease liabilities	(102,000)
Long-term employee benefits obligations	(24,337)
Net liabilities	<u>(60,290)</u>
Add: Gain on sale of investment in subsidiary (Note 33.2)	80,290
Cash received from sale of investment in subsidiary	<u>20,000</u>

13.5 In June 2020, the Extraordinary General Meeting of the Company's shareholders No. 1/2020 passed a resolution approving The Solar Arcade Co., Ltd.'s acquisition of all shares in the 8 companies of the Solar Group, which are as follows.

- 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.

The Solar Arcade Co., Ltd. invested in this group on 24 July 2020 (acquisition date).

During the current year, the Group completed the assessments of the fair values of the Solar Group's identifiable assets acquired and liabilities assumed as at acquisition date which is in accordance with Thai Financial Reporting Standards 3 Business Combinations. The carrying values and fair values of identifiable assets acquired and liabilities assumed are as follows:

	(Unit: Thousand Baht)	
	Fair value as at acquisition date	Book value as at acquisition date
<b>Identifiable assets acquired</b>		
Cash and cash equivalents	17,710	17,710
Trade and other receivables	12,999	12,999
Other current assets	775	775
Restricted bank deposits	191	191
Equipment	248,728	314,407
Intangible assets	142,111	-
Right-of-use assets	115,661	115,661
Deferred tax assets	228	-

	(Unit: Thousand Baht)	
	Fair value as at acquisition date	Book value as at acquisition date
<b>Liabilities assumed</b>		
Short-term loan from financial institution	(2,750)	(2,750)
Trade and other payables	(6,015)	(5,847)
Long-term loan from financial institution	(181,636)	(181,636)
Lease liabilities	(121,776)	(121,776)
Income tax payable	(1,418)	(1,418)
Other current liabilities	(170)	(170)
Deferred tax liabilities	(10,609)	-
Total net assets of subsidiaries	214,029	148,146
Less: Gain on bargain purchase of subsidiaries	(1,977)	-
Add: Goodwill	2,948	-
The difference between the cash payment for purchase of investments in subsidiaries and the net assets of the subsidiaries	-	66,854
<b>Cash payment for purchase of investments in the subsidiaries</b>	<b>215,000</b>	<b>215,000</b>

Intangible assets represent the power sale and purchase agreements (Note 16), of which the fair value has been determined using the income approach, based on the Multi-period Excess Earning Method (MEEM). The remaining useful lives of the power sale and purchase agreements is approximately 18 years, based on the agreements and related conditions. Key assumptions used in the valuation consisted of the revenue projections and the discount rate.

The Group recorded gain on bargain purchase of subsidiaries as at the acquisition date of Baht 2.0 million. Moreover, the Group considered impairment on goodwill at the acquisition date and recorded full allowance for impairment loss on goodwill as at the acquisition date of Baht 2.9 million.

## 14. Investment in associate

### 14.1 Details of associate

Company's name	Consolidate financial statements						(Unit: Thousand Baht) Separate financial statements	
	Shareholding percentage		Cost		Carrying amounts based on equity method		Cost	
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
Winchai Co., Ltd.	26.25	-	704,914	-	754,632	-	704,914	-

- a) On 19 April 2021, the Company entered into an agreement to purchase shares of 2.6 million ordinary shares of Winchai Co., Ltd., which is engaged in the manufacture and distribution of electricity from wind power, representing a 26.25% shareholding, from a legal entity wholly owned by Miss Parleerat Panboonhom at a total price of Baht 660 million in accordance with a resolution of the Extraordinary General Meeting of the Company's shareholders No. 1/2021 on 27 January 2021. The Company received all of the shares and made a payment for the shares on 21 April 2021.

The management of the Company has determined that the assets and liabilities of Winchai Co., Ltd. as at 21 April 2021 and as at 30 April 2021 are not significantly different. The Company has therefore assumed that the date of acquisition of the associate was 30 April 2021.

The net book values of assets and liabilities of Winchai Co., Ltd. as at 30 April 2021 were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	50,666
Trade and other receivables	82,004
Other current assets	23,268
Restricted bank deposits	660,671
Property plant and equipment	2,701,600
Right-of-use assets	96,394
Intangible assets	381,591
Deferred tax assets	789
Other non-current assets	614
Trade and other payables	(8,538)
Loan from banks	(2,340,539)
Lease liabilities	(90,494)
Other current liabilities	(3,507)
Derivative liabilities	(56,652)
Provision for decommissioning costs	(89,989)
Long-term employee benefits obligations	(233)
<b>Net assets</b>	<b>1,407,645</b>
Shareholding percentage (%)	26.25
<b>Net assets of the associate in the Company's proportion</b>	<b>369,507</b>
The difference between the cash payment for purchase of investment in associate and the net assets of the associate in the Company's proportion	290,493
<b>Cash payment for purchase of investment in the associate</b>	<b>660,000</b>

At present, the Company is in the process of assessing the fair value of the identifiable assets and liabilities at the acquisition date. It is to be completed within the period of twelve months from the acquisition date (21 April 2021).

- b) On 28 October 2021, Winchai Co., Ltd. called-up 17% of 2.6 million registered ordinary shares of Baht 100 each, or for a total of Baht 44.9 million. The Company made a payment for this additional capital.

## 14.2 Share of comprehensive income and dividend received

During the year, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associate	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in associate during the year		Share of other comprehensive income from investment in associate during the year		Dividend received during the year	
	2021	2020	2021	2020	2021	2020
Winchai Co., Ltd.	90,256	-	4,376	-	44,914	-

The associate uses derivatives - interest rate swap agreements to hedge its interest rate risks.

Share of other comprehensive income from investment in associate is gain on cash flow hedges of derivatives - interest rate swap agreements.

## 14.3 Summarised financial information of Winchai Co., Ltd. for the year ended 31 December 2021 is presented below.

### Summarised information about financial position

(Unit: Thousand Baht)

Current assets	424,032
Non-current assets	3,683,856
Current liabilities	(415,282)
Non-current liabilities	(1,924,459)
<b>Net assets</b>	<b>1,768,147</b>
Shareholding percentage (%)	26.25
<b>Share of net assets</b>	<b>464,139</b>
The difference between the cash payment for purchase of investment in associate and the net assets of associate	290,493
<b>Carrying amounts of associates based on equity method</b>	<b>754,632</b>

## Summarised information about comprehensive income

	(Unit: Thousand Baht)
	For the period as from
	1 May 2021 to
	31 December 2021
	<hr/>
Revenue	563,930
Operating profit	419,342
Net profit	343,831
Other comprehensive income	16,672
Total comprehensive income	360,503

Winchai Co., Ltd. has pledged its wind energy power plant, plant and equipment, savings deposit and the right to lease land owned by Winchai Co., Ltd. with a total net book value as at 31 December 2021 of approximately Baht 3,289 million as collateral against credit facilities received from financial institution.

In addition, as at 31 December 2021, Winchai Co., Ltd. is in the process of negotiating with a contractual counterparty, who claimed compensation of Baht 22 million (the Group's proportion: Baht 6 million) from Winchai Co., Ltd. for the cost of repairing wind turbines that were damaged by a lightning strike, since it considered the cause of the damage to meet the criteria of damage for which the contractual counterparty is responsible. However, the management of Winchai Co., Ltd. have disputed the claim because under the contract the counterparty is responsible for the cost of repairing the wind turbines and believes that this will not result in any significant losses and Winchai Co., Ltd. has therefore not recognised the repair cost in the statements of comprehensive income.

