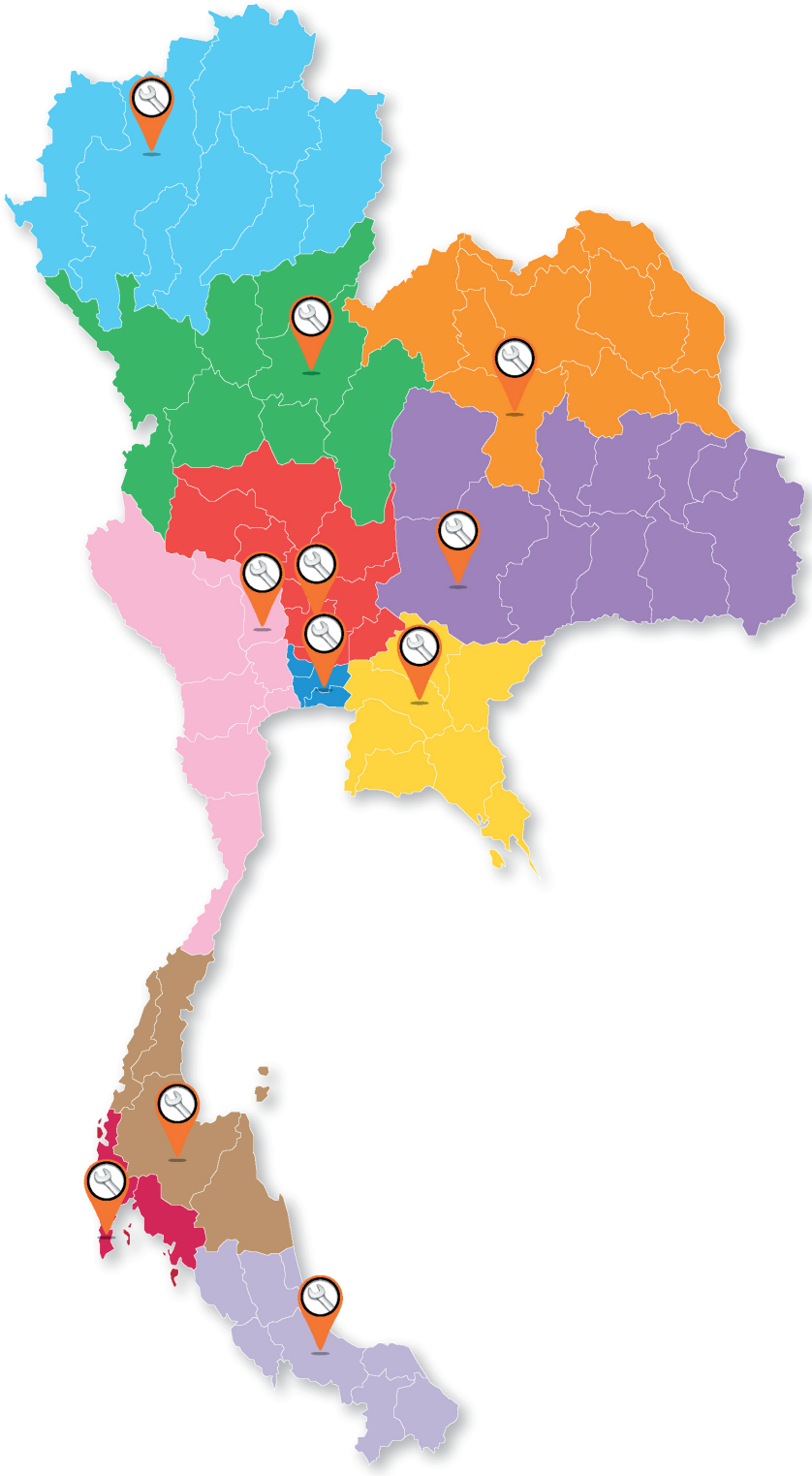



# 56-1 One Report 2021

EKARAT

TO BE A LEADING ORGANIZATION IN TRANSFORMER BUSINESS in ASEAN

# SERVICE CENTER



| | |
|---|---|
| Head Office | Tel : 02-719-8777<br>Fax : 02-719-8757 |
| Bangkok | Tel : 02-393-0437,<br>02-746-3840-1<br>Fax : 02-398-2903 |
| Nakornpathum | Tel : 034-244-045-6<br>Fax : 034-244-047 |
| Ayutthaya | Tel : 035-345-078<br>Fax : 035-345-020 |
| Chachoengsao | Tel : 038-530-213<br>Fax : 038-530-214 |
| Khonkaen | Tel : 043-465-276<br>Fax : 043-465-277 |
| Nakornratchasima | Tel : 044-277-279<br>Fax : 044-277-050 |
| Chiangmai | Tel : 053-128-039<br>Fax : 053-128-040 |
| Phitsanulok | Tel : 055-304-778<br>Fax : 055-304-779 |
| Songkhla | Tel : 074-250-648<br>Fax : 074-250-649 |
| Phuket | Tel : 076-307-570<br>Fax : 076-307-571 |
| Suratthani | Tel : 077-295-488<br>Fax : 077-295-489 |

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Remark : This annual report 56-1 One Report references the information disclosed on the Company's website which is an integral part of the 56-1 One Report. The Board of Directors certifies the correctness and completeness of such referred information.



# Message from the Chairman

The power generation sector is facing many challenges that are changing of technology, environmental problem and dwindling of natural resources against the increasing demand of the electricity in order to support the city growth and the better quality of human life.

In 2021, the COVID-19 pandemic has affected the overall economy of all regions around the world including Thailand. The COVID-19 crisis has resulted in an increase in household debt burden and higher unemployment rate. All affected the purchasing power of consumers in an inevitable cycle. Ekarat Engineering Public Company Limited realized the impact on business operation among the crisis. So the Company planned to adjust the organization's strategy under the adherence policy "Quality Products" and committed to keep the reputation of "Ekarat" transformers that our customers have trusted for over 40 years.

Although the Company was affected by COVID-19 pandemic but the operation performance in 2021 had a net profit of 89.89 million Baht. This made the Company can completely clear all accumulated losses. The Company tried our best to manage and control costs and reduce expenses continually. We realized the importance of all stakeholders especially the shareholders who trusted in the management of the Board of Directors and the executive management team. Our management team endeavored to make profits for paying dividend to the shareholders.

As for the transformer industry in the past year, the competition was quite high. Therefore, the Company focused on the development of transformers by the combination of IT and AI technology for working faster and efficiency. Furthermore, transformers maintenance service to be developed by a software program which facilitated our customers for maintenance planning and monitoring the

operation of transformers by themselves at all times. It was also a cost reduction with good quality as usual.

In the next 5 to 10 years, the renewable energy will be more important role in power generation especially solar power which is a sustainable energy and environmental friendly. Digital technology is important on the process of solar power generation, so that the Company applies it to our generation process which will be more convenient and efficient than previously.

In 2022 we still have to be careful of the epidemic of COVID-19 virus, meanwhile plan to adjust business operation to keep up with changing economic circumstances. The Company continues to strive to be the leading transformer manufacturer in the ASEAN region through building long-term relationship with customers and partners and expanding business growth in overseas. The Company pays attention to sustainability in many aspects including the environment, quality products and personnel development which is the significant heart and the driving force of business. Therefore, it must be developed simultaneously.

On behalf of the Board of Directors and the management team are grateful to all departments for always support to the Company's business. We'll develop our potential to keep in the business leader of transformers together with sustainable growth. However, our policy emphasizes on social and community responsibility for the greatest benefits to the public.

On behalf of the Directors and Management Team



( Mr. Vichit Yamboonruang )
Chairman of the Board

# Part 1

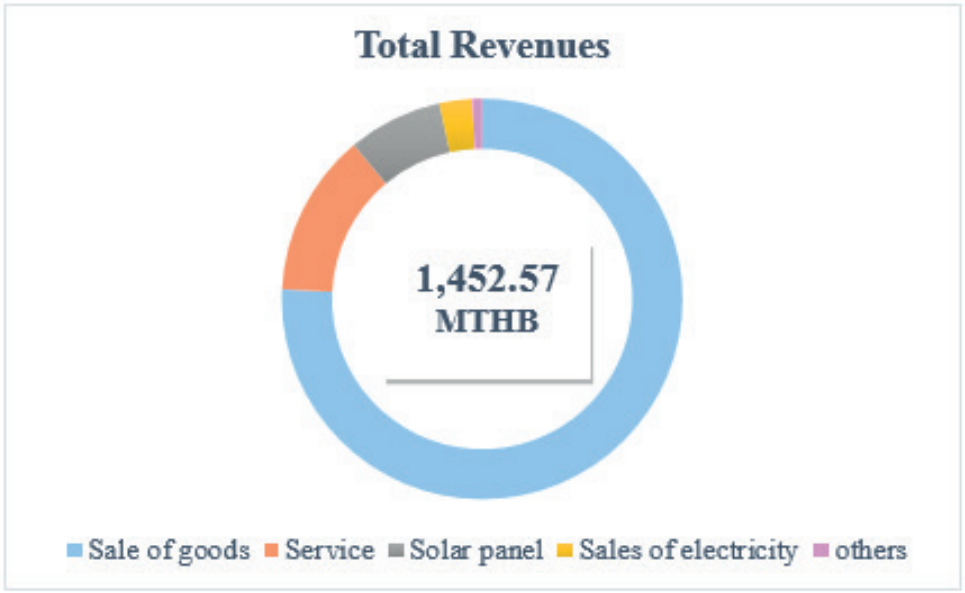
# Business Operation and Operating Results




# "TOP QUALITY AND HONEST

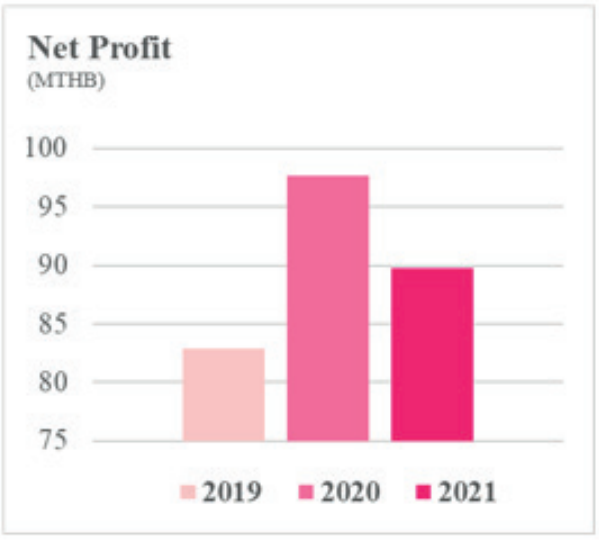
# YOUR TRUST IS OUR SERVICE"

## Operating Result 2021













AKR

## From long experience in manufacturing quality transformers combined with knowledge of solar cells

AKR has been trusted by the Electricity Generating Authority of Thailand (EGAT) to produce 15 transformers for the buoyancy solar power plants with Sirindhorn Dam Hydroelectric Power Plant, Ubon Ratchathani Province (Hydro-floating Solar Hybrid) or the hybrid floating photovoltaic power plant at Sirindhorn Dam which is considered the first and largest hybrid floating solar project in Thailand.

01

## 1. Organization structure and operation of the group of companies

### 1.1 Policy and business overview

**Background**

Ekarat Engineering Public Company Limited (the "Company") was incorporated on June 24, 1981 with initial registered capital amount 4 million baht by Noichaiboon's Family as a major shareholder. The Company operates manufacturing and distribution (Distribution Transformer) under the trademark "EKARAT" which distributed in both domestic and international markets in South East Asia, South Asia, the Middle East and Australia, gained the trust in design and engineering until the sales always be the number one.

In 1994, the Company transformed into a public company. The Company increased its registered capital 302 million baht in 1998, then in 2006 the Company was approved to be listed and started trading in the Stock Exchange of Thailand in the energy and utility sector under the name of the securities "AKR" and increased the registered capital to 790 million baht with a total of common stock 790 million shares with a par value of 1 baht per share. Later in 2012, the Company reduced its registered capital by reducing the par value to 0.80 baht which caused the registered and paid-up capital of the Company to decrease to 632 million baht. Later in 2013, the Company increased the registered capital to 1,074.63 million baht by issuing new ordinary shares 503 million shares par value 0.80 baht which is making the Company with registered capital 1,074.63 million baht and divided into common stock 1,343.29 million shares until now. The Company has issued the Warrants to purchase ordinary shares of the Company (AKR-W1) to the existing shareholders in the number of 671,571,134 units. On May 28, 2021, AKR-W1 has expired and the shareholders exercised their rights to purchase ordinary shares of 128.24 million shares. As a result, the Company currently has the registered capital of 1,611,95 million baht and the issued and paid-up capital of 1,177,23 million baht.

In addition, the Company has the initiative to find new businesses which was consistent and able to support the transformer business therefore the importance and need for clean energy sources for electricity generation to be recognized by observing the potential and various factors in Thailand. The solar energy business, which was the solar power generation system producing the clean energy to be renewable and good for our environments. In 2004, the Company invested in establishing Ekarat Solar Company Limited to manufacture and supply solar cell (Solar Module), with manufacturing, assembly and distribution of solar panels at Chachoengsao Province with a capacity of 15 MW per year. Later in 2006, the Company set up a solar cell factory at Amata City Industrial Estate, Rayong Province, with a capacity of 25 MW per year. In addition, the Company also designs and installs electricity from solar energy and renewable energy and to be consultant on the energy conservation process, including the construction of power plants. In 2015, the Company invested in the establishment of Ekarat Energy Company Limited, which was operated in all energy businesses as a distributor, advising, bidding, investing in the energy business industry including various power plants both inside and outside the country.

In the present, the Headquarter is located at Bangkok. The transformer factory and the solar panel assembly is located at Chachoengsao Province. The solar cell factory is located in Rayong Province. In addition, there are 11 Service Centers for transformer in nationwide.

### 1.1.1 Policy and organization direction

The Company is committed to produce the products that are standard and durable, be able to meet the needs of consumers in all aspects by running the business under the good corporate governance. Adhere to the principles of corporate governance with transparency, accountability, ethics and commitment to sustainable business development with the environment and social responsibility with regard to stakeholders both inside and outside the organization.

On November 11, 2021, The Board of Directors has reviewed vision, mission, policy and operating strategy in accordance with the main goals of the Company, appropriate current situation and disseminated to employees in the organization in general. The details are as follows;

**Vision**

"To be a leader organization in transformer business and renewable energy. Which we aim to be the highest market share in ASEAN."

**Missions**

1. Continue developing quality of Products and Services to be more durable and effective.
2. Serves customer with a professional, follow international standard and work under the law and regulation.
3. Focus on maximize return on investment for shareholder, customer, partner and employees.

**Philosophy of work**

"Adhere to the quality and be honest to customer"

**Corporate policy**

1. Operate the business with a moral which are acceptable in the business sector.
2. Bring the policy of "quality throughout the organization" to use for developing the product, service and business management.
3. Facilitate for learning and developing new idea in order to drive organization forward.
4. Select investments and business operations with high returns and low risk.
5. Search for the opportunity to grow the business in both vertical and horizontal, domestic and international market.
6. Focus on aggressive market strategies for every customer (existing and new customer.)

## Rewards in 2021







AKR has been certified for clean and safe factory establishments (GOOD FACTORY PRACTICE) to prevent disease (COVID-19) in medium and large factories from the Ministry of Industry.




AKR is accredited to the Corporate Social Responsibility Standards, CSR-DIW Continuous 2021 from Department of Industrial Works, Ministry of Industry which the Company has been continuously certified. By Mr. Daroonwat Noichaiboon, Deputy Managing Director of Marketing, attended Rewards via Zoom system From Mr. Panuwat Triyangkunsri, Deputy Permanent Secretary, Ministry of Industry and Mr. Weerakit Ranthakit Thanawat, Deputy Director-General, Department of Industrial Works on October 27, 2021.






**AKR's** transformer has been certified Made in Thailand (MiT) by the Federation of Thai Industries, size 30 kVA to 2000 kVA, more than 44 models. This can be noticed from the MiT Logo attached on the certified transformer.

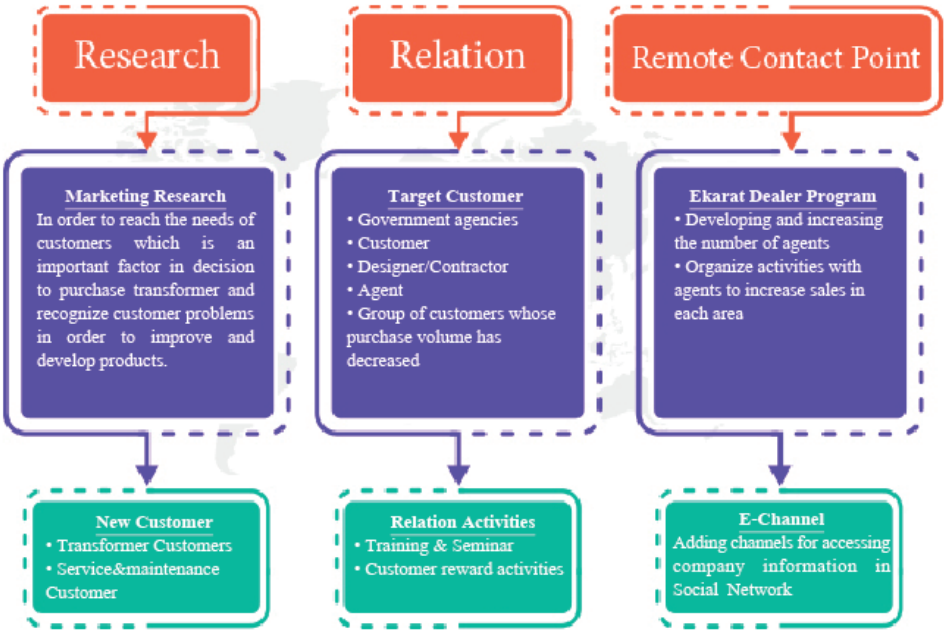
- "Ekarat" be a part of building pride and confidence in Thai products and support the use of domestic raw materials.
- "Ekarat" Thai transformers aiming for international level.

**AKR** was the first in Thailand which has been certified for 1-phase and 3-phase distribution transformer products from PEA PRODUCT ACCEPTANCE CERTIFICATE WITH FACTORY SURVEILLANC by the Institute of Electrical and Electronics Industry Development Foundation.



## Marketing strategies 2022

We operate and run business under the motto of "keep our quality and be honest to customer". Therefore, this made who we are today, which is to be the leader in distribution transformer business. Our 2022's business plan under the Covid-19 epidemic situation are as follow;




## Cost Reduction

The Company has reduced production costs without affecting the quality standards of the products through the following methods:

- Importing the low cost of raw materials to replace the original raw materials that too high price.
- Mass production will make the company have lower unit cost.
- Cost reduction from Supply Chain system to be faster and reduce transportation costs to the lowest level.

## Expansion and increase of business competitiveness

The Company plans to expand and increase the competitiveness of the business by:

- Increasing the ability of personnel to provide advice on investing in solar power plants including services in various areas to respond to an investor.
- Increasing competitiveness by finding business partners that are technologically advanced continuously developing and training skills for employees. It is an important to maintain the leadership of the Company.

In this regard, the Board of Directors' meeting will review Vision, the business plan and follow up on the Company's performance annually to adjust the operating strategy to suit the changing situation at all the times.

### 1.1.2 Changes and developments in 2021

In 2021

The result of the Board of Director Meeting No.3/2021 on March 18, 2021 as follows:

- **Appointment of new director**

Miss Rompissri Noichaiboon appointed to the director replacing Mrs. Daranee Kantamara who retired and effective on March 1, 2021 onwards.

- **Appointment of new management team**

The Board of Directors has resolved to appoint Ms. Rompitsri Noichaiboon as Managing Director to replace Mr. Danucha who retired, effective from April 1, 2021 onwards.

In addition, two executives have been appointed to replace those who retired on December 31, 2020, as follows:

- Appoint Mrs.Suwannee Sujaritvanitchpong as Deputy Managing Director of Finance (CFO) replacing Mr. Anan Santichewasatian who retired, effect from 1 January 2021 onwards.

- Appoint Miss Hansa Buranajan as Company Secretary replacing Miss Nuanchan Sirikul who retired, effect from 1 January 2021 onwards.

- **Report on the exercise of AKR-W1**

The Warrants to Purchase Newly Issued Ordinary Shares of Ekarat Engineering Public Company Limited No.1 (AKR-W1) allocated to the existing shareholders of the Company in amount 671,571,134 unit at May 30, 2019. The last Exercise Date will be the date of the 2rd anniversary from the issuance date, which was on May 30, 2021. There wer the warrant holders exercised their rights to purchase ordinary shares in amount 128,243,452 shares on the exercise price 1 baht per share in total value 128,243,452 baht. The number of ordinary shares of the Company increased to 1,471,532,856 shares from 1,343,289,404 shares with a par value of 0.80 baht per share and the paid-up capital increased to 1,177,226,284.80 baht from 1,074,631,523.20 baht. The Company has registered the change of paid-up capital with the Department of Business Development Ministry of Commerce on June 9, 2021.

**The Company has invested and improved the production process;**

- **Ekarat Service Platform**

The Company collaborated with King Mongkut's Institute of Technology Ladkrabang to create the Ekarat Service Platform project, which is a program that facilitates service customers. The customers can access their own transformer data, make an appointment online and can see the history of checking the transformer in the past. In addition, our service staff can record the results of transformer maintenance immediately. This program can reduce the workflow of service staff.

- **Product Registration and Certification of PEA PRODUCT ACCEPTANCE**

The Company has improved the production process of transformers since the design, manufacturing and testing transformer to request for registration and certification of products of the Provincial Electricity Authority. The aims to control the product's quality and to enhance the manufacturers to deliver and maintain the quality in accordance with international principles. The Compnay has been registered and certified for 10 items of transformer ranging from 30-250 kVA from Industrial Foundation Electrical and Electronics Institute.







- Internet of Things

The Company has developed innovations in transformers by using IoT (Internet of Things) systems to be used in conjunction with transformers which can report the working status of the transformer in Real-Time. The users can check the working via computer or mobile phone anytime and anywhere. Therefore, it can prevent and solve problems that occur with transformers quickly.

## In 2020

• The Company has established new Service Center, Phitsanulok Service Center. Which will provide maintenance and repair services for transformers covering the area of 6 provinces in the north, including Phitsanulok, Uttaradit, Sukhothai, Tak, Kamphaeng Phet and Phichit. To increase the ability to serve customers and solve the problems of the Company's transformers more quickly. Presently, the Company had 11 Service Centers nationwide.

**The Company has invested and improved the production process;**

• The production department has provided a tool for measuring partial discharge online (Online Partial Discharge) for 1,300,000 baht. To facilitate the inspection and diagnosis of the quality of insulators that may lose some insulation condition via the Internet which is important in the maintenance analysis of high voltage systems.







• The Company has installed the Solar Rooftop 262.75 kW, additional on the factory roof at Bang Pakong, Chachoengsao, amount 10.56 million baht to produce electricity for use within the factory and reduce the cost of electricity consumption.

**The awards that the Company received in 2020;**

• "Thai Green Label Scheme" a certification of quality and environmentally friendly products by the Thai Environment Institute. The Company was certified transformer green label from an additional 26 items ranging from 50 – 2000 kVA. There were 13 items of 22 kV power system and 13 items of 33 kV power system. That's mean the Company's products through the evaluation and make sure that the standards of environmental compliance by using clean technology and have little environmental impact.

## In 2019

• The Company issued and allocated Warrants to Purchase Newly Issued Ordinary Shares of Ekarat Engineering Public Company Limited No.1 (AKR-W1) in the number of 671,644,702 units to the existing shareholders on a pro rata basis to their respective shareholdings (Rights Offering), at no cost with a term of 2 years from the issuance date. The exercise ratio was 1 unit of Warrants shall be entitled to purchase 1 ordinary share. In the past, there were no the warrant holders expressing their intention to exercise their rights to purchase the Company's shares.

• The Company sold the ordinary shares of Ekarat Energy Company Limited (a subsidiary company) which the Company holds in the amount of 999,970 shares, with a par value of 10.00 baht per share, totaling 9,999,700 baht or 99.99% of the registered capital to a third party in the amount of 490,000 shares or 49% of the registered capital with the par value of 10.00 baht per share, in totaling 4,900,000 baht in order to support solar business. After that, the Company remaining shares in Ekarat Energy Co.,Ltd. in the amount of 509,970 shares, totaling 5,099,700 baht or 50.99% of the registered capital.

**The Company has invested and improved the production process;**

• The production department procures a new strapping tool that can tighten the iron core and clamp of the wound core transformer because the existing equipment couldn't be used. It can also be used to fasten things in other departments such as the packaging department etc.

• The production department has changed new wire crimping pliers size 5 mm. and 7 mm. in order to produce better performance because the original device does not have a certification standard.

• The Quality Control Department has added another Dissolved Gas Analysis Instrument, worth approximately 3 million baht, to measure the amount of gas that has broken down and dissolved in transformer oil to support the maintenance service of transformers.

**The awards that the Company received in 2019;**

• "Thai Green Label Scheme" a certification of quality and environmentally friendly products by the Thai Environment Institute. On December 18, 2019, the Company was certified transformer green label from an additional 9 items ranging from 315 kVA - 2000 kVA which shows that the Company's products through the evaluation and make sure that the standards of environmental compliance by using clean technology and have little environmental impact.

• The Company received "Chachoensao Labour Management Award 2019" and "The Prevention and Solution of Drug Problems in Workplace Award" from Mr.Raphiphong Buppachat, the Governor of Chachoengsao Province. To be honor and praise the establishment that has good labor management system in Chachoengsao province.

• The Company received "Clean Food Good Taste Award" in "Food and Safe Water Source Project for the year 2019" from Mr.Chatchai Chaikittiporn, Deputy Mayor, The municipality of Thasaarn Sub district, Chachoengsao province. Which is a guarantee of food and water quality in the cafeteria, clean and safe without various contaminants for the good health of the employees.

## 1.2 Nature of Business operation

### 1.2.1 Income Structure

In 2021, the Company mainly generates income from transformer and services. Its income structure for fiscal years ended December 31, 2021 was as follows:

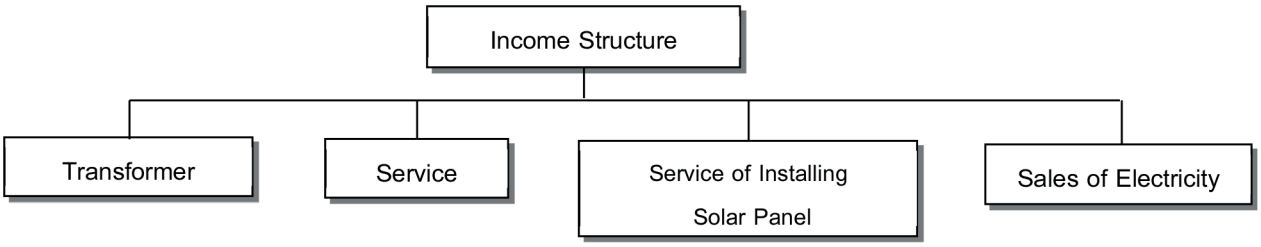



Table of the Company's revenue structure and its subsidiaries from 2019-2021

(Unit : MTHB)

| Type of Revenue | Operated by | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|---|
| | | Revenue | % | Revenue | % | Revenue | % |
| Revenue from sales of goods | AKR | 1,182.48 | 71.66 | 1,145.10 | 76.16 | 1,080.09 | 75.76 |
| Revenue from services and maintenance | AKR | 210.31 | 12.75 | 223.27 | 14.85 | 187.82 | 13.18 |
| Revenue from service of installing a solar panel | AKR | 188.84 | 11.45 | 75.56 | 5.03 | 108.57 | 7.62 |
| Revenue from sales of electricity | AKR | 48.31 | 2.93 | 43.61 | 2.90 | 37.78 | 2.65 |
| Other incomes * | AKR | 20.00 | 1.21 | 15.95 | 1.06 | 11.30 | 0.79 |
| Total Revenue | | 1,649.94 | 100.00 | 1,503.49 | 100.00 | 1,425.56 | 100.00 |

* Revenue from sales of goods consists of income from distribution transformers and raw materials.
Other incomes mean other incomes except revenue from sales of goods and services such as Income from sales of scrap, interest etc.

In 2021, the proportion of distribution transformers in the domestic distribution system was about 80.28% of private customers and 19.72% of the government sector customers. In 2019-2021, the proportion of distribution transformer by customer type can be shown according to the following table.

(Unit : MTHB)

| Customer Type/Year | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|
| | Revenue | % | Revenue | % | Revenue | % |
| The private sector | 776.09 | 73.71 | 683.00 | 69.49 | 771.36 | 80.28 |
| The government & state enterprise | 276.77 | 26.29 | 299.90 | 30.51 | 189.42 | 19.72 |
| **Total** | **1,052.86** | **100.00** | **982.90** | **100.00** | **960.78** | **100.00** |

International market, the Company had both sales through dealers and direct sales. The international market is considered as a target for future market expansion. Especially, customers in the Southeast Asian and the Middle East which has low consumption per capita statistics along with the consumption of the distribution transformer system still requires import from abroad. In addition, there are many foreign investors who are interesting in expanding the investment base increasingly, so the trends that are demanded the electricity and the distributed transformers are definitely increased.

However, the venue from selling the electrical distributed transformers in domestic market was 90.42% of the venue from total selling the distributed transformers. The venue from selling the distributed transformers in international markets is 9.58% of the total venues. It is expected that in the future the proportion of revenue from foreign markets will increase further. It will penetrate more foreign markets and make customers accept the quality of the Company's product. The venue from selling the distributed transformers from 2019-2021 can be divided as table below:

(Unit : MTHB)

| Market | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|
| | Revenue | % | Revenue | % | Revenue | % |
| Domestic | 1,052.86 | 91.17 | 982.90 | 89.79 | 960.78 | 90.42 |
| International | 102.02 | 8.83 | 111.80 | 10.21 | 101.74 | 9.58 |
| Total | 1,154.88 | 100.00 | 1,094.70 | 100.00 | 1,062.52 | 100.00 |

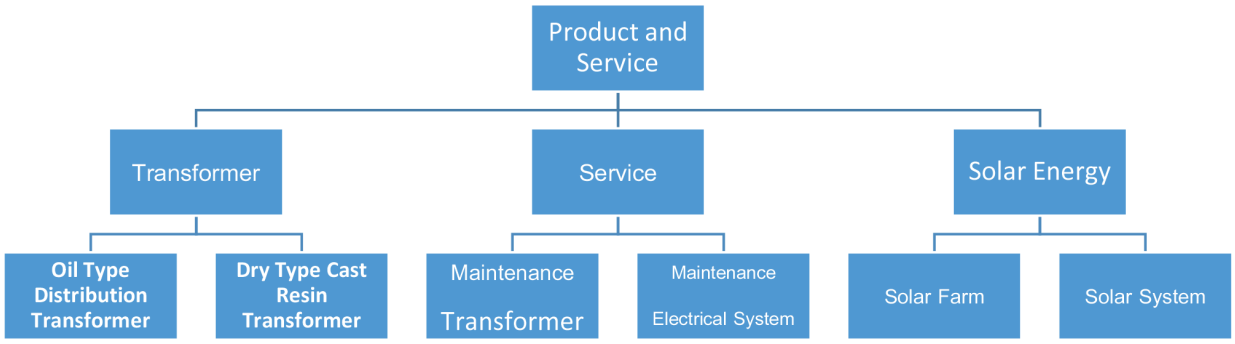
Table of the value that customers in each country order the company's transformers in 2021

| Year | Country | Value (MTHB) | % of Selling |
|---|---|---|---|
| 2021 | Laos | 43.70 | 4.11 |
| | Malaysia | 31.56 | 2.97 |
| | Brunei | 16.74 | 1.58 |
| | Australia | 7.23 | 0.68 |
| | Singapore | 1.29 | 0.12 |
| | Cambodia | 1.23 | 0.12 |
| 2020 | Laos | 49.35 | 4.51 |
| | Brunei | 32.51 | 2.97 |
| | Malaysia | 19.35 | 1.77 |
| | Singapore | 4.45 | 0.41 |
| | Myanmar | 3.39 | 0.31 |
| | Australia | 2.74 | 0.25 |
| 2019 | Laos | 54.17 | 4.70 |
| | Malaysia | 23.82 | 2.06 |
| | Brunei | 18.92 | 1.64 |
| | Myanmar | 2.23 | 0.19 |
| | Australia | 1.97 | 0.17 |
| | Philippines | 0.61 | 0.05 |
| | Cambodia | 0.18 | 0.02 |

## 1.2.2 Product Information

### (1) Characteristics of products or services and development of business innovation

From the structure of the group of companies which consists of Ekarat Engineering Public Company Limited, Ekarat Solar Company Limited and Ekarat Energy Company Limited. The product and service of the Company and subsidiaries can be divided into 3 types of Distribution Transformer, Service and Solar Energy with the detail as follows:



- **Distribution Transformer**

The quality product that be proud of the Company which has been popular, trustworthy on the top of customer under the trademark "Ekarat" which is a high quality transformer that can be compared to various global standards, including international standards (IEC), German standards (VDE & DIN), American standards (ANSI) and Japanese standards (JIS) There is also a distinctive feature is the low loss can withstand lightning voltage (Impulse Voltage) and short-circuit current in maximum when compared to general transformer. Therefore has the least damage rate.

The Company is the first and only manufacturer that dares to protect the damage that will occur. We guarantee the quality of our transformer for 10 years (under the term of the Company) and for all customers that are installed our transformer in Thailand.

The Company can design and manufacture all types of transformers according to international standards or according to customer's need IEC 60076, ANSI C57, VDE 0532 & DIN 4290, JIS, TIS 384-2543 (2000). The Company's transformer has the electric power between 1 kVA to 30,000 kVA, both 1-phase and 3-phase with a maximum voltage not over 36 kV, maximum production capacity of 4,900 units or 2,900 MVA per year.

Our product is **Distribution Transformer** which is used to convert the voltage from the high voltage supply line of the Metropolitan Electricity Authority (MEA) or the Provincial Electricity Authority (PEA) at the pressure level 33 kV 22 kV or 11 kV to the voltage supply line low at a voltage of 230 V or 400 V to be sent to small power users such as houses. You can see it on electric pole on both sides of the road. Some business agencies have to obtain high voltage from MEA or PEA directly and install the distribution transformer by themselves to reduce voltage suitable for use. These business units include medium-sized industrial plants, hotels, hospitals, shopping centers, etc. Distribution transformers can be divided into 2 types as follows:

A. **Oil Type Distribution Transformer,** using oil to circulate inside for cooling and acting as insulation. Most of oil distribution transformers will be installed outdoors and can be divided into 2 types of oil distribution transformers as follows:

- **Open Type with Conservator**

An old type distribution transformer which has been used for a long time. It cooled by oil and have pipes to allow air to pass through. In addition, there is also a silica gel, a clear blue color to help absorb moisture and measure of the insulation value of transformer oil. It must always check the transformer oil every 6-12 months.




- **Hermetically Sealed Transformers**

This type of oil distribution transformer is a sealed transformer to prevent air entry. Therefore, it has the ability to prevent moisture very well without containing silica gel helps to filter moisture and can maintain the insulation condition of the transformer oil for a long time.





**B. Dry Type Cast Resin**

Generally, dry type resin distribution transformer is priced 2-3 times higher than oil distribution transformers. The power sizes ranging from 1-2,500 kVA. It cooling by air and use the resin and polyester as a coil coating to = provide a good insulating property to prevent heat.

The Company has quality control of every transformer. After baking and refueling in a vacuum oven to remove the accumulated moisture in the components. Then the transformer will be tested for quality before delivering the product to the customer, which has 2 type tests as follows:

- **Routine Test** : Ratio test, Resistance measurement, Polarity and phase relation test, No-load loss test, Oil test etc.
- **Special Test** (according to customer requirements) : Temperature rise test, Impulse test, Additional testing/witness testing etc.

## • Service and maintenance

The service work can be divided into 2 groups, namely the maintenance and repair of the distribution transformer system and the design, installation and maintenance of electrical systems. With details of each work group as follows;

**A. The maintenance and repair of the distribution transformer**

Transformer is an important electrical device. Any problems caused by the failure of the transformer cannot supply electricity then will immediately affect the user especially in various industries. The production process must be stopped. Until it may cause a loss in the business system is a high value. Therefore, planning for maintenance of the transformer according to the time period and receiving services from those with direct expertise in addition to prolonging the service life. It also prevents severe damage that may occur. In addition, the Company also provides services covering repairs when problems occur. By focusing on providing services that cover all areas and fast, 24 hours a day. Will provide maintenance and repair services for all types of transformers and all voltage systems by testing and analyzing the quality of oil transformers (DGA), filters and oil transformers check and fix leaks change spare parts, check service, repair and overhaul, as well as fix transformer on site by a team of engineers and technicians with experience in maintenance and repair services for transformers for more than 30 years with equipment and modern testing machines including being able to give advice and improve electrical systems. In addition, during the maintenance and repair of transformers. The Company has provided an alternate distribution transformer from small to large, more than 100 units to support customers. The customers can borrow, use the distribution transformer until the distribution transformer that the customer ordered, finished production, or completed the repair, which will have a period of production or repair not more than 3 months by the time of production or repair of the transformer. The distribution depends on the size of the distribution transformer. In addition, customers can rent transformers for the Company's distribution system if customers do not want to buy distribution transformers with a year-to-year lease agreement.





**B. Design, Installation and Maintenance of electrical systems.**

Design, Installation and Maintenance of electrical systems. There are products and services as follows.

- **Maintenance for On Load Tap Changer (parts of the transformer):** The Company's personnel have been trained by the On Load Tap Changer's manufacturer. Therefore, they can give advices on the conditional based maintenance, preventive maintenance, change parts, which can provide distribution transformers for all brands and all electrical systems.
- **Maintenance services and industrial electrical motor repair:** The Company provides maintenance and repair services for industrial electrical motors in accordance with ISO 9001: 2000. Customers can request free charges in the first operating the service team will check the solution at the factory including installation, test run and overhaul. In addition, the alternating current (AC) industrial electrical motor which have voltage ranges during 380 volts to 6,600 volts are also provided to repair DC motors (Direct Current: DC) voltage range from 110 volts to 1,200 volts including changing the rotor bar, spraying the shaft, changing the shaft, connecting the lid or hitting the Laser Alignment Renew Commutator and slip-ring with 1 year warranty.
- **Electrical system maintenance:** The Company provides electrical system maintenance services to enhance the efficiency of the power supply system with the continuous and consistent importance of the preventive maintenance for the control cabinet due to the dirty electrical equipment such as dust, powder, soot, smoke and other including the cause of the electrical equipment in the power distribution cabinet, also the release of heat until the heat increases at the electrical connection point or the connection point between electrical equipment which caused by the heat accumulated when using. In case of, the metal expands and shrink regularly, damage the electrical equipment, result in the stop supplying electricity for emergency repairs. Therefore, equipment should be maintained with cleaning and check the fastening on electrical equipment firmly at least once a year, which can be maintained in the cycle of annual maintenance or maintenance when encountering hot spots by checking the thermo vision.

- **Generator maintenance and repair services:** The Company sells spare parts, alternator engines, generators and standard installation of generator. The Company also has provided a service to update the generator set and ATS to be an automatic system, parallel generator (Synchronize Generator), control cabinet and various equipment Including repair, maintenance (Preventive Maintenance), service charge list or annual service contract. In addition, the Company is able to provide the repair or overhaul services for generator's customer by skilled technicians and modern equipment.
- **Design and installation of industrial electrical systems, both medium and low voltage systems:** For power users who need a comprehensive service from the initial construction to the power supply by designing skills and supervising with professional engineer.
- **Design and construction of substation (Substation):** The Company is the design recipient, installation and construction of 69-115 kV power substation for large power users to reduce the cost of electricity about 15-20 percent and will also make the power system efficiency.
- **Management system consulting:** The Company provides consulting services, ISO 9000 quality management system, ISO 14000 environmental management system, occupational health and safety management system OHSAS / TIS 18000 System for quality standards, testing laboratories and calibration of ISO / IEC 17025 and activity systems, suggestions, 5S activities, QCC HACCP etc. professional consultants who work together to create systems that are in line with the business requirements and comply with standards.
- **Calibration laboratory services:** The Company provides calibration services for electrical measuring instruments and dimensional calibration with a calibration laboratory that has been certified by the ISO / IEC 17025 standard laboratory testing and calibration system from the Office of Industrial Standards, Ministry of Industry.

In addition, the Company gets ready for service to respond the customers with the Mobile Service Test which can test the transformer without the electricity. It can be display the test results at the onsite and send information through the internet immediately.



The Company has established service and sales centers in every region which is already have the equipment, transformers distribution reserve and skilled engineers who have experience in controlling each center provide all the time. There are 11 sales and service centers, as follows:

| Service Center | Service Area |
|---|---|
| 1. Bangkok Center | 3 Provinces : Bangkok Samutprakarn Nontaburi |
| 2. Chachoengsao Center | 7 Provinces : Chonburi Chachoengsao Rayong Chanthaburi Prachinburi Sakaeo Trat |
| 3. Ayutthaya Center | 11 Provinces : Ayutthaya Pathumthani Angthong Nakhonnayok Saraburi Lopburi Singburi Chainat Uthaithani Nakhonsawan Phetchabol |
| 4. Nakhonpathom Center | 8 Provinces : Nakhonpathom Kanchanaburi Phetchaburi Prachuapkhirikhan Samutsakhon Samutsongkhram Ratchaburi Suphanburi |
| 5. Konkaen Center | 9 Provinces : Konkaen Udonthani Kalasin Loei Nakhonpanom Mukdahan Nongkhai Nongbualamphu Sakonnakhon |
| 6. Nakhonratchasima Center | 10 Provinces : Nakhonratchasima Chaiyaphum Buriram Roiet Surin Ubonratchatani Srisakat Amnatcharoen Mahasarakham Yasothon |
| 7. Chiangmai Center | 8 Provinces : Chiangmai Chiangrai Maehongson Payao Lamphun Lampang Nan Phrae |
| 8. Songkhla Center | 7 Provinces : Songkhla Trang Pattani Narathiwat Yala Satun Phattalung |
| 9. Suratthani Center | 4 Provinces : Suratthani Chumphon Ranong Nakhonsithummarat |
| 10. Phuket Center | 3 Provinces : Phuket Krabi Phangnga |
| 11. Phitsanulok Center | 6 Provinces : Phitsanulok Uttaradit Sukhothai Tak Kamphaengphet Phichit |

- ## Solar Energy

Solar Energy business is the Company's secondary business, divided into 2 types: solar power plants and selling and installing solar panels.

**A. Solar Power Plant**

At present, the Company has 2 ground-mounted solar power plants as follows:

- **Solar Power Plant, Prachinburi Province**

In 2010, the Company has established Solar Farm for generating electricity at Srimahapho District, Prachinburi Province, which has power capacity 0.627 Megawatt per year and selling to Provincial Electricity Authority (PEA) and received the adder supporting from PEA at rate 8 Baht per year in 10 years which due in accordance with the agreement in this year 2020.



Then, in 2016 the Company has expanded the solar power plant project phase 2 at Prachinburi which located at the same location as phase 1 with capacity 0.627 megawatts per year. Total production capacity 1.26 megawatts per year

- **Solar Power Plant, Nonthaburi Province**

In 2016, the Company has agreed with the Bang Bua Thong Agricultural Cooperative to operate a ground-mounted solar power project for government agencies and agricultural cooperatives. the Company was all project developers from investment, design, procurement and construction of projects or was called EPC with the objective of producing, sending and selling electrical energy to the Metropolitan Electricity Authority. The purchase rate of electricity is not more than 5.66 baht per unit, fixed throughout the contract period of 25 years.



| | |
|---|---|
| production capacity | 3.35 megawatts per year |
| Value of investment | 187.6 million baht |
| Project Location | Lahan Subdistrict, Bang Bua Thong, District Nonthaburi Province |
| Size of project area | 34 Rai |
| MEA's power purchase rate | Not exceed 5.66 baht per unit, fixed throughout the contract period of 25 years |
| Amount of electricity generated per year | 4,988,820 kWh/year |

**Project overview**

The project is located in Lahan Subdistrict, Bang Bua Thong District, Nonthaburi Province, that area has enough potential for the implementation of the solar power plant project with average annual solar energy 1,787.90-1,874.00 kWh/m2-day.

The technology used as a standard technology is common ground-mounted solar power generation. The main working principles of the system are as follows:

- The solar cell will produce electricity with direct current (DC) when the sunlight hits the solar panel.
- The inverter will change DC power to AC power (Alternating Current : AC).
- Such alternating current will be passed through a transformer to increase the voltage and send electricity into the grid system of the Metropolitan Electricity Authority.




**B. Solar Energy Business**

The Company is a manufacturer and distributor of Solar PV Module. We are a provider of design and installation of solar power systems and other renewable and consulting on energy conservation. The Company's solar panels certified by TIS 1843-2553 or equivalent to the international standard IEC 61215 and TIS 2580 or equivalent to the international standard IEC 61730. Solar cells, which generated the power from 5 watts to 340 watts, are from the Thai Industrial Standards Institute since September 28, 2017.

The Company has established 2 subsidiaries to operate solar energy business as follows:

**1. Ekarat Solar Company Limited**

Operates as a distributor of solar modules as well as a service provider for the design and installation of electricity generating systems from solar energy and other renewable energy and consulting on energy conservation.

**2. Ekarat Energy Company Limited**

Operate in all energy business, to be a distributor, consultant, bidding, tendering, providing energy management services, including various power plants both domestically and internationally.

Solar Energy business can be divided according to the detail of products and services as follows:

- **Solar PV Module**

The Company manufactures and sells crystalline silicon and multicrystalline silicon solar panels from 60 watts to 440 watts, according to customer's order (Made to Order) and has a capacity of 15 megawatts per year. The solar panels the Company produced will be efficient in converting solar energy into electric energy about 18% of the total solar energy received and can be used for 20-25 years.





- **Design and Installation (EPC) for** Solar Power Plant, Solar Rooftop and Solar Alone/Off-Grid.

## (2) Marketing and Competition

- Distribution Transformer

**Marketing Policy**

**Reliable Quality**

The Company focuses on selling high quality distribution transformer. Therefore, our transformer is high-priced transformer according to the quality. Focus on the target customers who want products with high quality and durability. The factors supporting the production of quality transformers are below;

**Selection of quality materials** such as silicon steel, coil, transformer oil, insulating paper etc. The materials purchased from domestic such as copper wire, transformer oil, etc. and foreign countries such as silicon steel Coil, cast resin etc.

**Using the modern machinery** such as the folding fin, which is used to fold the long steel sheet into the fins to make the heat sink fins of the transformer wall must have the least connection. In order to prevent leakage of the tank and foil winding, which is a modern technology for producing low voltage coils to provide a balanced and efficient distribution of electricity resistance to the short circuit and maximum power surge which does not damage the coil.

**The Company has received technology from leading companies around the world** such as Starkstrom-Geratebau GmbH, Germany, Westing House Co., Ltd., USA and Elco Co., Ltd., Israel, for example, to receive the technology of transformer distribution system such as sealed oil type and dry resin type from Starkstrom-Geratebau GmbH, Germany in the production and process. The Company realized the strengths and weaknesses of each technology in order to be able to use in the country appropriately.

**Executives and personnel have experienced in the distribution transformer system for a long time.** They have been trained from leading companies around the world of transformer manufacturing technologies such as Westing House Co.,Ltd., USA, Elco Co.,Ltd., Israel Starkstrom-Geratebau GmbH, Germany, etc.

**The demand for electricity is constantly increasing.**

Electricity is an important fundamental factor for economic development. When considering the electricity demand in the past compared to the economic growth rate. The growth in electricity demand was in line with the expansion of gross domestic product. The electricity cannot be stored and the electricity demand of users varies in each period. Therefore, the Electricity Generating Authority of Thailand, which is the agency responsible for supplying enough electricity to meet the demand at all times. Therefore, it is necessary to know the electricity demand and forecast the future electricity demand. by considering 2 power demand values, namely Peak Demand and Energy Demand.

However, the expansion of the power transformer and the distribution transformer industry in the country can be considered from the sales of domestic transformer manufacturers that tend to continuously increase.

For international market It can be determined from the gross domestic product (GDP) in each country of the Company's customers; ASEAN Countries such as Laos, Malaysia, Brunei, etc, South Asian Countries such as India, Nepal, etc. and countries in the Australian continent. The gross domestic product (GDP) growth rate of each country tends to increase accordingly. The GDP growth is consistent with the growth rate of energy demand and the peak demand. The trend of economic growth and the demand for electricity are directly related to the demand for transformer. The transformer is rated to receive a certain amount of current

capacity, when the economy expands and the demand for electricity increases, it is necessary to install more transformers in order to be sufficient for their use.

### Target Group

The Oil Type Distribution Transformer will focus on enterprises customers and customers in various industries. The state enterprise customers such as Metropolitan Electricity Authority and Provincial Electricity Authority. The Company will always participate in tenders with both state enterprises which the Company can win the tender regularly. For customers in various industries, the focus will be on high-growth industries, which are important markets that use a large number of distribution transformers, including the automotive industry, petrochemical industry, construction material industry, communication industry, real estate industry, food industry agro-industry, textile industry hotel and tourism industry, etc. The sales to private customers will focus on sales through the contractors and the project owner.

The major distribution transformer customers in the country, most of them are private sector that are famous companies and contractors. For the government agencies are Provincial Electricity Authority and Metropolitan Electricity Authority. The Company's customers in 2021 were domestic private customers, Government and state enterprises, international customers equal to 771.36 189.42 and 101.74 million baht or 72.60% 17.83% and 9.57% respectively.

### Foreign Customers

The Company has established alliances with foreign operators or dealers to expand production base, increase the customer base and exchange the technologies. It is sold to general private customers and government agencies projects. Our main customers are neighboring countries in Asia because they have confidence in the reputation of quality and durability of the "Ekarat" transformer.

### Price policy

In determining for the price of the distribution transformer products, the Company determines the price at a level similar to the competitors by relying on product quality, product design and after-sales service as a selling point

### Distribution channels

Distribution channels for transformers can be divided into 2 markets, namely domestic and international markets.

Domestic markets can be classified into 2 distribution channels are follows.

- Direct sales, which will have local sales and service centers all 11 centers as an important sales channel. It can be classified customers in 2 groups is government sector customers: Metropolitan Electricity Authority, Provincial Electricity Authority and other government agencies which will be sold through direct bidding. Private clients sector customers: industrial factories, hotels, hospitals, office buildings or large residences, etc. to sell for customers who are expanding business or owning projects with the demand of electricity in the operation.
- Sales through intermediaries, this group of customers are various contractors who received work from bidding both government and private sectors, then ordered from the Company. There are 15 dealers of the company in 2021.

International Market, the Company had both sales through dealers and direct sales. The international market is considered as a target for future market expansion. Especially, customers in the Southeast Asian and the Middle East which has low consumption per capita statistics along with the consumption of the distribution transformer system still requires import from abroad. In addition, there are many foreign investors who are interesting in expanding the investment base increasingly, so the trends that are demanded the electricity and the distributed transformers are definitely increased.

### Competition

At present, there are many transformer manufacturers in the market which caused resulting in higher competition than the past, but the Company still has the highest number of distribution transformer sales average from 2018-2021 and it has an average market share of transformer distribution system about 20% which shows that the Company is a leader of the distribution transformer industry in Thailand.

For the competition in the international market, the competition is quite high in neighboring countries such as Laos, Myanmar because there are many entrepreneurs who are interested in expanding the market as well.

- Service and maintenance

**Marketing Policy**

### Commitment to service quickly and efficiently

Transformer maintenance, repair services and electrical system maintenance of the Company are very important task because it prevents the severe damage from the accidents. The Company will focus on using 11 service centers nationwide. In providing customer service for inspection, maintenance, repair services and other electrical systems throughout 24 hours. So that, the Company able to take care customers almost every provinces and creating confidence for the customers that will receive professional services by checking, maintenance and repair completely and quickly.

Transformer maintenance and repair service industry tends to grow steadily and continually in line with transformer sales. It can also grow from electrical services such as factory electrical safety certification and maintenance services and electrical systems used in large industrial plants.

### Target Group

- **The private customers who are already using distribution transformers:** The Company has guaranteed the using of distribution transformer for 10 years. When the insurance period expires, most customers still use the service continued. For the maintenance of other brands transformers, the Company uses the advantage from service and sales center which has nationwide service area, to offer the service for maintenance and repair transformers to customers. The Company is able to offer electrical system services together with the sale of distribution transformers, maintenance and repair services for distribution transformers such as MDB (Main Distribution Board), high-pressure electrical contractor work etc.
- **Industrial factories that require safety certifications in electrical systems within the factory:** Due to government regulations, the factory must have a certificate of safety in the electrical system within the factory. Therefore, it is an opportunity to expand the sales electrical inspection services, energy conservation consulting work for both the control building and the control factory.
- **Large industrial factory:** The Company has focused on sales, service, maintenance and repair of electrical systems used in large industrial plants.

### Price policy

In determining for the service price, the Company determines the price at the appropriate level, which will have a price close to the price of the competitor. The Company focuses on quality and speed of service to maintain good relationships with long-term customers which will make the Company can offer sales services and other products.

### Distribution channels

In 2021, the proportion of the Company's services revenue, most of them are private customers. The Company offers services and sell distribution transformers at the same time. In addition, the Company has 11 service and sale centers which be the important force in the sale of services because there are many opportunities to meet with customers, includes customers who are technicians provide maintenance for transformers and will also offer sales services simultaneously or in cases when customers have problems with the distribution transformer, they will contact the service center first and will get convenient and faster in providing services. The Company has provided maintenance and repair services for all brands of transformers.

### Competition

The Company is a leader in the maintenance and repair service's the transformer after sales because the Company have the advantages from being a major producer and there are 11 service centers in the country, spread throughout the region by receive notification 24 hours.

However, the Company pays attention to the maintenance of our transformers, whereby the salesperson will communicate to customers the importance of maintaining transformers since receiving the order in order to use it effectively. The Company is committed to developing maintenance services continuously, bringing new technologies such as Internet of Thing (IOT) to use with transformers. The operation of the customer's transformer can be monitored at all times. If it has something irregular, our service staff from Service centers are able to quickly resolve problems for customers. This will mitigate the damage that may occur. In addition, our service center can also provide advice and the information to those interested in purchasing our transformer and customers can order transformer at any nearby service center.

At present, the competition in the service and maintenance is not so intense, despite the increasing number of competitors such as the electric utility or electrical contractors, etc. Because we focus on providing transformer maintenance services to our customers first in order to ensure the safety of using our transformers. Most of the customers are more confident in using the service with the company than other operators.

- Solar Energy

**Marketing Policy**

### Build confidence in quality products that are certified according to standards

The Company focuses on the policy to produce quality solar panels with modern technology. The solar panels will be tested each panel prior to distribution to the customer to ensure the quality standards solar panels such as TIS 1843-2010 or equivalent to IEC 61215 and TIS 2580 or equivalent to IEC 61730 from the Thai Industrial Standards Institute.

At present, energy is related to the livelihood of people all over the world. It uses energy from coal, solar, wind, natural gas and oil. It is estimated that in 2040 the population is likely to grow to 9.2 billion people, with similar demand for energy and a link between the economy and carbon emissions. China is the world's highest energy consumption country, replacing the United States and expect that in the future the demand for electricity will increase. The power generation process produces air pollution and causes premature loss of lives of the population. Alternative energy; clean and natural sources, such as solar, wind and biological energy are of great interest.

Solar cells are one of the most important technological inventions for converting solar energy into electrical energy. Currently, such technology has been researched and developed in many countries seriously. As a result, the price of solar cells produced has dropped significantly from the past. Although the cost of electricity production is still higher than that of other renewable energy sources. But the development trend to reduce production costs, including the high price of fossil fuels. As a result, solar photovoltaic power generation can compete with fossil fuel power generation in the future.

**Growth rate and condition of solar cell manufacturing industry in the world market and Thailand**

Currently, the global solar market is booming. Market researchers predict that the use of Photovoltaics (PV) will continue to increase from the innovative manufacturing technologies. As a result, solar panels have better efficiency and lower prices.

The electricity generation from solar energy in Thailand that is high growing too. From the statistics of the Department of Alternative Energy Development and Efficiency, it showed that the performance of solar energy has increased continuously every year. The table showing the performance of renewable energy from 2018-2021;

| Alternative Energy | Unit | Target 2037 | Performance | | | |
|---|---|---|---|---|---|---|
| | | | 2018 | 2019 | 2020 | 2021 (Jan - Sep |
| **Electricity** 1/ 2/ | **MW** | **29,411** | **11,368.94** | **11,852.04** | **12,004.62** | **12,321.24** |
| | **ktoe** | **7,298** | **2,960** | **3,239** | **2,903** | **2,416** |
| **Percentage of Final Energy Consumption** | **%** | **5.75** | **3.53** | **3.78** | **3.75** | **4.54** |
| 1. Solar Energy3/ | MW | **12,139** | 2,962.44 | 2,982.62 | 2,979.24 | 2,982.53 |
| 2. Solar Powered Buoys | MW | **2,725** | - | - | - | - |
| 3. Biomass3/ | MW | **5,790** | 3,372.94 | 3,410.14 | 3,517.38 | 3,763.77 |
| 4. Wind Energy | MW | **2,989** | 1,102.82 | 1,506.82 | 1,506.73 | 1,546.32 |
| 5. Biogas4/ | MW | **1,565** | 505.24 | 529.98 | 557.24 | 569.79 |
| 6. MSW | MW | **900** | 317.82 | 314.67 | 333.68 | 348.48 |
| 7. Industrial Waste | MW | **75** | - | - | - | - |
| 8. Small Hydro Power5/ | MW | **308** | 187.72 | 187.85 | 190.39 | 190.39 |
| 9. Large Hydro Power6/ | MW | **2,920** | 2,919.66 | 2,919.66 | 2,919.66 | 2,919.66 |
| 10. Other Alternative Energy (Geothermal Power | MW | - | 0.30 | 0.30 | 0.30 | 0.30 |
| **Heat** | **ktoe** | **26,901** | **7,919** | **8,525** | **6,717** | **3,958** |
| **Percentage of Final Energy Consumption** | **%** | **21.20** | **9.43** | **9.95** | **8.68** | **7.44** |

From : Department of Alternative Energy Developtment and Efficiency

### Target Group

The Company has both domestic and international customers which were group of customers who operate solar panel business, solar panel installation services and government agencies that are supported by government policies. Including private agencies, who interested investment into the solar rooftop installation for reducing the electricity costs. Also receive benefits from the BOI promotion, which can deduct 3 years corporate income tax at 50% the investment together with the exemption of import duty on machinery. Which will end the project in 2022 and other target customers such as hotels, resorts, personal accommodation that are not in the service area of the Provincial Electricity Authority or want to use clean energy to protect the environment, including communities, schools, national parks, Government agencies located in backcountry areas.

### Price policy

In determining for the solar panels price, the Company determines the price at the price level that is close to the competitors also using the costing criteria production costs plus other costs. However, the solar panel prices will vary according to the price of raw materials is solar cell because it is very important and high value for solar panel's production. The Company focuses on producing solar cells with standard quality.

### Distribution channels

Currently, the proportion of the installation of the solar power generation system of the Company in 2020 was all private customers. Distribution channels, the Public relations will be used to create understanding and confidence in our solar panels. We had a marketing team to meet customers to regularly sell products and to update news for participate in various projects about the solar power of government agencies and private. That has been supported by government policies such as solar power generation projects or the project of installing solar roof for the benefit of electricity production with their own business.

### Competition

At present, the government agencies and the private sector pay more attention to environmental impacts. The government's policy to strengthen the security of electric power, causing the renewable energy industry in Thailand to grow as well. Therefore, the main customers are government agencies that have been allocated budgets to support renewable energy.

At present, the solar energy industry in the country is quite high competitive because entrepreneurs are increasingly interested in this industry. However, the Company saw the opportunity to sell solar panels into the foreign markets with relatively high growth rates. Especially, neighbor countries such as Myanmar, Laos and Vietnam etc.

## (3) Procurement of products and services

- Distribution Transformer

The Company produces distribution transformers that have power at 1-30,000 kV amperes (kVA) and have a maximum voltage of no more than 36 kV under the trademark "Ekarat". There are steel core assemblies, coils and internal distribution transformer equipment, located at 190 Moo 6, Tha Sa-An Subdistrict, Bang Pakong District, Chachoengsao Province. The metal body factory is located at 260 Moo 6, Bangpakong-Chachoengsao Road, Tha Sa-an Subdistrict, Bang Pakong District, Chachoengsao Province. The Company has the production capacity and capacity load during 2019-2021 as shown below;

| Capacity | 2019 | 2020 | 2021 |
|---|---|---|---|
| Production capacity (kVA.)* | 2,900,000 | 2,900,000 | 2,500,000 |
| Volume (kVA.) | 1,999,340 | 1,906,270 | 1,794,210 |
| Capacity load (%) | 68.94 | 65.73 | 71.77 |

* Production capacity is calculated from 1 full time work (8 hours) and additional 1-2 hours of overtime work per day.

The raw materials used in the production of distribution transformers are Copper Wire, Silicon Steel, Transformer Oil, Steel of tank body, Copper tail plate, Coil Cast Resin and other equipment. The raw materials ordered from domestic are Transformer oil, Steel of tank body, Copper wire, Enameled copper wire, etc. The raw materials imported from foreign countries are Silicon, Copper Coil, Coil Cast Resin which can show the details of the order value of raw materials that can be classified according to the source of purchase as shown in the table below:

(Unit : Million Baht)

| Source of raw materials | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|
| | Value | % | Value | % | Value | % |
| Domestic | 454.10 | 54.96 | 565.36 | 76.80 | 574.77 | 47.71 |
| Foreign | 372.10 | 45.04 | 170.81 | 23.20 | 630.05 | 52.29 |
| Total | 826.20 | 100.00 | 736.17 | 100.00 | 1,204.82 | 100.00 |

- Service and maintenance

In terms of service, the Company has prepared more than 100 distribution transformers for customers to borrow or rent and had spare parts for maintenance and repair of distribution transformers to serve customers in the case of their transformers accident or maintenance schedules. The Company had 11 service centers and sales throughout the country to prepare for services to customers. Including, there are the calibration of electrical measurement and dimension calibration services by testing and calibration laboratories that have received ISO / IEC 17025 standards from the Office of Industrial Standards Ministry of Industry which is ready to serve customers. Our personnel have highly knowledgeable and experienced, they have to pass the training course on all service standards before the actual operation.

- Solar Energy

▶ **Solar Module**

The Company manufactures and sells crystalline silicon solar modules from the customer orders (Made to Order). The Company has selected quality raw materials both in domestic and aboard with reasonable price for quality solar panel production and had competitive price in the market.

From the production of both solar cells and solar panels, the Company had a CO certificates for export to countries in Europe and America.

▶ **Solar Farm**

The Company has 2 solar power plants located in Si MahaPho District, Prachinburi Province and Bang Bua Thong District, Nonthaburi Province. The Company is the operator of all project developments from investment, design, procurement and construction. Its objectives are to produce, transmit and distribute electric power to the Provincial Electricity Authority and the Metropolitan Electricity Authority.

The Company manufactures solar panels and transformers for use in the project itself and purchasing the other equipments for the development of the entire project. Therefore, the product warranty form is the direct guarantee from the supplier of each type of equipment directly to the Company. In the event that the solar panel or transformer is damaged, the Company can replace the solar panel or solve the problems caused by transformer immediately because we are the manufacturer of those devices.

## (4) Assets used in business undertaking

Assets used in business operations of the Company and its subsidiaries as of December 31, 2021 are as follows:

(Unit : Baht)

| List of assets | Book Value | Obligation |
|---|---|---|
| Non-current financial assets | 19,650,000 | encumbrance on mortgage |
| Land and land improvement | 104,034,296 | encumbrance on mortgage |
| Buliding and construction | 339,376,328 | encumbrance on mortgage |
| Machinery, tools and equipment | 96,961,417 | encumbrance on mortgage |
| Furniture and office equipment | 6,425,200 | None |
| Venicles | 1,851,972 | leasing contract |
| Work under constructions | 2,679,644 | None |
| Right-of-use assets | 80,603,855 | None |
| Investment properties | 1,631,755 | None |
| Assets for rent | 5,189,187 | None |
| Other assets | 1,401,775 | None |
| Intangible assets | 296,544 | None |
| Deferred tax assets | 77,546,852 | None |
| Total | 737,648,835 | |

### Investment Policy in Subsidiaries

Investment policy in the Company's various businesses, including new investments, expansion or increase of existing production, purchasing shares or acquiring business. The Company considers many factors such as business expansion trends, Value-added investment and to increase the Company's competitiveness, etc.

As of December 31, 2021, the Company has investments in 2 subsidiaries as follows:

- Ekarat Solar Company Limited, in which the Company holds 99.99% of the paid-up capital, totaling 999,999,930 baht.
- Ekarat Energy Company Limited, in which the Company holds 50.99% of the paid-up capital, totaling 5,099,700 baht.

In order to diversify the investment risks of the Company and has considered that the solar power business has good growth prospects in the future. The Company has a policy to set core operating guidelines for its subsidiaries. Including the designation of the Company's executive directors to be directors in subsidiaries, to supervise and manage the business operations of the subsidiaries to be in line with the Company's policies and strategies.

At present, the Company has no policy to invest in subsidiaries or other associated companies.

## (5) Outstanding Works

The Company had distribution transformers that has been ordered and preparing to deliver for customers but not yet delivered on December 31, 2021 in totally 1,651 units, the amount was 459.65 million baht.

For Solar energy, the Company had the service of installing a solar panel that have not been delivered to the customer as of December 31, 2021 in totally 6.1 MW, the amount was 306.26 Million Baht. This is a project to install a solar power generation system for a large private sector customer that continues until 2022.

## (6) Environmental Impact

The Company operates the business of manufacturing transformers distribution systems and solar panels. In the production process, some steps are required painting, piecework cleaning that occurs with an impact on the environment if the waste disposal system are not good. The Company is aware of the potential impact, Therefore, the Company has created an efficient system to eliminate the color spray that occurs from the production process that do not be harmful to workers and neighboring communities. The Company has changed to use raw materials that do not contain toxic chemicals on the environment such as below:

- Using of watercolors to reduce environmental impacts by using water as an ingredient instead of oil paint that requires thinner as a solvent.
- Using of environmentally friendly oil stain remover and using hand washing powder to wash oil stains in maintenance work.
- Using of raw materials that do not contain heavy metals which can be left behind and destroy the environment.

The Company provides training and recommend preventive methods about the operations that may cause accidents including an emergency action plan which have a practicing at least 2 times per year. In addition, the Company has also set up the Committee of Occupational Safety Health and Working Environment which is responsible to prevent various impacts. The Company has been certified with ISO 14001 environmental management system standard which shows the Company had a good environmental management system and international standards.

In addition, the Company has also used various systems to control work and the production quality such as ISO 9001: 2000 system, the health management system and TIS 18001 for safety and reduce the risk of accidents during operations. The Company had operated since 1981 and had no history of disputes or lawsuits from communities nearby the factory or being fined by government agencies related with the environment.



## (7) Research and Development

In the Company's business operations both transformer business and solar energy, It's necessary to continually improve production processes and services to keep up with the ever-changing. Increasing the competitiveness of core businesses through education and adoption of new technologies that can promote faster performance.

We had a working team for the transformer improvement project, consisting of Deputy Managing Director of Factory, Engineer, Quality System Development Department in ordrer to develop transformers to be durable and have higher efficiency in use.

**Ekarat Service Platform Project**

In 2021, The Company collaborates with King Mongkut's Institute of Technology Ladkrabang in implementing the Ekarat Service Platform project by using information technology to facilitate service personnel and customers by provide services more conveniently and quickly. Ekarat Service Platform is an integrated system where customers can manage information about their own transformers such as past transformer maintenance history, online appointment, monitoring the operation of transformers through the IOT system, reporting problems with transformers, including facilitating the recording of the transformer maintenance inspection results of service personnel and delivering reports to customers immediately. As a result, work is faster and more responsive to customer needs.

## 1.3 Shareholding structure of the group of companies

### 1.3.1 Shareholding Structure of AKR Group

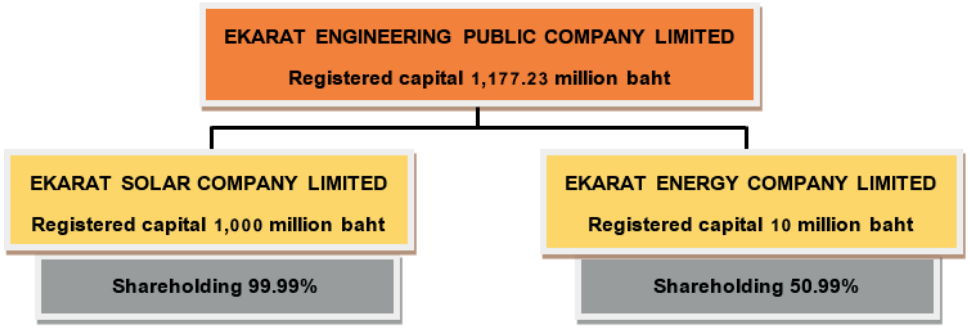
The Company is a manufacturer and distributor of transformers under the "EKARAT" trademark. Later, the Company expanded business from seeing the importance of renewable energy. Especially solar energy. Therefore established a subsidiary to operate solar cell production and distribution business, the details are as follows;

**(1) Ekarat Solar Co.,Ltd.** has a registered capital 1,000 million baht. The Company holds 99.99% of shares. It was established on April 9, 2004 to operate solar cell and solar cell business. By the solar cell factory located at Amata City Industrial Estate, Rayong Province and the solar cell production plant is located at Bangpakong, Chachoengsao Province. The Board of Directors is jointly managed by the Company with 3 members, namely Mr. Wiwat Sangthian, Mr. Danucha Noichaiboon and Ms. Rompissri Noichaiboon, to manage their duties in accordance with the stated core business plan.

At the present, the asset of Ekarat Solar Co.,Ltd. have been sold to the Company in order to continue using solar energy business.

**(2) EKARAT ENERGY Co.,Ltd.** has a registered capital 10 million baht.The Company holds 50.99% of shares.It was established on April 22, 2015 to operate solar energy business. By having 3 executive directors together with the Company namely, Mr.Danucha Noichaiboon, Ms.Rompissri Noichaiboon and Ms. Urawee Kanokpruk.

As of December 31, 2021, the Company has a diagram of the shareholding structure of the Group as follows:




### 1.3.2 Person with a potential conflict of interest

- None -

### 1.3.3 Relationship with major shareholders' business

The Company's core business operations are not related to or related to other business operations of the major shareholders.

### 1.3.4 Shareholders

List of top 10 major shareholders as of December 31, 2021

| Shareholders' Name | Number of held shares | Porpotion of total shares (%) |
|---|---|---|
| 1. KV assets Co., Ltd.* | 170,000,000 | 11.553 |
| 2. Mr. Kongkrai Kanokpruk | 154,300,000 | 10.486 |
| 3. Miss Teeraya Kanokpruk | 94,400,000 | 6.415 |
| 4. Mr. Wanchai Poolsap | 59,490,000 | 4.043 |
| 5. Miss Uravee Kanokpruk | 31,000,000 | 2.107 |
| 6. Mrs. Paradee Chiamchanya | 20,000,000 | 1.359 |
| 7. Thai NVDR Company Limited | 16,945,799 | 1.152 |
| 8. Mr. Poompat Numpaisarn | 16,644,700 | 1.131 |
| 9. Mr. Jeerapong Itsarangkul Na Ayuttaya | 14,062,000 | 0.956 |
| 10. Mr. Preecha Pinthong | 10,250,038 | 0.697 |
| Total | 587,092,537 | 39.90 |

Data from Thailand Securities Depository Co., Ltd. for the depositor

* Remarks : * List of KV Asset Co., Ltd. Shareholders

| Shareholders' Name | Number of held shares | Porpotion of total shares (%) |
|---|---|---|
| 1. Miss Rompissri Noichaiboon | 99,275 | 18.05 |
| 2. Mr. Vornpahol Sangtian | 41,250 | 7.50 |
| 3. Miss Pimolwan Sangtian | 41,250 | 7.50 |
| 4. Miss Wanravee Topongkasame | 17,188 | 3.13 |
| 5. Mrs. Daranee Kantamara | 27,500 | 5.00 |
| 6. Mr. Danucha Noichaiboon | 48,125 | 8.75 |
| 7. Mr. Daroonwat Noichaiboon | 27,500 | 5.00 |
| 8. Miss Chompicha Noichaiboon | 99,275 | 18.05 |
| 9. Mr. Ruengrat Noichaiboon | 17,188 | 3.13 |
| 10. Mr. Visitsak Noichaiboon | 17,187 | 3.12 |
| 11. Miss Peerayachan Noichaiboon | 97,075 | 17.65 |
| 12. Miss Khanittha Topongkasame | 17,187 | 3.12 |
| Total | 550,000 | 100.00 |

## Number of Company's Stock holding by the Board of Directors

| Name | Position | Shareholding | | | |
|---|---|---|---|---|---|
| | | December 31, 2020 | | December 31, 2021 | |
| | | Amount | (%) | Amount | (%) |
| Mr.Vichit Yamboonrruang | Independent Director<br>Chairman of the Board | 1,407,310 | 0.105 | 2,509,922 | 0.171 |
| Mr.Vinai Vittawasgarnvej | Independent Director<br>Chairman of Audit Committee | - | - | - | - |
| Mr.Aroon Sricharoon | Independent Director<br>Audit Committee | 210,000 | 0.015 | 210,000 | 0.014 |
| Mr.Wara Tongprasin | Independent Director<br>Audit Committee<br>Chairman of Nomination and Remuneration Committee | 39 | 0.000 | 39 | 0.000 |
| Mr.Chatri Siripanichkorn | Independent Director<br>Nomination and Remuneration Committee | - | - | - | - |
| Mr.Thunya Sritorn | Independent Director<br>Chaiman of Risk Management Committee | - | - | - | - |
| Miss Urawee Kanokpruk | Director<br>Nomination and Remuneration Committee | 31,000,000 | 2.308 | 31,000,000 | 2.107 |
| Mr.Danucha Noichaiboon | Director<br>Nomination and Remuneration Committee | - | - | - | - |
| Mr.Wiwat Sangtian | Director | 170,000 | 0.013 | 170,000 | 0.013 |
| Miss Rompissri Noichaiboon | Director<br>Risk Management Committee<br>Managing Director | 7,115,587 | 0.530 | 1,171,724 | 0.080 |
| Total | | 39,902,936 | 2.971 | 35,061,685 | 2.383 |

Remarks: Year 2020, the number of registered and paid-up ordinary shares were 1,343,289,404 shares.
Year 2021, the number of registered and paid-up ordinary shares were 1,471,532,856 shares.