## 15. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

	Consolidated financial statements						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	
<b>Cost:</b>							
1 January 2020	65,203	139,621	332,022	10,624	1,390	8,062	556,922
Additions	-	-	55	526	-	1,321	1,902
Increase from investment in subsidiaries							
(Note 13.5) - restated	-	-	248,728	-	-	-	248,728
Disposals	(65,203)	(139,621)	(335,011)	(10,624)	(1,390)	(4,970)	(556,819)
Transfer in (out)	-	-	2,934	-	1,332	(4,266)	-
31 December 2020 - restated	-	-	248,728	526	1,332	147	250,733
Additions	-	-	27	615	-	6,891	7,533
Decrease from sale of investment in subsidiary							
(Note 13.4)	-	-	-	(827)	(1,332)	-	(2,159)
31 December 2021	-	-	248,755	314	-	7,038	256,107

(Unit: Thousand Baht)



(Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total
<b>Cost:</b>							
1 January 2020	65,203	139,621	332,022	10,624	1,390	8,062	556,922
Additions	-	-	55	-	-	1,174	1,229
Disposals	(65,203)	(139,621)	(335,011)	(10,624)	(1,390)	(4,970)	(556,819)
Transfer to the subsidiary	-	-	(1,332)	-	-	-	(1,332)
Transfer in (out)	-	-	4,266	-	-	(4,266)	-
31 December 2020	-	-	-	-	-	-	-
Additions	-	-	-	314	-	-	314
31 December 2021	-	-	-	314	-	-	314
<b>Accumulated depreciation:</b>							
1 January 2020	-	120,232	243,308	9,947	1,390	-	374,877
Depreciation for the year	-	2,276	4,467	284	-	-	7,027
Depreciation on disposals	-	(122,508)	(247,086)	(10,231)	(1,390)	-	(381,215)
Transfer to the subsidiary	-	-	(689)	-	-	-	(689)
31 December 2020	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	30	-	-	30
31 December 2021	-	-	-	30	-	-	30
<b>Allowance for impairment loss:</b>							
1 January 2020	-	-	8,037	-	-	-	8,037
Increase during the year	-	-	17,483	-	-	-	17,483
Decrease from disposals during the year	-	-	(25,520)	-	-	-	(25,520)
31 December 2020	-	-	-	-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements						
		Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total	
<b>Net book value:</b>								
	31 December 2020	-	-	-	-	-	-	
	31 December 2021	-	-	284	-	-	284	
<b>Depreciation for the year</b>								
	2020 (Baht 6 million included in manufacturing cost, and the balance in selling and administrative expenses)						7,027	
	2021 (Included in selling and administrative expenses)						30	

The Group have mortgaged their equipment with net book value as at 31 December 2021 of Baht 231 million (2020: Baht 241 million) to secure its credit facilities obtained from financial institutions.

As at 31 December 2021, there is no outstanding balances of provision for impairment loss since the Group performed impairment testing of total assets in the Solar Group which are equipment, intangible assets (Note 16) and right-of-use assets (Note 21 a). It was concluded that no provision for impairment loss of these assets was required.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

	Consolidated financial statements			Separate financial statements
	Power sale and purchase agreements	Computer software	Total	Computer software
	(Unit: Thousand Baht)			
<b>Cost:</b>				
As at 1 January 2020	-	-	-	-
Increase from investment in subsidiaries (Note 13.5) - restated	142,111	-	142,111	-
As at 31 December 2020	142,111	-	142,111	-
Additions	-	44	44	44
As at 31 December 2021	142,111	44	142,155	44
<b>Accumulated amortisation:</b>				
As at 1 January 2020	-	-	-	-
Amortisation for the year - restated	3,376	-	3,376	-
As at 31 December 2020	3,376	-	3,376	-
Amortisation for the year	7,703	2	7,705	2
As at 31 December 2021	11,079	2	11,081	2
<b>Net book value:</b>				
As at 31 December 2020	138,735	-	138,735	-
As at 31 December 2021	131,032	42	131,074	42
<b>Amortisation for the year</b>				
2020			3,376	-
2021			7,705	2

The power sale and purchase agreements were acquired through a business combination (Note 13.5).

## 17. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(% p.a.)	(% p.a.)		
Promissory notes		MLR -1		
	-	and 1.41 - 1.95	-	127,650
Trust receipts	-	BIBOR +0.75	-	350,000
Total			-	477,650

The loans of the subsidiaries are secured with bank deposits and certain assets of the Solar Group, consisting of equipment, leasehold rights to roof space and the beneficiary rights to insurance of all assets, as well as guarantees provided by directors and the Company.

## 18. Bill of exchange

As at 31 December 2020, bill of exchange of Baht 48 million carried interest at a rate of 6.5% per annum, and was repayable in March 2021. The Company fully repaid the bill of exchange in the current year.

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	3,448	46,146	-	-
Other payables - unrelated parties	1,611	1,464	1,580	805
Accrued expenses	6,797	11,253	5,464	5,681
Dividend payables	-	626	-	626
Total	11,856	59,489	7,044	7,112

## 20. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Long-term loans from financial institutions	126,374	163,214
Less: Current portion	(38,010)	(36,628)
Long-term loans from financial institutions - net of current portion	<u>88,364</u>	<u>126,586</u>

Movements in the long-term loans account during the year ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
<b>Beginning balance</b>	163,214	-
Increase from investment in subsidiaries (Note 13.5)	-	181,636
Repayment during the year	(36,984)	(18,492)
Amortisation of deferred interest during the year	144	70
<b>Ending balance</b>	<u>126,374</u>	<u>163,214</u>

As at 31 December 2021, long-term loans from financial institution of the subsidiaries of Baht 126 million (2020: Baht 163 million) carry interest at rates of MLR-1.25% to MLR-1.75% per annum and are to be repaid in full in 120 installments from the date of receiving the loans. The loans are secured with bank deposits and certain assets of the Solar Group, consisting of equipment, leasehold rights to roof space and the beneficiary rights to insurance of all assets, as well as guarantees provided by directors and the Company. Moreover, as stipulated in the loan agreements, the Solar Group is required to open savings accounts to receive payment from sales of electricity and to make settlement of the loans to the financial institution.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

## 21. Leases - The Group as a lessee

The Group has lease contracts for assets used in its operations. Leases generally have lease terms of 25 years.

### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

	Consolidated financial statements					Separate financial statements
	Land and building	Rooftop area	Machinery		Total	Motor vehicles
			and equipment	Motor vehicles		
As at 1 January 2020	-	-	-	1,391	1,391	1,391
Additions	42,120	-	10,667	1,403	54,190	480
Increase from investment in subsidiaries (Note 13.5)	-	115,661	-	-	115,661	-
Transfer to the subsidiary	-	-	-	-	-	(1,481)
Depreciation for the year	(588)	(2,492)	(447)	(802)	(4,329)	(390)
As at 31 December 2020	41,532	113,169	10,220	1,992	166,913	-
Depreciation for the year	(462)	(5,944)	(351)	(293)	(7,050)	-
Decrease from sale of investment in subsidiary (Note 13.4)	(41,070)	-	(9,869)	(1,699)	(52,638)	-
As at 31 December 2021	-	107,225	-	-	107,225	-

### b) Lease liabilities

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
	Lease payments	176,589
Less: Deferred interest expenses	(59,544)	(157,159)
Total	117,045	222,828
Less: Current portion	(3,536)	(7,070)
Lease liabilities - net of current portion	113,509	215,758

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	222,828	2,004	-	2,004
Increase from investment in subsidiaries (Note 13.5)	-	121,776	-	-
Additions	-	107,239	-	-
Accretion of interest	5,666	4,720	-	36
Repayments	(9,449)	(12,911)	-	(627)
Decrease from sale of investment in subsidiary (Note 13.4)	(102,000)	-	-	-
Transfer to the subsidiary	-	-	-	(1,413)
Balance at end of year	<u>117,045</u>	<u>222,828</u>	<u>-</u>	<u>-</u>

A maturity analysis of lease payments is disclosed in Note 34.1 under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	7,050	4,329	-	390
Interest expense on lease liabilities	5,666	4,720	-	36
Expense relating to short-term leases	965	258	-	-

### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 10 million (2020: Baht 13 million) (the Company only: Nil, 2020: Baht 1 million), including the cash outflow related to short-term lease.

## 22. Long-term employee benefits obligations

Long-term employee benefits obligations, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Long-term employee benefits obligations at beginning of year</b>	22,407	23,206	-	23,206
Included in profit or loss:				
Current service cost and interest cost	2,772	3,365	842	6,456
Past service costs	1,396	-	1,396	-
Actuarial gain for other long-term employee benefits	-	(19)	-	-
Included in other comprehensive income:				
Actuarial loss	-	307	-	-
Transfer to the subsidiary	-	-	-	(26,727)
Decrease from sale of investment in subsidiary (Note 13.4)	(24,337)	-	-	-
Benefits paid during the year	-	(4,452)	-	(2,935)
<b>Long-term employee benefits obligations at end of year</b>	<u>2,238</u>	<u>22,407</u>	<u>2,238</u>	<u>-</u>

The Group expects not to make any long-term employee benefit payments during the next year.