### Foreign Holding Limit

According to the Company's Articles of Association, the Company's shares are free to transfer unless otherwise such transfer cause the alien being shareholder of AKR more than 49% of the total number of shares sold. Any transfer of shares that will cause the proportion of shares held by Aliens exceeding the above ratio, the Company has the right to refuse such transfer of shares.

As of December 31, 2021, the Company's shareholding proportion by foreigners for approximately 0.03% of the total issued shares.

## 1.4 Amounts of registered capital and paid-up capital

### 1.4.1 Ordinary Share

The Company has a registered capital of 1,611,947,284.80 baht, of which 1,177,226,284.80 baht is paid up, devided into 1,471,532,865 shares at 0.80 baht per share.

### 1.4.2 Other types of share whose rights or terms differ from ordinary share

- None -

### 1.4.3 Shares or convertible securities of the Company as the underlying securities for the issuance of investment units of the mutual fund for foreign investors.

- None -

## 1.5 Issuance of other securities

### 1.5.1 Convertible Securities

At the 2019 Annual General Meeting of Shareholders, it was resolved to approve the Company issued warrants to purchase ordinary shares of the Company No. 1 (AKR-W1) with details as follows:

- Allocated to the existing shareholders — 2 existing ordinary shares for 1 unit of Warrant
- Offering price per unit — 0 Baht (allocation free of charge)
- Issuance date — May 31, 2019
- Expiration date — May 28, 2021 (2 years)
- Issuance amount — 671,571,134 units
- Number of the newly issued ordinary shares — 671,571,134 shares
- Exercise ratio — 1 unit of Warrant: 1 ordinary share
- Exercise price — 1 baht per share

As of December 31, 2020, the remaining amount of AKR-W1 is 671,571,134 units. Because in the past, there was no person who expressed their intention to exercise the rights to purchase the Company's ordinary shares.

On May 28, 2021 was the last exercise date and the warrants expire on May 29, 2021, there were 128,243,452 warrant holders to purchase ordinary shares of the Company in the amount of 128,243,452 shares, totaling 128,243,452 baht, with the remaining shares issued and supported for the exercise of 543,401,250 shares.

### 1.5.2 Debt Securities

- None -

## 1.6 Dividend Policy

**Dividend Payment Policy of the Company**

The Company and the subsidiary have the dividend policy to pay the dividend to the shareholders about 50% of Net profit after corporate income tax and legal reserve each year. Therefore, the Board of Directors is able to acts inappropriate with this policy time by time under the condition to use the profit in the best interest for shareholders like pay back the loan, use for investment or other subject related to the Company operation. However, the dividend payment must approve by the Annual General Meeting and approved by the Board of Directors.

In 2021, the Company has suspended of dividend payment for the year 2020 performance. Due to the Company's operating results had unappropriated retained loss of 37.56 million baht. Therefore, dividends shall not be paid according to section 115 of the Public Limited Companies ACT, B.E.2535 (1992) and the Company's Article of Association No.56, dividends shall not be paid other than out of profits.

Dividend payment information from 2018-2020

| Year | 2018 | 2019 | 2020 |
|---|---|---|---|
| Earning per share (Baht) | (0.206) | 0.062 | 0.073 |
| Dividend per share (baht) | - | - | - |
| Dividend to earnings ratio (%) | N/A | N/A | N/A |

02

# 2. Risk Management

## 2.1 Risk management policy and plan

The Company is aware of the important of risk management of the organization which is an essential component of every business process and connection at all levels. Therefore, the Company has continuously managed the risks. The Risk Management Committee is responsible for assessing potential risks to formulate strategies in accordance with the Company's objectives and goals. Including setting the risk management policy that all employees must follow.

## 2.2 Risk factors on business operation

### 2.2.1 Distribution Transformer Business Risk

- **Risk related to relying on specific Distribution Transformer's customer**

Most of the Company's revenue came from the sale of Distribution Transformer. In 2019, 2020 and 2021, the Company had the sale revenue from sales of Distribution Transformer to the Metropolitan Electric Authority and the Provincial Electric Authority in the amounted 276.77 million baht, 299.90 million baht and 189.42 million baht or 20.14%, 22.58%, and 15.02%, respectively, of revenue from sales of goods and services. However, considering in the total revenue of every customer sector in 2021 was 1,413.88 million baht decreased by 68.05 million baht compared to year 2020 or decreased 4.59% of revenue from sales of goods and services. The proportion of the revenue in government sector in 2020 was 299.90 million baht and in 2021 was 189.42 million baht, decreased by 110.48 million baht or decreased by 36.84%.

The revenue from government sector in 2021 decreased because the budget of government agencies has been postponed due to the Covid-19 epidemic and will be auction in 2022 instead. So that the Company has a chance to increase revenue.

- **Risk related to the unstable of Distribution Transformer's raw materials price**

In 2021, the Company had the major revenue from the sale of Distribution Transformer. In the production of Distribution Transformer used the local raw material and imported material likes Silicon steel, Copper wire, Transformer oil, etc. The Company was greatly affected by the fluctuation of raw material prices in the world market and it affected the total cost of transformer production. Therefore, the Company had to adjust the selling price to be in line with the increased cost. However, we continue to improve and develop in order to reduce costs and plans to procure new raw materials and reserve of raw materials for use in production for about 3-6 months.

- **Risk related to the quality of the Distribution Transformer's raw material**

Distribution Transformer is a very important part in the electricity system. If the transformer malfunctions the effect will cause the damage of the industry and resident. Therefore, we need to select the raw material likes Silicon steel, Copper wire, Copper plate, Insulator paper, transformer oil, and transformer tank, in the production of high quality distribution transformer. To avoid the risk from low quality of raw material, the Company has the procedure follow ISO 9001 standard which comprise with design, assign the characteristic of raw materials, monitoring and testing. Determine the properties of raw materials used in the production of transformers with examination, testing, selection of suppliers, raw material inspection to ensure that the raw materials were ordered by the Company, according to the specified properties with standard quality

- **Risk related to relying on skilled staffs in the production of DistributionTransformer**

In 2021, 85.11% of the revenue from sales of goods and services came from the sale of Distribution Transformer which requires experienced, knowledgeable and skilled personnel. Therefore, the skilled staffs in specialized knowledge is important to the production of Distribution Transformers and operation of the Company. Anyway, with the good operation system awarded ISO 9001, ISO standard has the operating manual, training, and operation process. If there is a new employee, it will help to understand the work process. This will enable employees to perform their work quickly.

The Company has succession plan for the important positions and has the training program to develop the staff continuously. The Company also awarded the benefit or has the policy to stimulate the staffs. For example, Provident Fund, Bonuses, Loyalty awards, this will reduce the turn over rate of the staffs.

### 2.2.2 Solar Energy Business Risk

**Risk related to the government power purchasing policy**

In 2021, the government has a policy and promotion of the production electricity with many solar cell projects connect from the previous year, both Solar Roof and Solar Farm as follows:

- **Risk related Anti-Dumping Law**

Risk related Anti-Dumping Law's the Europe Union and the United States about Solar Cell from China. Chinese entrepreneurs have set up factories to produce cells and solar cells in Thailand more than past, in order to avoid that law and to get the Certificate of Origin. That make higher competition in Solar Cell. The Company had to find ways to reduce the operating cost to be competitive

- **Risks from purchasing energy of the government sector**

Since January 2015 to December 2022, the Office of Investment Promotion (BOI) announced the benefits for general entrepreneurs who have installed the Solar Rooftop system for internal use. Therefore, which was another channel that the Company can join to work.

- **Power Development Plan of Thailand (PDP)**

From the Power Development Plan since 2018-2037 to increase the use of solar energy for about 10,000 MW (500 MW/year), divided by the government sector ratio of about 400 MW/year. The public sector is about 100 MW/year. That is a great opportunity for the Company to expand the customer base.

### 2.2.3 Financial Risk

- **Risk from interest rate fluctuations**

The Company has the risk from the uncertainty of the interest rate in the market due to the Company had credit facilities in a commercial bank. The bank code the interest rate according to the nature and purpose of the amount used as follows:

(1) Facilities limit, which the rate of MLR per year.

(2) L/C and/or T/R and/or short term loan or L/G, if the loan is Baht currency, the rate is MOR per year.

The interest rate that might change from the situation of the market. But the situation with the spread of COVID-19 consequently, the bank kept the interest rate in 2021 the same as last year, for MLR was 5.47% per annum; MOR was 5.84% per annum.

- **Foreign exchange rate risk**

The Company order the material to produce the Distribution Transformer from overseas likes Silicon steel, Coil Cast Resin. The bidding and payment of raw materials will be mainly used in US dollars. However, the exchange rate has been closely monitored. In the event that the exchange rate tends to weaken, the Company will make a forward contract. Along with considering other factors to reduce the risk of exchange rate fluctuations and increase efficiency in financial management.

### 2.2.4 Economy and Political Risk

From the economic condition that has contracted a lot caused from the change in political situation and impact of coronavirus-19 outbreak. According to the announcement of the National Economic and Social Development Council, GDP is - 6.1% in year 2020. From the aforementioned risk factors, the Company's revenue has decreased and not meeting the goal.

However, the forecast of the NESDB, GDP will grow approximately 2.5-3.5% in 2021. The government have the measures to control the spread of the COVIC-19 by providing and administering vaccines thoroughly. The Company estimates that there will be a large government investment in public utilities and the expansion of renewable energy. If able to expedite the process faster, the economic growth is expected to meet the target in the first half of the year.

### 2.2.5 ASEAN Economic Community: AEC

From the joining into AEC, Thailand has joined as an ASEAN Economic Community too. The risk that will arise from products of ASEAN countries entering the Thailand market without tax burden according to Thai entrepreneurs and entrepreneurs in the ASEAN region to be more competitive. Consumers could choose quality products and get more benefits. However, from the past, Thailand's Transformer industry was stronger than the others in ASEAN that be the opportunity to expand the business to overseas. Therefore, Ekarat Engineering Public Company Limited, the leader in transformer business of Thailand might receive the benefit from joining AEC too.

## 3. Business Sustainability Development

### 3.1 Policy and objectives of sustainable management

The Company operates its business under good corporate governance, in accordance with the direction and strategic plans in order to create sustainability for the organization on Economic, Social and Environmental Responsibility The Company has established a corporate sustainability policy and publicly announced for both the organization and all stakeholders as a guideline to drive the organization to achieve its vision in a transparent and efficient manner by defining 3 important issues as follows:

**Environment**

Committed to operate business in environmentally friendly. Reduce the impact on the ecosystem caused by all aspects of the production process and use resources cost-effectively. Create understanding and awareness of environmental conservation to employees, in order to jointly develop the organization to grow in harmony with the good environment.

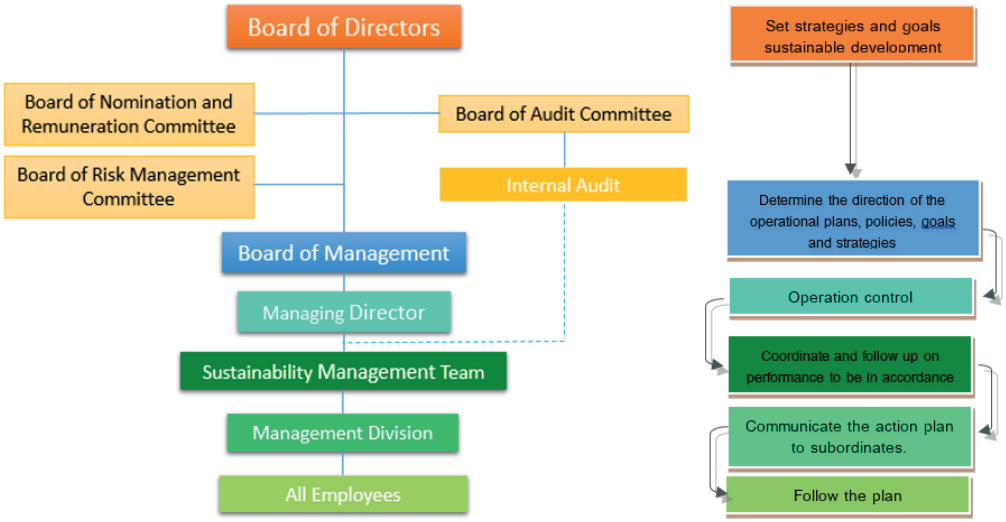
**Society**

Operate the business with regard to the principles of human rights, fairness and equality of employees and focus on developing the knowledge and competence of employees. As well as promoting the development of communities and society for sustainable coexistence.

**Corporate Governance**

Adhering to compliance with good corporate governance principles, conduct business with transparency, accountability, ethics, taking into account both internal and external stakeholders by managing risks to control and reduce the impact of operations throughout the value chain. Including the search for business opportunities that can satisfy all groups of stakeholders by focusing on creating new innovations for sustainable growth of the organization.

Sustainability Governance Structure




### Scope of the report

The Sustainability Performance Year 2021 presented the Company's performance only in the head office and transformer manufacturing plant at Chachoengsao province in terms of economy, society and environment for continuous and sustainable development of the organization.

### Sustainability Management Target

The Company's vision is to be a leading organization in the quality of transformers and renewable energy. We set the direction of business operations according to our mission and operating philosophy "Adherence to quality and honesty to customers" to create maximum returns for all groups of stakeholders and sustainable growth. In 2021, the Company has set sustainable development strategies and goals to guide the operations that were constantly changing, the details are as follows:

| ESG | Strategic Direction | Sustainability Management Target |
|---|---|---|
| **Environment** | ● Environmentally-friendly business operation | ● Start planning to control the amount of greenhouse gas emissions in the factory<br>● Reduce the greenhouse gas emissions by 10% compared the business-as-usual scenarios by 2030 |
| **Community& Society** | ● Promote good and safe working environment | ● Prevent the spread of Covid-19 in the organization<br>● Reduce the number of work-related accident by 40% from year 2020 |
| **Corporate Governance** | ● Comply with the principles of good corporate governance and business ethics | ● Manage to reduce the number of operations that do not comply with regulations or the code of conduct.<br>● Improve procurement policy and supplier code of conduct by communicating to partners to comply with the requirements 100% in 2021 |

Remark : The sustainability policy can be found at www.ekarat.co.th

Key Performance

| ESG | Strategies | Performance |
|---|---|---|
| **Environment** | • Environmentally-frienly business operation | • In 2021, was the beginning of the preparation of greenhouse gas emissions data and the situation of the COVID-19 epidemic, it is unable to facilitate the reviewers of the Carbon Footprint preparation in the factory area. |
| **Community& Society** | • Promote good and safe working environment | • Set measurements to control the spread of Covid-19, with the number of personnel infected with 3.98% of all personnel.<br>• The number of work-related accidents for employees decreased by 42% from year 2020. |
| **Corporate Governance** | • Operate with good corporate governace | • Implemented improvements to the procurement policy and code of conduct for partners by communicating to partners and complying with the requirements 100%. |

## 3.2 Management of impacts on stakeholders in the business value chain

### 3.2.1 Business value chain

The Company is aware of the expectations of stakeholders towards the business operations of the organization Therefore, it engages with internal and external stakeholders to identify the interests, expectations, concerns and success factors that can influence business performance from each stakeholder to assess key issues that affect sustainable business operations.

### 3.2.2 Analysis of stakeholders in the business value chain

The Company recognizes the importance of all stakeholders in the business value chain that may affect our operations. Therefore, a sustainability working group was established with representatives from all departments to consider and analyze groups of stakeholders both inside and outside the organization. By analyzing the value chain of each line and identifying affected stakeholders or affect the operation of each mission or activity which gathered 8 key groups of stakeholders as follows:

## Stakeholder Value Chain Analysis Result

| Stakeholder | Sale & Marketing | Raw Material | Manufacturing | Delivery | Maintenance Service | Support Activities |
|---|---|---|---|---|---|---|
| Customer | ✓ | | ✓ | | ✓ | ✓ |
| Employee | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Supplier | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Investor | | | ✓ | ✓ | | ✓ |
| Payable | | ✓ | ✓ | ✓ | | ✓ |
| Community&Social | | | ✓ | ✓ | ✓ | ✓ |
| Competitor | ✓ | ✓ | | | | ✓ |
| Government authority | | | ✓ | ✓ | | ✓ |

## Work with Stakeholders

The Company has compiled stakeholder needs, expectations and concerns into a business plan to analyze and prioritize issues of importance to stakeholders. Then build relationships with stakeholders to respond to issues that stakeholders focus on to improve the Company's operations.

| Stakeholder | Expectation Survey Methods | Expactation | The Organization's Response |
|---|---|---|---|
| Employee | • Quarterly in-house journal<br>• Listening to employee opinions and complaints<br>• Annual Labor Welfare Committee Meeting<br>• Executives visit employees. | • Appropriate walfare<br>• Knowledge development training<br>• Appropriate compensation<br>• Work safety | • Safety Environmental management pursuant to the standards<br>• Modify wage payment and performance assessment systems<br>• Situational assistance program<br>• Internal and external training programs |
| Shareholder | • News via SET<br>• Annual meetings of shareholders<br>• Registered companies meet investors<br>• Invitations for investors to visit factories | • Good returns<br>• Stable business and continuous growth<br>• Correct and complete Company's information<br>• Good corporate governance | • Dividend Payment<br>• Transparent disclosure of information |
| Customer | • Customer satisfaction surveys<br>• Meet-ups with customers<br>• Organize seminars to educate<br>• Product exhibitions<br>• Technical knowledge provision to customers<br>• Business visits and tours. | • Receive quality products<br>• Fair price<br>• Warranty for products and services<br>• After sales service is good and fast.<br>• Acquire technical knowledge | • Quality products that meet the needs of customers<br>• Total quality management pursuant to ISO9001 |
| Competitor | • News and information<br>• Group member meetings<br>• Meetings and conversations | • Fair and transparent trade competition<br>• Help each other when encountering problems in business<br>• Exchanges of information about products and process | • Operate business fairly and transparently<br>• Collaborate to develop business. |

| Stakeholder | Expectation Survey Methods | Expactation | The Organization's Response |
|---|---|---|---|
| **Creditor** | • Meetings and conversations<br>• Discussion performance | • Ability to comply with contract terms and agreements<br>• Have a stable action plan<br>• Reliability and transparency in operations | • Strict compliance with terms and agreements in contracts<br>• Discuss Company's performance |
| **Supplier** | • Selection and assessment of partners<br>• Meeting with the supplier to check raw material quality<br>• Partner Satisfaction Survey | • Transparency in bending and evaluating<br>• Comply with the terms and conditions of payment<br>• Fair price competition | • Procurement policy fairly and transparently<br>• Anti-corruption policies |
| **Community& Society** | • Organizing activities with communities<br>• Annual Community polls<br>• Hold a public hearing | • Received support for community activities<br>• Help the community from the impact of the epidemic<br>• Peaceful coexistence<br>• No negative safety and environmental impacts on communities and society | • Support for community activities<br>• Human rights policies<br>• Environmental management with ISO14001 standards |
| **Government authority** | • Rules and regulations<br>• Meeting and discussions<br>• Participation in government activities | • Ability to comply with related laws<br>• Support government projects | • Comply with rules and regulations prescribed by thelaw<br>• Participate in public service activities |

## Assessing Key Issues for Sustainable Business Operations

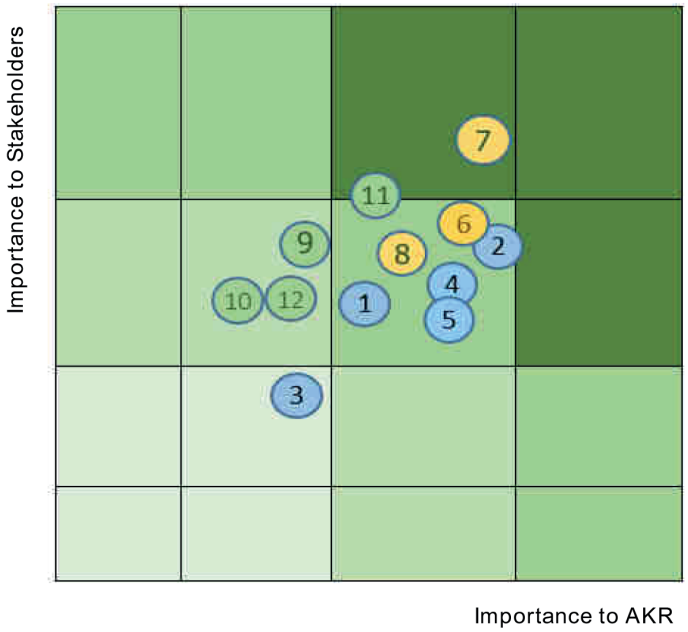
The Company collected and identified key issues from all stakeholders and important trends that may occur in the future that affect business operations both in the short and long term such as the epidemic situation, cyber security, climate change, etc. In order to consider with the organization's risk management, sustainability policy and business strategies as well as analyze and review the operating results of the past year to bring those issues to prioritize business and set management guidelines. The Company will assess the key issues every year, to review changes in the issues and stakeholders, then lead to efficient and balanced management. The key sustainability issues were assessed as follows:

### 1. Issue Identification

Selecting sustainability issues with various agencies both internal and external stakeholders from standards, rules and regulations, and related guidance, the needs and expectations of the stakeholders from the business value chain related to each function, including in line with the organization's sustainability management strategy.

### 2. Materiality Assessment

Prioritize sustainability issues in terms of opportunities and impacts on creating value for the organization and stakeholders. The issues are grouped into priority levels: high, middle and low, then taken into the process of effective strategy formulation and management.




| Material issues in each ESG | | |
|---|---|---|
| Corporate Governance | Society | Environment |
| 1. Corporate Governance | 6. Human rights and treat workers fairly | 9.Water Management |
| 2. Risk Managment | 7. Occupational Health and Safety | 10.Waste Management |
| 3. supply Chain Management | 8. Social Responsibility | 11.Climate Change |
| 4. Responsibility for Products and Services | | 12. Energy Management |
| 5. Innovation and Technology | | |

## Materiality Assessment

| Material Issues on Sustainability | Details | Stakeholders |
|---|---|---|
| Occupational Health and Safety | • Occupational Health and safety that causes injuries/ illness to employees<br>• Production process safety | Employee, Supplier, Competitor, Community, Government authority |
| Climate Change | • The management of greenhouse gas<br>• Use of renewable energy in production process. | All groups |
| Human Rights | • Respecting human rights<br>• Legal Employment<br>• Employee potential development | All groups |
| Risk Management | • Managing various corporate risks | All groups |
| Social Responsibility | • Participation with the community to lift their quality of life through community activities<br>• Conservation of natural resources and the environment | All groups |

| Material Issues on Sustainability | Details | Stakeholders |
|---|---|---|
| Responsibility for Products and Services | • Production Standard<br>• Service standard<br>• Customer Relationship Management | Employee, Customer, Supplier, Competitor |
| Corporlate Governance | • Conducting business with fairness in accordance with governance and transparency<br>• Anti Corruption | All groups |
| Innovation and Technology | • Innovation promotion and technology application for the production of goods and service<br>• Cyber security | Employee, Customer, Supplier, Public Sector |
| Water Management | • Responsible management of wastewater<br>• Efficient water consumption | Employee, Community, Government authority |
| Waste Management | • Management of hazardous waste from production process | Employee, Community, Government authority |
| Supply Chain Management | • Procurement guideline following the procurement policy and the code of conduct of business partners<br>• Risk Management from the procurement process and the suppliers' operation | Employee, Supplier, Community |

## 3.3 Management of environmental sustainability

The Company is determined to operate with adherence to quality and honesty, creating value and engaging with stakeholders to grow stably and sustainably according to ESG, namely environmental, social, governance by analyzing internal and external factors to identify various sustainability issues both are risks and opportunities that may affect both positively and negatively. In 2021, 12 key sustainability issues were analyzed and guided in the formulation of corporate strategies. The details include strategies and operational indicators, short-term and long-term goals as well as the duties and responsibilities of the relevant agencies.

### Sustainability Management in Environmental Dimensions

The Company sets policies and plans to conserve energy and the environment as part of its business operations. By focusing on the quality of production and realizing the importance of the environment and energy conservation. Therefore, the energy management system has been applied to every step of the business with goals and objectives to promote energy efficiency and maximum benefits, as well as comply with laws and other requirements related. It is considered the responsibility of the management and employees at all levels to cooperate in complying with the specified measures and communicated and publicized the said policy to all internal and external stakeholders. In this regard, we have implemented the energy and environmental conservation policy as follows:

- **Energy conservation** by designing energy-saving products develop appropriate and continuous energy management systems. Improve energy efficiency in the production process and the technology used.

  - The design of the transformer that has a lower loss than normal, according to the draft of the Green Label, which will reduce losses in the power supply system that occurs during use. can reduce the electricity bill.

- **Saving resources** by reusing and wasting from the production process, such as bringing wood chips, unused pallets or steel structures to be used as a cabinet or table for placing and providing a recreational corner for employees to sit and read. Using recycled paper to reduce the use of paper for internal work, etc. The Board of Directors had a policy to promote efficient use of resources by setting off the lights and air conditioning during the lunch break for 1 hour and providing training on environmental knowledge to the employees according to ISO 14001 standard.

- **Pollution prevention** by controlling and choosing appropriate chemicals, reduce pollution to the environment and harm the production process, control wastewater quality before being released to the public. Including preventing interference with the surrounding communities, both noise and vibration from the following manufacturing processes.

  - The use of transformer oil without substance Polychlorinated Biphenyls (PCBs) which are difficult to decompose chemicals and can accumulate in both living organisms and the environment. Causing various symptoms such as chronic bronchial liver cancer Impaired nervous system, etc.

  - The use of silica gel that is plated from natural organic substances instead of Crystal Violet plated from Cobalt Chloride, which is a banned substance in the product.

  - The use of plastics that do not contain heavy metals.

  - The use of water colors to reduce the impact on the environment by using water as an ingredient instead of oil paint that must be used thinner as solvent.

  - The use of varnish without heavy metal.

  - Using hand washing powder to wash oil stains in maintenance work.

  - Use an environmentally friendly oil stain remover

  - Change the lighting bulb in the factory to be an energy-saving LED bulb, saving 3,312 kW-h of electricity per month, or reducing electricity costs by approximately 162,950 baht per year and the amount of greenhouse gas that is reduced by 10.30%.

  - Installed 851.26 kW solar power generation system (Grid connected System) on the factory roof, allowing the Company to save electricity by 330,791.37 baht per year and have income from selling electricity 59,736.48 baht per month.

  - Reduce the amount of oil used in the forklift by 5% per year. There were cost of forklift oil costs reduced by 5,039.26 baht per month and resulting in reduced greenhouse gas volume too.

The management and the energy management working group will review and improve policies, goals, performance and action plans annually to be in line with the ever-changing situation and environment. To conduct business with social responsibility and to promote, disseminate, publicize various energy conservation activities to the organization, government agencies and society.

## Environmental operating results

### Climate Change

Thailand is one of the most impacted by climate change in the world, causing widespread damage to the economy and likely to intensify in the future. Climate change is caused by the amount of greenhouse gases being converted into the atmosphere beyond the ability of nature to absorb. It consists of Carbon Dioxide (CO2), Methane (CH4) and Nitrous Oxide (N2O). The continued increase in greenhouse gas emissions has increased the concentration of CO2 in the Earth's atmosphere. Resulting in higher global warming and global climate change.

The Company is aware of these problems by striving to manage and reduce greenhouse gas problems arising from the production process at the transformer manufacturing plant and promote the use of clean energy according to Thailand's power generation development plan 2018-2037.

In 2017, the Company participated in the "Supply Chain De-carbonization Project" organized by the National Productivity Institute which aims to promote the industrial sector to realize the importance of Greenhouse Gas Reduction. This is the key sustainability strategic area and helps improve performance, enhance the management of the business value chain, used to communicate to customers and stakeholders in a transparent manner in accordance with the needs of society with increased environmental awareness and respond to sustainable management strategies with a green economy The project implementation period is from November 2016 to August 2017, whereby the Company can reduced CO2 by 48,963.6 tons CO2-eq per year and reduced electricity costs by 344,043 baht per year.

**After the completion of the said project, the Company did not continue operating in the following years due to several unfavorable factors, Including the availability of personnel of the responsible agencies was insufficient.**

However, in 2021, the Company has started to review and plan the management to reduce greenhouse gas problems mainly caused by the operating processes at the factory. Then communicate with personnel in the organization to understand and realize the importance of greenhouse gas problems that affect the environment, including the benefits that will receive. Employees must work together to implement the plan in order to achieve the objectives.

**Management of Material Issues**

**Objective :** Transform into a green organization by reducing greenhouse gas emissions and promoting clean energy use.

| Short/Long-term Indicators | Performance |
|---|---|
| Short-term Indicators<br>• Started collecting data on the amount of greenhouse gas emissions in the factory<br>• Promote environmentally friendly products<br>Long-term Indicators<br>• Limit the amount of greenhouse gas emissions by reducing greenhouse gas emissions by 10% in 2031. | • In 2021, it was the beginning of the production of greenhouse gas emissions data, so there is no data on the amount of greenhouse gas emissions and the situation of the covid-19 epidemic, it was unable to facilitate the reviewers of the Carbon Footprint preparation in the factory area.<br>• Environmental organization management according to ISO14001<br>• Start planning for the project to control the amount of greenhouse gas emissions in the factory area. |

## Key Performance

### Carbon Footprint Management

The Company began to produce the Carbon Footprint for Organization (CFO) report in 2017. The scope covered the activities at the transformer factory, Chachoengsao Province. The Carbon Footprint has been certified at Limited Assurance Level, a confidence level of 5%, using the Greenhouse Gas Reporting Criteria of the Greenhouse Gas Management Organization: TGO as a guideline for greenhouse gas management and was the person to verify's the Company.

In 2021, the Company did not have any information on the amount of greenhouse gas emissions because it has just begun to implement a new greenhouse gas management. We did not operate it during 2018-2020. Starting from communicating to relevant departments for acknowledgment and preparation and planning of various actions. The Company was aware of the environmental impact of greenhouse gases and will strive to improve its production processes to minimize those gases.

**The Company's direct and indirect greenhouse gas emissions**

| Greenhouse gas emissions (ton $CO_2$ eq) | 2017 | 2018-2020 | 2021 |
|---|---|---|---|
| Scope 1 | 668 | No action | Get started |
| Scope 2 | 1,286 | | |
| Scope 3 | 105 | | |

**Environmental organization management according to ISO14001**

The Company is well aware of the importance of the environment and has clearly formulated policies and goals regarding energy conservation and reviewing for continuous improvement annually. The Company has been certified with the environmental management standard or ISO14001 since 2001. We aim to implement, maintain and continually improve as well as increasing the efficiency of environmental operations in accordance with various laws and regulations.

## Water Management

The Company mainly uses tap water both in the head office and the factory for consumption within the office, without using water in the transformer manufacturing process. The wastewater will be treated properly before being released to the outside. Water quality analysis is carried out regularly.

Water bills in 2019-2021 Unit : Baht

| Year | 2019 | 2020 | 2021 |
|---|---|---|---|
| Head Office | 35,208 | 33,507 | 24,422 |
| Factory | 171,647 | 193,006 | 171,954 |
| Total | 206,855 | 226,513 | 196,376 |

In 2021, the Company had total cost of water for 196,376 baht, decrease of 30,137 baht or 13.30% compared to the previous year. The head office had 27.11% decreased in water usage and the factory had 10.91% decreased in water usage.

The Company had the wastewater management system through wastewater treatment processes such as prefabricated septic tanks and aerated grease traps before being released to the outside.

In 2021, the amount of effluent treated 80% of the total effluent amount 4,436 cubicmeters.

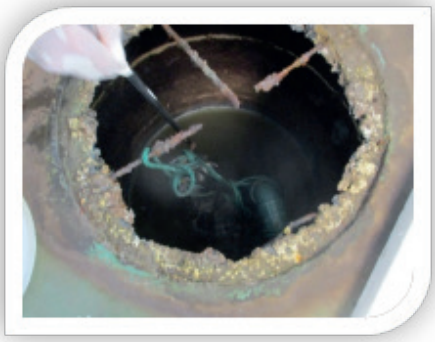
**Examples of physical, chemical and biological quality measurements of wastewater-effluent**

- **Measurement area: Cooling water, Radiator Fin and Box department**





- **Measurement area: water before entering the sewer**





- **Measurement area: Water from the sewer**





## Waste and Garbage Management

Disposal of waste and residual materials in the factory caused by the production process both dangerous and harmless. If the waste and garbage disposal operator does not comply with the standards set by the Department of Factory, It will be major problem that severely affects the environment and nearby communities.

Therefore, the Company attaches great importance to the disposal of waste and other waste materials from the production process. There were regulations on waste management from classification, storage, handling and transportation, solid waste disposal and proper utilization for each type of waste in accordance with relevant laws and the least impact on the environment. To be disposed of properly and to reduce waste disposal by landfill especially hazardous waste, recycled waste, waste that can be sold, etc. The Company has communicated and created awareness of waste separation for everyone in the organization to know and implement it correctly.

## Key Performance

### Garbage Disposal

The Company has control of solid waste management from classification, storage, loading and transportation, waste disposal and proper utilization for each type of waste in accordance with relevant laws and environmental impacts. Solid waste can be divided into 3 types: general waste, recyclable waste and hazardous waste.

The Company has hired a waste or unused waste sorting contractor which has been registered with the Department of Industrial Works only to carry out the collection, segregation of various wastes to be disposed of properly. Especially the waste that is contaminated with dangerous chemicals that may be toxic to the environment around the factory.

At the head office, mainly separate general waste and recyclable waste because there was no hazardous waste. The juristic person of the UM Tower building charges a monthly general waste disposal fee.

As for the factory, the Company disposes of general waste by hiring an external agency on a monthly basis with no limit on the amount of waste. It costs 72,000 baht per year.

**The amount of waste generated from the production process**

| Garbage type | Amount of waste (kg) | | |
|---|---|---|---|
| | 2019 | 2020 | 2021 |
| Recycle waste | 152,709 | 176,896 | 148,841 |
| Hazardous waste | 57,762 | 132,300 | 64,425 |

In 2021, the Company had a volume of Recycle waste less than the year 2020, amounting to 28,055 kg or decreased by 18.86% and the amount of hazardous waste decreased from the previous year by 67,875 kg or 51.30% due to the separation of residual materials from the production process and sell it more.

**Waste disposal by landfill method**

In 2021, the Company did not dispose of hazardous waste from the production process by landfill.

**Complaint Management on the disposal of factory waste from communities in the surrounding area of the factory**

The Company has an annual survey of complaints from communities surrounding the factory by preparing an inquiry letter to the Tha Sa-an Subdistrict Municipality Office, Tha Sa-an District, Chachoengsao and send representatives to meet and inquire the residents of the communities nearby the factory. To know the problems and dissatisfaction caused by the disposal of waste or waste from the factory, suggestions and comments to improve and prevent such problems from occurring.

In 2021, no complaints about waste disposal from communities in the factory area.





## Electric power

### Electricity consumption of the factory in 2019-2021

Unit : kilowatt-hour

| Year | 2019 | 2020 | 2021 |
|---|---|---|---|
| Factory at Chachoengsao | 2,013,623 | 2,228,864 | 2,054,929 |

From the table showing the amount of electricity, it was found that in 2021, the factory had efficient energy management both the lighting system and the air conditioning system. As a result, the amount of electricity consumption decreased from the year 2020 by 173,935 kilowatt-hours or a decrease of 7.80%.

### Using natural clean energy

According to the Company that manufactures, sells and installs solar power generation systems. We understand and recognize the importance of using natural energy which is not toxic to the environment. It helps to reduce the amount of greenhouse gas generated by the use of electricity in the factory. Therefore, we have installed Solar Rooftop on the roof of the transformer factory in Chachoengsao Province, 2 places, size 27 kWp and 501.18 kWp, totaling 528.18 kWp to produce electricity for use within the factory since 2018. There was a working team to survey the area, design, assemble the solar panels and carry out the installation. The generated electricity will be connected to the Main Breaker to distribute electricity throughout the plant, thus reducing the electricity consumption from the Provincial Electricity Authority.

### The amount of electricity generated from the Solar Rooftop at the factory

| Year | 2019 | 2020 | 2021 |
|---|---|---|---|
| Solar Rooftop (kWp) | 528.18 | 528.18 | 528.18 |
| Amount of electricity generated (kWh) | 567,261 | 632,684 | 608,309 |

In 2021, the amount of electricity generated from Solar Rooftop slightly decreased from the previous year by 24,375 kWh or 3.85%. The amount of electricity produced depends on climate and sunlight intensity as the main factors.

### Compare the electricity cost at the factory in 2019-2021

Unit : Baht

| Year | 2019 | 2020 | 2021 |
|---|---|---|---|
| Electricity purchased from PEA | 6,232,239 | 6,648,449 | 5,983249 |
| Solar Cell | 2,456,164 | 2,636,917 | 2,597,378 |
| Total | 8,688,403 | 9,285,366 | 8,580,628 |
| Save electricity from Solar Cell | 28.27% | 28.40% | 30.27% |

When comparing the electricity costs at the factories, it was found that in 2021, the electricity costs decreased from the year 2020 by 704,738 baht or decreased by 7.59%. We were able to save electricity purchased from the Provincial Electricity Authority in the amount of 2,597,378 baht, equivalent to 30.27% of the total electricity bill. The Company is determined to continuously reduce production costs and promote the use of clean energy to reduce environmental impact.

In addition, there was a survey of the working conditions of the machines, electrical appliances, electric wires, electric bulbs that have been used for a long time regularly because it may be damaged or use a lot of electricity. The Company has switched to use energy-saving products, such as changing the incandescent lamp to LED instead of installing solar-powered walkway lamps, etc.

## Social sustainability management

The Company places importance on labor practices and fair human rights respect, equality and non-discrimination, comply with the regulations of labor law in terms of employment compensation, promotion development and training without discrimination of gender, age, race, religion, as well as supporting employment for the disadvantaged, both the disabled and the elderly. Which is part of the goals of the sustainable business plan.

## Safety and occupational health

The Company has established the Safety, Occupational Health and Working Environment Policy.The executives and employees at all levels collaborate to implement the policy continuously and efficiently. Also appointed the Safety, Occupational Health and Working Environment Committee which consists of executives and representatives of employees at all levels. In order to ensure the compliance with the ISO 14001 environmental management system standards. The employees participated in the decision on the safety and occupational health, safety policies and plans.

### Management of Material Issues

**Objective** : Appropriate occupational health safty and adaptation of work environments that cause injury or illness to employees.

| Short/Long-term Indicators | Performance |
|---|---|
| Short term Indicators<br>• The number of work-related accidents has decreased by 50% from year 2020.<br>• Prevent COVID-19 Outbreaks in the establishment | • The number of work-related accidents in 2021 was 8 times, decreased by 42% from year 2020.<br>• Employees are trained on safety at work.<br>• Prevent the spread of the COVID-19 in all sectors of the organization. |
| Long term Indicators<br>• Control the number of work-related accidents to zero in 2031 | • Annually improve work environments that are at risk of working. |

## Key Performance

### Accident at work

In 2021, there were 8 employees who suffered accidents and injured from work ; lost time accident 1 time and minor injuries 7 times. The number of accidents decreased from year 2020 by 42%, achieved the goal. However, the Company is still committed to instilling safety awareness for employees regularly.

Comparison of the Company's workplace accident statistics in 2019-2021

| Severity Level | Number of times per year | | |
|---|---|---|---|
| | 2019 | 2020 | 2021 |
| Minor injuries | 10 | 5 | 7 |
| Lost time accident | 8 | 9 | 1 |
| Total | 18 | 14 | 8 |

Most accidents are caused by employees who lack skills or 25% of all accidents. The Safety and Occupational Health Committee, Safety Officer and employees, have jointly reviewed and assessed workplace safety risks. Along with finding ways to prevent it from happening again by training to create awareness and be careful in working for the safety of employees. The supervisors has assigned to take care of subordinates to comply with the Company's safety regulations, including strict disciplinary punishment.

**Occupational Safety Training**

The Company regularly provides training on safety at work for employees every year to create knowledge and understanding of safety regulations, to raise awareness of work and awareness of potential hazards which must cooperate with all parts of the organization. In order to prevent accidents for oneself, co-workers, and the Company's assets. In 2021, there are important training workshops as follows:

- **Basic Fire Fighting and Evacuation Fire Drill Training,** at the factory, by speakers from the Disaster Prevention and Mitigation Department, Tha Sa-an Subdistrict Municipality, Chachoengsao Province.





and the Head Office, by the juristic person, UM Tower





- Safety in Electrical Works Course
- Safety in Working at Height Course
- Safety in Working With Cranes Course
- Safety in Working With Forklift Course

## Occupational health

### Annual health check

The Company recognizes the importance of employee health, which is an important factor in business operations.Therefore, annual health check-up is arranged continuously once a year for the head office, the factory and the service center by hiring a standardized hospital and comprehensive health check-up program according to the law.

In 2021, the situation of the epidemic of Covid-19 was severe. The management jointly considered and agreed to postpone the annual health check at both the head office and the factory, according to our policy for the safety of employees.

### Drug and alcohol testing

The Company had measures to prevent and suppress narcotics within the factory by randomly detecting narcotic substances and alcohol content without prior notice, according to the standard criteria for the prevention and solution of drug problems in the workplace of Chachoengsao Province and received the certificate from Chachoengsao Province on August 17, 2016.

Although in 2021 there was no random drug testing in the factory due to the epidemic situation of the Covid-19, but all new employees are required to undergo a drug test before starting work in accordance with our regulations.

### Influenza Vaccination

The Company has taken steps to ensure that employees are vaccinated against influenza annually to reduce the severity of the disease if infected with influenza. At the same time, during the epidemic situation of COVID-19, it also helps to increase the clarity of diagnosis for doctors as well as providing treatment. It can also reduce severe complications from influenza.

In 2021, the Company did not find any employees who were sick with influenza.

### Measurement to prevent Covid-19 Pandemic

The Company attached utmost importance to the safety of everyone in the organization. There were measures to control and watch out for covid-19 both in the factory and head office by communicating to employees to strictly follow via E-mail and posting announcements at the public relations board. Without company visit, limited the number of customers to view production and product presentations of suppliers They must be vaccinated and have ATK test result of COVID-19 before entering the factory area and impose penalties in the event that employees violate or conceal information that is at risk of causing an outbreak in the organization.

In addition, the Company also provides regular testing for covid-19 for factory employees to ensure that alls were safe.

In 2021, total of 26 person in the organization were found infected with COVID-19, There were 11 employees at the factory and 15 employees at the head office and service centers, representing 3.98% of the total number of employees.



**Health Activities**

The Company has arranged various sports and recreational facilities that are beneficial to employees' mental and physical health such as football fields, table tennis, reading rooms, etc., so that employees can exercise during their free time from work, foster unity within the organization and also help reduce the problem of drug addiction.

**Working environment improvement**

The Company provides the safe working environment to prevent hazards and reduce risks from work processes or working environments by measuring the quality of the environment in the factory once a year. In 2021, it was found that the quality standards of air, smell, sound and light were within the normal range as required by law.



- **Measurement of pollutants in the working area**



- **Measuring the amount of accumulated noise with employees.**

- Average 8 hrs. of noise measurement in the working area.





- Average 24 hrs. of sound level and noise level measurement around the factory.

- Thermal measurement in the working area.





- Light intensity measurement in the working area.

**Employee Engagement**

The Company has an annual employee satisfaction survey. It aims to systematically and comprehensively explore the factors affecting employee satisfaction and motivation and to identify problems and their causes. The company will analyze and improve the personnel management process because work satisfaction will affect the efficiency and effectiveness of employees.

In 2021, there were 57 turn over rate employees, representing 0.72%, 0.24% more than the previous year, and the assessment of employee engagement with the organization was 69.90%.

## Human rights and fair treatment for labor

The Company operates on the basis of respect for human rights. No discrimination for reasons of nationality, race, religion, language, age, gender, social status. No human rights abuses. Do not hire child labor. Do not commit or encourage forced labor in all forms.

The Company has complied with the Thai labor law in the care of various benefits which employees should receive. Whether it is a Social Security Fund and Provident Fund by creating a manual on the management of Thai labor standards TLS 8001-2003 on labor protection, labor relations welfare safety, occupational health and working environment. Which the Company has implemented and continuously improved with the opportunity for employees to make complaints and improve about matters that are perceived to be violating their rights. In accordance with the process steps set out in the operation regulations, the Company has a booth to receive comments, complaints or suggestions. Then, summarize, collect and send to Human Resources Department to check and improve. In the event that there are comments or complaints that cannot be concluded. They will present to the executive meeting to consider.

### Support for Disabled Individuals Program

The Company supports and promotes disabled group of individuals to have stable careers and jobs by giving fairness and security to all levels of employees with the opportunity for disabled workers to work with the Company according to the individual's ability. At the present, there are 7 disabled individuals working for AKR Group or 1.07% of total 654 full-time employees.

| Year 2021 | Male | Female |
|---|---|---|
| Full-time employees | 402 | 252 |
| Number of disabled employees | 6 | 1 |
| Percentage | 1.49 | 0.40 |

### Employee Development Policy

It is the Company's policy to increase the standard of quality and capabilities of its work force through its development and training programs and also to prepare for more competitive environment in the future. The Company has established an organization responsible particularly for employee development and training. Budget is appropriately and sufficiently allocated for development and training in accordance with objectives of each department. Thus, development and training schemes are determined as follows;

1. Internal Training: The Internal training will be carried out by inviting instructors with expertise from external domestic or overseas organizations, to consecutively provide knowledge to employee in each level every year. Training to improve the skills of the employees by the experts within the Company continuously every year.

2. External Training: The Company will let employees participate in training arranged by external organizations and institutes, regarding technical issues, administration, management, language and occupational safety health and environment to improve the skills of the employees.

3. Oversea Training: To enhance readiness and to provide employees with opportunities to learn new know-how and techniques, the Company will send staffs to attend meetings, seminars or training of international course.

In 2021, the Company provided both internal and external training in total training hours of the year 3,757.50 hours, the average training hours was 6.04 hours per staff. That's below the target of 12 hours per person per year. Due to the situation of the COVID-19 epidemic that affects the management of training both inside and outside the organization.

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| Average number of training hours for employees (hour/person/year) | 12.96 | 7.30 | 6.04 |
| Training expenses (Baht) | 581,384 | 478,241 | 281,736 |

The Company has established rank and position determination regulation in order to clarify career path and criteria for performance appraisal increase employee morale in every level. The Company will motivate, encourage and support employee to obtain career competencies and opportunities to grow and progress through career path in correlation with their knowledge, competencies and experiences.

**Employee compensation**

The Company has revised the salary structure to be in line with the competitive labor market conditions and in accordance with the law by surveying the salary rates of other entrepreneurs in the same area to ensure fairness to employees. Using KPIs to assess the performance of employees at all levels to be used to adjust the level and the annual salary. The Company has various benefits including social security funds, provident funds, and others such as having a shuttle bus for employees Provide sports venues and support various sports equipment, etc. (see more details of employee compensation in Part 2, item 7.5).

**Labor dispute in year 2021**

- None -

## Responsibility to product and service

Transformer is the main factor that brings power to nourish every business. When choosing a transformer, it is necessary to select the best one. Because if the business is stumbled due to the breakdown of the transformer, may cause enormous damage.

The Company adheres to the policy to produce transformers with the highest quality. It is durable in all conditions of use and resistant to accidents that will happen to the transformer and lowest rate of damage. We guarantee the quality of the transformer for up to 10 years. In addition, information technology is also used in conjunction with transformers to provide greater convenience for customers.

In terms of service, the Company attaches great importance to service personnel who must be trained and learn to work proficiently. To build confidence to customers in the efficiency of transformer maintenance work.

## Management of Material Issues

**Objective :** Customer satisfaction from quality products and safety to make confidence in the product.

| Short/Long-term Indicators | Performance |
|---|---|
| Short-term Indicators<br>• Customer satisfaction with products and services in 2021 at good level, not less than year 2020.<br>• Ability to Manage Customer Complaints in the Area of Goods and Services - Performance Goal: 100% | • The level of customer satisfaction on the transformer in 2021 was 93%.<br>• The level of customer satisfaction on service and maintanance in 2021 was 98.5%.<br>• There were 2 customer complaints about transformers in 2021, with 100% success in handling complaints. |
| Long-term Indicators<br>Year 2025<br>• Fulfill customer needs and create maximum customer satisfaction | • Improve and prevent problems from complaints in the past year from happening again, along with developing products and services to meet the customers' needs. |

## Standard quality products

"Ekarat" transformer has received various technologies from leading companies around the world such as Starkstrom-Geratebau GmbH in Germany, Westing House Co.,Ltd. in the United States and Elco Co.,Ltd. in Israel. Our personnel have expertise and experience in distribution transformers from knowledge training. We can design and manufacture all kinds of transformers according to international standards or customer requirements. Transformers must be quality tested in an accredited testing laboratory, TIS 17025-2017, before being delivered to the customer with 10-year warranty after installation.

The Company has been certified with various standards in terms of quality, environmental, occupational health and safety, etc. By focusing on every production process from design, development, testing, transportation, installation, and even the last step of transformer maintenance to made customers' confidence in products and services that meet international quality standards, safety, durability and low environmental impact, the details of standard items were as follows;

| Accredited Standards | Accrediting Agency | Accreditation No. | Remarks |
|---|---|---|---|
| IEC 60076 | TISI | N/A | Transformer product standard |
| ISO 9001:2015 | SGS | TH98/4911.00 | Quality Management System Standards |
| ISO 14001:2015 | SGS | TH19/12054 | Environmental Management System Standards |
| ISO/IEC 17025:2017 | TISI | Calibration 0043 Test 0599 | Laboratory Calibration Quality System Standards |
| ISO 45001:2018 | SGS | TH19/12055 | Occupational Health and Safety Management System Standards |
| ISO 50001 | SGS | ENMS717624 | Energy Management System Standards |
| ISO/IEC 27001-2013 | BSI | IS 741368 | Information Security Standards System |
| PPA | MEA | N/A | Product quality certification |
| CSR-DIW 2021 | Department of Industrial Works | 10240000125245 | Industrial Social Responsibility Standards |
| Green Industry Level 4 | Ministry of Industry | 4-142/2559 | Environmentally friendly business |
| Made in Thailand (MiT) | FTI | N/A | Products made in Thailand |
| Green Label | TEI | GL2019/054 GL2020/043 | Products that reduce pollution and have a low impact on the environment. |

Our transformers have been tested and certified by reliable and reputable institutions abroad.


97-99
KEMA
STLA
TYPE TEST CERTIFICATE OF SHORT-CIRCUIT PERFORMANCE

: Type Test Certificate of Short - Circuit Performance By KEMA High Power Laboratory, Germany


Test Report
CESI TEST

: Routine Tests Before Short – Circuit Tests, Short - Cir cuit Tests, Routine Tests After Short – Circuit Tests

By CESI Centro Elettrotecnico Sperimentale Italiano, Italy

### Product Warranty

The Company guarantees our transformer for 10 years. The customer will receive a product warranty card. The customer will receive a product warranty card with details of instructions for use, warranty period, warranty scope and telephone number to contact the service department. In the event that the transformer has a problem during the first 3 years from the purchase date, We will be responsible for repairing or replacing the new device for the customer free of charge Depending on the severity of such problems, which must be considered on a case-by-case basis in accordance with our conditions. After the 4th year onwards, we provide maintenance services for transformers by making an annual service contract to monitor and check the operation of the transformers for safety and to prevent unexpected events that may occur such as transformer explosion. This will cause damage to the customer's business from power outages or fires. The Company takes into account the importance of this, so we have a backup transformer for customers to use while waiting for the transformer to be repaired.




## Key Performance

### Customer satisfaction is important

The customer is important, we are committed to solving any problems arising from goods and services in order to be able to meet the needs of customers as much as possible by survey satisfaction and customer complaints through various communication channels such as telephone interviews, meeting customers, Line Application, E-mail, the Company's website, seminars or trade shows. To gather various issues to consider and find solutions to improve and prevent them from happening again in the future.

The Marketing and Public Relations Department conducts a quarterly customer satisfaction survey for transformers and maintenance services and collect the average annual survey results. There are four levels of satisfaction assessment criteria as follows:

| | | | | |
|---|---|---|---|---|
| Score range | 3.26 – 4.00 | points | Satisfaction level | Very Good |
| Score range | 2.51 – 3.25 | points | Satisfaction level | Good |
| Score range | 1.76 – 2.50 | points | Satisfaction level | Should be improved |
| Score range | 1.00 – 1.75 | points | Satisfaction level | Should be greatly improved |

From the past customer satisfaction statistics since 2007, the Company is more aware of the needs of the customers and uses the opinions of the customers to improve the products and services to be more efficient and meet the needs of customers as much as possible. The marketing team will summarize the survey results and publish them internally on a quarterly basis and presenting complaints with low scores to the management for acknowledgment.

In 2021, there were customer satisfaction survey results as follows:

| Customer Satisfaction | 2019 | 2020 | 2021 |
|---|---|---|---|
| Transformer | 92.0% | 92.8% | 93% |
| Service and Maintanance | 95.5% | 96.3% | 98.5% |

In 2021, it was found that the average annual customer satisfaction in our transformers was 93%, increased by 0.2% from 2020, thus meeting the target set.

As for the satisfaction of customers in the service and maintenance of transformers was 98.5%, increased by 2.2% from 2020, meeting the target set.

### Complaint Management

In 2021, the Company has not received any complaints from customers in the field of transformer maintenance services. Most of the customers are satisfied and appreciate the work of the service staff on a regular basis which was our great pride.





As for the complaints received, most of them were about transformers. The quality control department is responsible for receiving those complaints and presenting them to meetings in the production department to jointly improve the problems. The details are as follows.

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| Number of complaints from customers | 4 | 1 | 2 |
| Complaint Management | 25% | 100% | 100% |

In 2021, the company received complaints from 2 customers. The production department was able to resolve all complaints with 100% success, achieved the target set. It's about the transformer equipment and the color doesn't match the model or the color shade.

The production department will collect and summarizes any problems reported by customers in order to improve the production process. Including follow-up after correction and prevent it from happening again in the future.

**We care about the security**

AKR continually delivers transformers every day and serve 24 hours only in Thailand.

In the situation of the epidemic of Covid-19 for the safety of customers and employees, It is our policy that all transport and service stafrf must pass COVID-19 testing, wear masks and PPE suits, and strictly follow preventive measures when installing transformers or service in thecustomer's areas.



## Corporate Social Responsibility

The Company is committed to conducting business with social responsibility, environment and good governance. Under the operating philosophy "Adhering to quality and integrity for customers" important both product quality and quality in corporate management. By striving to develop the potential of personnel in the organization improve the development of quality products, create better quality for society, and create a sustainable return for shareholders. So that the organization can live happily with the community and society. As well as elevating the progress of all stakeholders together. Starting from controlling and improving internal business processes (CSR in Process) that may affect society and the environment to a minimum, according to guidelines on "Social Responsibility" of the Stock Exchange of Thailand and participation with social communities to jointly develop sustainable quality of life.

The Company has adopted the corporate Social Responsibility (CSR) to be a part of the operation continuously. In the year 2021, the Company received awards for conducting corporate social responsibility activities as follows:

- The Company received the CSR-DIW Continuous Award 2021, Corporate Social Responsibility Standard from the Department of Industrial Works. Ministry of Industry, which the company has operated continuously since 2015.



• The Company has been certified for GOOD FACTORY PRACTICE, clean, safe, preventing COVID-19 disease in factory establishments; Medium and large types from the Ministry of Industry.





Management of Material Issues

**Objective :** Participation with community and society to improve quality of life through community activities and conservation of natural resources and the environment.

| Short/Long-term Indicators | Performance |
|---|---|
| Short-term Indicators | |
| • The number of complaints from communities surrounding the factory was zero. | • In 2021, there were no complaints from the community in the factory area. |
| • The number of times to participate in activities to assistance and develop social communities has increased from the year 2020. | • The Company has provided assistance to nearby communities and societies affected by the Covid-19 epidemic situation and participated in other activities total of 30 times, increased from the year 2020. |
| Long-term Indicators | |
| • Develop communities to grow while conserving natural resources and the environment around the factory area. | • Conduct a continuous survey of opinions and needs of the communities surrounding the factory area according to the CSR-Continuous project to meet the needs and improve the quality of life of the community. |

## Key performance

### Community Complaint Management

The Company conducted a survey of the communities in the vicinity of the factory by submitting a questionnaire to the Tha Sa-an Municipality, Chachoengsao Province. Our personnel visit the area to meet with people to find out about any issues which arising from the production process that affect the environment and livelihoods of those communities. Acknowledge needs and suggestions to participate in improving or developing their communities, then collect important issues and present them to the management acknowledgment, cause analysis, solving problems plan and improve operations and continually monitor and follow up on the corrective action results.

In 2021, no complaints from communities in the vicinity of the factory as targeted.

### Helping society in the situation of the Covid-19 epidemic

From the epidemic situation of the Covid-19 in Thailand, the Company joins in giving encouragement to the staff of various hospitals in the areas nearby the establishment and other provinces. By providing and supporting medical equipment such as alcohol, alcohol gel for hand washing, breathing apparatus and pressure gauge Oxygen generator-nebulizer and provide financial support for the purchase of medical equipment to 8 hospitals.

- Donated Oxygen Concentrator and Pressure Gauge 10 automatic machines for Ban Pho Hospital Ban Pho District, Chachoengsao.





- Provided food and beverages to support medical personnel at Phaet Panya Hospital. We will fight together.

- Donated 100,000 baht to Charoenkrung Pracharak Hospital, Bangkok to buy a High Flow Oxygen ventilator for the treatment of COVID-19 patients.






- Donated 2 oxygen generators to the missionaries of Dhammaduta of India, Nepal and Thai Lumbini Temple, Nepal.

- Provide drinking water to staff who caring for COVID-19 patients at Ban Pho Hospital and Sanam Tai Phra Baramee Hospital.





- The Company cooperated with Tha Sa-an Subdistrict Municipality to donated consumer goods and money to fund the purchase of survival bags for communities who have suffered from 2,000 bags of covid-19 crisis.

- The Company donated jasmine rice and dried food to Lahan Subdistrict Administrative Organization, Bang Bua Thong District, Nonthaburi to be given to COVID-19 patients in the community.



• Repair the rusted mooring poles to normal usable condition and build a door to open-close the way up and down the raft for safety, in front of Bang Pakong District Office to prepare for the procession of Luang Pho Sothon by water which is a local tradition.








- Our employees regularly donate blood to Thai Red Cross Society.





**Religious Mission**

The Company recognizes the importance of religious landmarks which is the mental dependence of everyone especially Buddhism, both temples and monks who have suffered from the Covid-19 situation. The Company made merit in religious ceremonies for 12 temples in the country and donating funds for the healing of sick monks. Including donating the Company's transformer to Aranyik Temple at Phitsanulok Province to expand the use of electricity within the temple.

**Promote Clean Energy**

- The Company has donated solar panels for use in generating electricity to educational institutions such as the Faculty of Engineering, Mahidol University and donated 320 watt solar panels to the Learning Center Water Pumping Project using solar energy with floating buoys, That Phanom District, Nakhon Phanom Province.



- Donate 17 solar panels to the Emerald Pool Meditation Center Buddha's Footprint, Khao Don Dueng, Ban Mee District, Lopburi, for supporting the practice of the monks and taking advantage of the villagers in the community.



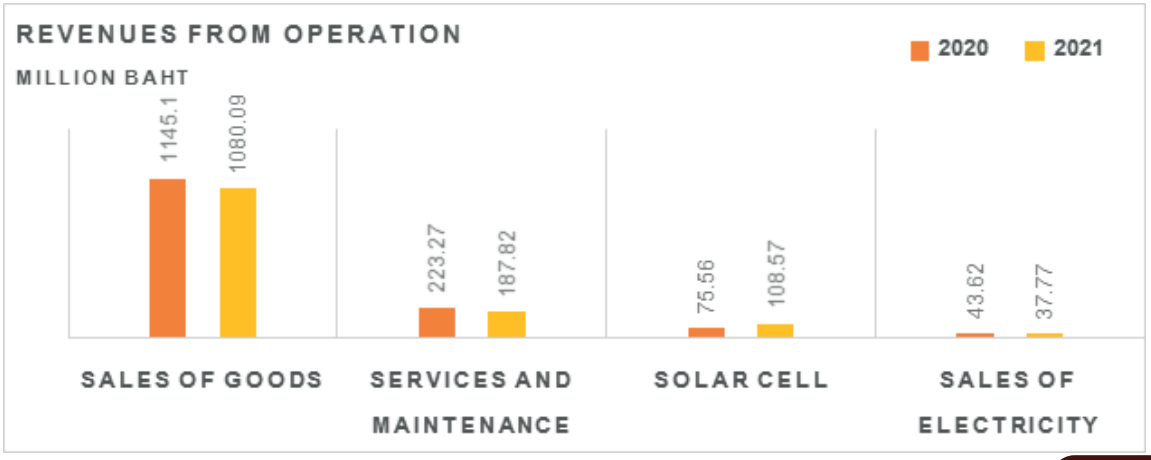


# 4. Management Discussion and Analysis

## 4.1 Analysis of the Company's performance and its subsidiaries in 2021

Performance comparison between fiscal years 2021 and 2020

| Unit : Million Baht | 2021 | 2020 | Variance | |
|---|---|---|---|---|
| | | | MTHB | % |
| Total revenue from operation | 1,414.26 | 1,487.54 | (73.28) | (4.93) |
| - Revenue from sales of goods | 1,080.09 | 1,145.10 | (65.01) | (5.68) |
| - Revenue from services and maintenance | 187.82 | 223.27 | (35.45) | (15.88) |
| - Revenue from service of installing a solar panel | 108.57 | 75.56 | 33.01 | 43.69 |
| - Revenue from sales of electricity current | 37.77 | 43.62 | (5.85) | (13.41) |
| Total cost from operation | 1,068.64 | 1,113.54 | (44.90) | (4.03) |
| - Cost of goods sold | 833.04 | 903.51 | (70.47) | (7.80) |
| - Cost of services and maintenance | 101.79 | 118.97 | (17.18) | (14.44) |
| - Cost from installation of solar electric generating system | 105.48 | 70.27 | 35.21 | 50.11 |
| - Cost of electricity current sales | 18.78 | 19.68 | (0.90) | (4.57) |
| - Reversed loss on devaluation of goods | 9.54 | 1.11 | 8.43 | N/A |
| Gross profit | 345.62 | 374.00 | (28.38) | (7.59) |
| Other incomes | 11.30 | 15.95 | (4.65) | (29.15) |
| Reversal of (loss on) assets impairment | (5.99) | 1.10 | (7.09) | N/A |
| Distribution costs | 88.55 | 99.14 | (10.59) | (10.68) |
| Administrative expenses | 140.54 | 150.12 | (9.58) | (6.38) |
| Profit from operating activites | 121.85 | 141.79 | (19.94) | (14.06) |
| Financial cost | 12.77 | 19.69 | (6.92) | (35.14) |
| Profit before income tax expenses | 109.08 | 122.10 | (13.02) | (10.66) |
| Tax expense | 19.27 | 24.44 | (5.17) | (21.15) |
| Profit for the year | 89.81 | 97.66 | (7.85) | (8.04) |
| Non-controlling interests | 0.08 | 0.78 | (0.70) | (89.74) |
| Profit attributable to equity holders of the parent | 89.89 | 98.44 | (8.55) | (8.69) |
| Earnings per share | 0.063 | 0.073 | (0.01) | (13.70) |



**Revenues**

The Company had the revenues comprised in 4 activities was Sales of Distribution Transformers, Services and maintenances, Service of installing a solar panel and Sales of electricity current.

1. The revenue from sales of goods in year 2021 and 2020 was 1,080.09 million baht and 1,145.10 million baht, respectively or decreased 5.68%, mainly due to the decrease in sales of transformers from government agencies and foreign customers.

2. The revenue from services and maintenances in year 2021 and 2020 was 187.82 million baht and 223.27 million baht, respectively or decreased 15.88 %. There were less contract work and transformer maintenance services because unable to access the service in the customer's area due to the Covid-19 situation.

3. The revenue from service of installing a solar panel in year 2021 and 2020 was 108.57 million baht and 75.56 million baht, respectively or increased 43.69% from the recognition of revenue from the installation of solar water pumping systems of a government agency and the major project of installation of solar power generation system of a private customer.

4. The revenue from sales of electricity current in year 2021 and 2020 was 37.77 million baht and 43.62 million baht, respectively or decreased 13.41%. because the adder of the Solar Power Plant Phase 1, Prachinburi Province has expired since mid-year 2020.

**Cost**

1. The Company had the cost of goods sold in year 2021 and 2020 of 833.04 million baht and 903.51 million baht, respectively or decreased 7.80%, according to the revenue decreased. The proportion of cost of goods sold to the revenue from goods sold in year 2021 and 2020 was 77.13% and 78.90%, respectively, its decreased when compare to year 2020 about 1.77%.

2. The Cost of services and maintenances in year 2021 and 2020 was 101.79 million baht and 118.97 million baht, respectively or decreased 14.44%, according to the revenue increase. The proportion of cost of services and maintenances to the revenue from services and maintenances in year 2021 and 2020 was 54.19 % and 53.29% or increased 0.09%.

3. The Cost of service of installing a solar panel in year 2021 and 2020 was 105.48 million baht and 70.27 million baht, respectively or increased 50.11% according to the revenue decreased. The proportion of cost of installing a solar panel to the revenue from installing a solar panel in 2021 was 97.15% higher than year 2020 which was 93.00% or increased 4.15%.

4. The Cost of electricity sold in year 2021 and 2020 was 18.78 million baht and 19.68 million baht, respectively or decreased 4.57%. Mostly was the depreciation of Solar Farm phase 1 in Prachinburi Province. The proportion of Cost of electricity sold to the revenue from sales of electricity current in year 2021 and 2020 about 49.73% and 45.11%, respectively or increased 4.62%.

**Loss on devaluation of goods**

The loss on devaluation of goods in year 2021 and 2020 was 9.54 million baht and 1.11 million baht, respectively or increased 8.43 million baht. It was the impairment according to the net realizable value of goods.

**Reversal of (loss on) assets impairment**

The Company had reversal of (loss on) assets impairment in year 2021 and 2020 was (5.99) million baht and 1.10 million baht. Resulting from loss from impairment of factory assets in Rayong Province amounting to 5.85 million baht.

**Distribution costs**

The Company had the distribution costs in year 2021 and 2020 of 88.55 million baht and 99.14 million baht respectively, decrease 10.68% from year 2020. The proportion of the distribution costs to total revenues in year 2021 and 2020 was 6.21% and 6.59%, respectively or decreased 0.38%. Most of the expenses are related to the reduction of transformer sales, such as transportation costs, testing costs, transformer repair costs during the warranty period, etc.

**Administration Expenses**

The Company had the administration expenses in year 2021 and 2020 of 140.54 million baht and 150.12 million baht respectively, decrease 6.38% from last year. This was due to the decrease in salary of employees, consulting fees and directors' remuneration. The proportion of the administration expenses to total revenues in year 2021 and 2020 is 9.86% and 9.98%, respectively or decreased 0.12%.

**Gross Profit**

The Company had the gross profit margin from the sale of goods in year 2021 and 2020 was 22.87% and 21.10%, respectively. The gross profit margin from services and maintenances in year 2021 and 2020 was 45.81% and 46.71%, respectively. The gross profit margin from service of installing a solar panel in year 2021 and 2020 was 2.85% and 7.00%, respectively. The gross profit margin from the sales of electricity current in year 2021 and 2020 was 50.27% and 54.89%, respectively.

In 2021, Most of gross profit margin was decreased from last year, except for the revenue from the sale of goods. Because the Company plans to purchase raw materials in reserve before the price increases.

**Tax expense**

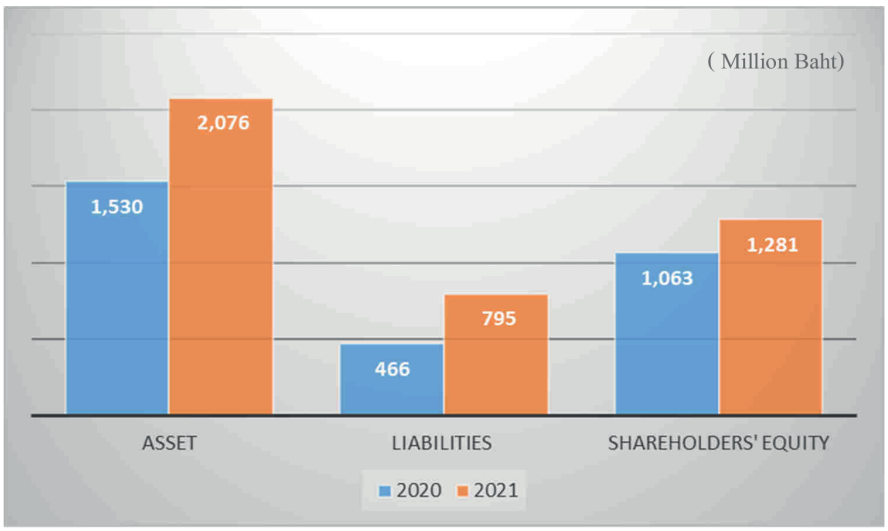
The Company has tax expenses in year 2021 of 19.27 million baht, decreased 5.17 million baht or 21.15% when compared to year 2020. Because the difference in deferred tax assets decreased and decreased according to the operating results. The proportion of tax expenses to total revenues in year 2021 and 2020 is 1.35 % and 1.63%, respectively or decreased 0.28%.

**Net Profit of the year**

The Company has Net Profit in year 2021 and 2020 of 89.81 million baht and 97.66 million baht, respectively, decreased 7.85 million baht or 8.04% when compared to last year.

## Summary of financial position between year 2021 and 2020

| Unit : Million Baht | 2021 | 2021 | Variance | |
|---|---|---|---|---|
| | | | MTHB | % |
| Asset | | | | |
| - Cash and cash equivalents | 126.88 | 61.21 | 65.67 | 107.29 |
| - Trade and other receivables | 289.05 | 267.42 | 21.63 | 8.09 |
| - Inventories | 888.16 | 380.08 | 508.08 | 133.68 |
| Total current assets | 1,338.85 | 717.27 | 621.58 | 86.66 |
| - Property, plant and equipment | 551.33 | 599.43 | (48.10) | (8.02) |
| - Right-of-use assets | 80.60 | 92.31 | (11.71) | (12.68) |
| - Deferred tax assets | 77.55 | 82.61 | (5.06) | (6.13) |
| Total non-current assets | 737.65 | 812.26 | (74.61) | (9.19) |
| Total assets | 2,076.49 | 1,529.53 | 546.96 | 35.76 |
| Liabilities | | | | |
| - Short-term loans from financial institutions | 221.60 | 38.23 | 183.37 | N/A |
| - Trade and other payables | 250.60 | 110.27 | 140.33 | 127.27 |
| - Advance received for goods and services | 78.05 | 26.35 | 51.70 | 196.20 |
| Total current liabilities | 619.67 | 254.55 | 365.12 | 143.44 |
| - Long-term loans from financial institutions | 38.09 | 59.89 | (21.80) | (36.40) |
| - Lease liabilities | 53.75 | 63.64 | (9.89) | (15.54) |
| - Non-current provisions for employee benefit | 78.25 | 82.91 | (4.66) | (5.62) |
| Total non-current liabilities | 175.73 | 211.94 | (36.21) | (17.09) |
| Total liabilities | 795.40 | 466.49 | 328.91 | 70.51 |
| Shareholders' equity | 1,281.09 | 1,063.03 | 218.06 | 20.51 |
| Total liabilities and shareholders' equity | 2,076.49 | 1,529.53 | 546.96 | 35.76 |



**Asset**

As at December 31, 2021 and 2020, the Company had the total assets of 2,076.49 million baht and 1,529.53 million baht, respectively or increased 546.96 million baht or 35.76%. Most of the increased assets were inventories. There are more raw material reserves for transformer production, such as copper wire, silicon steel, and steel because the price tends to be higher. In addition, the list of finished goods has increased. Most of them are solar panels to prepared for the project to install solar power generation systems of private customers.