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 20 years (2020: 11 years) (the Company only: 20 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	2.70	1.36 - 1.51	2.70	-
Salary increase rate	5.00	3.00	5.00	-

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(401)	497	(401)	497
Salary increase rate	439	(362)	439	(362)

(Unit: Thousand Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,354)	1,541	-	-
Salary increase rate	1,101	(976)	-	-

### 23. Share capital

23.1 On 27 January 2021, the Extraordinary General Meeting of the Company's shareholders no.1/2021 passed the following special resolutions.

- a) Approved a resolution to decrease the Company's registered share capital from Baht 73,050,000 to Baht 60,000,000 through the cancellation of the 1,305,000 unissued ordinary shares with a par value of Baht 10 each remaining from the allocation of additional shares to be offered through private placements, in accordance with a resolution of the 2018 Annual General Meeting of the Company's shareholders held on 26 July 2018. The Company registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 28 January 2021.
- b) Approved a resolution to change the par value of the Company's ordinary shares from Baht 10 per share (6,000,000 shares) to Baht 0.50 per share (120,000,000 shares). The Company registered the change in the par value of its ordinary shares with the Ministry of Commerce on 29 January 2021.
- c) Approved a resolution to increase the Company's registered share capital by Baht 10,000,000, from Baht 60,000,000 (120,000,000 ordinary shares of Baht 0.50 each) to Baht 70,000,000 (140,000,000 ordinary shares of Baht 0.50 each), through the issue of 20,000,000 additional ordinary shares and to allocate these shares to the existing shareholders in proportion to their shareholding at an offer price of Baht 9.10 per share (or equivalent to Baht 182 per share before the change in par value) in accordance with a resolution passed by the Company's Board of Directors Meeting No.15/2020 on 8 December 2020 setting the final offering price, additional ordinary share subscription and payment dates and other related details. The Company registered the corresponding increase in its registered share capital with the Ministry of Commerce on 1 February 2021.

On 18 February 2021, the Company allocated the additional ordinary shares to the existing shareholders in proportion to their shareholding, with subscription and payment periods to run from 18 - 19 February 2021 and 22 - 24 February 2021. The Company received payment for 19,998,824 additional shares, or a total of Baht 181,989,298 and registered the corresponding increase in its paid-up share capital with the Ministry of Commerce on 3 March 2021. As a result, the Company's issued and fully paid-up share capital increased from Baht 60,000,000 (120,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 69,999,412 (139,998,824 ordinary shares with a par value of Baht 0.50 each).

23.2 On 17 December 2021, the Extraordinary General Meeting of the Company's shareholders no.2/2021 passed the following special resolutions.

- a) Approved a resolution to decrease the Company's registered share capital from Baht 70,000,000 to Baht 69,999,412 through the cancellation of the 1,176 unissued ordinary shares with a par value of Baht 0.50 each remaining from the allocation of additional shares to be offered to the existing shareholders, in accordance with a resolution of the Extraordinary General Meeting of the Company's shareholders held on 27 January 2021. The Company registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 21 December 2021.
- b) Approved a resolution to increase the Company's registered share capital by Baht 15,214,941, from Baht 69,999,412 (139,998,824 ordinary shares of Baht 0.50 each) to Baht 85,214,353 (170,428,706 ordinary shares of Baht 0.50 each), through the issue of 30,429,882 additional ordinary shares, with not more than 13,999,882 additional ordinary shares allocated to be offered to the existing shareholders in proportion to their shareholding at an offer price of Baht 10.35 per share, and not more than 16,430,000 additional ordinary shares allocated to be offered through the private placements at an offer price of Baht 10.35 per share. The Company registered the corresponding increase in its registered share capital with the Ministry of Commerce on 22 December 2021.

#### **24. Statutory reserve**

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

#### **25. General reserve**

As at 31 December 2021 and 2020, the balance of Baht 106 million is a general reserve set aside from net profit in the past for non-specific purposes.

## 26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	42,400	60,338	22,996	5,841
Depreciation and amortisation expenses	31,890	22,337	32	7,423
Consultant and professional fees	19,375	15,336	17,411	13,647
Raw materials and consumables used	24,083	389,647	-	-
Changes in inventories of finished goods and work in progress	202,686	91,809	-	-

## 27. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
<b>Current income tax:</b>				
Current income tax charge	1,332	901	-	-
Adjustment in respect of income tax of previous year	42	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(588)	15,464	-	15,653
Income tax expense	786	16,365	-	15,653
Income tax expense - discontinued operation (Note 33)	-	(16,554)	-	(15,653)
<b>Income tax expense (benefit) reported in the statements of comprehensive income</b>	<u>786</u>	<u>(189)</u>	<u>-</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Accounting profit (loss) before tax - continuing operation	45,348	(21,314)	920	(20,074)
Accounting profit (loss) before tax - discontinued operation (Note 33)	69,726	(95,206)	-	(22,263)
Accounting profit (loss) before tax	<u>115,074</u>	<u>(116,520)</u>	<u>920</u>	<u>(42,337)</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	23,014	(23,304)	184	(8,467)
Adjustment in respect of income tax of previous year	42	-	-	-
Reversal of previous deferred tax asset	-	15,653	-	15,653
Effects of:				
Promotional privileges (Note 28)	936	11,149	-	-
Non-deductible expenses	1,218	-	1,217	-
Tax loss on which deferred tax assets have not been recognised	9,693	13,454	7,591	8,733
Tax exemption income	(9)	-	(8,992)	-
Additional deductible expense allowed	-	(587)	-	(266)
Share of profit from investment in associate	(18,050)	-	-	-
Gain on sale of investment in subsidiary	(16,058)	-	-	-
Total	<u>(22,270)</u>	<u>24,016</u>	<u>(184)</u>	<u>8,467</u>
Income tax expense	786	16,365	-	15,653
Income tax expense - discontinued operation (Note 33)	-	(16,554)	-	(15,653)
Income tax expense (benefit) reported in the statements of comprehensive income	<u>786</u>	<u>(189)</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u> (Restated)
<b>Deferred tax assets</b>		
Accumulated depreciation - equipment	10,942	10,514
Unused tax loss	160	-
Total	<u>11,102</u>	<u>10,514</u>
<b>Deferred tax liabilities</b>		
Accumulated amortisation - intangible assets	<u>(20,705)</u>	<u>(20,705)</u>
<b>Deferred tax liabilities - net</b>	<u>(9,603)</u>	<u>(10,191)</u>

Presented in the statements of financial position as follows:

Deferred tax assets	400	232
Deferred tax liabilities	<u>(10,003)</u>	<u>(10,423)</u>
Total	<u>(9,603)</u>	<u>(10,191)</u>

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 98 million (2020: Baht 128 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. (the Company only: Baht 96 million (2020: Baht 52 million))

The unused tax losses of the Group amounting to Baht 93 million (the Company only: Baht 90 million) will expire by 2026.

## 28. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of electricity, pursuant to the 10 investment promotion certifications issued on 30 April 2014. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

All of the Group's sales revenues from continuing operations are revenues from sales of electricity generated by activities that have been granted promotional privileges.

## 29. Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period after reflecting the effect of stock split as mentioned in Note 23.1 b) to the consolidated financial statements.

The following table sets forth the computation of basic earnings (loss) per share for the years ended 31 December 2021 and 2020:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>From continuing operation</b>				
Profit (loss) for the year (Thousand Baht)	44,562	(21,125)	920	(20,074)
Weighted average number of ordinary shares (Thousand shares)	136,985	120,000	136,985	120,000
Earnings (loss) per share (Baht per share)	0.33	(0.18)	0.01	(0.17)
<b>From discontinued operation</b>				
Profit for the year (Thousand Baht)	69,726	(111,759)	-	(37,916)
Weighted average number of ordinary shares (Thousand shares)	136,985	120,000	-	120,000
Earnings per share (Baht per share)	0.51	(0.93)	-	(0.32)

For comparative purpose, the basic earnings (loss) per share for the year ended 31 December 2020 have been re-calculated to reflect the effect of the stock split.

## 30. Segment information

For management purposes, the Group are organised into business units based on types of product and there are three reportable segments: (1) galvanized iron sheets product segment (2) installation services segment and (3) solar power segment. During the current period, the Group sold investment in the subsidiary and presented the subsidiary's operations in the galvanized iron sheets product segment and installation services segment separately as "Profit (loss) for the year from discontinued operation" (Note 33.2). As a result, the Group's main operations are in a single reporting segment, namely the solar power segment, and the revenues, operating profits or losses and assets reflected in these financial statements pertain to that operating segment.