**Trade and Others receivable**

As at December 31, 2021 and 2020, the Company had trade and others receivable after deducted allowance for doubtful debt of 289.05 million baht and 267.42 million baht, respectively or increased 21.63 million baht or 8.09%. Most of them were trade accounts receivable from the increase of installation of solar panel revenue.

The Company had the credit terms for the customer about 30-90 days. The average collection days in year 2021 and 2020 was 72 and 85 days, respectively. It found that the Company could collect debt from customers faster from last year.

**Inventories**

The Company had the Inventories (Net) after deducted the allowance for devaluation of inventories at December 31, 2021 and 2020 of 888.16 million baht and 380.08 million baht, respectively. In 2021, the price of raw materials for transformer production tends to continue to rise. Therefore, the Company plans to prepare raw materials to support the work that has already been ordered, which will delivery next year. Including the preparation of solar panels for private projects that are still ongoing in 2022

The Inventories comprise of Finished goods deducted the allowance for devaluation of inventories 184.81 million baht, Work in process 143.64 million baht, Raw Material 496.45 million baht, Supplies 6.09 million baht, and Materials in transit 57.17 million baht. The inventories turnover ratio in year 2021 and 2020 was 1.67 and 2.75 times.

**Property, plant and equipment**

As at December 31, 2020 and 2019, the Company had property, plant and equipment of 551.33 million baht and 599.43 million baht, respectively or decreased 48.10 million baht or 8.02%. Due to depreciation during the period of 62.53 million baht and the impairment of assets at the factory in Rayong province of 5.85 million baht.

**Right-of-use assets**

As at December 31, 2021 and 2020, the Company had right-of-use assets of 80.60 million baht and 92.31 million baht, respectively or decreased 12.68%. This was due to the depreciation expense during the period of 11.95 million baht and the increase in vehicle hire purchase contracts of 2.65 million baht to replace the old contract that expired.

**Deferred tax assets**

As at December 31, 2021 and 2020, the Company had deferred tax assets of 77.55 million baht and 82.61 million baht, respectively or decreased 5.06 million baht or 6.13% This is mainly due to the difference in depreciation and allowance for impairment of accounting and tax assets.

**Liabilities**

As at December 31, 2021 and 2020, the Company had the liabilities of 795.40 million baht and 466.49 million baht, respectively or decreased 328.91 million baht or 70.51%. The reason for the increase in liabilities was mainly from short-term loans from financial institutions for purchasing raw materials from abroad. As a result, creditors of trust receipts and promissory notes increased.

**Trade and Other Payable**

As at December 31, 2021 and 2020, the Company recorded trade and other payables of 250.60 million baht and 110.27 million baht, respectively or increased 140.33 million baht or 127.27% Because the Company has purchased raw materials for transformer production and the installation of solar power generation systems more than last year.

The Company received the credit terms from the creditor about 30-60 days. The average repayment days of year 2021 and 2020 are 62 and 49 days, respectively. The rate of payment payable was slower than last year.

**Short-term and Long-term loans from financial institutions**

As at December 31, 2021 and 2020, the Company had short-term loans from financial institutions of 221.60 million baht and 38.23 million baht, respectively or increased 183.36 million baht or 479.58% which arises from creditors of trust receipts and promissory notes.

The Company had long-term loans from financial institutions of 38.09 million baht and 59.89 million baht, respectively or decreased 21.80 million baht or 36.40% because the Company has paid both short-term and long-term loans during the year.

**Advance received for goods and services**

As at December 31, 2021 and 2020, the Company had advance received for goods and services of 78.05 million baht and 26.35 23 million baht, respectively or increased 51.70 million baht or 196.22%. Most of them are deposits for solar PV system installation projects of private customers.

**Shareholders' Equity**

As at December 31, 2020 and 2019, the Company shareholders' equity was 1,281.09 million baht and 1,063.03 million baht, respectively or increased 218.06 million baht or 20.51% because the Company had Net profit from operation in the consolidated financial statements of 89.81 million baht. As a result, there was no the accumulated loss and the remaining unappropriated retained earnings amounted to 49.68 million baht. Including the premium on ordinary shares of 25.65 million baht from the exercise of rights to purchase ordinary shares of AKR-W1 in the amount of 128.24 million baht.

**Capital Structure Suitability**

The Company's Debt to Equity (D/E) ratio at December 31, 2021 and 2020 was 0.62 times and 0.44 times, respectively. Increased from the previous year as the Company had more liabilities than shareholders' equity.

## 4.2 Factors that may affect to the operations results

The Company has assessed factors or events that may significantly affect the financial position or operations in the future. Both external factors (economic, social and environmental) and internal factors (the production process, management, corporate policies and strategies) can be summarized as follows:

1. **Reduction of the transformer purchasing budget of the Electricity Authority**

The budget for transformer auction from the Metropolitan Electricity Authority and the Provincial Electricity Authority has decreased significantly. This will affect the revenue from government agencies by more than 15-20%.

2. **The trend of raw material prices is rising**

The price of major raw materials in transformer production increased by more than 20-50%, such as silicon steel, copper, transformer oil, etc. As a result, the production cost is higher and the company has to adjust the selling price higher. Therefore, may be less product sales.

3. **Problems and obstacles in the transportation of raw materials**

Logistics, supply chain problems and the shortage of containers. As a result, the cost of transporting raw materials ordered from abroad is higher and delayed. It will affect the delivery of the products to the customers accordingly.

4. **Inflation**

In the future, if Thailand has higher inflation will affect interest rates and foreign exchange rates, causing the Company to have higher expenses.

5. **The problem of the epidemic**

The epidemic situation of the COVID-19 virus, as a result, the purchase of transformers from customers decreased. Including providing transformer maintenance services to customers who need to arrange screening (Timeline recording) of service staff and people who come into contact with the customer's area strictly. So that, causing the Company to have more expenses but service revenue declined.

Therefore, the Company must prepare plans to support other epidemics that may occur in the future in order to prevent any impact on the Company's operations.

## 4.3 Important financial information

The presented financial position and operating results consist of the operating results from the financial statements for the year ended December 31, 2021, which have been audited by the certified public accountant, ANS Audit Company Limited. By comparing the financial position and operating results from the financial statements for the year ended 31 December 2020 and for the year ended 31 December 2019.

### 4.3.1 Statement of Financial Position

| Unit : Thousand Baht | 2019 | 2020 | 2021 |
|---|---|---|---|
| Current Assets | | | |
| Cash and cash equivalents | 41,373 | 61,207 | 126,879 |
| Short-term investments - net | 35 | - | - |
| Trade and other current receivables - net | 424,181 | 267,416 | 289,045 |
| Inventories - net | 429,627 | 380,083 | 881,162 |
| Deposit and advance payment for goods | 12,617 | 7,161 | 22,073 |
| Other current assets | 2,613 | 1,401 | 12,686 |
| Total current assets | 910,446 | 717,267 | 1,338,845 |
| Non-current assets | | | |
| Non-current financial assets - net | 19,650 | 19,650 | 19,650 |
| Investment properties - net | 1,632 | 1,632 | 1,632 |
| Assets for rent - net | 3,235 | 4,431 | 5,189 |
| Property, plant and equipment - net | 657,573 | 599,428 | 551,329 |
| Right-of-use assets - net | - | - | 80,604 |
| Intangible assets - net | 8,817 | 387 | 296 |
| Prepaid rent under operating lease - net | 4,474 | - | - |
| Deferred tax assets - net | 88,764 | 82,611 | 77,547 |
| Withholding tax | 19,617 | 10,934 | 550 |
| Other non-current assets | 882 | 882 | 852 |
| Total non-current assets | 804,645 | 812,260 | 737,649 |
| Total assets | 1,715,091 | 1,529,527 | 2,076,494 |

| Unit : Thousand Baht | 2019 | 2020 | 2021 |
|---|---|---|---|
| Current liabilities | | | |
| Short-term loans from financial institutions | 217,050 | 38,234 | 221,598 |
| Trade and other current payables | 192,153 | 110,265 | 250,598 |
| Accrued expenses | 57,722 | 24,479 | 29,265 |
| Advance received for goods and services | 51,876 | 26,350 | 78,053 |
| Current portion of loans from financial institutions | 27,935 | 27,965 | 21,807 |
| Current portion of lease liabilities | 5,449 | 12,931 | 12,186 |
| Accrued corporate income tax | - | 5,845 | 3,309 |
| Other current liabilities | 7,840 | 8,480 | 2,857 |
| Total current liabilities | 560,024 | 254,549 | 619,673 |
| Non-current liabilities | | | |
| Long-term loans from financial institutions - net | 87,965 | 59,892 | 38,085 |
| Lease liabilities - net | 7,855 | 63,641 | 53,748 |
| Non-current provisions for employee benefit | 78,204 | 82,911 | 78,249 |
| Other non-current liabilities | 5,998 | 5,499 | 5,650 |
| Total non-current liabilities | 180,022 | 211,943 | 175,732 |
| Total liabilities | 740,046 | 466,492 | 795,405 |
| Shareholder's equity | | | |
| Shares Capital Authorized | 1,074,632 | 1,611,947 | 1,611,947 |
| Shares Capital Issued and paid-up | 1,074,632 | 1,074,632 | 1,177,226 |
| Premium on shares capital | - | - | 25,649 |
| Surplus on change of proportion interest in subsidiary | - | 364 | 364 |
| Retained earnings (deficit) -Legal reserve | 25,182 | 25,182 | 27,840 |
| Retained earnings (deficit) -Unappropriated | (126,332) | (37,557) | 49,677 |
| Total equity of the parent company | 975,044 | 1,063,034 | 1,280,757 |
| Non-controlling interests | 1,198 | 413 | 333 |
| Total shareholders' equity | 975,044 | 1,063,034 | 1,281,090 |
| Total liabilities and shareholders' equity | 1,715,091 | 1,529,527 | 2,079,494 |

### 4.3.2 STATEMENTS OF FINANCIAL POSITION

| Unit : Thousand Baht | 2019 | 2020 | 2021 |
|---|---|---|---|
| **Revenues** | | | |
| Revenue from sales of goods | 1,182,480 | 1,145,097 | 1,080,093 |
| Revenue from services and maintenance | 210,308 | 223,269 | 187,822 |
| Revenue from service of installing a solar panel | 188,842 | 75,561 | 108,570 |
| Revenue from sales of electricity | 48,306 | 43,616 | 37,775 |
| Other income | 20,004 | 15,948 | 11,305 |
| **Total revenues** | **1,649,939** | **1,503,491** | **1,425,566** |
| **Costs** | | | |
| Cost of goods sold | 945,798 | 903,056 | 833,044 |
| Cost of services and maintenance | 119,285 | 118,974 | 101,786 |
| Cost from service of installing a solar panel | 168,703 | 70,269 | 105,480 |
| Cost of electricity sold | 23,153 | 19,676 | 18,785 |
| Loss on devaluation of goods | (38,309) | 1,116 | 9,543 |
| **Total costs** | **1,218,629** | **1,113,541** | **1,068,637** |
| **Gross profit** | **411,306** | **374,002** | **345,624** |
| Reversal of (loss on) assets impairment | (10,689) | 1,100 | (5,985) |
| Distribution costs | 114,792 | 99,136 | 88,551 |
| Administrative expenses | 169,576 | 150,122 | 140,540 |
| Finance cost | 21,562 | 19,690 | 12,767 |
| **Profit before income tax expenses** | **85,691** | **122,102** | **109,085** |
| Income tax expenses | (2,809) | (24,444) | (19,273) |
| **Profit for the year** | **82,883** | **97,658** | **89,812** |

### 4.3.3 STATEMENTS OF CASH FLOWS

| Unit : Thousand Baht | 2019 | 2020 | 2021 |
|---|---|---|---|
| Cash flows from operating activities : | | | |
| Profit for the year | 82,883 | 97,658 | 89,812 |
| Expected credit loss | 1,144 | 1,883 | 2,965 |
| Loss on devaluation of inventories | (38,309) | 1,116 | 9,543 |
| Loss on impairment of property, plant and equipment (reversal) | 10,795 | (1,039) | 5,849 |
| Loss on impairment of other non-current assets | - | - | 137 |
| Lose from change in fair value | - | 35 | - |
| Amortization of intangible assets | 635 | 210 | 207 |
| Depreciation of right-of-use assets | 203 | - | - |
| Depreciation | - | 11,946 | 14,353 |
| Non-current provisions for employee benefit | 65,579 | 64,037 | 64,332 |
| Loss on devaluation of inventories | 26,023 | 6,214 | 5,811 |
| (Gain) loss from disposals of assets | (685) | 286 | (967) |
| Unrealized (gain) loss on exchange rate | (288) | (450) | 174 |
| Interest expense | 21,562 | 19,690 | 12,767 |
| Interest income | (300) | (301) | (350) |
| Transfer liabilities to be revenues | (1,252) | (6,715) | (1,779) |
| Income tax expenses | 2,809 | 24,444 | 19,273 |
| Profit from operations before changes in operating assets and liabilities | 170,798 | 219,012 | 222,127 |
| Operating assets (increase) decrease | | | |
| Trade and other current receivables | (149,669) | 155,363 | (24,287) |
| Inventories | 26,528 | 46,340 | (521,568) |
| Deposit and advance payments for goods | (11,858) | 5,456 | (14,913) |
| Other current assets | (720) | 1,212 | (11,373) |
| Other non-current assets | 7 | - | - |
| Operating liabilities increase (decrease) | | | |
| Trade and other current payables | (42,377) | (78,019) | 139,949 |
| Accrued expenses | 24,283 | (30,840) | 5,297 |
| Advance received for goods and services | 23,737 | (24,671) | 52,587 |
| Other current liabilities | (406) | 640 | (5,624) |
| Other non-current liabilities | 724 | (500) | 152 |
| Cash received (paid) from operating activities | 41,048 | 293,995 | (157,653) |
| Employee benefit obligations paid | (4,806) | (11,592) | (10,473) |
| Interest expenses paid | (21,692) | (19,520) | (12,417) |
| Received income tax | (9,976) | (10,572) | (16,347) |
| Income tax paid | 12,105 | 9,227 | 10,318 |
| Net cash provided by (used in) operating activities | 16,680 | 259,538 | (186,573) |

| Unit : Thousand Baht | 2019 | 2020 | 2021 |
|---|---|---|---|
| Cash flows from investing activities : | | | |
| Cash received for short-term loan to related company | 1,225 | - | - |
| Cash received from sales of assets for rent | 2,138 | 3,490 | 1,328 |
| Cash received from sale of property, plant and equipment | 6 | 580 | 186 |
| Cash paid for acquisition of assets for rent | (1,766) | (2,576) | (1,073) |
| Cash paid for acquisition of property, plant and equipment | (18,664) | (19,017) | (16,535) |
| Cash received from interest income | 328 | 302 | 196 |
| Cash paid for assets payable | (7,151) | (1,684) | (1,295) |
| Cash paid for acquisition of intangible assets | (6) | (124) | (117) |
| Increase in restricted deposit with bank | (1,000) | - | - |
| Net cash use in investing activities | (24,890) | (19,029) | (17,310) |
| Cash flows from financing activities : | | | |
| Cash received from capital increase from exercise right of warrants | - | - | 128,243 |
| Increase (decrease) in short-term loans from financial institutions | 2,011 | (178,809) | 182,866 |
| Repayment of liabilities under financial lease contracts | (10,253) | (13,594) | (13,290) |
| Proceeds from long-term loans from financial institutions | 31,500 | - | - |
| Repayment of long-term loans from financial institutions | (26,272) | (28,272) | (28,264) |
| Net cash provided by (used in) financing activities | (2,351) | (220,675) | 269,555 |

### 4.3.4 Financial Ratios

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| Liquidity Ratio | | | |
| Current Ration (time) | 1.63 | 2.82 | 2.16 |
| Quick Ratio (time) | 0.86 | 1.32 | 0.73 |
| Receivable Turnover (time) | 4.65 | 4.30 | 5.08 |
| Average Receivable Collection Period (day) | 78 | 85 | 72 |
| Inventory Turnover (time) | 2.95 | 2.75 | 1.67 |
| Average Inventory Procession Period (day) | 124 | 133 | 218 |
| Payables Turnover (time) | 5.81 | 7.36 | 5.87 |
| Payables Payment Period (day) | 63 | 49 | 62 |
| Cash Cycle (day) | 139 | 168 | 228 |
| Profitability Ratio | | | |
| Gross Profit Margin (%) | 22.88 | 25.22 | 25.11 |
| Operating Profit Margin (%) | 6.35 | 9.43 | 8.55 |
| Net Profit Margin (%) | 5.02 | 6.50 | 6.30 |
| Return on Equity (%) | 8.90 | 9.67 | 7.67 |
| Efficiency Ratio | | | |
| Return on Assets (%) | 6.44 | 8.74 | 6.76 |
| Total Asset Turnover (time) | 0.99 | 0.93 | 0.79 |
| Financial Ratio | | | |
| Total Debt to Equity Ratio (time) | 0.76 | 0.44 | 0.62 |

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# 5. General information and other material facts

## 5.1 General information

| | |
|---|---|
| **Company Name** | EKARAT ENGINEERING PUBLIC COMPANY LIMITED |
| **Symbol** | AKR |
| **Nature of Business** | • Production and distribution of distribution transformers (Distribution Transformer) with power from 1 kVA to 30,000 kVA, maximum voltage not exceeding 36 kV<br>• Electrical maintenance and repair services, design, installation and maintenance of electrical systems and construction of substation<br>• Manufacture and sell solar cells and solar panels which can produce solar panels from 30 watts to 340 watts, including the design, construction, installation, maintenance of electricity systems from solar cells |
| **Registration No.** | 0107537002711 |
| **Registered Capital** | 1,611,947,284.80 baht, consists of ordinary shares 2,014,934,106 shares, par value 0.80 baht |
| **Paid-up Capital** | 1,177,226,284.80 baht, consists of ordinary shares 1,471,532,856 shares, par value 0.80 baht |
| **Address** | 9/291, UM Tower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250 |
| **Website** | http://www.ekarat.co.th |
| **Telephone No.** | +662-719-8777 |
| **Fax No.** | +662-719-8760 |
| **Line Official** | @ekaratengineering |
| **E-mail** | marketing@ekarat.co.th |

| Service Center | Location |
|---|---|
| 1. Bangkok Center | 1068/1 Soi Sukhumvit 101/1, Bang Chak Subdistrict, Phra Khanong District, Bangkok 10260 Tel. +662-393-0437, +662-746-3840-1, Fax +662-398-2903 |
| 2. Chachoengsao Center | 260/6 Moo 6, Tha Sa-An Subdistrict, Bang Pakong District, Chachoengsao 24130 Tel. +6638-530-213 Fax +6638-530-214 |
| 3. Ayutthaya Center | 26/7 Moo 2, Asia Rd. (Bang Pa-in - Nakhon Sawan), Thanu Subdistrict, Uthai District, Ayutthaya 13000 Tel. +6635-345-078 Fax +6635-345-020 |
| 4. Nakhon Pathom Center | 470 Phetkasem Rd., Phra Prathon Subdistrict, Muang District, Nakhonpathom 73000 Tel. +6634-244-045-6 Fax +6634-244-047 |
| 5. Klonkaen Center | 324/80 Moo 6, Mittraphap Rd., Sila Subdistrict, Mueang District, KhonKaen 40000 Tel. +6643 -465-276 Fax +6643-364-277 |
| 6. Nakhon Ratchasima Center | 2175/2 Moo 6, Suebsiri Rd., Nai Mueang Subdistrict, Mueang District Nakhon Ratchasima 30000 Tel. +6644-277-279 Fax +6644-277-050 |
| 7. Chiang Mai Center | 92/9 Moo 4, Tha Sala Subdistrict, Mueang District, Chiang Mai 50000 Tel. +6653-128-039 Fax +6653-128-040 |

| Service Center | Location |
|---|---|
| 8. Songkhla Center | 1496 Moo 3 Sanam Bin-Lop Buri Road, Laem Set, Khuan Lang Subdistrict Hat Yai District, Songkhla 90110 Tel. +6674-250-648 Fax +6674-250-649 |
| 9. Surat Thani Center | 54/2, Moo 5, Leam Muang Road, Makham Tia Subdistrict, Mueang District, Surat Thani 84000 Tel. +6677-295-488 Fax +6677-295-489 |
| 10. Phuket Center | 101/220 Moo 6, Ratsada Subdistrict, Mueang District, Phuket 83000 Tel. +6676-307-570 Fax +6676-307-571 |
| 11. Phitsanulok Center | 343/4 Samo Khae Subdistrict, Mueang District, Phitsanulok 65000 Tel. +6655-307-770 Fax +6655-307-778 |

## Information of subsidiaries

**Company Name** EKARAT SOLAR COMPANY LIMITED (**Proportion of Shares** 99.99%)

**Nature of Business** Production and assembly of solar panels, tools and equipment in all solar power generation systems. Including the design, construction, installation, maintenance of electricity systems from solar cells and other renewable energy and consulting on energy conservation.

**Address** 9/291, UM Tower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250

**Phone No.** +662-719-8777

**Fax No.** +662-719-8760

**Website** http://www.ekarat.co.th

**Company Name** EKARAT ENERGY COMPANY LIMITED (**Proportion of Shares** 50.99%)

**Nature of Business** Operate in all energy business, including investment advisory, engineering and management services, a distributor investing in the energy business industry both inside and outside the country, producing and selling electricity from solar cells.

**Address** 9/291, UM Tower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250

**Phone No.** +662-719-8777

**Fax No.** +662-719-8760

**Website** http://www.ekarat.co.th

## Reference information

### Securities Registrar

**Company Name** THAILAND SECURITIES DEPOSITORY COMPANY LIMITED

**Address** 93 Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400

**Phone No.** +662-009-9000

**Fax No.** +662-009-9991

### Auditor

| | |
|---|---|
| **Company Name** | ANS Audit Company Limited |
| **Address** | 100/72, 16th Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 |
| **Phone No.** | +662-645-0109 |
| **Fax No.** | +662-645-0110 |

### Internal Auditor

| | |
|---|---|
| **Company Name** | AMT Solution Company Limited |
| **Address** | 18th Floor, Park Van Park Ventures Ecoplex, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330 |
| **Phone No.** | +662-309-3550 |
| **Fax No.** | +662-393-3086 |

### Legal Counsel

| | |
|---|---|
| **Company Name** | THEPNITI LAW OFFICE COMPANY LIMITED |
| **Address** | 1845/11 Phaholyothin Road, Ladyao Subdistrict, Chatuchak District, Bangkok 10900 |
| **Phone No.** | +662-512-1353, +662-513-5450 |
| **Fax No.** | +662-939-7156 |

## 5.2 Other material fact

**Foreign Holding Limit**

According to the Company's Articles of Association, the Company's shares are free to transfer unless otherwise such transfer cause the alien being shareholder of AKR more than 49% of the total number of shares sold. Any transfer of shares that will cause the proportion of shares held by Aliens exceeding the above ratio, the Company has the right to refuse such transfer of shares.

As of December 31, 2021, the Company's shareholding proportion by foreigners for approximately 0.03% of the total issued shares.

## 5.3 Legal dispute

In 2021, the Company and its subsidiaries do not have any lawsuits or disputes that may affect the assets or business operations of the Company and its subsidiaries significantly.

# Part 2
# Corporate Governance

06

## 6. Corporate Governance Policy

### 6.1 Overview of the Policy and Guidelines

The Company recognized the importance of the operation principles. The Company has policies on business ethics and business ethics of the Board of Directors, the Board of Management and staffs according to the good corporate governance system as practice guidelines standard in the Company's Articles of Association. The Company have policy to behave under the best practices for the director which conducted from Code of Best Practices for Directors of Listed Company that governed by The Stock Exchange of Thailand. The assigned principles must able to do practically. In addition, the Company has adopted the Good Corporate Governance to develop the policies which will increase the ability to the competition, management, and operation for the value added and efficiency of the Company which will give the security and confidential to the stakeholders.

In addition, the Company reviewed the policy and CG Code to comply with legal, economic and social change and inform directors, executives and employees to acknowledge and abide as part of the work.

#### 6.1.1 Policy and Guidelines for the Board

The Board of Directors consists of individuals who have the knowledge and experience beneficial to the business operations. The Board of Directors has a duty and responsibility to set the strategic direction of the business operations in accordance with the principles of good corporate governance through the definition of the policy, strategy, goals, vision and mission, and plays a crucial role in supervising and monitoring the implementation of the management to ensure compliance with the policy and defined strategies. The Board of Directors must act with competence, knowledge, integrity, transparency for the optimum benefits of the Company.

**Board Composition**

Directors are appointed as per the resolution of the AGM as proposed by the Nomination and Remuneration Committee and the Board of Directors, respectively, according to the Company's AOA, the Board of Directors must consist of at least 5 directors who have knowledge and experience about the business of the Company. The Company set a policy for the Board's diversity in genders, skills, professions, and specializations, namely, industrial, engineering, financial, business management, economic, legal, political science and security.

**Independence of the Board**

The Company recognizes the importance of the independence of the Board of Directors. The Board shall consider, express opinion on and vote for the activities under their authority. Therefore, it is necessary to have the freedom to express opinions freely and not under the control of the management or major shareholders and related persons or close relatives of such persons in order to protect the Company and the stakeholders.

**Authority and Responsibilities of Director**

The Board of Directors has authority and responsibility to oversee the Company's operations to be strictly in line with the objectives and resolutions of the AGM without violations of the laws, rules, regulations, good corporate governance principles and best practices for directors of companies listed in the SET. The Board of Directors has authority and responsibilities to approve various matters.

**Board of Directors Meeting**

Board of Directors Meetings are scheduled ahead of the fiscal year at least 3 months per meeting and special meetings called as necessary with a clear agenda item and a follow up round to evaluate performance on a regular basis. the Company Secretary will send an invitation letter along with agenda items and supporting documents to each director in advance, thus giving him/her adequate time to study on the information before attending the meeting and must have at least half of the total number of directors, therefore will be a quorum.

Non-executive directors can hold meetings without the participation of management as necessary and appropriate. The company secretary is the coordinator and notifies the meeting results to executive directors.

**Evaluation of the performance of the Board**

The Board shall evaluate its performance annually to be jointly consider the results and improve the performance in accordance with the policy, review the problems and obstacles that occurred in the past year.

**Remuneration of Directors and the management**

The Company had set a policy for remuneration for directors and executives fairly and reasonably. The Nomination and Remuneration Committee will consider and scrutinize as appropriate for each position. In accordance with the financial status of the company and compared with other companies in the same business group. The remuneration was allowance and bonus which has already approved by the shareholder's meeting every year. (More detail in 7.4.2)

**Sucession Plan**

The Company focuses on recruiting personnel who will hold senior management positions, such as Managing Director and Deputy Managing Director in various fields. Therefore, formulated succession plan by defining policies and guidelines for management development to prepare personnel to take up replacement positions when there are vacancies.

**Directors' Development**

The Company holds an orientation for new Directors by presenting the Company's information, aviation business, shareholding structure, related rules and regulations including privileges of the Directors, to allow the Directors to receive related information beneficial for managing the Company. In addition, the Directors are encouraged to attend training courses organized by the Thai Institute of Directors (IOD) to develop,

support and promote the performance of the Board of Directors.

**Company Secretary**

To comply with the principles of good corporate governance of listed companies and the Securities and Exchange Act. The Board appoint a Company Secretary, responsible for arranging Board's meeting and the shareholder's meeting to ensure that they are recognized in a transperant way and in a compliance with applicable law and regulation.

**Monitoring of Associated Companies**

To supervise the operations of Subsidiaries, the Company as a shareholder has sent representatives to supervise the interests as well as coordinated cooperation between Subsidiaries. The Company's representatives are those who have been approved by the Management and the Executive Board or the Board of Directors to take positions as Directors in two Subsidiaries.

In a major policy, the representatives of the Company obtain the policy of the Company before offering an opinion at the meeting of Subsidiaries, such as allocation of profit, dividend or submission of state revenue, the election of replaced Directors who expired from term of office, the increase - decrease capital, termination - merger. The Company's representative must report information within the given time to the management and the Board of Directors.

In addition, the Company has arranged analysis, monitoring, and report on the performance of Subsidiaries, on a quarterly or yearly basis to allow the management and the Board of Directors to use the information in making decisions and determining direction and guidance to regulate investment Subsidiaries.

The details of the policies are in the Good Corporate Governance and Business Ethics Manual on the Company's website: https://www.ekarat.co.th/ir_index.php

### 6.1.2 Policies and practices relating to shareholders and stakeholders

**Rights of Shareholders**

The Company recognizes the importance of shareholders and their rights. the Company has implemented policies to protect the basic rights of its shareholders which include the right to purchase, sell or transfer the Company's shares or receive a share in the Company's profits, receive sufficient and timely the information, participate in the Annual General Shareholders' Meeting AGM, give proxy to vote on shareholder's behalf, make inquiries during the AGM, have rights to submit the issues for meeting agenda and be able to nominate the appropriate individuals for consideration to be appointed to Board of Directors. Shareholders shall also have the right to participate in important decisions such as electing directors of the Company, approving transactions that bear effect on the direction of the business, and making amendments to the Memorandum of Association and the Articles of Association.

**Annual General Shareholders' Meeting**

The Company held the AGM according to the Public Limited Companies Act B.E. 2535 (1992), in accordance with the guidelines of the SET and the Thai Institute of Directors (IOD) and monitored that the AGM was fully complied with the requirements stated in the Annual General Meeting Checklist (AGM Checklist) based on the assessment of AGM of listed companies by the Thai Investors Association, the Thai Listed Companies Association and the SEC to raise the quality of the Company's AGM as follows:

- **Date, Time and Venue to hold the AGM**

The Company convened one annual general meeting of shareholders within 4 months from the end of fiscal year. In the urgent event that need to propose special agenda which its subject to impact or related to the interests of shareholders or relating to conditions or rules, applicable laws that must be approved by shareholders. The Company will call an Extraordinary General Meeting of Shareholders to be the case.

At the Board of Directors' meeting 2/2021 held on February 25, 2021, resolved to hold the 2021 AGM on April 29, 2021 at Parichart Room, Golden Tulip Sovereign Hotel, Rama 9 Road, Huay Kwang, Bangkok, but the situation of the spread of viral diseases corona 2019. Therefore, the Company was unable to hold a meeting at such location. The meeting venue was changed to a meeting room at the Company's head office instead. The Company has complied with the regulations of the Stock Exchange of Thailand and informed the shareholders continually. In 2021, the Company didn't call an Extraordinary General Meeting of Shareholders.

- **Meeting invitations in advance**

The Company disclosed the Board of Director's resolutions, AGM dates and agenda by made available through the Stock Exchange of Thailand to shareholders in advance on the date of the Board of Director's meeting. The Thailand Securities Depository Co., Ltd. (TSD) is the Company's securities registrar, will deliver the invitation letter with details of the meeting agenda, importance information, opinion of the Board of Director, Minutes of the previous meeting, Annual Report and documents required for proxy which clearly specify the method used by the Company. The invitation will be send to shareholders in advance more than 21 days before AGM date. The Invitation Letter sent out on April 7, 2021 and published in newspapers continuously for 3 days during on April 19-21, 2021 to inform the shareholders of the meeting in advance and revealed on the Company's website in advance 30 days (since March 26, 2021).

- **Day of the AGM**

Information relevant to the AGM was also included in the information packet sent to shareholders along with the letter of invitation to attend the AGM to enable shareholders to have sufficient information to make sound decisions on the various issues proposed for consideration. Prior to commencing the 2021 AGM, the Chairman provided attendees with a summary of the Quorum and then Managing Director explained how to use the voting ballot, the voting procedure, the vote collection process and the vote counting process. After each vote count, the Chairman announced the results of voting for each agenda to the shareholders ensuring transparency of each vote counted. On each agenda for consideration, the Board of Directors and management were on hand to provide comprehensive response to queries and/or comments that shareholders might have. In regard to the voting and vote counting process.

In regard to the voting and vote counting process, the Company strictly adhered to the Company's AOA allowing one vote per share held. The resolutions of shareholders' meeting were passed by a simple majority vote of the shareholders attending the meeting and having voting rights. In the event of a tie vote, Chairman of the meeting shall have a casting vote. In counting votes for the general agenda, only disapprove and abstain from votes were counted and the rest was regarded as approve votes. For the agenda on election of Directors will allow shareholders to vote individually. The meeting was carried out as in the order set in the agenda without addition of any items.

If any director has a stake in or involved in any agenda, will not to attend the meeting and abstain from voting on that agenda.

The 2021 AGM was scheduled at 10.00 hrs. by registering at 08.00 hrs. There were a total of 52 persons attended the meeting participants included 16 shareholders attended the meeting in person and 36 shareholders by proxy, with totaling 573,066,088 shares, accounted for 42.66% of the Company's paid-up capital which more than one-third of the total number of shares sold constituting a quorum in accordance with the regulations of the Company.

- **Disclosure of Resolutions**

Resolutions reached at the AGM were disclosed to the general public via the SET's information channel within the period of the time at the end of the day after the meeting. Details regarding the approved/disapproved resolution and the vote counts (approve/disapprove/abstain/Voided Ballot) had been clearly indicated for each agenda item that was submitted for consideration. The detailed minutes to the AGM containing names of Board members and management attending the meeting along with the resulting resolutions and the vote count on agenda items posed for shareholders' consideration along with major issues posed by shareholders and the response made by the Company were submitted to the SET within 14 days and the minutes of the AGM had also been posted on Company's website in Thai and English to allow foreign shareholders to access information thoroughly, including video and picture of the meeting.

**Equitable Treatment of Shareholders**

The Company's policy is treat all shareholders equally, fairly and in accordance with legal requirements, including measures to prevent the directors, executives and employees from using inside information to benefit himself or his allies in unlawful manners. For example, take advantage of inside information (insider trading), disclose internal information to the person involved with directors or executives. In order to build confidence in investing with the Company.

The Company arranged for the shareholders to propose agenda items for the said meeting and/or nominate qualified persons for director election in advance during January 4 to February 4, 2021 and so notified the shareholders through the SET. Moreover, the Company posted information on its website, giving details about the procedure and method of consideration in a clear and transparent manner. For the 2021 Annual General Meeting of Shareholders, none of the shareholders proposed agenda items for such meeting and/or nominated qualified candidates for director election which the Company Secretary has reported to the Board of Directors for acknowledgment.

The Company has facilitated all shareholders in accordance with the measures to prevent the spread of the Covid-19 virus, primarily for shareholders' convenience. There are registration officers and registration service points for shareholders and proxies attending the meeting appropriately and adequately. Applying technology to AGM, barcode was used in the registration and vote counting processes for time saving. The participating shareholders were treated for lunch, snacks and refreshments. The Company sent invitation letters and meeting documents in English to the foreign shareholders, allowance given to shareholders to appoint a proxy or one of Independent Director who have been specified in the proxy form to attend the meeting and vote on behalf of the shareholders without conditions. In addition, the Company has disclosed the invitation letter and the proxy form along with details and procedures on the Company's website 30 days in advance. Shareholders can ask for more information by phone or other channels such as website, e-mail etc.

**Policies on Insider Information**

The Company has the policies on insider information, prescribing that no Director, Executive and employee who knows or possesses inside information shall trade securities by resorting to inside information, which is material non-public information, in such a manner that it is likely to have an effect on the price or value of securities, and has known or possessed while holding a position or the line of work responsible for or capable of accessing inside information. Any actions, either for the benefit of oneself or other persons or to pass on such information to others, are prohibited. No Director, Executive and employee, and who has known or possessed inside information, shall trade securities during the period of 1 month prior to and 24 hours post the disclosure of the Company's financial statements. Including having policies and adhering to ethics and integrity in business operations to customers, business partners and shareholders. There are clear requirements and codes of conduct in case that employees or executives disclose company information or used for their own acts or transactions that may have conflict of interest. It is a serious offense and may be subject to disciplinary action. The Company had sent by e-mail to the staff and management were informed accordingly.

**Reporting Changes in Share Portfolioes**

The Company has informed the directors and executives including their spouses and children under legal age, must report any change in their AKR shares ownership to the SEC in accordance with Section 59 of the Securities and Exchange Act and send a copy of the report to the Company within 3 days of the date of purchase, sale, disposal or received of such shares. The Company will disclose reports of changes in shares ownership of the directors and executives to the monthly Board's meeting.

**Conflict of Interest**

The Company's Board of Directors has set up the policy on conflicts of interest based on the principle that any decision on business conduct must be made with respect to the highest interests of the Company only. Any action which might lead to conflicts of interest must be avoided. It is specified that any person relevant to or connected with the subject to be considered is obliged to acknowledge the Company of his/her relationship to or connection with the matter. He/She is not permitted to join the party which judges the case and does not have the power to authorize that particular transaction. No irregular conditions or regulations are specially set for such case. It is also stipulated that the Office

of Internal Audit and the Audit Committee are responsible for taking care of and solving the conflicts of interest. However, to date, the Company has not experienced the problem related to conflicts of interest. The Audit Committee will report the carefully considered connected transaction matter and any matter containing a conflict of interest to the Board of Directors in compliance with the regulations of the SET. Such information is disclosed in the Company's Annual Report and the Updated Registration Statement (56-1 Form).

**Roles toward Stakeholders**

The Company realizes the importance of all stakeholders. Therefore has set practice guidelines to treat all stakeholders with equity based on the sustainable mutual benefits in enhancing the competitiveness of competitive capability and generating profits to the Company. The Company has conducted its business guided by the conscience of corporate social responsibility (CSR) reflecting international environmental standards minimizing pollution and waste resulting from undertaking business activities. Therefore, the Company's Good Corporate Governance and Ethics Code were drafted and distributed to the Company's directors, executives and employees reflecting the following guidelines:

- **Society and the General Public**

The Company realized the important of community and environment by assign the practical of working and awarded ISO 9001:2000, ISO 14001, ISO 50001:2011, and others certificates both development and negative impacts on the environment as prove of social responsibility such as participated in the Green Industry Project by committed to develop according to the objectives of the project according to the definition "Environmental friendly transformers". The Company is supportive of activities that are beneficial to the society or communities and cultivate employees to have a sense of responsibility to society, communities and the environment.

- **Shareholders**

The Company shall operate its business to generate satisfactory return for shareholders and ensure equitable treatment of all shareholders. The Company has the policy to acts with honestly and equally to the shareholder accordance with good corporate governance principles. Report the status of the organization regularly and completely according to reality and inform all shareholders equally. Including the opportunity for shareholders to suggestions and complaints through various channels of the Company.

- **Employees**

Employees are provided with fair and reasonable compensation and welfare strictly according to human rights principles. A safety workplace has been maintained to ensure security of employees' life and properties. The importance is given to employees' equal opportunity of knowledge, capability and skill development and practices that are not involved in human rights violations according to Thai labor standards.

- **Customers**

The Company has the policy to acts with honestly, equally, and responsible to the customers. Customers' confidential information is strictly treated and is not unethically used for personal benefit or for the benefit of any related party. Customers are provided with correct, adequate and up-to-date information about products and services, including monitor the satisfaction of customers for the improvement of products and services and promptly resolve problem, thus preventing losses of customers or competitors' intervention. Therefore, the customers can trust and confident to do business with the Company and for a long-term relationship.

- **Trade Competitors**

The Company abides by the fair competition rules, not seeking confidential information of competitors in a dishonest or inappropriate way and not damaging reputation of competitors by way of false allegation. The Company will not infringe the intellectual property rights or any other rights in relation to intellectual property of others

The Company has established procedures and measures to prevent any involvement in behavior that impedes competition while encouraging employees to realize the importance of complying with the law.

- **Business Partners and Creditors**

The Company has established a procurement policy with social responsibility systematically and clearly such as purchasing control, selection of procurement sources, monitoring, auditing and evaluating trading partners for sustainable business development. Perform duties with honesty and fairness and maintain good relations with trading partners. Support each other in terms of technology, safety, productivity, reduce environmental problems to step towards business stability. Mutually based on business relationships and fair returns to both parties. The Company will also avoid any situation which may cause a conflict of interest. The suppliers have to sign the Company's Supplier Sustainable Practice Guidelines and there must be an annual assessment of sustainable practices.

For creditors, the Company has complied with the agreements or conditions agreed by both parties strictly; has been responsible and has not concealed information which will cause damages to the creditors. The Company reports statement of financial position to creditors regularly with accuracy and punctuality. In case of failure to fulfill its obligations in the agreement, the Company will notify the creditors immediately to find solutions including managing finances to build the appropriate structure to the Company' business operations, maintaining the confidence of creditors. Including not accepting or paying any benefits which dishonest with partners or creditors. Along with monitoring and evaluating partners to develop sustainable business operations in order to manage the supply chain in accordance with the direction of the organization taking into account the environmental, social and governance impacts.

**Intellectual Property practice**

The Company recognizes the importance of protecting intellectual property; therefore, policies were set that both the procurement and deployment must not commit to infringement of intellectual property. Moreover, education and caution are implemented on employees to create awareness on such matters, including verification by both internal and external agencies.

**Anti-Corruption**

The Company has established a policy on anti-corruption under the business operation, using fair business strategy, transparency, adherence, good quality of the product is important and strictly abide by relevant laws. The Company is committed to anti-corruption by prohibiting the Board of Directors, executives and employees of the Company relating to any corruption. Giving and receiving all forms of direct and indirect such as a bribes reception, donation and political assistance calling or receiving any benefits or assets. That will lead to practice or refrain from performing their own responsibilities. Because the Company to lose benefits unless it is the case of laws, regulations, notifications, regulations, local customs or trade tradition can be done. In this regard, the Company has imposed penalties if employees fail to comply with the stated policies.

**Information Disclosure and Transparency**

The Company gives priority to the principles of information disclosure and transparency according to the requirements set by the SET, and the SEC. Specific departments are set to oversee the disclosure of the financial and other information related to the Company's operations sufficiently, accurately, completely, timely and transparently in order to communicate with shareholders, investors, analysts and stakeholders from all sectors to ensure even distribution of information through various channels. The Company has set the following guidelines:

**Disclosure of information through the involved agencies**

The Company disclosed the Company's information both financial and other important aspects to regulators, such as financial reporting and news that are essential to the investment of shareholders and investors to the SET, report of the Company's information through Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) to the SEC, report on financial information, directors and employee information including other information through Set Portal Straight Through.

The Company set up the Investor Relations Department to serving as a center for disclosing important information to investors and financial reporting process such as presentation of operating results, financial statements, information that is reported to the SET, Management Discussion and Analysis(MD&A) which show the status of the operating results and future prospects of the Company. In addition, investor relations are also responsible for promote a good relationship, communicate accurate and reliable information. Including implementing plans to ensure that all stakeholders are treated equally, have access to information and have a channel to communicate with the Company through various activities such as meeting, conference calls with executives, answering questions and providing information via phone and/or email and company visits

**Disclosure of information through website**

The shareholders, investors or interested people to know the Company's information without delay through the website, www.ekarat.co.th including the Company's background, Board of Directors, product and services, news, operating results, financial statements, shareholder information, shareholders' meetings, minutes of shareholders' meetings, a list of major shareholders, operational statistics, good corporate governance, procurement reports, the Company's AOA, and information reported to SET, etc.

07

**Responsible involvement in politics**

The Company realizes the importance of transparent business operations especially regarding the conduct of activities related to politics in all sectors. The company realizes the importance of transparent business operations. especially regarding the conduct of activities related to politics in all sectors. whether to provide assistance or to facilitate the creation of inaccurate political control. The Company has informed the employees for their acknowledgment and strictly adheres to them.

## 6.2 Business code of conduct

The Company has its written a business ethics for all directors, executives and employees to uphold and practice. The Company believes that Ethical guidelines are an essential tool for good performance and taking into account all stakeholders. Violators of the code are subject to disciplinary action. The essential aspects of the code are included below:

1. honest and reliable
2. Respect others regularly
3. Fair and undivided
4. Respect for intellectual properties including copyrights and patents
5. Confidentiality
6. Accuracy of the Company's record keeping
7. Insider Information and Securities Trading Information
8. Compliance with laws and regulations
9. Fair business competition
10. Responsible for shareholders

The detail of complete information on Corporate Govennance and Code of Business Etics are shown in https://www.irplus.in.th/Listed/AKR/pdf/Code_of_Conduct_on_business.pdf

## 6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year.

In 2021, The Board of Directors has reviewed and improved the essence of the policies, guidelines and corporate governance system as follow:

- Review of the Company's Business Ethics in order to cover good corporate governance Compliance with laws and corporate regulations.
- Improving the Supplier Code of Conduct for partners to use as a guideline for business operations and Comply with legal requirements and the Company's Business Ethics and international standards.

However, in 2021, there were issues in CGR which could not be covered. Details are as follows:

- Does the Company require a minimum quorum of at least 2/3 for board decisions?

Article 24 of the Company's regulation only prescribes that at the meeting of the Board of Directors, there must be not less than half of the total number of directors present to constitute a quorum but does not specify the minimum quorum to pass resolutions.

- Does the Company use cumulative voting in the election of board members?

The Company cannot use Cumulative Voting as the procedure of voting for the Company's Directors. As Article 21 of the Company's regulation stipulates that one shareholder shall have one vote for each share. Each shareholder shall exercise all the votes he or she has, to select one or several person(s) to be directors but cannot divide the votes for any person to any extent.

- Does the Board have a policy to limit the number of year in the position of Independent Director for not more than 9 years?

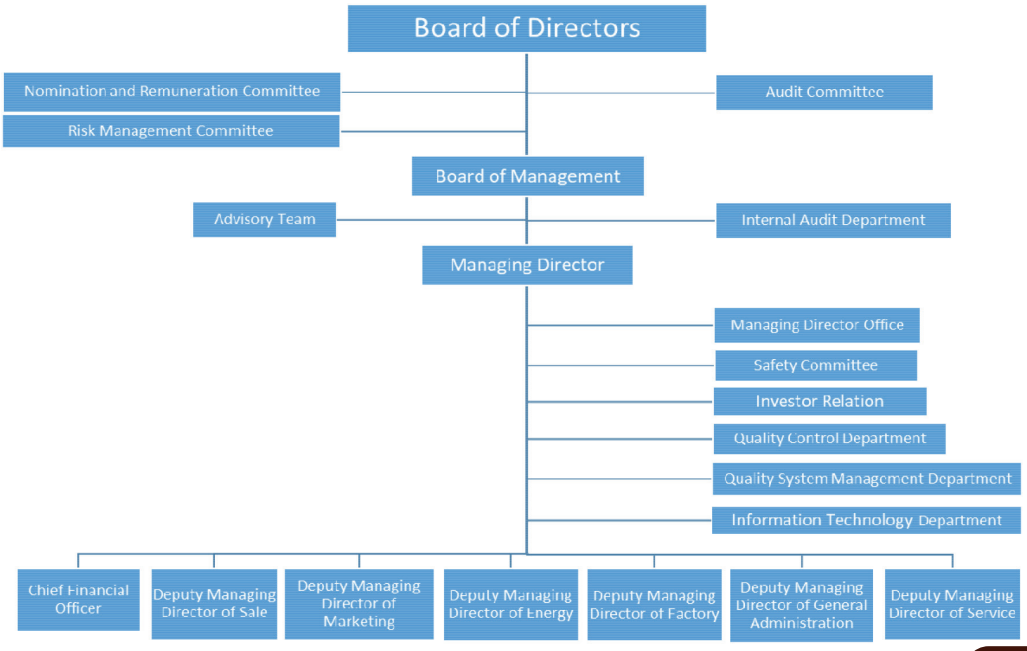
The Board of Directors have considered the said policy and found that the Independent Director of the Company is qualified in accordance with the regulations of the Securities and Exchange Commission. He or She able to provide comments and suggestions that benefit to the operations of the Company and has understanding of the Company's business experience as well as the Independent Director of the Company without benefits or interests whether directly or indirectly to the Company, its subsidiaries or shareholders.

The Board of Directors has deemed it appropriate not to limit the number of years the tenure of Independent Directors of the Company not exceeding 9 years, according to the reason mentioned above.

## 7. Governance Structure and significant information relates to the Board of Directors, Subcommittees, Executive, Employees and Others

### 7.1 Corporate Governance Structure

The Company's management structure comprises of Board of Directors, Board of Management and 3 Subcommittees: Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. Managing Director is the top of executive who manages the Company's business through the Board of Management. The qualified of all directors and management are under Section 68 of the Public Limited Companies Act B.E. 2535.



## 7.2 Information on the Board of Directors

The Board of Directors has the ultimate responsibility for the administration of the Company's affairs under the Company's Articles of Association which requires that the Board consists at least 5 directors, and that no less than half of the Directors must reside in Thailand. At the Company's Annual General Meeting of Shareholders, one-third of the Directors are required to resign from their position, and new Directors are to be elected and the Directors who have resigned may be re-elected.

### 7.2.1 The composition of the Board of Directors

The Company has appointed the Directors and has a balance of non-executive directors, without giving any person or groups the sole decision-making power in order to create a mechanism for balance and effective management

As December 31, 2021, the Board consist of 10 directors whose appointed by the shareholder meeting as below:

- Executive Director 1 person
- Non-Executive Director 3 persons
- Independent Director 6 persons

In this regard, the independent directors were more than half of the Board and there are 2 female directors representing 20% of the total number of directors.

### 7.2.2 The Current Board of Director

The Board of Director as of December 31, 2021

| Name | Position | Appointed Date |
|---|---|---|
| 1. Mr. Vichit Yamboonruang | Independent Director<br>Chairman of the Board | 28 February 2011 |
| 2. Mr. Vinai Vittawasgarnvej | Independent Director<br>Chairman of the Audit Committee | 11 June 2012 |
| 3. Mr. Wara Tongprasin | Independent Director<br>Chairman of the Nomination and Remuneration Committee<br>Audit Committee | 17 June 2009 |
| 4. Mr. Aroon Sricharoon | Independent Director<br>Audit Committee | 13 May 2019 |
| 5. Mr. Chatri Siripanichkorn | Independent Director<br>Nomination and Remuneration Committee | 12 July 2016 |
| 6. Mr. Thunya Siltorn | Independent Director<br>Chairman of Risk Management Committee | 30 June 2020 |
| 7. Ms. Urawee Kanokpruk | Director<br>Nomination and Remuneration Committee | 28 February 2011 |
| 8. Mr. Danucha Noichaiboon | Director<br>Nomination and Remuneration Committee | 15 January 2011 |
| 9. Mr. Wiwat Sangtian | Director | 25 June 2014 |
| 10. Ms. Rompissri Noichaiboon | Director<br>Risk Management Committee<br>Managing Director | 18 March 2021 |

Remark - Miss Rompissri Noichaiboon appointed on March 18, 2021 replacing Mrs. Daranee Kantamara who retired and effective on March 1, 2021.
- Mr.Thunya Siltorn appointed as Chairman of Risk Management Committee on April 1, 2021 replacing Mr.Danucha Noichai boon who retired.

### 7.2.3 Authorities, Duties and Responsibilities of the Board

The directors shall sincerely and faithfully perform their duties and carefully act in the best interest of the Company to be in accordance with the objectives, rules and regulations of the Company and the resolution of the shareholders' meeting and the matter legally required the approval of the shareholders' meeting. The conclusion of scope of power and duties of the Board of Directors are as follow:

1. Discharge their duties and supervise the operation of the Company to ensure strict compliance with laws, objectives, articles of association, and resolutions of the Annual General Meeting.

2. To consider specify details and give approval towards vision, business strategies, direction, policy, goals, business plan and budget of the Company as per details arranged by the Management Team. Such topics are to be reviewed annually so that they are appropriate for the circumstance, business potential, and be able to create sustainability to the business.

3. Establish a Corporate Governance and Business Code of Conduct Policy, Responsible to the Society and Environment, Anti-Corruption and strict observance of this policy must be required alongside the Company's articles of association in order to ensure fairness to all stakeholders.

4. Specifying risk management policies and overseeing to ensure effective risk management systems with reviewing and assessing the systems periodically.

5. Institute systems for corporate accounting, financial reporting and auditing, and institute efficient and effective internal control and internal audit systems.

6. Provide a fair and transparent nomination system for individuals to assume Key Executive positions at level Deputy Managing Director or higher and arrange a suitable compensation system for the Executives of the Company.

7. Lead and be the role model of a performing and ethical individual in accordance with the Company's corporate governance policy.

8. Manage and resolve potential conflicts of interests and related transactions by reviewing significant transactions in order to ensure utmost benefit to the shareholders and stakeholders.

9. To consider and approve the acquisition or disposition of assets, investment in new business and any operations to be in accordance with relevant laws, notices and regulations.

10. Regularly evaluate one's own performance and discharge of duties, as well as those of the committee and the management team annually.

11. Ensure accurate, clear, transparent, reliable to disclosure of information according to relevant standards.

12. Arrange for appropriate channels of communication with each group of shareholders. Supervise disclosure of information in order to ensure correctness, coherence, transparency.

Furthermore, the power and authorities above are not including to others transaction that conduct by the company's rule and regulations which need the approval of shareholders' meeting.

- Matters required by law to be approved by the resolution of the shareholders' meeting.
- Connected transactions with a value exceeding 20 Million Baht or 3% of NTA, whichever is higher.
- Buying or selling assets in accordance with the principle of acquiring and disposing of assets with the size of the transaction according to the criteria of the Stock Exchange of Thailand required to be approved by shareholders.

The directors must have various qualifications in terms of skills, experiences, abilities and specific characteristics necessary to achieve the Company's main objectives and goals.

**Duties and Responsibilities of Chaiman of the Board**

Chairman of the Board has power, duties and responsibility as follow:

1. The Chairman has the role of overseeing policy advocacy and strategic performing manner of the company's management including giving recommendation and support the operating of the company's management but this entitle shall not participate in the daily operation.

2. Ensure that the directors' participation in promoting an ethical corporate culture. and good corporate governance.

3. Strengthen the relationship between the executive and non-executive Directors and between the Board and Management.

4. Define the agenda for the Board of Directors meeting appropriate to the situation and urgent need. The Board receives information accurately, clearly and in a timely manner.

5. Control the meeting to be effective, allocate sufficient time for the management to present the information, support and provide opportunities for directors to ask questions and freely express opinions, control issues in discussion and conclude meeting resolutions.

**Authorized Director to sign and bind the Company**

According to the Company's Articles of Association, the directors whose signature are authorized to sign and bind the Company are Miss Rompissri Noichaiboon, Managing Director with Mr. Danucha Noichaiboon or Mr. Wiwat Sangtian joinly sign and affix the Company's seal.

**Qualification of Directors**

Directors must be qualified and not disqualified under the Companies Act, for example;

- Not more than 5 directors in listed companies in the Stock Exchange of Thailand.
- Never been sentenced by final judgment to imprisonment. Except for an offense committed through negligence or a petty offense.
- Must not be a political official, unless being a director in accordance with the law.
- Not holding any position in the political parties or officials of political parties.
- Never be fired or dismissed because of malpractice.

**Term of Office of the Board of Directors**

According to the Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of the directors who have the longest terms in office shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the SET is based on the method of lot-drawing. As for in the later years, the directors who serve the longest terms shall retire. The Company's Articles of Association also prescribes that the retired directors are eligible for re-election. Furthermore, whether a director can continuously remain in office without break for the longest period will be determined by the Company by taking into account his/her individual qualifications and appropriateness.

**Directorship in other companies**

The Directors be appointed as directors in other listed companies up to a maximum of 5 and must notify the Board of Directors acknowledged. The Company Secretary will disclose the information in the Form 56-1 One Report. The Company prohibits the Director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest.

## 7.3 Subcommittees

The Board of Director appointed three sets of Committees to study and scrutinize specific matters as follows:

1) Audit Committee

Each Quarter the Audit Committee, together with Chief Financial Officer and the External Audit, review the Company's financial report. The Board is accountable the consolidate financial statement and the financial report which prepared under generally accepted accounting principles and are audited and certified by ANS Audit Co., Ltd.

As of December 31, 2021, the member of Audit Committee is as follow:

| | | |
|---|---|---|
| 1. Mr. Vinai | Vittavasgarnvej | Chairman of the Audit Committee |
| 2. Mr. Wara | Tongprasin | Audit Committee |
| 3. Mr. Aroon | Sricharoon | Audit Committee |

Secretary of the Audit Committee is the manager of Internal Audit Department,

Two members of the Audit Committee are knowledgeable and experienced in reviewing reliability of Financial Statements, Mr. Vinai Vittavasgarnvej and Mr. Wara Tongprasin who graduated with a Bachelor's Degree in Accounting as well as work experience related to accounting.

**Duties and Responsibilities of the Audit Committee**

1. To review the Company's financial statements to ensure they are accurate, complete, and reliable.

2. To review the efficiency and effectiveness of the Company's Internal Controls and Internal Audit procedures by included the bellowing topics.

2.1 Give the consent to appointed, rotated, layoff, and determine to reward the head of Internal Audit.

2.2 Determine the independent of Internal Audit Division, in term of operation, reporting and structure.

3. To review the efficiency and effectiveness of the Company's risk management systems.

4. To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.

5. Determine and selected to nominate and remunerate the Company auditor and considering the independent of Company auditor which might give the company other services.

6. Meeting with the Company auditor without the management for receive the comment from auditor at least once a year.

7. To review and submit an opinion on Internal Audit plans, practices of the Internal Audit group and coordinate with external auditors and report the performance of Audit Committee to the Board of Directors at least 4 times a year.

8. To consider disclosure of corporate information so it is reliable and adequate especially in the case of any related transactions or potential conflict of interest.

9. To prepare a report on corporate governance reviewed by the audit committee and signed by the Chairman of the Audit Committee for disclosure in the Company's annual report. The information including with:

9.1 The number of meetings and attendance of each member of the Audit Committee.

9.2 The opinion of the Audit Committee on the following issues:

- The accuracy, completion, and reliable of Company financial report.
- The adequacy of internal control system.
- To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.
- The suitability of the external auditor.
- Conflict of interest transactions.
- Opinions or comments received by applying follow the AC's charter.

10.To perform other tasks assigned by the Board of Directors and Audit committee approved.

Audit Committee Meeting are scheduled at least 4 times per year before the Board Meeting which has been defined and notified in advance.

**The responsibility of the Audit Committee**

The Audit Committee has the responsible in terms of the duties received from the Board but the responsibility in the activities which the Company get involve with other party is the Board of Directors obligation.

**2) Nomination and Remuneration Committee**

As of December 31, 2021, there were 4 members of the Nomination and Remuneration Committee as follow:

1. Mr. Wara Tongprasin Chairman of the Nomination and Remuneration Committee
2. Ms. Urawee Kanokpruk Nomination and Remuneration Committee
3. Mr. Danucha Noichaiboon Nomination and Remuneration Committee
4. Mr. Chatri Siripanichkorn Nomination and Remuneration Committee

Secretary of the Nomination and Remuneration Committee is Mr. Danucha Noichaiboon

**Duties and Responsibilities**

1. Assign the policies, qualification, and procedure for the nomination of the director and management level.
2. Determine the nomination policies for the benefit of the Company.
3. Nominate and select the qualify person follow the related rules and regulations and present to the Board of Directors for the appointment of Director or management level.
4. Control and monitor the suitable size and structure of the Board and adjust the size and structure to conform to the changing environment.
5. Present to the Board of Directors for the nomination of the directors replacing the resigned directors from the articles of association.
6. Give the proposal and evaluation of the management level.
7. To perform other tasks assigned by the Board of Directors.
8. Broach with the rules of Board of Directors compensation, Executive Board compensation, others committee, and the advisor of the Company to approve by the Board of Directors.

For the Managing Director, Deputy Managing Director or above positions, and Internal Audit Department Manager compensation is determined by the Nomination and Remuneration Committee and pass through the Board of Directors to approve.

9. Broach with the rules of Board of Directors annual compensation to approve by the Board of Directors before the shareholders' meeting approval.

10. Determine the employee's bonus to approve by the Board of Directors.

11. Determine the employee's annual adjusted salary to approve by the Board of Directors.

12. Determine the rules and regulations of the company that concern to the benefit of the employee by the order of the Board of Directors.

Nomination and Remuneration Committee Meeting are scheduled at least 2 times a year before the Board Meeting which has been defined and notified in advance.

**3) Risk Management Committee**

As of December 31, 2021, there were 8 members in the Risk Management Committee as follow:

| | | |
|---|---|---|
| 1. Mr. Thunya | Siltorn | Chairman of the Risk Management Committee |
| 2. Ms. Rompissri | Noichaiboon | Risk Management Committee |
| 3. Mrs. Suwannee | Sujaritvanitchpong | Risk Management Committee |
| 4. Mr. Daroonwat | Noichaiboon | Risk Management Committee |
| 5. Mr. Paithoon | Indaravisute | Risk Management Committee |
| 6. Mr. Surasak | Wachirapakorn | Risk Management Committee |
| 7. Mrs. Supaporn | Chansuroj | Risk Management Committee |
| 8. Mr. Somphong | Rob-loak | Risk Management Committee and Secretary |

**Duties and Responsibilities**

1. Evaluate, analyze, and develop the framework of risk management and the method of risk evaluation in the future.

2. Assign the policies of overall risk management of the Company which include any important type of risk likes business risk, competitive, production, procurement, credit risk, liquidity risk, and exchange rate risk.

3. Assign the conform strategies with the Company risk management policies which can be evaluate, monitor, and control the risk

4. Assign the sufficient policies and risk management including with the efficiency of the system and follow the policies.

5. Report the result of approach to the Board of Directors to modify direct to the policies and regulations of risk management and notice to the Audit Committee for the proper audit.

Risk Management Committee Meeting are scheduled at least 2 times a year before the Board Meeting which has been defined and notified in advance.

## 7.4 Information on Executives

### 7.4.1 Board of Management

According to the organizational structure as of December 31, 2021, there were 4 members in the Management Board as follow:

| | | |
|---|---|---|
| 1. Ms. Rompissri | Noichaiboon | Managing Director |
| 2. Mrs. Suwannee | Sujaritvanitchpong | Chief Financial Officer |
| 3. Mr. Daroonwat | Noichaiboon | Deputy Managing Director of Marketing |
| 4. Mr. Paitoon | Intrarawisut | Deputy Managing Director of Factory |

Remark : the mananagment are "Management" under SEC's notification.

1. Miss Rompissri Noichaiboon appointed on April 1, 2021 replacing Mr.Danucha Noichaiboon who retired.
2. Mrs.Suwannee Sujaritvanitchpong appointed on January 1, 2021 replacing Mr.Anan Santichewasatian who retired.

**Duties and Responsibilities of Managing Director**

According to the Company's regulations, The Managing Director has the authority and responsibility regarding the administration as approved by the Board of Directors as follows.

1. Bring forward the policies from the Board of Directors and Responsible for all of the management received.

2. Assign the strategies to meet the goal for operation and policies.

3. Approve the important investment that code in the annual budget which approved from the Board of Directors.

4. Approve the operation plan and the policies in each division, also monitor the operation of the company to conform to the plan and policies.

5. Issue orders, rules, notices, memo for the benefit of the company and the organization tidiness.

6. Approve to appoint, hire, transfer, and dismiss of the employee whose position below the Deputy Managing Director.

7. Assign the third party, by approval of Managing Director, to manage and operate for the Managing Director in the necessary matter and not above authorized financial amount

8. Determine and bring forward the expenditure budget for the approval of the Board of Directors.

9. Conduct the employees to work with ethics, morals, laws, and cultural to the shareholders, customers and employees and related person.

10. Operated in the normal manner of the company, and in case of the important subject, Managing Director must present to the Board of Directors or the Management Board for the approval.

11.Support and develop the organization and employees in term of skill and the cultural of organization.

12.Support and encourage the education and develop new technology to increase the production and develop the business by using the resources in full capability.

13.Act with honest and care for the best of company.

In order that, the authorities give to Managing Director will act under the regulations, law and rules and regulation of the Company; In case of any actions which develop the conflict of interest to Chief Executive Officer or any related person (Notification from SEC).

**The Management Board**

As of December 31, 2021, there were 8 members in the Management Board as follow:

| | | | |
|---|---|---|---|
| 1. | Ms. Rompissri | Noichaiboon | Managing Director |
| 2. | Mrs. Suwannee | Sujaritvanitchpong | Chief Financial Officer |
| 3. | Mr. Daroonwat | Noichaiboon | Deputy Managing Director of Marketing |
| 4. | Mr. Paitoon | Intrarawisut | Deputy Managing Director of Factory |
| 5. | Mr. Surasak | Wachirapakorn | Senior Service and Sales Manager |
| 6. | Mr. Salaha | Ouipraphat | Senior Sales Manager |
| 7. | Ms. Chompicha | Noichaiboon | Factory Manager |
| 8. | Ms. Hansa | Buranajan | Company Secretary |

**Duties and Responsibilities**

The Management Board has the authority and responsibility for the management of the Company in regard to normal operations. By co-determining business policies, goals, operational plans, business strategy, budget, management structure to propose to the Board of Directors' meeting and/or the shareholders' meeting for approval before proceeding. Including checking and monitoring the Company's performance according to the policy. The current board of management has the authority as follows:

1. Report and present the business policies, Goals, operation plan, business strategies, and annual budgeting of the Company for the Board of Directors approval.

2. Control and monitor the Company's operation to go along with rules, regulations, business policies, business plan, and business strategies by the resolution of the Board of Directors and/or the resolution of the shareholders' meeting.

3. Determine and assign the Human Resource Management policies, IT Technology, expand the businesses, Personal Relations, and regulated the operation to meet the company's goal.

4. Determine and approve to bid in the project or be a contractor for the agencies or the person.

5. Approve the appoint, hire, dismiss, assign fees, compensation, bonus, and workfare for the employee and Management team, except for appoint, hire, transfer, and dismiss Internal Audit Department Manager and officer which need the approval of the Audit Committee. For the appointment, hire, transfer, and dismiss of Deputy Managing Director and higher positions and the advisors, the Remuneration Committee will be determine and pass the subject to the Board of Directors to approve. The Management Board is authorized to perform the financial transactions:

5.1 If conducted in the business plan or budget which is already approved, the Management Board can use in the line that already approved.

5.2 If not in concern with 5.1 above, the Management Board can approve the financial amount not over Baht 20 million and the amount mentioned is include with the financial transactions, capital expenditure and can approve for the financial obligations (Loan) in any kind of financial tools which not over Baht 20 million and the affiliate, when the transaction is finish, the Management Board need to report the conclusion to the Board of Director.

6. The Management Board has the power to authorize one or more than one person to perform an action for the Management Board which the action is under the control of the Management Board within the period of time and the Management Board can cancel of modify the authority or power.

7. Perform the tasks received from the Board of Directors.

In addition, the approval of the aforementioned items must not cause the Management Board or the authorized person from the Management Board able to approve items that he or someone may have conflicts, or may have other conflicts of interest (according to the Company's Articles of Association and The Securities and Exchange Commission Act) done with the Company or its subsidiaries, except for approval of transactions that are normal course of business with clear details.

In the case of any actions that have or may have an interest or stake in the management committee or persons who may have conflicts. The Management Committee shall propose that to the Audit Committee and the Board of Directors for approval. The directors and persons who may have conflict of interest shall not be entitled to vote at the meeting of the Board on such matters.

**Board of Management Meeting**

Board of Management Meetings are scheduled at least once a month which has been defined and notified in advance. The Board of Director had opinion that each management committee should not focus on just the time to attend the meetings. But should include sharing of opinions, advice, experience, and relationships in order to increase the benefits for the business of the Company. In 2021, there were a total of 34 meetings.

**Succession Plan**

In regard to top management succession planning, the Board of Directors has assigned Remuneration and Nomination Committee to set up criteria and procedures for the selection of qualified candidates for top management positions. It is required that such plan be annually reviewed and the results thereof be reported to the Board of Directors.

The Company continuously develops the executives to have qualifications and to replace senior executives who will retire in the future by setting the succession plan for various positions as follows:

- Managing Director
- Deputy Managing Director

The appointment of Managing Director, which is the Company's top management position, is made by the Nomination and Remuneration Committee who has authority to define criteria and methods for recruiting the qualified persons with ideal knowledge, abilities and experiences and without the restrictions as defined by the Standard Qualifications for Directors and Officials of State Enterprises Act B.E. 2518 (1975) and the amendment and other related laws to take the position of President. The names of the nominee will be proposed to the Board of Directors for further consideration.

The Board of Directors has set a policy limiting the number of directorships in other companies where Managing Director can hold office, Managing Director is able to hold no more than 5positions in other listed companies by inform the Board of Director. The Company Secretary will disclose the information in the Annual Information Form (Form 56-1). The Company prohibits Managing Director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest.

In 2021, the Board has recruited a new Managing Director to replace Mr. Danucha Noichaiboon, who resigned from the position of Managing Director, effective from March 30, 2021, the Nomination Committee has proposed and appointed Ms. Romphisri Noichaiboon to be the new Managing Director on April 1, 2021.

The Nomination Committee has recruited a person to be Chief Financial Officer with knowledge and experience in accounting and financial to replace Mr. Anan Santichewasatian who retired on December 31, 2020. They have proposed and appointed Mrs. Suwannee Sujaritvanitchpong as the new Chief Financial Officer and appointed Ms. Hansa Buranajan to act as the Company Secretary, effective from January 1, 2021 replaced Ms. Nuanchan Sirikul who retired on December 31, 2020.

The appointment of these 3 executives has been approved by the Board of Directors.

**Managing Director's Performance Assessment**

The Company executed Managing Director's Performance Assessment each year. The Nomination and Remuneration Committee is in charge of the annual performance assessment of the Managing Director. The Committee is to forward the assessment outcome to the Board for endorsement. The Managing Director's performance assessment has 3 parts which are performance, working potential and management. The performance appraisal outcome remained confidential and could not be made public.

**Knowledge and Skill Development for the highest responsibility in finance and accounting (CFO) and the person supervising accounting.**

As SEC and SET has defined the qualifications of the highest responsibility in finance and accounting (CFO) and the person supervising accounting, that required CFO and supervising accounting who has already taken up this position has to complete six hours of his/her continuing development course in accounting knowledge (refresh course) per year. The Company has complied with the above regulations as detailed below:

- **The highest responsibility in finance and accounting (CFO)**

The Company's CFO was Mrs. Suwannee Sujaritvanitchpong, Position: Chief Financial Officer. She has been appointed to the position on January 1, 2021.

She attended the training to prepare for accounting and finance (Orientation Course) according to the rules of the SEC Office, organized by the Capital Market Knowledge Development Center, the Stock Exchange of Thailand and the details are as follows:

| | | |
|---|---|---|
| Course name | : | CFO's Orientation for New IPOs (Class 5) |
| Training period | : | 12 hours |
| Date | : | March 5-6, 2021 |

- **The person supervising accounting**

The person supervising accounting of the Company was Mrs.Somjit Phokabutr, Position: Accounting Manager. She has been appointed to the position since 2015 until now.

In 2021, She attended the training for continuously develop her knowledge of accounting standards, detailed as follow:

- "TFRS Financial Reporting Standards Effective 2021" by the Federation of Accounting Professions under royal patronage for a period of 6 hours.

- "Developing operational potential for the new generation of accountants in order to record accounts correctly according to accounting standards" by the Federation of Accounting Professions under royal patronage for a period of 3 hours

- "Profitable Cost Data Analysis for Accountants" standards by the Federation of Accounting Professions under royal patronage for a period of 6 hours

### 7.4.2 Remuneration policy for executive directors and executives

Executive compensation policy is based on the Board of Directors and in accordance with the operating results of the Company. The Nomination and Remuneration Committee is responsible for determining the remuneration to reflect the performance along the practices and standards of the same business group. Then proposed the principles and the appropriate amount of remuneration to the Board of Director to consider and approve it.

The nomination and remuneration committee will determine the compensation to reflect the performance (Performance Management) as well as practices and standards of the same leading business groups under clear, transparent and fair rules which the salary increase rate and the annual bonus payment rate will be consistent with the results of the assessment of KPIs and the Company's annual performance.

### 7.4.3 Total amount of the remunerations of executive directors and executives

The Company's management compose of 4 persons comprising Managing Director, Chief Financial Officer, Deputy Managing Director of Marketing, Deputy Managing Director of Factory by received remuneration as detailed below:

(Unit : Baht)

| Remuneration | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|
| | Person | Amount | Person | Amount | Person | Amount |
| Total Salary | 5 | 13,698,000 | 7 | 16,988,400 | 4 | 8,138,400 |
| Bunus | 5 | 1,224,000 | 7 | - | 4 | - |
| Total | | 15,062,400 | | 17,208,360 | | 8,138,400 |

The provident fund of the executives

(Unit : Baht)

| | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|
| | Person | Amount | Person | Amount | Person | Amount |
| Provident Fund | 5 | 140,400 | 7 | 219,950 | 1 | 71,574 |

Remark : only Managing Director

Other Remuneration

For the Management team, in addition to salary compensation, bonuses and provident funds, there are other compensation such as car, fuel expense, and mobile expense.