Segment information of the discontinued operation is presented in Note 33.2 to the consolidated financial statements.

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

## Major customers

For the year ended 31 December 2021, the Group has revenue from continuing operation from a major customer in amount of Baht 44 million (2020: Baht 21 million).

### 31. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contribute to the fund monthly at the rate of 3 percent or 6.5 percent of basic salary. The employees contribute to the fund monthly at rate of 2 - 15 percent of basic salary. The fund, which is managed by licensed fund managers, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 0.8 million (2020: Baht 1.8 million) (the Company only: Baht 0.4 million (2020: Baht 1.0 million)) were recognised as expenses.

### 32. Commitments and contingent liabilities

#### 32.1 Capital commitments

As at 31 December 2021, the Group had capital commitments of approximately Baht 2.5 million relating to the installation of equipment of the Solar Group.

#### 32.2 Guarantees

- a) As at 31 December 2021, the Company has guaranteed bank credit facilities of the subsidiaries in the Solar Group for a total of Baht 353 million.
- b) As at 31 December 2021, the Company has guaranteed bank credit facilities of the associate, in proportion to the Company's shareholding (26.25%) of Baht 822 million.

### 33. Discontinued operations

#### 33.1 Discontinued operations in 2020

In July 2020, the Company sold property, plant and equipment related to the operation of the manufacturing and distribution of galvanized iron sheets and installation services business to Thai Const & Building Manufacturing Public Company Limited and they were leased back by TIW Industries Co., Ltd. (a subsidiary) to operate the manufacturing and distribution of galvanized iron sheets and installation services business that had been transferred from the Company in July 2020. The Company therefore presents the operating results of the manufacturing and distribution of galvanized iron sheets and installation services segment as "Loss for the year from discontinued operation" in the separate statements of comprehensive income for the year ended 31 December 2020 as presented herein for comparative purpose. Details are as below.

	(Unit: Thousand Baht)
	Separate
	<u>financial statements</u>
<b><u>Statements of comprehensive income</u></b>	
Sale of goods	616,242
Service income	17,648
<b>Total sales and services</b>	<b>633,890</b>
Cost of sales	701,886
Cost of services	14,347
<b>Total cost of sales and services</b>	<b>716,233</b>
<b>Gross loss</b>	<b>(82,343)</b>
Other income	77,955
Selling and distribution expenses	(4,635)
Administrative expenses	(12,405)
<b>Operating loss</b>	<b>(21,428)</b>
Finance cost	(835)
<b>Loss before income tax</b>	<b>(22,263)</b>
Income tax expenses	(15,653)
<b>Loss for the year from discontinued operation</b>	<b>(37,916)</b>

Cash flow information of discontinued operation which including in the separate statements of cash flow for the year ended 31 December 2020 was as follows:

	(Unit: Thousand Baht)
	Separate
	<u>financial statements</u>
Cash flows from operating activities	130,129
Cash flows from investing activities	677,359
Cash flows used in financing activities	79,566

### 33.2 Discontinued operation during the year

During the current year, the Company sold all of investment in TIW Industries Co., Ltd. (Note 13.4). The Group thus separately presented the operating results of TIW Industries Co., Ltd. under “Profit for the year from discontinued operation” in the consolidated statements of comprehensive income for the year ended 31 December 2021 and the Group separately presented the operating results of TIW Industries Co., Ltd. and the manufacturing and distribution of galvanized iron sheets and installation services segment of the Company which was transferred to TIW Industries Co., Ltd. in July 2020 (Note 33.1) under “Loss for the year from discontinued operation” in the consolidated statements of comprehensive income for the year ended 31 December 2020, presented for comparative purposes.

Details of the operating results from discontinued operation including in the statement of comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
<b><u>Statements of comprehensive income</u></b>		
Sale of goods	287,083	374,616
Service income	1,971	23,851
<b>Total sales and services income</b>	<b>289,054</b>	<b>398,467</b>
Cost of sales	283,952	460,130
Cost of services	2,553	20,229
<b>Total cost of sales and services</b>	<b>286,505</b>	<b>480,359</b>
<b>Gross profit (loss)</b>	<b>2,549</b>	<b>(81,892)</b>
Gain on sale of investment in subsidiary (Note 13.4)	80,290	-
Other income	1,081	24,118
Selling and distribution expenses	(3,402)	(8,395)
Administrative expenses	(7,263)	(23,465)
<b>Operating profit (loss)</b>	<b>73,255</b>	<b>(89,634)</b>
Finance cost	(3,529)	(5,571)
<b>Profit (loss) before income tax</b>	<b>69,726</b>	<b>(95,205)</b>
Income tax expenses	-	(16,554)
<b>Profit (loss) for the year from discontinued operation</b>	<b>69,726</b>	<b>(111,759)</b>
<b>Other comprehensive income</b>		
Actuarial loss	-	(307)
<b>Total comprehensive income for the year</b>	<b>69,726</b>	<b>(112,066)</b>

Cash flow information of discontinued operation which including in the consolidated statements of cash flow for the years ended 31 December 2021 and 2020 was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities	183,432	102,845
Cash flows from (used in) investing activities	(49,046)	238,381
Cash flows from (used in) financing activities	(80,695)	388,908

Segment information of the discontinued operation was as follows:

(Unit: Thousand Baht)

	Galvanized iron sheets product segment		Installation services segment		Consolidation	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Revenue from external customers	287,083	374,616	1,971	23,851	289,054
Segment profit (loss)	3,131	(85,515)	(582)	3,622	2,549	(81,893)
Unallocated income and expenses:						
Other income					81,371	24,119
Other expenses					(14,194)	(37,431)
Income tax expenses					-	(16,554)
Profit (loss) for the year from discontinued operation					<u>69,726</u>	<u>(111,759)</u>

### 34. Financial instruments

#### 34.1 Financial risk management objectives and policies

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

##### Credit risk

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

##### Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, outstanding trade receivables and contract assets are regularly monitored. The Group's trade receivables and contract assets from continuing operations are government which has low risk.

## Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans from financial institutions. However, most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group does not use derivatives to manage its interest rate risk.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						Effective interest rate  (% per annum)
	As at 31 December 2021						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
Within 1 year	1-5 years	Over 5 years					
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	1	36	37	Note 7
Trade and other receivables	-	-	-	-	3	3	-
Contract assets	-	-	-	-	3	3	-
	-	-	-	1	42	43	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	12	12	-
Long-term loans	-	-	-	126	-	126	Note 20
Lease liabilities	3	17	97	-	-	117	4.75
	3	17	97	126	12	255	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2020							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	633	20	653	Note 7
Trade and other receivables	-	-	-	-	27	27	-
Contract assets	-	-	-	-	9	9	-
Long-term loans to employees	2	3	-	-	-	5	5.25
Restricted bank deposits	63	-	-	1	3	67	0.15 - 0.45
	65	3	-	634	59	761	
<u>Financial liabilities</u>							
Short-term loans from bank	127	-	-	351	-	478	Note 17
Bill of exchange	48	-	-	-	-	48	Note 18
Short-term loans from related parties	8	-	-	-	-	8	Note 6
Trade and other payables	-	-	-	-	59	59	-
Long-term loans	-	-	-	163	-	163	Note 20
Lease liabilities	7	29	187	-	-	223	2.40 - 5.53
	190	29	187	514	59	979	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2021							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	1	25	26	Note 7
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	7	7	-

(Unit: Million Baht)

	Separate financial statements						Effective interest rate  (% per annum)
	As at 31 December 2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	600	14	614	Note 7
Trade and other receivables	-	-	-	-	45	45	-
	-	-	-	600	59	659	
<u>Financial liabilities</u>							
Bill of exchange	48	-	-	-	-	48	Note 18
Short-term loans from related parties	20	-	-	-	-	20	Note 6
Trade and other payables	-	-	-	-	7	7	-
	68	-	-	-	7	75	

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate long-term loans from financial institutions affected as at 31 December 2021 and 2020.

Currency	2021		2020	
	Increase/ decrease	Effect on profit before tax	Increase/ decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1	(1,266)	+1	(4,780)
	-1	1,266	- 1	4,780

The above analysis has been prepared assuming that the amounts of the floating rate loans and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

### Liquidity risk

The Group monitors liquidity risk by maintaining sufficient cash and cash equivalents for the Group's operations and using credit facilities from bank. The Group has access to sufficient sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payables	-	11,856	-	-	11,856
Long-term loans	-	42,598	92,345	-	134,943
Lease liabilities	-	9,019	36,964	130,606	176,589
<b>Total</b>	-	63,473	129,309	130,606	323,388

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from financial institutions	-	477,650	-	-	477,650
Bill of exchange	-	48,000	-	-	48,000
Short-term loans from related parties	-	8,000	-	-	8,000
Trade and other payables	-	59,489	-	-	59,489
Long-term loans	-	42,846	134,943	-	177,789
Lease liabilities	-	18,183	69,727	292,077	379,987
<b>Total</b>	-	654,168	204,670	292,077	1,150,915

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payables	-	7,044	-	-	7,044

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bill of exchange	-	48,000	-	-	48,000
Short-term loans from related parties	-	20,000	-	-	20,000
Trade and other payables	-	7,112	-	-	7,112
<b>Total</b>	-	75,112	-	-	75,112

### 34.2 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans to employees, accounts payable and short-term loans from banks and related parties, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- c) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

### 35. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2021, the Group's debt-to-equity ratio was 0.27:1 (2020: 1.44:1) and the Company's was 0.01:1 (2020: 0.10:1).

### 36. Restatement and reclassification

During the current year, the Company completed the assessments of the fair values of the Solar Group's identifiable assets acquired and liabilities assumed as at acquisition date in 2020, in accordance with Thai Financial Reporting Standards 3 Business Combinations, as described in Note 13.5 to the consolidated financial statements. The Group thus restated the consolidated financial statements for the year ended 31 December 2020, presented herein for comparative purposes, to reflect the fair value of the Solar Group's identifiable assets acquired and liabilities assumed as at the acquisition date. The effect of the change in the fair value is presented herein as "Cumulative effect of change in the fair values of identifiable assets acquired and liabilities assumed from business combination" in the consolidated statement of changes in shareholders' equity.

In addition, the Group reclassified the consolidated statement of comprehensive income for the year ended 31 December 2020, presented for comparative purposes, to comply with the requirements of TFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as described in Note 33 to the consolidated financial statements.

The amounts of restatement affecting the consolidated statement of financial position as at 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2020	Increase (decrease)	31 December 2020
	(As previously reported)		(Restated)
<b>Assets</b>			
Goodwill	67,774	(67,774)	-
Equipment	307,146	(64,699)	242,447
Intangible assets	-	138,735	138,735
Deferred tax assets	-	232	232
<b>Liabilities</b>			
Deferred tax liabilities	-	10,423	10,423
<b>Shareholders' equity</b>			
Unappropriated retained earnings	391,435	(3,929)	387,506

The amounts of restatement and reclassification affecting the consolidated statement of comprehensive income and separate statement of comprehensive income for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Restated
	As previously reported	Increase (decrease) from restatement	Increase (decrease) from reclassification	
<b>Profit or loss:</b>				
<b>Continuing operation</b>				
Sale of goods	395,764	-	(374,616)	21,148
Service income	23,851	-	(23,851)	-
<b>Total sale and services</b>	<b>419,615</b>	<b>-</b>	<b>(398,467)</b>	<b>21,148</b>
Cost of sales	472,061	3,147	(460,130)	15,078
Cost of service	20,229	-	(20,229)	-
<b>Total cost of sales and services</b>	<b>492,290</b>	<b>3,147</b>	<b>(480,359)</b>	<b>15,078</b>
<b>Gross profit (loss)</b>	<b>(72,675)</b>	<b>(3,147)</b>	<b>(81,892)</b>	<b>6,070</b>
Other income	24,972	1,977	(24,118)	2,831
Selling and distribution expenses	(8,395)	-	8,395	-
Administrative expenses	(43,961)	-	23,465	(20,496)
Impairment loss on goodwill	-	(2,948)	-	(2,948)
Finance cost	(12,342)	-	5,571	(6,771)
Income tax expenses (benefit)	(16,554)	189	16,554	189
Loss for the year from continuing operation	(128,955)	(3,929)	111,759	(21,125)
<b>Discontinued operation</b>				
Loss for the year from discontinued operation	-	-	(111,759)	(111,759)

### 37. Events after reporting period

37.1 As described in Note 23.2 b) to the consolidated financial statements, on 17 January 2022, the Company received payment for 13,520,200 additional shares with a par value of Baht 0.50 each allocated to the existing shareholders in proportion to their shareholding at an offer price of Baht 10.35 per share, or a total of Baht 139,934,070. The Company registered the corresponding increase in its paid-up share capital with the Ministry of Commerce on 21 January 2022. As a result, the Company's issued and fully paid-up share capital increased from Baht 69,999,412 (139,998,824 ordinary shares with a par value of Baht 0.50 each) to Baht 76,759,512 (153,519,024 ordinary shares with a par value of Baht 0.50 each).

- 37.2 As described in Note 23.2 b) to the consolidated financial statements, on 24 January 2022, the Company received payment for 16,430,000 additional shares with a par value of Baht 0.50 each offered through a private placement at an offer price of Baht 10.35 per share, or a total of Baht 170,050,500, from a company. The Company registered the corresponding increase in its paid-up share capital with the Ministry of Commerce on 25 January 2022. As a result, the Company's issued and fully paid-up share capital increased from Baht 76,759,512 (153,519,024 ordinary shares with a par value of Baht 0.50 each) to Baht 84,974,512 (169,949,024 ordinary shares with a par value of Baht 0.50 each).
- 37.3 On 17 December 2021, the Extraordinary General Meeting of the Company's shareholders no.2/2021 passed the resolution approved the additional investment of 2,413,125 ordinary shares of Winchai Co., Ltd., representing a 24.28% shareholding, at a total price of Baht 700,000,000 through an entire business transfer transaction with a company. The Company received the transfer of business from that company on 24 January 2022, resulting in an increase in the Company's shareholding in Winchai Co., Ltd. from 26.25% to 50.63% of total registered and paid-up share capital. The Company therefore changed the status of investment in associate to investment in subsidiary from 24 January 2022 since the Company has power to make decisions related to strategic operations, including setting budgets and returns i.e. dividends.
- 37.4 On 14 February 2022, the Extraordinary General Meeting of The Solar Arcade Co., Ltd.'s shareholders No.1/2022 passed a special resolution approving an increase of Baht 13,500,000 in its registered share capital, through the issuance of 1,350,000 new ordinary shares of Baht 10 each, to be offered to the Company at a price of Baht 10 per share. The Company invested Baht 13,500,000 in the additional shares in order to maintain its existing shareholding in this company.
- 37.5 Extraordinary General Meeting of the following 6 subsidiaries of the Solar Group's shareholders No.2/2021 were held on 21 February 2022.
- 1) NW Energy Co., Ltd.
  - 2) NW Green Power Co., Ltd.
  - 3) NW Solar Co., Ltd.
  - 4) Sky Solar Roof Co., Ltd.
  - 5) Sun Link Power Co., Ltd.
  - 6) Sunny Solar Co., Ltd.

The meetings passed a special resolution to approve increases in the registered share capital of the subsidiaries of the Solar Group, totaling Baht 12,000,000, through the issuance of a total of 120,000 new ordinary shares of Baht 100 each, to be offered to The Solar Arcade Co., Ltd. at a price of Baht 100 per share. The Solar Arcade Co., Ltd. invested a total of Baht 12,000,000 in these additional shares in order to maintain its existing shareholding in these companies.

37.6 On 28 February 2022, the meeting of the Company's Board of Directors No. 2/2022 passed a resolution approving the Company's provision of a guarantee for bank credit facilities of the associate, in proportion to the Company's shareholding from 26.25% to 50.63%.