## 7.5 Information of employees

The Company stresses the development of HR management system compatible with technological advancement. Employees are pivotal to increase competitiveness and drive the organization to sustainable growth.

As of December 31, 2021, the Company had a total number of 654 employees.

(Unit : person)

| | Department | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| 1. | Managing Director Office | 3 | 9 | 10 |
| 2. | General Management Department | 37 | 36 | 33 |
| 3. | Financial and Accounting Department | 29 | 29 | 30 |
| 4. | Marketing Department | 9 | 8 | 4 |
| 5. | Sale Department | 32 | 33 | 32 |
| 6. | Service Department | 126 | 136 | 127 |
| 7. | Production Department | 469 | 440 | 416 |
| 8. | Internal Audit Department | 3 | 3 | 2 |
| | Total | 708 | 694 | 654 |

### The remuneration of the employees

The remuneration to staff (Excluding the Managing Director and Senior Management) for the year 2019-2021 with details of the award;

Unit : Baht

| Remuneration | 2019 | 2020 | 2021 |
|---|---|---|---|
| Monthly salary | 207,809,610 | 211,845,343 | 184,292,250 |
| Bonus | 14,353,864 | 13,440,710 | - |
| Provident Fund | 5,942,206 | 4,951,245 | 8,827,455 |
| Total | 228,105,680 | 230,237,298 | 193,119,705 |

The Company sets the remuneration's employees bases on the short-term and long-term performance and strategy. The Consideration of salary increase of employees based on individual performance once a year by using Key Performance Indicators: KPIs were apply to manage employee performance evaluation, which would be accordingly reflected in their salary increases and benefits.

### The Provident Fund

At present, there are employees of the Company participating in the provident fund which is managed by AIA Co.,Ltd. of 654 persons or 100% of total employees in accordance with the Fund Act at the rate of 3% of the wages. However, the employees have the right to contribute 50% of the Company in the case of termination of membership after working with the Company for not less than 3 years and 100% in the case of working with the Company for at least 5 years.

The Fund engaged to investment with due regard for Environmental, Social, and Governance (ESG) factor and jointy with the companies sets a policy and assign them to invest in entitles with committed responsibility for all Stakeholders: shareholders, employees, customers, business partners and socialty. The Company defined CG criteria and apply its dicision making process to ensure that the Fund makes the right investment in transparent business for the best benefit of fund members in the long term.

**Other Remunerations**

The Company has provided other welfare to employees in addition to salary, overtime and bonus such as giving the uniform to employees annually for orderliness, good image and to alleviate the burden on the cost of apparel, staff shuttle bus, donating money to help charitable for staff and members of their family.

The Company recognizes about the health of employees, therefore provided annual health check-up by creating a clear operating procedure according to the standards of the Ministry of Labor, including annual influenza vaccination for personnel.

In addition, as an incentive to employees who are willing to work, sacrifice, dedication and responsibility as well, the Company will grant a special award based on the annual performance evaluation.

**Employee Development Policy**

It is the Company's policy to increase the standard of quality and capabilities of its work force through its development and training programs and also to prepare for more competitive environment in the future. The Company has established an organization responsible particularly for employee development and training. Budget is appropriately and sufficiently allocated for development and training in accordance with objectives of each department. Thus, development and training schemes are determined as follows;

1. Internal Training: The Internal training will be carried out by inviting instructors with expertise from external domestic or overseas organizations, to consecutively provide knowledge to employee in each level every year. Training to improve the skills of the employees by the experts within the Company continuously every year.

2. External Training: The Company will let employees participate in training arranged by external organizations and institutes, regarding technical issues, administration, management, language and occupational safety health and environment to improve the skills of the employees.

3. Oversea Training: To enhance readiness and to provide employees with opportunities to learn new know-how and techniques, the Company will send staffs to attend meetings, seminars or training of international course.

In 2021, The Company has provided both internal and external training in total 3,757.50 hours or 6.04 hours/person/year, below the target in 12 hours/person/year due to the COVID-19 epidemic situation.

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| Training (hours/person/year) | 12.96 | 7.30 | 6.04 |
| Expense (THB) | 581,384 | 478,241 | 281,736 |

The examples of quality training for employees to be able to perform their duties to the best ability for customer's satisfaction.

**Course for Sales Staff**

- Generating JUBILI quotations
- modern marketing
- Knowledge of aluminum and copper transformers

**Course for Management and Supervisor**

- Engineering Leadership Program Class 1
- Uncertainty of Measurement
- Advance Product Quality Planning: APQP
- Knowledge of Unit Substation cabinet construction requirements

**Course for Technicians**

- Safety standards for working at height for service staffs
- Anzen Leader Refreshment
- Assembly of Cast Resin Transformer Housing and installation of various equipment Related (Class 1)
- General Safety Training

**General Course**

- Personal Data Protection Act, B.E. 2019 (PDPA)
- Prevention and solution of drug problems in the workplace, class 5 and 6
- Driving a forklift properly, safely and basic forklift maintenance

The Company has established rank and position determination regulation in order to clarify career path and criteria for performance appraisal increase employee morale in every level. The Company will motivate, encourage and support employee to obtain career competencies and opportunities to grow and progress through career path in correlation with their knowledge, competencies and experiences.

**Fostering relationship between management and staff in search of common goal**

Communication between management and staff comes in various forms. Needing to be aware of coporate business, obstacle and potential repercussions employee should be allowed to share their views and take part in business efficiency improvement. Through various channels such as the Company's quarterly journals to disseminate the news and information to all employees. The executives will meet the staff at the factory in Chachoengsao Province etc. In addition, the Company has set up Welfare Committee which consists of representatives of employees of all departments, together with the management in considering improvements or solving problems related to the welfare and benefits of employees.

**Labor Protection**

The Company recognizes the importance of safety, occupational health and work environment of employees due to different job characteristics in each department. Therefore have provided the safety, health and environment committee by select from the management and employees in various departments' the Company in order to jointly consider the correct implementation as required by law. Including supply of equipment and monitoring tools for convenient and maximum security to reduce accidents and hazards that may occur to the employees.

**Dispute in year 2021**

- None -

## 7.6 Other significant information

**The Company Secretary**

The Board of Directors has appointed Miss Hansa Buranajan as a Company Secretary on January 1, 2021 replaced Miss Nuanchan Sirikul who retired to comply with the Securities and Exchange Act (No.4) B.E.2551.

**The duties and responsibility of the Company Secretary**

1.Preparing and keeping the following documents:

1.1 A register of directors

1.2 A notice calling directors' meeting, the minutes of the board of directors and an annual report of the Company

1.3 A notice calling shareholders meeting and the minutes of the shareholders' meeting;

2. Keeping a report on conflict of interests, reported by a director or an executive.

3.Arrange the Board of Directors Meeting and Annual General Meeting of Shareholders.

4. Orientation and advising the new director.

5. Liaise with the regulatory agencies such as the Stock Exchange of Thailand.

6.Disclosure and information reporting to the regulatory agencies and public which comply with the law properly.

7. Operating any act that is abided by the Capital Market Supervisory Board and assigned by the Board of Directors.

**The highest responsibility in finance and accounting (CFO)**

The Company's CFO was Mrs.Suwannee Sujaritvanitchpong, Position : Chief Financial Officer. she has been appointed to the position on January 1, 2021, replacing Mr.Anan Santichewasatian who retired. (More profile detail appear in Executive Profile in Attachment 1)

**The person supervising accounting**

The person supervising accounting of the Company was Mrs.Somjit Phokabutr, Position : Accounting Manager. She has been appointed to the position since 2015 until now. (More profile detail appear in Executive Profile in Attachment 1)

### Head of Internal Audit

The Internal Audit Manager is by position assigned as Head of Internal Audit. Mr. Nuttavit Noisri, position: Internal Audit Division Manager is the present Head of Internal Audit. (More profile detail appear in 9. Internal Control and Connected Transections and detail of head of Internal Audit profile in Attachment 3)

### Investor Relation

Miss Wanngam Tipyawat was appoint Invester Relation and can be contected at

Tel : +662-719-8777 Email : wanngam@ekarat.co.th or www.ekarat.co.th

### The remuneration of the auditor

- **Audit fee**

The Company and its Subsidiaries paid audit fees to ANS Audit Co., Ltd. for undertaking financial audit work for the past fiscal year in the amount of 1,600,000 Baht

- **Non-audit fee**

- None –

## 8. Report on key operating results on corporate governance

## 8.1 Summary of duty performance of the Board of Directors in the past year

### 8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

#### Independent Director

The Company has criteria for selecting independent directors by considering the minimum qualifications in accordance with the regulations of the Securities and Exchange Commission. Also consider candidates with experience and ability to be able to provide opinions and suggestions that are beneficial to the operations of the company. Including be famous personalities who will enrich the image of the Company must not be beneficiary whether directly or indirectly with the Company, Related Companies, Subsidiaries and major shareholders. Including the freedom to express opinions freely, not under the control of the executive, major shareholders, related persons or close relatives of such persons.

The qualifications of Independent Directors as announced by the Capital Market Supervisory Board are as follows:

1. Must hold no more than 1 percent of the total outstanding voting shares of the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company. Shareholding of the Independent Director includes shares held by persons related to that particular Director.

2. Is not or has never been a part of the management, staff, employee, consultant earning salary or controlling person of the Company, parent company, subsidiaries, associated companies or subsidiaries of the same level, major shareholder or controlling person of the Company unless the position has been terminated for over 2 years.

3. Is not related by blood or through legal bonding which includes father, mother, spouses, siblings, children, spouses of children, to other directors, management, major shareholder, controlling person of the Company or any person being nominated to the director, management or controlling position of the Company or its subsidiary.

4. Does not or never have business relationships with the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company which may distract one's independent judgment. This also includes not having been a shareholder of significance or a controlling person of the entity having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company unless the person's term has been terminated for at least 2 years.

5. Is not or has never been the auditor of the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and is not a shareholder of significance, a controlling person or a partner of an audit firm where the auditor of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company is subject to, unless the position has been terminated for at least 2 years.

6. Is not or has never been a professional service provider that includes being a legal advisor or financial advisor receiving remuneration for over THB 2 million per annum from the Company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and is not a shareholder of significance, a controlling person or a partner of a professional service provider of that type unless that position has been terminated for at least 2 years.

7. Is not an appointed director acting as the proxy of the Company's Board of Directors, major shareholder or shareholder as a related person to the major shareholder.

8. Must not operate or own a similar type of business that is a direct competitor to the Company or subsidiaries; is not a major partner in a limited partnership, a Director with management authority, staff, employee, a consultant earning salary or holding more than 1 percent of total voting shares of other companies operating similar type of business and regarded as direct competitor to the Company or subsidiaries.

9. Have no other characteristics that would prevent the provision of independent point of view concerning the Company's operations.

**Roles and Responsilibity of Independent Director**

1. Recommend essential and beneficial matters to the Company and minor shareholders to the Board.
2. Advocate roles and duties of the Board that should be performed.
3. Take other Board-assigned action provided that they do not compromise their independent.

**Segregation of Chaiman and Managing Director**

The Chairman of the Board of Directors does not hold a management position but is an Independent Director and is not the same person holding the position of Managing Director. The Chairman of the Board has no relationship with other members of the Management. The Company has clearly separated the roles, duties and responsibilities of the Board of Directors and the management. The Company has written for the directors to perform their duties and evaluate the performance of the management effectively

**Selection of directors and chief excutives**

**Nomination of Directors**

According to the Company's Articles of Association, the Board of Directors shall consist of not less than 5 directors as decided and not less than half of all directors shall have residence in the Kingdom. The Company's director shall have the qualifications and not be under the prohibition prescribed by the law. At every AGM, one-third of the Directors shall retire from office. If the number is not a multiple of three, then the number nearest to one-third shall retire from office or the Director's positions are vacant from the other causes.

In the appointment of directors, the Nomination and Remuneration Committee has duty and responsibility for selecting and screening qualified persons as prescribed in the Company's Articles of Association and nominating the qualified persons based on the structure, size and composition of the Board of Directors. The Company provides an opportunity for shareholders to participate in the nomination of qualified under the terms and conditions set out in the November 1 - 30, 2021 by considering the list of suitable persons from:

(1) The person who is the former director who has expired to propose to the next position.

(2) The shareholders' nomination (if any);

(3) The nomination by the Chairman of the Board, Directors, etc;

(4) The recruitment of the knowledgeable, skilful and experienced persons ideal for the Company.

The qualifications of the Directors being recruited as follow:

(1) The qualified according to the Company's regulations, have knowledge and understanding of the Company's business, assigns the strategies and policies, and supervises for the effective practice of the strategies,

(2) The recruited persons would be able to perform the director's duties with prudence, integrity, morals and responsibilities, and make decisions based on fact and logic,

(3) No restrictions as defined by the other related laws, rules and regulations,

(4) The independence of each Independent Director,

(5) The director's ability to make time dedication: considering from the number of companies in which the director is holding a position, for example, so that they have enough time to join the Board Meeting regularly and are able to control and monitor the Company's operations.

The Nomination and Remuneration Committee considers and presents the list of candidates to the Board of Directors in order to propose to the shareholders' meeting for consideration and appointment.

The directors are appointed by the majority vote of the AGM based on the following criteria and methods:

1. One shareholder shall have one vote for each share;

2. Each shareholder shall exercise all the votes he or she has to elect one or several person(s) to be directors but cannot divide the votes for any person to any extent;

3. Persons receiving the most votes, in descending order, are those who are elected directors, to the number of directors who are to be elected. If there is a tie in the last to be elected and this would exceed the said number of directors, lots shall be drawn to meet the required number.

At every AGM, at least one-third or the closest number to one-third of the directors must retire. The directors to retire for the first year and second year following the Company registration shall be selected by means of the lucky draw. For the later years, the directors being at term for the longest period shall retire while the duly-retired directors can be re-elected into the position.

In the case that the director's positions are vacant from the other causes apart from the duly retirement when the term ends, the Board of Directors can elect any qualified persons having no restrictions according to the law to be the replacement directors in the next Board, except that the director's term remains less than 2 months, then the new replacement director shall be in the position for as long as the remaining period of that retired one in such term.

The AGM might resolve for any Director to retire before the term ends with the majority vote of at least three-fourths of all shareholders attending the meeting and holding the rights to vote and the combined share amount of not less than half of the share amount held by the shareholders attending the meeting and holding the rights to vote in such meeting.

In addition, the directors vacate office for these reasons.

(1) died

(2) Resign

(3) Incomplete properties or having prohibited characteristics under the law on public limited companies

(4) The shareholders' meeting passed a resolution to remove the director from office prior to the expiration of his/her term with a vote of not less than half of the number of shares by the shareholders attending the meeting and having the right to vote.

(5) The court order to vacate office

In the case where a director position is vacant for othe reasons than retirement by rotation, the Board shall elect a person who has qualifications and does not have any prohibited characteristics under the law to replace it at the next Board Meeting. Unless the remaining term of the Board of Directors is less than 2 months, the person who is appointed as a replacement director will remain in office for the remaining term.

In the event that the Board of Directors vacates office as a whole, to remain in the position to continue the company's business as necessary until the new committee takes over Unless the court orders otherwise, in the case of (5) and must hold a shareholders' meeting to elect a new committee within 1 month from the date of retirement The notice of the meeting must be sent to shareholders at least 14 days prior to the meeting.

In the event that the director's position becomes vacant and less than a quorum, the remaining directors may act on behalf of the Board for holding the shareholders' meeting to elect new directors only.

The meeting under the first paragraph shall be held within one month from the date that the number of members remaining less than the quorum and the person who is appointed as replacement director will hold office only for the remaining term of that director.



**Nomination of Managing Director/ Succession Planning**

In regard to top management succession planning, the Board has assigned the Remuneration and Nomination Committee to set up criteria and procedures for the selection of qualified candidates for top management positions. It is required that such plan be annually reviewed and the results thereof be reported to the Board of Directors.

The appointment of Managing Director, which is the Company's top management position, is made by the Nomination and Remuneration Committee who has authority to define criteria and methods for recruiting the qualified persons with ideal knowledge, abilities and experiences and without the restrictions as defined by the Standard Qualifications for Directors and Officials of State Enterprises Act B.E. 2518 (1975) and the amendment and other related laws to take the position of President. The names of the nominee will be proposed to the Board of Directors for further consideration.

The Board of Directors has set a policy limiting the number of directorships in other companies where Managing Director can hold office as follows:

Managing Director is able to hold no more than 5 positions in other listed companies by inform the Board of Director. The Company Secretary will disclose the information in the Annual Information Form (Form 56-1 One Report).

The Company prohibits Managing Director to holding the position of Managing Director, Manager or other position that has similar characteristics in the same business or being a competitor to the Company and subsidiaries. Exceptions would be joined as directors in government and the private organizations which established for public interest.

**Knowledge and Skill Development for Director**

The Board of Directors and Executives are encouraged to attend training courses, seminars and activities organized by the IOD, the SET, and the SEC in order to continuously enhance their knowledge and exchange experience in various fields related to the roles of Directors and Subcommittees.

In 2021, The Board of Directors did not attend the IOD training course due to the Covid-19 epidemic situation.

**Other training**

-None-

**Performance Evaluation of the Board of Directors**

The Company has determined that the performance of the Board should be evaluated at least once a year, divided into 2 different assessments are as follows:

1. Board Evaluation
2. Self Assessment

The Board of Director jointly evaluate their performance and seek rectification and improvement measures. The Company has properly reviewed its Board self-assessment guidelines and criteria to be consistent with those of the Stock Exchange of Thailand comprised three sections:

1. Board structure and qualifications
2. Board meeting
3. Roles, duties and responsibilities of the Board

The Company Secretary send the Board members the self-assessment form to evaluate their performance. The evaluation result is reported to the Company's Board of Directors in the next time. Evaluation Criteria, the percentage of the total score for each item is greater than 85% = excellent, more than 75% = very good, more than 65% = good, more than 50% = fair, less than 50% = need improvement. The results of the assessment can be summarized as follows:

The Board's self-assessment result for 2021, Overall, all criteria points have excellent average score, reflecting the Board's performance of duties according to the good corporate governance principles at a well to excellent level.

**Orientation of New Directors**

The Company holds an orientation for new directors by presenting the Company's information, aviation business, shareholding structure, related rules and regulations including privileges of the directors, to allow the directors to receive related information beneficial for management. In addition, the directors are encouraged to attend training courses organized by the Thai Institute of Directors (IOD) to develop, support and promote the performance of the Board of Directors.

In 2021, the new director was Miss Rompissri Noichaiboon. The Company Secretary explained all the details above to her. She will attend the Director Accreditation Program (DAP) of the Thai Institute of Directors (IOD). It's course for director to learning the roles, basic duties and legal liabilities of the directors in order to start the career with confidence by receiving a course certification from SET and SEC.

### 8.1.2 Meeting Attendance and dividual directors' compensation

**The Board of Director Meeting**

1. The meeting of the Board of Directors shall be scheduled in advance and at least once every quarter at the head office or branches or nearby provinces.
2. The director shall attend at least 75% of all the board meetings held during the year.
3. The quorum of not less than two-thirds of all Board members is eligible to vote at the meeting to pass a resolution.
4. Invitation, details of the meeting and supporting documents shall be sent to each director at least 7 days in advance of the meeting date.
5. The Company Secretary is responsible for preparing the minutes of meeting to be submitted to the Board of Directors for approval in the first agenda of the next meeting and shall certificated by Chairman of the Board.

In 2021, the Company held a total of 8 Board of Directors' meetings and the 2021 Annual General Meeting of Shareholders without calling for an Extraordinary General Meeting of Shareholders. Details of meeting attendance by the individual directors are as tabulated below:

| Name | Position | The Meeting | |
|---|---|---|---|
| | | Board of Director (Attendance / Right to Attend ) | AGM (Attendance / Right to Attend ) |
| Mr.Vichit Yamboonrruang | Chairman of the Board<br>Independent Director | 8 / 8 | 1 / 1 |
| Mr.Vinai Vittawasgarnvej | Independent Director | 8 / 8 | 1 / 1 |
| Mr.Wara Tongprasin | Independent Director | 8 / 8 | 1 / 1 |
| Mr.Aroon Sricharoon | Independent Director | 8 / 8 | 1 / 1 |
| Mr.Chatri Siripanichkorn | Independent Director | 8 / 8 | 1 / 1 |
| Mr.Thunya Siltorn | Independent Director | 8 / 8 | 0 / 1 |
| Ms.Urawee Kanokpruk | Director | 8 / 8 | 1 / 1 |
| Mr.Danucha Noichaiboon | Director | 8 / 8 | 1 / 1 |
| Mr.Wiwat Sangtian | Director | 8 / 8 | 1 / 1 |
| Ms.Rompissri Noichaiboon | Director | 6 / 8 | 1 / 1 |

Remark - Ms.Rompissri Noichaiboon has appointed as Director, effective from March 18, 2021

### Non-Executive Board of Directors

In 2021, there was a meeting of Non-Executive Board of Directors without the management on November 17, 2021. To consider the renewal of the employment contract for employees aged 60 years and over and the restructuring of the organization.

### Remuneration of the Board of Directors

The Company had set a policy for remuneration for directors and executives fairly and reasonably. The Nomination and Remuneration Committee will consider and scrutinize as appropriate for each position. In accordance with the financial status of the company and compared with other companies in the same business group. The remuneration was allowance and bonus which has already approved by the shareholder's meeting every year. The details are as follow:

**Directors' remuneration**

**1. Allowance**

1.1 Monthly Allowance

- Chairman of the Board Baht 44,000 per month
- Directors Baht 22,000 per month
- Chairman of the Audit Committee Baht 20,000 per month
- Audit Committees Baht 10,000 per month

1.2 Allowance for each meeting

- Chairman of Nomination and Remuneration Committee Baht 15,000 per meeting

- Nomination and Remuneration Committees Baht 10,000 per meeting
- Chairman of the Risk Management Committee Baht 15,000 per meeting
- Risk Management Committees (Director) Baht 10,000 per meeting
- Risk Management Committees (Non-Director) Baht 5,000 per meeting

**2. Bonus**

The Company determine the remuneration of the Board of Director as bonus in reasonable rate on the performance of each year at maximum limit of Baht 6,000,000 for the entired Board same rate as the last year.

In 2021, the Company did not provide bonuses to the Board of Directors, executives and employees because the operating results still have accumulated losses.

**The remuneration for Directors in 2021**

| Name | Position | Remuneration's Director (Baht) | | | | |
|---|---|---|---|---|---|---|
| | | Board of Director | Audit Committees | Nomination and Remuneration Committees | Risk Management Committees | Total |
| Mr.Vichit Yamboonrruang | Chairman of the Board<br>Independent Director | 528,000 | - | - | - | 528,000 |
| Mr.Vinai Vittawasgarnvej | Independent Director<br>Chairman of the Audit Committee | 264,000 | 240,000 | - | - | 504,000 |
| Mr.Wara Tongprasin | Independent Director<br>Chairman of Nomination and Remuneration Committees<br>Audit Committee | 264,000 | 120,000 | 90,000 | - | 474,000 |
| Mr.Aroon Sricharoon | Independent Director<br>Audit Committee | 264,000 | 120,000 | - | - | 384,000 |
| Mr.Chatri Siripanichkorn | Independent Director<br>Nomination and Remuneration Committees | 264,000 | - | 60,000 | - | 324,000 |
| Mr.Thunya Siltorn | Independent Director<br>Chaiman of Risk Management Committees | 264,000 | - | - | 30,000 | 294,000 |
| Ms.Urawee Kanokpruk | Director<br>Nomination and Remuneration Committees | 264,000 | - | 60,000 | - | 324,000 |
| Mr.Danucha Noichaiboon | Director<br>Nomination and Remuneration Committees | - | - | 60,000 | 15,000 | 75,000 |
| Mr.Wiwat Sangtian | Director | 264,000 | - | - | - | 264,000 |
| Ms.Rompissri Noichaiboon* | Director<br>Risk Management Committees | - | - | - | 25,000 | 25,000 |

Remark - Miss Rompissri Noichaiboon, Managing Director and Mr.Danucha Noichaiboon were the executives which have received a regular salary, therefore did not receive any remuneration for holding the position of director

3. Other Remuneration

For the Board of Directors have only compensation from meeting allowance and bonus without any additional compensation.

### 8.1.3 Supervision of subsidiaries and associated companies

To supervise the operations of Subsidiaries, the Company as a shareholder has sent representatives to supervise the interests as well as coordinated cooperation between Subsidiaries. The Company's representatives are those who have been approved by the Management and the Executive Board or the Board of Directors to take positions as Directors in two Subsidiaries. The representatives are either members of the Company's Board of Directors or executive management total 3 persons who have knowledge and understanding of the business and can determine policies that are crucial to business operation, provide management guidelines that will benefit to the Company. Enhance knowledge and understanding of governance operations, risk management and internal control, governance of compliance with laws and corporate regulations, including emphasizing the various practices.

In a major policy, the representatives of the Company obtain the policy of the Company before offering an opinion at the meeting of Subsidiaries, such as allocation of profit, dividend or submission of state revenue, the election of replaced Directors who expired from term of office, the increase - decrease capital, termination - merger. The Company's representative must report information within the given time to the Company's Management and the Board of Directors.

In addition, the Company has arranged analysis, monitoring, and report on the performance of Subsidiaries, on a quarterly or yearly basis to allow the management and the Board of Directors to use the information in making decisions and determining direction and guidance to regulate investment Subsidiaries.

### 8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

#### (1) Prevention of conflicts of interest

According to the Company's business ethics, requires the Board of Directors, executives and employees to disclose information related to their interests or connections which may have conflicts of interest with the Company. Such persons must notify the person responsible for such matters and not participate in the transaction. If employees do not comply, they will be in the nature of disciplinary offenses by consider the punishment according to the procedure and the severity of the act.

In transactions that may have conflicts of interest, the Board will carefully consider the suitability by taking into account the interests of the Company as the primary. There are transactions that may have conflicts of interest, the Company will propose to the Audit Committee for consideration and opinions on such items and presented to the Board for further consideration.

In 2021, no significant items were found.

### (2) Use of inside information to seek benefits

The Company has the policies on insider information, prescribing that no Director, Executive and employee who knows or possesses inside information shall trade securities by resorting to inside information, which is material non-public information, in such a manner that it is likely to have an effect on the price or value of securities, and has known or possessed while holding a position or the line of work responsible for or capable of accessing inside information. Any actions, either for the benefit of oneself or other persons or to pass on such information to others, are prohibited. No Director, Executive and employee, and who has known or possessed inside information, shall trade securities during the period of 1 month prior to and 24 hours post the disclosure of the Company's financial statements.

In 2021, It was not found the directors and executives had trading in securities on the silence period.

### (3) Anti-corruption action

The Company has communicated policies and guidelines to employees at all levels. Including all related parties of the company. In the year 2021, the Company conducted the following activities;

• Publication and guidelines via the Company's website and the internet system within the Company which is easily accessible and throughout the organization along with closing the announcement to publicize to employees.

• New staff training to study and understand the content of ethics in business operations, Work regulations, policies and guidelines for anti-corruption. Both executive level and all staff.

• The Company conducted a survey and assessed the risks of corruption that may occur in the organization. In order to acknowledge the potential for corruption in the organization, internal control assessment including proposing preventive measures. The Company will use the survey results to review the guidelines, internal control system and work processes that may have gaps. Then, improve the preventive and announcements for the implementation of the entire organization, such as rules of compliance trade competition connected transactions, etc. The Audit Committee will review the completeness and sufficiency of the preventive process annually.

In 2021, It was not found any corruption cases within the organization.

The Company gives importance to all stakeholders by listening to comments, suggestions for mutual benefits and provide opportunities for stakeholders to complain in the event that the stakeholders. Do not receive fairness or can report clues if witnessing behavior that indicates fraud corruption of individuals in the Company. The stakeholders can contact through various channels.

The Company has disclosed details of policies and actions to prevent any involvement with corruption on the Company's website https://ekarat.co.th on the topic of Corporate Governance.

### (4) Whistleblowing

The Company has established a policy and guideline for whistle-blowing policy. In order to support and pay attention to all stakeholders, whether they are internal or external personnel. Third parties can report clues in cases of corruption or misconduct in business ethics or related regulations through the channels provided by the Company, via E-mail or telephone in order to help improve, correct or operate to be more accurate, appropriate, transparent and effective in business operations. The Audit Committee, which is independent of the management, will be consider and the Internal Audit Department is responsible for screening such clues and complaints.

The Company gives importance to all stakeholders by listening to comments, suggestions for mutual benefits and provide opportunities for stakeholders to complain in the event that the stakeholders. Do not receive fairness or can report clues if witnessing behavior that indicates fraud corruption of individuals in the Company. The stakeholders can contact through various channels as follows;

1. By E-mail address: nuttavit@ekarat.co.th or hansabur@ekarat.co.th
2. Letter to the Chairman of Audit Committee / the Board of Directors / Company Secretary by sending to Ekarat Engineering PCL., 9/291 UM Tower, 28th Floor, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok 10250

The Company will accept your complaints and suggestions to check and contact you shortly. The Company giving priority to confidential information to protect the whistleblower and will consider the complaints fairly.

In the past year, the Company has not received any whistleblowing or complaints related to corruption or violating the Company's corporate governance policy.

## 8.2 Report on the results of duty performance of the Audit Committee in the past year



**Mr.Vinai Vittawasgarnvej**
**Chairman of Audit Committee**

As of December 31, 2021, the Audit Committee consists of 3 independent directors. The Company regularly holds the Audit Committee meetings before the Board of Directors' meetings at least 4 times each year on a quarterly basis which has been set and notified in advance. From January 1, 2021 - December 31, 2021, there were 7 meetings of the Audit Committee, with details of meeting attendance as follows:

| | | | | |
|---|---|---|---|---|
| 1. | Mr.Vinai | Vittawasgarnvej | Chairman | Attended the meeting 7 times |
| 2. | Mr.Wara | Tongprasin | Committee | Attended the meeting 7 times |
| 3. | Mr.Aroon | Sricharoon | Committee | Attended the meeting 6 times |

The Audit Committee members were not the executive or staff or related person with the Company. The Audit Committee carries out its duties in accordance with the scope of authority and responsibilities approved by the Board of Directors and as required by the Audit Committee Charter, in line with the regulations stipulated by the Office of the Securities and Exchange Commission (the "SEC") in verifying the accuracy of the financial reports, the adequacy and the effectiveness of both the internal control and the risk management systems, the Company's compliance with relevant rules, regulations and applicable laws, including the oversight of the work the Office of Internal Audit.

The Audit Committee has invited the management and/or the company's auditors to attend the meeting for discuss or inform the board as the agenda required. The Audit Committee's meeting considered the subjects as stipulated duties as follows:

**Verification of financial reports**

The Audit Committee verified the quarterly and the annual separated and consolidated financial statements for the fiscal year 2021. They also verified the information reviewed and audited by the external auditors as disclosed in notes to the financial statements. At the Audit Committee Meetings, the Committee together with the Company's management and the external auditors considered the estimates, the discretion in accounting issues and significant audit findings as shown in the report of the external auditors.

**Verification of connected transactions, related party transactions or transactions that might cause conflicts of interest**

The Audit Committee quarterly verified, oversaw and provided opinions on connected transactions, related party transactions or the transactions that might cause conflicts of interest of the Company and its subsidiaries based on the principles of due care, reasonableness, the benefits of the Company's stakeholders and sufficient information disclosure as required by normal business practice. The Committee is of the opinion that these transactions were reasonable and transparent; in addition, they were conducted for the optimum benefit of the Company and accurately disclosed in due time.

**Nomination of the Company's auditors to propose for appointment and consideration on the audit fee for the Year 2022**

The Audit Committee considered selecting and nominating external auditors for the Company by principally taking into account their audit knowledge, expertise, experiences, creditability, independence and work quality as well as the appropriateness of the audit fee. For the year 2022, the Committee resolved to approve nominating the auditors from ANS Audit Company Limited for the Board of Directors' consideration to further propose for the shareholders' meeting's approval to appoint them as the Company's auditors along with the fixing of the audit fee thereof.

**Verification of internal control system**

The Audit Committee verified the effectiveness and the adequacy of the Company's internal control system by considering the audit report that the Internal Audit Department has reviewed and assessed whether its' sufficiently concise. Comply with established regulations and guidelines, including information technology controls. The Committee provided recommendations and continually monitored significant corrective actions in order to ensure that the Company's work policies as well as work processes were in conformity with the Corporate Governance Code (CG Code) and the internal control was adequate and appropriate.

**Supervision of internal audit**

The Audit Committee has considered the independence of the Internal Audit Department and pprove the review of the internal audit charter and the annual audit plan. Acknowledge the results of the internal audit of the Company as well as giving advice and follow up on corrective actions on important issues and suggesting on personnel development of the Internal Audit Department to be able to operate effectively causing good corporate governance.

**Verification of compliance with applicable laws, relevant rules and regulations**

The Audit Committee verified the Company's operation to be in compliance with the Securities and Exchange Act, the rules and the regulations stipulated by the SEC and relevant laws. They also acknowledged changes in the rules and regulations that might affect the Company's business operation.

**Verification of risk management**

The Audit Committee and the management quarterly conducted the verification of the efficiency and the appropriateness of the Company's risk management processes, starting from risk management policy, risk management plans and means to cope with the situations that might affect the operating results of the Company with the management regularly every quarter.

The Audit Committee independently performed the duties assigned by the Board of Directors according to the specified plan by using knowledge, ability and careful caution. In summary, the Audit Committee is of the opinion that, the Company's financial statements were prepared accurately in compliance with both the generally accepted financial reporting standards and accounting principles; the entering into the connected transaction was reasonable and for the optimum benefit of the Company; the internal control and risk management systems were adequate and effective. Furthermore, in view of the Committee, the Company's operations were in compliance with the applicable laws and relevant regulations, in line with its good CG Code. No significant shortcomings were found.

## 8.3 Summary of the results of duty performance of the Audit Committee

### 8.3.1 Report of the Nomition and Remuneration Committee



Mr.Wara Tongprasin
Chaiman of Nomition and Remuneration Committee

At December 31, 2021, the Nomition and Remuneration Committee consists of 4 directors which are 2 independent directors. From January 1, 2021 - December 31, 2021, there were 6 meetings of the Nomition and Remuneration Committee, with details of meeting attendance as follows:

| | | | | |
|---|---|---|---|---|
| 1. | Mr.Wara | Tongprasin | Chaiman | Attended the meeting 6 times |
| 2. | Ms.Urawee | Kanokpruk | Committee | Attended the meeting 6 times |
| 3. | Mr.Danucha | Noichaiboon | Committee | Attended the meeting 6 times |
| 4. | Mr.Chatri | Siripanichkorn | Committee | Attended the meeting 6 times |

The Nomination and Remuneration Committee has duties and responsibilities assigned by the Board of Directors, summary of key performance duties are as follows:

**Nomination of director and management**

- Nominated directors to replace those who were due to retired by rolation, based on various profession with suitable qualifications under applicable law and regulation, the Company's Articles of Accosiation and the corporate governance code. Nominated candidates must be duly competent, skillful, diversity and composition of specialized knowledge that is required or absent. The names of qualifies candidates were tables for the Board concurrence for appointment by the AGM.

In 2021, The Company provides an opportunity for shareholders to nominate a list of persons who are qualified to be considered for election as directors in advance according to the rules prescribed. No shareholder proposed any person to be considered for election as director.

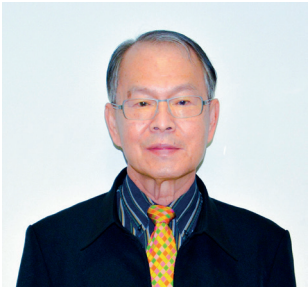
- Nominated directors to replace those resigning during the year. The Committee carefully tabled qualified name along with their profiles to the Board for appointment.
- Nominated directors to specific Board Subcommittees, based on their composition, qualification, expertise, conpentencies related skill and suitability for the Board's appointment.
- Nominated the executives to replace those resigning or retired, based on the eligibility of the specified Session Plan along with yearly performance by KPI guidelines as a tool to assess performance. Preparing for suucessor both of knowledge and leadership.

**Remuneration**

- Considered the 2021 remuneration of the Board and its subcommittee, based on the Company's performance result, guidline of the lists company of the same industry, along with Board's responsibilities and outcomes of Board assessment. The remuneration was tables for the Board's concurrence and subsequent for purpose to approval at the 2021 AGM.
- Review Managing Director's remuneration to suit the current situation and in accordance with the Company's performance by comparing with the compensation rate of other operators in the same industry.
- Review the operation of the Nomination and Remuneration Committee to be complete, appropriate to the current situation and in accordance with the principles of corporate governance.