**38. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.

## 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 2021 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.

Parleerat Panboonhom      Sukanya Tipmanee  
Authorized Directors

Wongwiwat Hema  
Company Secretary



# Annex





Year 5

## Annex 1

# Information and Details of Directors



## Mr. Niti Jungnitnirundr

**Position:** Vice Chairman  
**Tenure Starting Date:** April 30, 2021  
**Age:** 63 years  
**Shares Held:** None

### Educational Qualifications:

Master's Degree in Accountancy, Chulalongkorn University  
 Post-Graduate Diploma in Auditing, Chulalongkorn University  
 Bachelor's Degree in Accountancy, Chulalongkorn University  
 Certified Public Accountant of Thailand

### Director Training Courses:

The Challenge of Building Cyber Resilience Course  
 Director Certification Program (DCP) 2020 Course  
 Cyber Security Awareness Course 2020 by the National Telecom Public Company Limited

### Director/Executive Positions Held in SET Listed Companies:

Time Period	Position	Organization Name
2019 - Present	Independent Director and Audit Committee Member	CIMB Thai Bank Public Company Limited
March 2021 - Present	Independent Director and Audit Committee Member	Stark Corporation Public Company Limited

## Positions Held in Other Organizations:

Time Period	Position	Organization Name
March 2021 - Present	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member	Phelps Dodge International (Thailand) Limited
2019 - Present	Nawamintrathirat University Business Promotion Committee	Nawamintrathirat University
2017 - Present	Certified Public Accounting Testing Subcommittee Member	Thailand Federation of Accounting Professions Under Royal Patronage
2017 - 2020	Qualified Subcommittee on Auditing Practice Testing in Academic Auditing Member	Thailand Federation of Accounting Professions Under Royal Patronage
2017 - 2020	Director of Auditing Office	Deloitte Touche Tohmatsu Jaiyos. Audit Co., Ltd.
1999 - 2020	Certified Public Accountant approved by the S.E.C. Office	S.E.C. Office
1999 - 2020	Certified Public Accountant for assessment of internal control systems and procedures in investment and other related fields, Office of Insurance Commission	Ministry of Commerce
1996 - 2018	Audit Partner	Deloitte Touche Tohmatsu Jaiyos. Audit Co., Ltd.
1998 - 2017	Certified Public Accountant Testing Subcommittee Member, Auditing Professions Regulatory Committee	Thailand Federation of Accounting Professions Under Royal Patronage
2008 - 2011	Advisor to the Audit Advisory Board (formerly the Audit Disciplinary Advisory Board)	The Securities and Exchange Commission, Thailand
2005 - 2011	Auditing Professions Committee Member	Thailand Federation of Accounting Professions Under Royal Patronage
2001 - 2004	Professional Development and Continued Education Committee Member	The Institute of Certified Accountants and Auditors of Thailand
2001 - 2003	Qualified Person in the Expert Panel for Consideration of Auditor Performance	The Securities and Exchange Commission, Thailand
2000 - 2001	Education Committee Member	The Securities and Exchange Commission, Thailand

## Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Ms. Parleerat Panboonhom

**Position:** Director  
**Tenure Starting Date:** August 17, 2020  
**Age:** 41 years  
**Shares Held:** 80,726,406 shares (as of December 31, 2021)

### Educational Qualifications:

Master's Degree of Maritime Administration, Chulalongkorn University

### Director Training Courses:

Director Accreditation Program (DAP) Course, 2021

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

ช่วงเวลา	ตำแหน่ง	ชื่อบริษัท
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Nova Express Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Group Nine Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Vega Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Five Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Ten Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Sete Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Eight Co., Ltd.
2019 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	United Offshore Aviation Co., Ltd.
2018 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Prodigy House Co., Ltd.
2018 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Generation Co., Ltd.



ช่วงเวลา	ตำแหน่ง	ชื่อองค์กร
2017 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Put On The Ritz Co., Ltd.
2015 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Tech Co., Ltd.
2015 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Group Co., Ltd.
2006 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Speed Production Co., Ltd.
2015 - 2017 April 2021 - Present	Director	Winchai Co., Ltd.
2015 - 2016	Director	Solar Reform Co., Ltd.
2015 - 2016	Director	Solar Reform 2 Co., Ltd.
2556 - 2016	Director	Solar Valley Co., Ltd.

Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:  
None

## Mr. Prasit Kanchanasakdichai

**Position:** Director  
**Tenure Starting Date:** November 6, 2015  
**Age:** 58 years  
**Shares Held:** 15,280,000 shares (as of December 31, 2021)

### Educational Qualifications:

PhD in Business Administration (Honors) in Finance, Boston University, USA

Master's Degree in Business Administration (Marketing), National Institute of Development Administration

Bachelor's Degree in Engineering (Mechanical Engineering), Kasetsart University



### Director Training Courses:

Role of the Chairman Program (RCP) Class of 38, 2016, Thai Institute of Directors

Assessing Company Performance Enhancing Good Corporate Governance, Asst. Prof. Mr. J. Thomas Connelly

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
2021 - Present	Chairman of the Board/Managing Director	Thaicons Max Co., Ltd.
2019 - Present	Chairman of the Board/ Managing Director	TCB Solutions Co., Ltd.
2018 - Present	Chairman of the Board/ Managing Director	Thai Barge Container Services Co., Ltd.
2018 - Present	Chairman of the Board/ Managing Director	TIW Industries Co., Ltd.
2015 - 17 August 2020	Chairman of the Board/Chief Executive Officer	Thailand Iron Works Public Company Limited
2012 - Present	Chairman of the Board/ Managing Director	TCB Daikure Co., Ltd.
2011 - Present	Director	Daikure (Thailand) Co., Ltd.
2010 - 2020	Independent Director	Nomura Pattanasin Securities Public Company Limited
2007 - Present	Managing Director	T.C.B. Home Center Co., Ltd.
2004 - Present	Chairman of the Board/ Managing Director	C.M. Manufacturing Co., Ltd.
2004 - Present	Chairman of the Board/ Managing Director	Thai Const & Building Manufacturing Public Co., Ltd.

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Mr. Kriengchai Trinapakorn

Position: Director  
 Tenure Starting Date: May 26, 2017  
 Age: 58 years  
 Shares Held: None

### Educational Qualifications:

Master's Degree in Business Administration, Ramkamhaeng University  
 Bachelor's Degree in Marketing, Ramkamhaeng University



### การอบรมหลักสูตรกรรมการ:

หลักสูตร Director Accreditation Program (DAP) ปี 2559

### Director Training Courses:

Director Accreditation Program (DAP), 2016

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
2015 - Present	Adviser	Chulakaset Co., Ltd.
2015 - 2017	Director	Thai Digital Entertainment Content Federation
2015 - 2016	Independent Director	Big Sea Co., Ltd.
2007 - 2010	Marketing Manager	GMM Grammy Public Company Limited
2005 - 2006	Adviser	Solartron Public Company Limited
2002 - 2003	Adviser	Digital ONPA Public Company Limited
2001 - 2002	Deputy Managing Director	IEMarket.Com Co., Ltd.

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Mr. Sudwin Panyawongkhanti

**Position:** Independent Director /  
Chairman of the Audit Committee

**Tenure Starting Date:** August 18, 2020

**Age:** 61 years

**Shares Held:** None

### Educational Qualifications:

Master's Degree in Information Technology in Business,  
Chulalongkorn University

Bachelor's Degree in Accountancy, Chulalongkorn University

### Director Training Courses:

Advanced Audit Committee Program (AACP), 2020

Director Certificate Program (DCP), 2556

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
2020 - Present	Independent Director/ Audit Committee	Charoen Industry Co., Ltd.
2552 - Present	Cooperative Auditing Department Adviser	Cooperative Auditing Department, Ministry of Agriculture and Cooperatives
2529 - Present	Certified Public Accountant	Federation of Accounting Professions Under Royal Patronage
2527 - Present	Federation of Accounting Professions Member	Federation of Accounting Professions Under Royal Patronage
July 1996 - June 2020	Audit Partner	Pricewaterhousecoopers ABAS Co., Ltd.
1999 - June 2020	Auditor approved by the Office of the Securities and Exchange Commission, Thailand (SEC)	Pricewaterhousecoopers ABAS Co., Ltd.

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None



## Mrs. Ratana Sithiprasasna

**Position:** Independent Director/  
Audit Committee Member /  
Nomination, Remuneration, and  
Corporate Governance Committee Member

**Tenure Starting Date:** August 17, 2020

**Age:** 60 years

**Shares Held:** None



### Educational Qualifications:

Doctor of Philosophy, Faculty of Tropical Medicine, Mahidol University  
Master's Degree in Entomology, University of California Davis, USA.  
Bachelor of Science in Zoology, Chulalongkorn University

### Director Training Courses:

Director Accreditation Program (DAP), 2020

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
1998 - 2006	Medical Research Specialist	US Army Medical Component, Armed Forces Research Institute of Medical Sciences
1986 - 1997	Medical Researcher	US Army Medical Component, Armed Forces Research Institute of Medical Sciences

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Ms. Punchada Sirivunnabood

**Position:** Independent Director/  
Audit Committee Member /  
Nomination, Remuneration, and  
Corporate Governance Committee Member

**Tenure Starting Date:** August 18, 2020

**Age:** 44 years

**Shares Held:** None



### Educational Qualifications:

Ph.D. in Political Science, Northern Illinois University  
Master's Degree in Political Science, Ohio University  
Bachelor's Degree in Political Science, Chulalongkorn University

### Director Training Courses:

Director Accreditation Program (DAP), 2020

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

None

Time Period	Position	Organization Name
2010 - Present	Associate Professor	Mahidol University

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Mr. Tossri Khowsurat

**Position:** Director  
**Tenure Starting Date:** November 12, 2021  
**Age:** 33 years  
**Shares Held:** 6,500,800 shares (as of December 31, 2021)

### Educational Qualifications:

Bachelor of Commerce in Finance, Deakin University, Melbourne, Australia



### Director Training Courses:

Director Accreditation Program (DAP), 2020

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
Apr 2017-Present	Director	Ubon Bio Agricultural Co., Ltd.
Apr 2017-Present	Director	Ubon Sunflower Co., Ltd. Ubon Biogas Co., Ltd.
Apr 2017-Present	Director	Ubon Biogas Co., Ltd.

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Miss Sukanya Tipmanee



**Position:** Director / Nomination, Remuneration, and Corporate Governance Committee Member

**Tenure Starting Date:** August 17, 2020

**Age:** 34 years

**Shares Held:** None

### Educational Qualifications:

Bachelor's Degree in Accounting, Chulalongkorn University

### Director Training Courses:

Director Accreditation Program (DAP), 2020

### Director/Executive Positions Held in SET Listed Companies:

None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
Apr 2017 - Present	Director / Finance Director	The Prodigy Group Co., Ltd.
Apr 2017 - Present	Director	The Prodigy Tech Co., Ltd.
		The Prodigy Partner Co., Ltd.
		Speed Production Co., Ltd.
		Prodigy House Co., Ltd.
		The Prodigy Generation Co., Ltd.
		Nova Express Co., Ltd.
		United Offshore Aviation Co., Ltd.
		The Prodigy Group Nine Co., Ltd.
		The Prodigy Vega Co., Ltd.
		The Prodigy Five Co., Ltd.
		The Prodigy Ten Co., Ltd.
		The Prodigy Sete Co., Ltd.
		The Prodigy Eight Co., Ltd.
2016 - 2017	Accounting and Finance Manager	Laguna Holiday Club Co., Ltd.
2009 - 2016	Audit Manager	PricewaterhouseCoopers ABAS Co., Ltd.

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

# Information and Details of Executive Directors

## Ms. Parleerat Panboonhom

<b>Position:</b>	Chief Executive Officer
<b>Tenure Starting Date:</b>	August 17, 2020
<b>Age:</b>	41 years
<b>Shares Held:</b>	80,726,406 shares (as of December 31, 2021)
<b>Educational Qualifications:</b>	Master's Degree of Maritime Administration, Chulalongkorn University

Director/Executive Positions Held in SET Listed Companies: None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Nova Express Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Group Nine Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Vega Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Five Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Ten Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Sete Co., Ltd.
2020 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Eight Co., Ltd.
2019 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	United Offshore Aviation Co., Ltd.
2018 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Prodigy House Co., Ltd.
2018 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Generation Co., Ltd.
2017 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Put On The Ritz Co., Ltd.

Time Period	Position	Organization Name
2015 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Tech Co., Ltd.
2015 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	The Prodigy Group Co., Ltd.
2006 - Present	Chairperson of the Board of Directors/ Director / Chief Executive Officer	Speed Production Co., Ltd.
2006 - 2017 April 2021 - Present	Director	Winchai Co., Ltd.
2015 - 2016	Director	Solar Reform Co., Ltd.
2015 - 2016	Director	Solar Reform 2 Co., Ltd.
2013 - 2016	Director	Solar Valley Co., Ltd.

Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Ms. Sukanya Tipmanee

**Position:** Chief Administrative Officer  
**Tenure Starting Date:** November 9, 2020  
**Age:** 34 years  
**Shares Held:** None  
**Educational Qualifications:** Bachelor's Degree in Accounting, Chulalongkorn University

**Director/Executive Positions Held in SET Listed Companies:** None

**Positions Held in Other Organizations:**

Time Period	Position	Organization Name
Apr 2017 - Present	Director / Finance Director	The Prodigy Group Co., Ltd.
Apr 2017 - Present	Director	The Prodigy Tech Co., Ltd.
		The Prodigy Partner Co., Ltd.
		Speed Production Co., Ltd.
		Prodigy House Co., Ltd.
		The Prodigy Generation Co., Ltd.
		Nova Express Co., Ltd.
		United Offshore Aviation Co., Ltd.
		The Prodigy Group Nine Co., Ltd.
		The Prodigy Vega Co., Ltd.
		The Prodigy Five Co., Ltd.
		The Prodigy Ten Co., Ltd.
		The Prodigy Sete Co., Ltd.
		The Prodigy Eight Co., Ltd.
2016 - 2017	Accounting and Finance Manager	Laguna Holiday Club Co., Ltd.
2009 - 2016	Audit Manager	PricewaterhouseCoopers ABAS Co., Ltd.

**Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:**

None

## Dr. Patcharee Thawornwasu

**Position:** Chief Operating and Investment Officer  
**Tenure Starting Date:** November 1, 2021  
**Age:** 41 years  
**Shares Held:** None  
**Educational Qualifications:** Ph.D. in Energy Science, Kyoto University, Japan

**Director/Executive Positions Held in SET Listed Companies:** None

**Positions Held in Other Organizations:**

Time Period	Position	Organization Name
Apr 2017 - Present	Director	The Prodigy Group Co., Ltd. The Prodigy Tech Co., Ltd. The Prodigy Partner Co., Ltd. Speed Production Co., Ltd. Prodigy House Co., Ltd. The Prodigy Generation Co., Ltd. Nova Express Co., Ltd. United Offshore Aviation Co., Ltd. The Prodigy Group Nine Co., Ltd. The Prodigy Vega Co., Ltd. The Prodigy Five Co., Ltd. The Prodigy Ten Co., Ltd. The Prodigy Sete Co., Ltd. The Prodigy Eight Co., Ltd.

**Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:**  
None

## Ms. Pornpassorn Chaipinyo

**Position:** Acting Chief Financial and Accounting Officer  
**Tenure** Starting Date: September 11, 2020  
**Shares Held:** None  
**Age:** 32 years  
**Educational Qualifications:** Bachelor of Business Administration in Accounting, Assumption University

### Training:

Accounting and Finance Orientation Course (e-Learning CFO's Orientation Course), 2020  
 CFO Refresher Course, Class 2/2021, The Stock Exchange of Thailand  
 Director/Executive Positions Held in SET Listed Companies: None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
2019 - 2021	Accounting and Finance Manager	The Prodigy Group Co., Ltd. The Prodigy Tech Co., Ltd. The Prodigy Generation Co., Ltd. The Prodigy Partner Co., Ltd. The Prodigy Five Co., Ltd. The Prodigy Eight Co., Ltd. The Prodigy Group Nine Co., Ltd. The Prodigy Ten Co., Ltd. The Prodigy Sete Co., Ltd. The Prodigy Vega Co., Ltd. Nova Express Co., Ltd. Put On the Ritz Co., Ltd. The Phenomena Co., Ltd. Royal Ammunition Company Limited Speed Production Co., Ltd. Prodigy House Co., Ltd. United Offshore Aviation Co., Ltd.
2011 - 2019	Audit Manager	PricewaterhouseCoopers ABAS Co., Ltd.

### Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:

None

## Mr. Thiti Siriphairote

**Position:** Chief Legal Officer  
**Tenure** Starting Date: March 10, 2021  
**Age:** 44 years

**Educational Qualifications:**

September, 2019, Master of Laws (Honors), National Institute of Development Administration  
December, 2004, Thai Barrister-at-Law, Law Student Bureau, The Thai Bar Under the Royal Patronage  
February 1999, Bachelor of Laws, Thammasat University

**Director/Executive Positions Held in SET Listed Companies:** None

**Positions Held in Other Organizations:**

Time Period	Position	Organization Name
2005 - 2020	Director of Legal Affairs	Pricewaterhousecoopers Legal & Tax Consultants Company Limited

**Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:**  
None

## Mr. Wongwiwat Hema

**Position:** Company Secretary / Head of Company Compliance Department  
**Tenure** Starting Date: August 17, 2020  
**Shares Held:** None  
**Age:** 42 years  
**Educational Qualifications:** Bachelor of Laws, Chulalongkorn University

### Training:

Company Secretary Course by the Thai Listed Companies Association (FPCS 23)

**Director/Executive Positions Held in SET Listed Companies:** None

### Positions Held in Other Organizations:

Time Period	Position	Organization Name
Apr 2019 - Present	Legal Adviser	Sonprasert Law Office Co., Ltd.
2018 - 2019	Director of the Office of Company Secretary	Total Access Communication Public Company Limited
2017 - 2018	Director of the Office of Company Secretary	Intouch Holdings Public Company Limited
2016 - 2017	Company Secretary and Compliance Manager at Vietnam Office	Berli Jucker Public Company Limited
2012 - 2016	Assistant Company Secretary to Corporate Governance and Shareholder Relations Division	PTT Exploration and Production Public Company Limited

**Family relationship with other directors, executives, or major shareholders of the Company or a subsidiary:**  
None

## Annex 2

## Details of Directors and Executives of Subsidiaries

Company Name	Director/Executive	Authority to Bind the Company
TIW Industries Co., Ltd.	1. Dr. Prasit Kanchanasakdichai 2. Mr. Kriengchai Trinapakorn	Dr. Prasit Kanchanasakdichai, Signature with official Company seal affixed
The Solar Arcade Co., Ltd.	Mr. Phattiya Rattanasuwan and Dr. Patcharee Thawornwasu	Signature of any one of the Directors
Sky Solar Roof Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
Sky Solar Power Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
NW Green Power Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
NW Energy Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
NW Solar Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
Sunny Solar Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
Sun Link Power Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed
Solar Town Co., Ltd.	Dr. Patcharee Thawornwasu	One Director's signature and official Company seal affixed

## Annex 3

# Details and Information about the Head of Internal Audit

- (1) Details of the names of persons assigned by the Company to act as Head of Internal Audit  
The Company has hired P&L Internal Audit Company Limited to act as the Head of Internal Audit.
- (2) Educational qualifications and diplomas or related certificates of Head of Internal Audit and Compliance
  - Miss Wanwimon Chongsureyapas—Vice President, P&L Internal Audit Company Limited
  - Masters of Business Administration, Executive MBA Program, National Institute of Development Administration
  - Bachelor of Accounting (Second Class Honors), Dhurakij Pundit University
  - Internal Auditing Certificate Program (IACP), Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - Certified Professional Internal Auditor of Thailand (CPIAT), Institute of Internal Auditors of Thailand (IIAT)
- (3) Work Experience and Relevant Training
  - 2021 – Personal Data Protection Laws for Internal Audits, Political Science Association of Kasetsart University
  - 2020 – How to Setting Modern Audit Plan by Audit Criteria , Institute of Internal Auditors of Thailand (IIAT)
  - 2018 – Audits and Audit Considerations When Entities Use Computers to Process Information, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - 2018 – Integrated Internal Audits, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - 2018 – COSO 2013 Internal Control—Integrated Framework (Advanced Course), Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - Internal Auditing Certificate Training Program, Class 17, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - Business Management for Internal Audit in the Era of Digital 4.0 Version 6 Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - COSO 2014, Institute of Internal Auditors of Thailand (IIAT)
  - 2018 – Workshop: Cost Management for Value and Sustainability, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - 2017 – Data Analytics for Internal Auditors, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (TFAC)
  - Prepared Course for Certified Internal Auditor: Pre – CIA , Chulalongkorn University
- (4) Duties and Responsibilities of the Head of Compliance  
Focus on enforcement and supervision of the Company’s conduct, ensuring that it strictly complies in all respects with rules, regulations, requirements, or guidelines established by the regulatory bodies of listed companies and other laws relevant to the Company’s business operations.

## Annex 4

## Assets Utilized in Business Operations

## Assets Utilized in Business Operations

Company assets utilized in business operations can be divided into 3 main categories as follows:

Asset Details	Net Book Value Consolidated Financial Statements As of December 31, 2021 (million THB)	Net Book Value Consolidated Financial Statements As of December 31, 2020 (million THB)
Property, Plant, and Equipment (PP&E)	231.65	242.45
Intangible Assets	131.07	138.74
Right-Of-Use Assets	107.23	166.91
<b>Total</b>	<b>469.95</b>	<b>548.10</b>

## 1.1) Property, Plant, and Equipment (PP&amp;E)

As of December 31, 2021, the Company Group has Property, Plant and Equipment assets with a total net book value of approximately 231.65 million THB, most of which are machinery and equipment for generating electricity from solar energy. Details are as follows:

Asset Details	Net Book Value Consolidated Financial Statements As of December 31, 2021 (million THB)	Net Book Value Consolidated Financial Statements As of December 31, 2020 (million THB)
Machinery and Equipment	224.33	241.29
Office Furnishings, Fixtures, and Equipment (FF&E)	0.28	0.48
Vehicles	-	0.53
Works in Progress (WIP)	7.04	0.15
<b>Total</b>	<b>231.65</b>	<b>242.45</b>

Depreciation of property and equipment is calculated from cost price on a straight line basis over their expected useful lives as follows:

Machinery and Equipment	5 - 25	years
Office Furnishings, Fixtures, and Equipment	5	years
Vehicles	5	years

No depreciation is provided for Works in Progress assets.

### 1.2) Intangible Assets

As of December 31, 2021, the Company Group has Intangible assets with a total net book value of approximately 131.07 million THB, most of which are power purchase agreements (PPA), which are intangible assets acquired through business combinations. Details are as follows:

Asset Details	Net Book Value Consolidated Financial Statements As of December 31, 2021 (million THB)	Net Book Value Consolidated Financial Statements As of December 31, 2020 (million THB)
Power Purchase Agreements (PPA)	131.03	138.74
Computer Programs	0.04	-
<b>Total</b>	<b>131.07</b>	<b>138.74</b>

The Company Group amortizes intangible assets with finite useful lives on a straight line basis over their useful lives as follows:

Power Purchase Agreements (PPA)	18	years
Computer Programs	5 - 10	years

### 1.3) Right of Use Assets

As of December 31, 2021, the Company Group has assets in the Rights of Use category with a total net book value of approximately 107.23 million THB, mainly consisting of rights to use rooftops for production and sales of solar energy electricity. Details are as follows:

Asset Details	Net Book Value Consolidated Financial Statements As of December 31, 2021 (million THB)	Net Book Value Consolidated Financial Statements As of December 31, 2020 (million THB)
Property	-	41.53
Property Rooftop Area	107.23	113.17
Machinery and Equipment	-	10.22
Vehicles	-	1.99
<b>Total</b>	<b>107.23</b>	<b>166.91</b>

Depreciation of Rights of Use assets is calculated by reference to its cost price on a straight line basis over the lease period or the expected useful life of the Rights of Use asset, whichever is shorter, as follows:

Property	20 - 30	years
Property Rooftop Area	25	years
Machinery and Equipment	10	years
Vehicles	5	years

### Policy on Investment and Supervision of Subsidiaries and Associate Companies

The Company's policy on investment and supervision of subsidiaries and associate companies is to invest in businesses that will benefit and support the business operations of the Company and to enhance the stability and performance of the Company in its supervision of the businesses of subsidiaries and associate companies. The Company has appointed Directors with appropriate experience to represent said business operations.

## Annex 5

# Corporate Governance Policy Nova Empire Public Company Limited

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## 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 performing 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 the 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 truthfully with no interest by recognizing the 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](mailto:comsec@novaempire.co.th)
- (3) Send an email to [auditcom@novaempire.co.th](mailto:auditcom@novaempire.co.th) to contact the audit committee
- (4) Send an email to [chairperson@novaempire.co.th](mailto: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's 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 nondisclosed 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.

## Annex 6

# Code of Ethics

## Nova Empire Public Company Limited

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### 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](mailto: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.

## Annex 7

# Whistleblower Policy

## Nova Empire Public Company Limited

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### 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-Corruption 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.

## COMPLAINT & MISCONDUCT AND FRAUD REPORT FORM

Date of report:

Whistleblower's name (Optional)

Address:

Telephone:

E-mail:

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)

## Annex 8

# Misconduct and Fraud Investigation Policy

## Nova Empire Public Company Limited

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### 1. Objective

- (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 eh 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.



# **NOVA EMPIRE**

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