For transparency, the Company disclosed the pay off all directors and subcommittee members together with the managements' pay in this 56-1 One Report.

### 8.3.2 Report of the Risk Management Committee



Mr.Thunya Siltorn
Chaiman of Risk Managment Committee

The Company values corporate risk management that may affect to the Company's business operations all the risk factors from inside and outside the corporation. Therefore must be prepared to deal with various risks to reduce the impact that will occur including pushing to achieve the set goals.

At December 31, 2021, the Risk Managment Committee consists of 8 directors. The Company organizes the Risk Management Committee meetings regularly before the Board of Directors' meetings at least twice a year. From January 1, 2021 - December 31, 2021, held a total of 3 meeting as highlighted below:

| | | | | |
|---|---|---|---|---|
| 1. | Mr.Thunya | Siltorn | Chaiman | Attended the meeting 3 times |
| 2. | Ms.Rompissri | Noichaiboon | Committee | Attended the meeting 3 times |
| 3. | Mrs.Suwannee | Sujaritvanitchpong | Committee | Attended the meeting 3 times |
| 4. | Mr.Daroonwat | Noichaiboon | Committee | Attended the meeting 3 times |
| 5. | Mr.Paitoon | Intrarawisut | Committee | Attended the meeting 3 times |
| 6. | Mr.Surasak | Wachirapakorn | Committee | Attended the meeting 3 times |
| 7. | Mrs.Supaporn | Chansuroj | Committee | Attended the meeting 3 times |
| 8. | Mr.Sompong | Rom-rok | Committee | Attended the meeting 3 times |

The Risk Managment Committee has duties and responsibilities assigned by the Board of Directors, summary of key performance duties are as follows:

- **Reviewing the adequacy of the overall risk management system of the Company.**

Risk Management Committee has considered an overview of the efficiency of the current risk management system. To reduce the impact of uncertainty in the business environment, build confidence and credibility to shareholders and stakeholders that can support all risks covering all aspects.

- **Assess and analyze risks that may occur in the future and affect the Company's business operations.**

Risk Management Committee considered various risk factors both inside and outside the organization which is uncontrollable and constantly changing. Therefore need to prepare a supporting action plan in order to reduce the impact of various risks. It has been proposed to the Board of Directors for acknowledgment and approval continuously.

- **Closely monitered Corporate risk management in 2021**

Risk Management Committee has monitored the performance according to the risk factor management plan in the past year whether it meets the specified goals or not. Analyze the causes and obstacles to determine solutions and prevent the organization from being damaged by those risks.

Summary of meeting attendance of the Board of Directors and subcommittees in 2021

| Directors | Number of meeting attendance / Number of meetings | | | | |
|---|---|---|---|---|---|
| | BOD | BOM | AC | NRC | RMC |
| Mr.Vichit Yamboonrruang | 8 / 8 | | | | |
| Mr.Vinai Vittawasgarnvej | 8 / 8 | | 7 / 7 | | |
| Mr.Wara Tongprasin | 8 / 8 | | 7 / 7 | 6 / 6 | |
| Mr.Aroon Sricharoon | 8 / 8 | | 6 / 7 | | |
| Mr.Chatri Siripanichkorn | 8 / 8 | | | 6 / 6 | |
| Mr.Thunya Siltorn | 8 / 8 | | | | 3 / 3 |
| Ms.Urawee Kanokpruk | 8 / 8 | | | 6 / 6 | |
| Mr.Danucha Noichaiboon | 8 / 8 | | | 6 / 6 | |
| Mr.Wiwat Sangtian | 8 / 8 | | | | |
| Ms.Rompissri Noichaiboon | 6 / 8 | 34 / 34 | | | 3 / 3 |

Remark : BOD = Board of Director, BOM = Board of Management, AC = Audit Committee, NRC = Nomination and Remuneration Committee, RMC = Risk Management Committee

## 9. Internal control and related party transactions

### 9.1 Internal contral

The Company places importance on continuous internal control and risk management. The Board of Directors has set up and assigned the Audit Committee to be responsible for reviewing adequacy and appropriateness of internal control and risk management. By discharge of duty in compliance with the applicable laws, notifications, and regulations.

At the Board of Directors' meeting No.1/2022 on 20 January 2022, all 3 audit committees attended. The Board of Directors evaluated the internal control system by asking information from Head of Internal Audit and Internal Control System Assessment Results, prepared by Internal Audit together with the management in accordance with the framework of internal control practices of the The Committee of Sponsoring Organizations of the Treadway Commission (COSO) by following the form of the SEC's internal control system sufficiency assessment form before submitting to the Board of Directors for approval. To increase confidence in the internal control system and operating under the principles of good corporate governance. In 2021, the Board approved the hiring of external auditors from A.M.T Solutions Co., Ltd.. Responsible for verifying the performance of all departments and evaluating the Company's internal control system. The report from A.M.T are no significant deficiencies in the internal control system that will affect its' operations. Including the Company's auditor, ANS Audit Company Limited, reported that there were no material flaws and no special remarks regarding the financial reports and internal control.

The Board regards internal control as adequete and suitable for its business, environment and no significant deficiencies. The results of the internal control assessment for the past year are summarized as follows:

1. Control within organization

• The Company is well aware of its corporate responsibility for the society as a whole, by ensuring its directors, executives and employees conduct ethical business without seeking personal benefits for themselves or others, avoiding conflict of interest, and refraining from the happening of corruption in their responsible works A proper disciplinary procedure is posed in case of breaching the Company's regulations, disseminated to all executives and employees.

• The Company has defined the roles of the Board of Directors and the Management in Business Etic. The Board of Directors has assigned the Board of Management to undertake business administration on its behalf, to determine policies, the organization structure and targets on business administration.

• The Company has established nomination process to recruit personnel with required knowledge, skills, expertise and experience, for staff and executive levels. It has a process in place for performance evaluation and salary increment. The other remuneration and benefits are made available as appropriate to employees at all levels without discrimination, Promote the development of employee potential and has also worked out a succession plan.

• The Company has an independent work unit handling internal audit and following up on other work units' operations in terms of internal control, risk management and compliance with applicable laws. Such internal audit unit shall implement in line with the annual audit plan, and shall report the audit result to both the Board of Management and the Audit Committee for acknowledgement, as well as comments and recommendation for the management's improvement and remedial action accordingly.

• The Audit Committee shall perform duties with independence in the scope of power and duties prescribed in the Audit Committee Charter. It has reviewed financial reports, risk management, internal control and audit systems, proposed appointment of external auditor and auditor remuneration and connected transactions or transactions that may have conflict of interest. Results of such review by the Audit Committee are also proposed to the meeting of the Board of Directors for acknowledgement and consideration on a quarterly basis and published in the Audit Committee's annual report.

2. Risk assessment

• The Company had analysis various risk factors in external factors, for example, the competition of transformer market, economic and politics, disaster, epidemic and internal factor are raw material volatility, production, information technology, the management of inventory etc. Risk Management Committee reviewed risk identification and risk level assessment, and examined risk management to ensure efficiency and suitability with the organization, closely followed up on risk management performance, and reported risk management activities of all departments as the significant agenda items to the meetings of the Audit Committee and the Board of Directors for acknowledgment and consideration.

**3. Control activities**

• The Company has put in place written about policies, corporate rules and operation manual to control operations in financial transactions, procurement, production, quality control, sales of goods and general administration with scope of power, duties, responsibilities and approval amount limit for each level and request for budget spending. The management will communicate them to staff members for further translation into practice. The operation monitoring system is in place with reporting at meetings held at all levels on a weekly, monthly and quarterly. If found an error, will correct immediately. In addition, the Company ensures the establishment, review and improvement of policy and regulatory manuals to suit the situation.

• The Company has appointed representatives as directors in associated companies to follow up operations of such companies

• The Company Secretary has been assigned to keep and regularly update information on the significant shareholder, directors, executives, and connected persons, to facilitate monitoring and review of related transactions or transactions prone to conflict of interest.

**4. Information and communication**

• IT system is in place to support the data storing/searching for important documents, including internal and external operational information to ensure that it is accurate, complete, sufficient for operation and has been updated to meet the changes in the IT world such as prevention, access to the IT systems of the Company wrongfully to protect against various forms of cyber threats around the world. Its' causing damage to the organization such as the cost of data redemption, the impact of business interruption and losing customer confidence. Information security policies and guidelines are published with executives and employees at all levels to prepare them for cyberthreats.

• A solution to protect to lawfully use personnel data of all person in charge with our organization conducted to comply the implementation of the Personnel Data Protection Act, B.E. 2019. The Company has formulated a policy and work process planning in accordance with the PDPA by assessing and analyzing all sectors of the organization. Set up the detection and data lack protection system, Along with communicating and training everyone in the organization to acknowledge and strictly follow.

• The Company has an adequate and effective IT system. There are communication channels in and between the departments, allowing timely and quick access of news and information through such means as meetings, emails, intranet, internal broadcast and social media such as Line Group of operating lines, etc., thus ensuring the efficient up-to-date communication within the company and reaching to all employees which is the vital factor in maintaining the unity.

• For external parties, the Company has disclosed and communicated its information comprehensively and equitably to the stakeholders through its communication channel, i.e., www.ekarat.co.th and in case of disclosure according to the criteria of the Stock Exchange of Thailand (SET), such as financial report, annual report of operating results, and minutes of the annual general meeting of shareholders, via the SET's information system and the company's website. Moreover, the company has made available a channel for its stakeholders to report any incident or any act prone to a violation of the laws and rules as well as the code of business ethics, which may cause damage to the company by post or e-mail to the Company secretary or Managing Director. The Company also conducts customer satisfaction surveys to listen to the problems and complaints including the suggestions to improve services for more efficiency.

**5. Monitoring activities**

• The Company has a process to monitor business operations at director, executive, and managerial levels through various meetings, namely Board of Management (weekly), Board of Directors meeting (quarterly), Board Committee meetings to consider to consider and improve to achieve the goals regularly.

• The Company monitors and evaluates its internal controls at all levels and preparing the internal control reports annually Including reviewing and evaluating the effectiveness of the internal audit from the Company's internal audit department according to the set plans.

• The internal auditors will prepare the audit report and suggestion for improvement and presented to Executives for acknowledgement and approval. The Office of the Internal Audit monitors the progress of those implementations through to completion and provides a summary of progress for presentation to Managing Director and Audit Committee to ensure the effective practice as per the recommendations. Also, in the case of suspected transactions or actions that could potentially cause damage to the Company's operating results such as conflicts of interest, fraud, major irregularity or deficiency in the internal control system or a breach of rules, the head of Office of the Internal Audit will report to the Managing Director and the Audit Committee immediately.

## 9.2 Head of Internal Audit Control

The Company has appointed Mr. Nuttavit Noisri as the head of Internal Audit Department and taking effect on January 1, 2021. He had internal audit work experience more than 18 years, has knowledge and understanding of the Company's business activities and operations and obtained training relating to internal audit work, i.e. Certified Professional Internal Audit of Thailand CPIAT from the Association of Internal Auditors of Thailand. Therefore, the Audit Committee agreed that Nuttavit Noisri is appropriate to act as the supervisor of the internal auditor. (More details about the internal audit supervisor in Attachment 3).

Appointment, removal or rotation of Manager of Internal Audit Control Department shall be subject to approval or consent from the Audit Committee.

## 9.3 Related party transactions

The Company has specified rule including guidelines clearly on the related transaction with the associated persons, subject to strictly comply with the notification and regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission is principal, summarized as followings.

• Proposing a connected transaction under such the rules to the Board of Directors and/or the shareholders' meeting for the approval. Through the consideration of the Audit Committee for fairness, the pricing is reasonable and take into the best interests of the Company and the interest directors no right to cast vote at the meeting.

• Disclosure of connected transactions with related companies adequately and comply with the regulations of the Securities and Exchange Commission. As well as the accounting standards on information disclosure about related parties or businesses.

The Company has significant transactions with related parties, which are directly and indirectly related through inter-company shareholding or common shareholders and directorships. The related transactions comply with the terms and conditions specified in the agreement between the Company and the concerned parties.

**Reasonableness of related party transaction**

In considering the approval of related party transactions, The Company determines the authority of the person who has the right to approve according to the specified amount. The Audit Committee is responsible for reviewing the connected transactions of the Company and subsidiaries, related companies and connected persons on a quarterly basis to eliminate conflicts of interest prudently with the interests of the Company as the top priority. Procurement of goods, raw materials or services from related entitles aims to maximize mutual benefit in business operations of the Company's group. Such transactions are regarded as normal business practices, leading commercial benefits to the Company and related companies without any benefits transferring or irregular transaction. It has been approved by the management and the Board of Directors before entering into the transaction.

For the years ended December 31, 2021, the auditor disclosed related transactions in the notes to the financial statements and the Audit Committee has reviewed that as normal business practices with normal business conditions.

**Policy on Future Connected Transaction**

The future connected transaction will be conducted as part of its normal without special favors of transfer of benefits between the Company, subsidiaries, related company and shareholders. Pricing policy will determine from the normal business price as it is assigned to other unrelated parties/businesses and based on the market price.

**The relationship of the parties**

| Name | Country | Nature of relationships | Related by |
|---|---|---|---|
| Ekarat Solar Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 99.99% |
| Ekarat Energy Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 51% |
| SKP Consulting and Engineering Co.,Ltd. | Thailand | Related Company | The company that is close person of the directors being the shareholder and director |

Balance with related parties as at December 31, 2021 and 2020 are as follows:

| Related Company | Item | December 31, 2020 | | December 31, 2021 | | Necessity and reasonableness |
|---|---|---|---|---|---|---|
| | | Consolidated Financial statements | Separate Financial statements | Consolidated Financial statements | Separate Financial statements | |
| Ekarat Energy Co.,Ltd. | Other receivables | - | 60,000 | - | 18,000 | Normal business transaction of goods and services. |
| | Rental Income | - | 24,000 | - | 24,000 | Mutually agreed price based on the contract |
| Ekarat Solar Co.,Ltd. | Short-term loans | - | 10,496,986 | - | - | The Audit Committee considers that Ekarat Solar Co., Ltd. has no operating results at present and unable to repay the debt which was the principal amount of THB 10,496,986 and the accumulated interest as of September 15, 2021 was THB 833,464. Therefore, the Company should pay off debts without affect the operations of the Company. On September 16, 2021, Board of Director Meeting No. 6/2021 approved to forgive a debt of Ekarat Solar Co., Ltd. |
| | Interest Receivable | - | 501,799 | - | - | |
| SKP Consulting and Engineering Co.,Ltd. | Consultant fee | 5,607,477 | - | - | - | Mutually agreed price based on the contract |

# Part 3
# FINANCIAL STATEMENTS

## Independent Auditor's Report

To the Shareholders and the Board of Directors of Ekarat Engineering Public Company Limited and its Subsidiaries

### Opinion

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

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Ekarat Engineering Public Company Limited and its subsidiaries and of Ekarat Engineering Public Company Limited respectively as at December 31, 2021, consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

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

**Impairment of Property, Plant and Equipment**

*Risk*

As discussed in Note to Financial Statements No. 13, the Group has ceased its production of a factory at Rayong. This is an indication of impairment of the property, plant and equipment. The Company has related property, plant and equipment with a net book value as at December 31, 2021 and 2020, the amount of Baht 84.86 million and of Baht 110.98 million, respectively. I therefore determine the recoverable amount of assets is key audit matter in my auditing because the data that the appraiser used to determine the impairment of the property, plant and equipment that the most of data is unobservable inputs. Therefore, the appraiser must use more judgement in selecting assets that are similar to the Group's assets as comparative information and use techniques to adjust the selling price to suit with the Group's assets and in case of the asset is unique the appraiser needs to determine factors that are caused by physical deterioration, obsolescence and economic deterioration or from external factors that may cause the assets to not be used normally. Change in assumptions relating to such factors will significantly affect the fair value of assets. The appropriateness of provision for impairment of property, plant and equipment requires significant judgment by management.

*Auditor's Responses*

I assessed the reasonableness of the assumptions and methods used by the appraiser to calculate the fair value of the property, plant and equipment by review the assessment report and consider the reasonableness of the judgements that the appraiser used to support the determination of the fair value of the asset, test the suitability and adequacy of the evidence that the appraiser used to determine the fair value of an asset by testing the evidence that the appraiser received from the management and the actual financial information of the Company and test of value calculation of allowance for impairment of property, plant and equipment.

**Other Matter**

The consolidated and separate statements of financial statements for the year ended December 31, 2020 of Ekarat Engineering Public Company Limited and its subsidiaries, and of Ekarat Engineering Public Company Limited, respectively which have been presented herewith for comparative purposes were audited by another auditor of my firm, whose report dated February 25, 2021, expressed an unqualified opinion.

**Other Information**

Management is responsible for the other information. The other information comprises the information

include in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of 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 consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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 consolidated and separate 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.



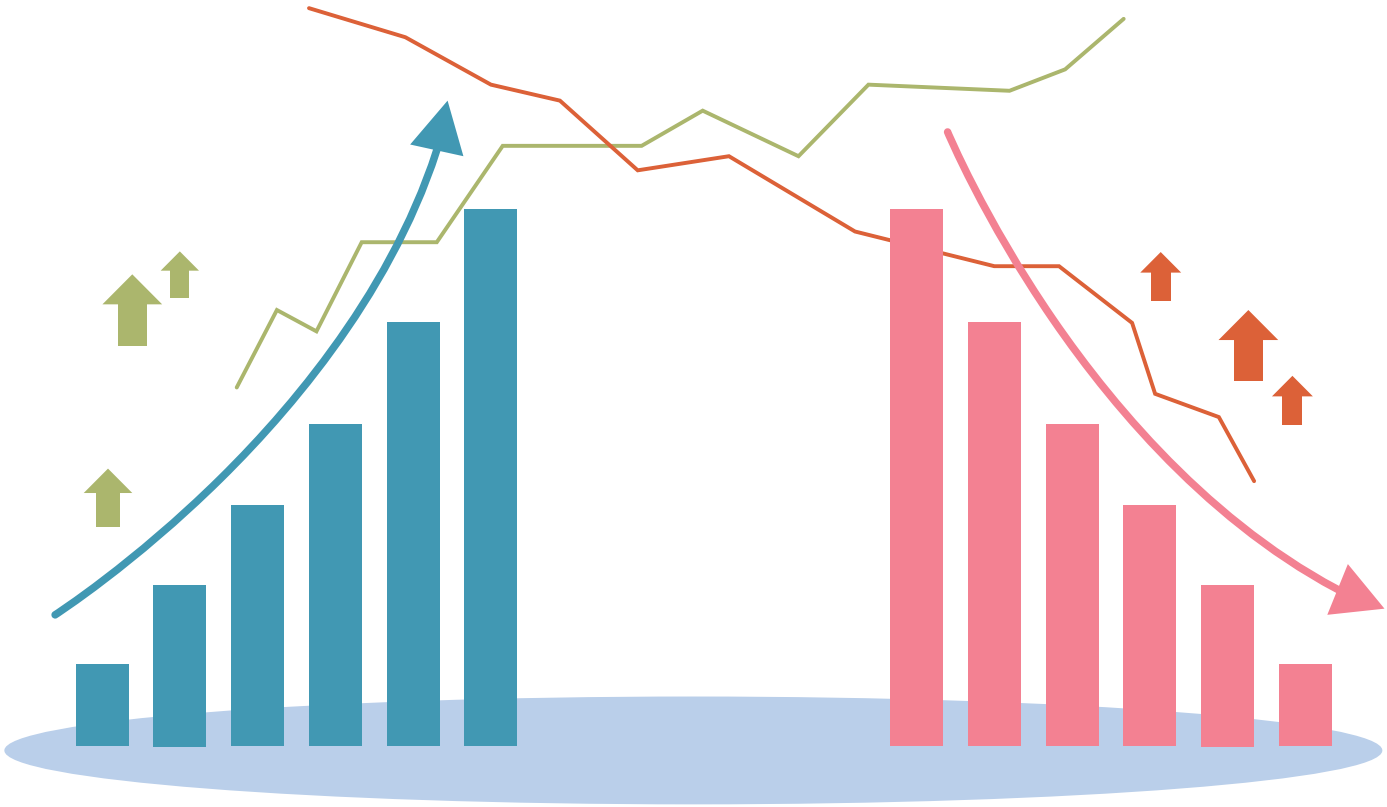
Atchara Suknaibaiboon

Certified Public Accountant Registration Number 4642

ANS Audit Company Limited

Bangkok, February 24, 2022

# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2021



# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF FINANCIAL POSITION
## AS AT DECEMBER 31, 2021

Unit: Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| **Assets** | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 126,879,121 | 61,206,903 | 125,817,527 | 60,008,609 |
| Current financial assets - net | 6 | - | - | - | - |
| Trade and other current receivables - net | 4.2, 7 | 289,045,161 | 267,415,698 | 288,962,759 | 265,042,693 |
| Short-term loan and interest receivable | | | | | |
| to related company - net | 4.3 | - | - | - | - |
| Inventories - net | 8 | 888,162,121 | 380,082,537 | 888,162,121 | 380,082,537 |
| Deposit and advance payment for goods | | 22,073,549 | 7,160,556 | 22,073,549 | 7,160,556 |
| Other current assets | | 12,685,583 | 1,401,106 | 12,380,374 | 1,075,440 |
| Total current assets | | 1,338,845,535 | 717,266,800 | 1,337,396,330 | 713,369,835 |
| Non-current assets | | | | | |
| Investments in subsidiary companies - net | 9 | - | - | 1,274,925 | 1,274,925 |
| Non-current financial assets - net | 10 | 19,650,000 | 19,650,000 | 19,650,000 | 19,650,000 |
| Investment properties - net | 11 | 1,631,755 | 1,631,755 | 1,631,755 | 1,631,755 |
| Assets for rent - net | 12 | 5,189,187 | 4,431,352 | 5,189,187 | 4,431,352 |
| Property, plant and equipment - net | 13 | 551,328,867 | 599,427,561 | 547,410,541 | 595,212,569 |
| Right-of-use assets - net | 14 | 80,603,855 | 92,305,833 | 80,603,855 | 92,305,833 |
| Intangible assets - net | 15 | 296,544 | 386,539 | 296,544 | 386,539 |
| Deferred tax assets - net | 16 | 77,546,852 | 82,610,739 | 77,546,852 | 82,610,739 |
| Withholding tax | | 549,776 | 10,933,941 | - | 10,384,166 |
| Other non-current assets | | 851,999 | 882,154 | 763,170 | 882,154 |
| Total non-current assets | | 737,648,835 | 812,259,874 | 734,366,829 | 808,770,032 |
| **Total assets** | | 2,076,494,370 | 1,529,526,674 | 2,071,763,159 | 1,522,139,867 |

# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF FINANCIAL POSITION
## AS AT DECEMBER 31, 2021

Unit: Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| **Liabilities and shareholders' equity** | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 17 | 221,598,183 | 38,234,082 | 221,598,183 | 38,234,082 |
| Trade and other current payables | 18 | 250,598,060 | 110,264,560 | 250,598,060 | 108,224,788 |
| Accrued expenses | | 29,265,414 | 24,478,798 | 24,599,289 | 19,848,653 |
| Advance received for goods and services | 19 | 78,053,145 | 26,349,739 | 78,053,145 | 26,349,739 |
| Current portion of loans from financial institutions | 20 | 21,806,947 | 27,965,331 | 21,806,947 | 27,965,331 |
| Current portion of lease liabilities | 21 | 12,185,693 | 12,931,264 | 12,185,693 | 12,931,264 |
| Accrued corporate income tax | | 3,308,830 | 5,845,324 | 3,308,830 | 5,845,324 |
| Other current liabilities | | 2,856,710 | 8,480,342 | 2,679,561 | 8,132,077 |
| Total current liabilities | | 619,672,982 | 254,549,440 | 614,829,708 | 247,531,258 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions - net | 20 | 38,085,165 | 59,892,112 | 38,085,165 | 59,892,112 |
| Lease liabilities - net | 21 | 53,747,505 | 63,640,902 | 53,747,505 | 63,640,902 |
| Non-current provisions for employee benefit | 22 | 78,248,645 | 82,911,046 | 78,248,645 | 82,911,046 |
| Other non-current liabilities | | 5,650,260 | 5,498,705 | 5,650,260 | 5,498,705 |
| Total non-current liabilities | | 175,731,575 | 211,942,765 | 175,731,575 | 211,942,765 |
| Total liabilities | | 795,404,557 | 466,492,205 | 790,561,283 | 459,474,023 |

# INEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF FINANCIAL POSITION
## AS AT DECEMBER 31, 2021

Unit: Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| **Liabilities and shareholders' equity** | | | | | |
| Shareholder's equity | | | | | |
| Shares capital | | | | | |
| Authorized | | | | | |
| Common shares 2,014,934,106 shares of Baht 0.80 each | | 1,611,947,285 | 1,611,947,285 | 1,611,947,285 | 1,611,947,285 |
| Issued and paid-up | | | | | |
| Common shares 1,471,532,856 shares of Baht 0.80 each | | | | | |
| (December 31, 2020 : Common shares 1,343,289,404 shares) | 23, 25 | 1,177,226,285 | 1,074,631,523 | 1,177,226,285 | 1,074,631,523 |
| Premium on shares capital | 23 | 25,648,690 | - | 25,648,690 | - |
| Surplus on change of proportion interest in subsidiary | | 364,450 | 364,450 | - | - |
| Retained earnings (deficit) | | | | | |
| Appropriated | | | | | |
| Legal reserve | 24 | 27,839,797 | 25,182,581 | 27,839,797 | 25,182,581 |
| Unappropriated | | 49,677,456 | (37,557,281) | 50,487,104 | (37,148,260) |
| Total equity of the parent company | | 1,280,756,678 | 1,062,621,273 | 1,281,201,876 | 1,062,665,844 |
| Non-controlling interests | | 333,135 | 413,196 | - | - |
| Total shareholders' equity | | 1,281,089,813 | 1,063,034,469 | 1,281,201,876 | 1,062,665,844 |
| **Total liabilities and shareholders' equity** | | 2,076,494,370 | 1,529,526,674 | 2,071,763,159 | 1,522,139,867 |

# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED DECEMBER 31, 2021

Unit: Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| **Revenues** | 4.4, 27 | | | | |
| Revenue from sales of goods | | 1,080,093,924 | 1,145,097,196 | 1,079,675,718 | 1,145,032,406 |
| Revenue from services and maintenance | | 187,821,869 | 223,268,724 | 187,845,869 | 223,292,724 |
| Revenue from service of installing a solar panel | 19 | 108,570,417 | 75,561,410 | 108,570,417 | 69,988,610 |
| Revenue from sales of electricity | | 37,774,893 | 43,615,677 | 37,774,893 | 43,615,677 |
| Total revenues | | 1,414,261,103 | 1,487,543,007 | 1,413,866,897 | 1,481,929,417 |
| **Costs** | | | | | |
| Cost of goods sold | | (833,043,585) | (903,505,745) | (832,184,351) | (902,121,654) |
| Cost of services and maintenance | | (101,786,012) | (118,974,343) | (101,786,012) | (118,974,343) |
| Cost from service of installing a solar panel | | (105,480,397) | (70,268,920) | (105,480,397) | (64,842,499) |
| Cost of electricity sold | | (18,784,525) | (19,676,436) | (18,487,859) | (19,379,771) |
| Loss on devaluation of goods | 8 | (9,542,740) | (1,115,620) | (10,025,500) | (2,499,710) |
| Total costs | | (1,068,637,259) | (1,113,541,064) | (1,067,964,119) | (1,107,817,977) |
| **Gross profit** | | 345,623,844 | 374,001,943 | 345,902,778 | 374,111,440 |
| Other income | 4.4 | 11,304,653 | 15,948,312 | 11,634,913 | 16,479,335 |
| Reversal of (loss on) assets impairment | 13 | (5,985,439) | 1,099,972 | (5,985,439) | 1,099,972 |
| Distribution costs | | (88,550,873) | (99,136,308) | (88,550,873) | (99,136,308) |
| Administrative expenses | 4.4 | (140,540,423) | (150,122,263) | (140,668,929) | (147,915,230) |
| **Profit from operating activities** | | 121,851,762 | 141,791,656 | 122,332,450 | 144,639,209 |
| Finance cost | | (12,766,882) | (19,689,865) | (12,766,882) | (19,689,865) |
| **Profit before income tax expenses** | | 109,084,880 | 122,101,791 | 109,565,568 | 124,949,344 |
| Income tax expenses | 16 | (19,272,988) | (24,443,641) | (19,272,988) | (24,443,641) |
| **Profit for the year** | | 89,811,892 | 97,658,150 | 90,292,580 | 100,505,703 |
| **Other comprehensive income (loss) :** | | | | | |
| **Components of other comprehensive income that will not be reclassified to profit or loss:** | | | | | |
| Losses on re-measurements of defined benefit plans | 22 | - | (12,085,138) | - | (12,085,138) |
| Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss | 16 | - | 2,417,028 | - | 2,417,028 |
| **Other comprehensive loss for the year, net of tax** | | - | (9,668,110) | - | (9,668,110) |
| **Total comprehensive income for the year** | | 89,811,892 | 87,990,040 | 90,292,580 | 90,837,593 |

# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED DECEMBER 31, 2021

Unit: Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) attributable to | | | | | |
| Equity holders of the parent | | 89,891,953 | 98,442,685 | 90,292,580 | 100,505,703 |
| Non-controlling interests | | (80,061) | (784,535) | - | - |
| | | 89,811,892 | 97,658,150 | 90,292,580 | 100,505,703 |
| Total comprehensive income (loss) attributable to | | | | | |
| Equity holders of the parent | | 89,891,953 | 88,774,575 | 90,292,580 | 90,837,593 |
| Non-controlling interests | | (80,061) | (784,535) | - | - |
| | | 89,811,892 | 87,990,040 | 90,292,580 | 90,837,593 |
| **Earnings per share** | | | | | |
| Basic earnings per share (Baht) | 26 | 0.063 | 0.073 | 0.064 | 0.075 |
| Number of weighted average share (Shares) | | 1,419,884,123 | 1,343,289,404 | 1,419,884,123 | 1,343,289,404 |

# KARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
## FOR THE YEAR ENDED DECEMBER 31, 2021

Unit: Baht

| | | Consolidated financial statements | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Other component of equity | | | | |
| | | | | | | | Other comprehensive income | | | | |
| | | | | Surplus on change | Retained earnings (deficit) | | | | | | |
| | Notes | Share capital issued and paid-up | Premium on shares capital | of proportion interest in subsidiary | Appropriated to legal reserve | Unappropriated | Gains(losses) on re-measurements of defined benefit plans | Total other component of equity | Total parent shareholders' equity | Non-controlling interest | Total shareholders' equity |
| Balance as at January 1, 2020 | | 1,074,631,523 | - | 364,450 | 25,182,581 | (126,331,856) | - | - | 973,846,698 | 1,197,731 | 975,044,429 |
| Change in shareholders' equity for the year : | | | | | | | | | | | |
| Transferred to retained earnings | 22 | - | - | - | - | (9,668,110) | 9,668,110 | 9,668,110 | - | - | - |
| Comprehensive income (loss) for the year | | - | - | - | - | 98,442,685 | (9,668,110) | (9,668,110) | 88,774,575 | (784,535) | 87,990,040 |
| Balance as at December 31, 2020 | | 1,074,631,523 | - | 364,450 | 25,182,581 | (37,557,281) | - | - | 1,062,621,273 | 413,196 | 1,063,034,469 |
| Balance as at January 1, 2021 | | 1,074,631,523 | - | 364,450 | 25,182,581 | (37,557,281) | - | - | 1,062,621,273 | 413,196 | 1,063,034,469 |
| Change in shareholders' equity for the year : | | | | | | | | | | | |
| Capital increase from exercise of warrants | 23, 25 | 102,594,762 | 25,648,690 | - | - | - | - | - | 128,243,452 | - | 128,243,452 |
| Legal reserve | 24 | - | - | - | 2,657,216 | (2,657,216) | - | - | - | - | - |
| Comprehensive income (loss) for the year | | - | - | - | - | 89,891,953 | - | - | 89,891,953 | (80,061) | 89,811,892 |
| Balance as at December 31, 2021 | | 1,177,226,285 | 25,648,690 | 364,450 | 27,839,797 | 49,677,456 | - | - | 1,280,756,678 | 333,135 | 1,281,089,813 |

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# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
## FOR THE YEAR ENDED DECEMBER 31, 2021

Unit: Baht

| | | Separate financial statements | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Other component of equity | | |
| | | | | Retained earnings (deficit) | | Other comprehensive income | | |
| | Notes | Share capital issued and paid-up | Premium on shares capital | Appropriated to legal reserve | Unappropriated | Gains(losses) on re-measurements of defined benefit plans | Total other component of equity | Total shareholders' equity |
| Balance as at January 1, 2020 | | 1,074,631,523 | - | 25,182,581 | (127,985,853) | - | - | 971,828,251 |
| Change in shareholders' equity for the year : | | | | | | | | |
| Transferred to retained earnings | 22 | - | - | - | (9,668,110) | 9,668,110 | 9,668,110 | - |
| Comprehensive income for the year | | - | - | - | 100,505,703 | (9,668,110) | (9,668,110) | 90,837,593 |
| Balance as at December 31, 2020 | | 1,074,631,523 | - | 25,182,581 | (37,148,260) | - | - | 1,062,665,844 |
| Balance as at January 1, 2021 | | 1,074,631,523 | - | 25,182,581 | (37,148,260) | - | - | 1,062,665,844 |
| Change in shareholders' equity for the year : | | | | | | | | |
| Capital increase from exercise of warrants | 23, 25 | 102,594,762 | 25,648,690 | - | - | - | - | 128,243,452 |
| Legal reserve | 24 | - | - | 2,657,216 | (2,657,216) | - | - | - |
| Comprehensive income for the year | | - | - | - | 90,292,580 | - | - | 90,292,580 |
| Balance as at December 31, 2021 | | 1,177,226,285 | 25,648,690 | 27,839,797 | 50,487,104 | - | - | 1,281,201,876 |

# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF CASH FLOWS
## FOR THE YEAR ENDED DECEMBER 31, 2021

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Cash flows from operating activities :** | | | | |
| Profit for the year | 89,811,892 | 97,658,150 | 90,292,580 | 100,505,703 |
| Adjustments to reconcile net profit to net cash | | | | |
| provided by (used in) operating activities | | | | |
| Expected credit loss | 2,964,780 | 1,882,616 | 3,145,809 | 1,926,225 |
| Loss on devaluation of inventories | 9,542,740 | 1,115,620 | 10,025,500 | 2,499,710 |
| Loss on impairment of property, plant and equipment (reversal) | 5,848,628 | (1,038,736) | 5,848,628 | (1,038,736) |
| Loss on impairment of other non-current assets | 136,811 | - | 136,811 | - |
| Lose from change in fair value | - | 34,542 | - | 34,542 |
| Amortization of intangible assets | 207,391 | 210,002 | 207,391 | 210,002 |
| Depreciation of right-of-use assets | 14,353,423 | 11,945,543 | 14,353,423 | 11,945,543 |
| Depreciation | 64,332,334 | 64,037,339 | 64,035,668 | 63,740,673 |
| Non-current provisions for employee benefit | 5,811,074 | 6,213,818 | 5,811,074 | 6,213,818 |
| (Gain) loss from disposals of assets | (967,018) | 286,031 | (967,018) | 286,031 |
| Unrealized (gain) loss on exchange rate | 173,630 | (449,832) | 324,266 | (7,459) |
| Transfer liabilities to be revenues | (1,779,292) | (6,715,442) | (1,779,292) | (6,715,442) |
| Interest expense | 12,766,882 | 19,689,865 | 12,766,882 | 19,689,865 |
| Interest income | (349,547) | (301,020) | (679,807) | (832,046) |
| Income tax expenses | 19,272,988 | 24,443,641 | 19,272,988 | 24,443,641 |
| Profit from operations before changes | | | | |
| in operating assets and liabilities | 222,126,716 | 219,012,137 | 222,794,903 | 222,902,070 |
| Operating assets (increase) decrease | | | | |
| Trade and other current receivables | (24,287,092) | 155,363,024 | (26,577,692) | 149,253,053 |
| Inventories | (521,568,013) | 46,339,937 | (522,050,773) | 44,955,847 |
| Deposit and advance payments for goods | (14,912,993) | 5,456,360 | (14,912,993) | 5,456,360 |
| Other current assets | (11,373,304) | 1,212,330 | (11,304,931) | 924,022 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other current payables | 139,948,857 | (78,018,697) | 141,988,629 | (78,469,814) |
| Accrued expenses | 5,297,440 | (30,839,771) | 5,261,460 | (30,869,771) |
| Advance received for goods and services | 52,587,090 | (24,671,266) | 52,587,090 | (24,671,266) |
| Other current liabilities | (5,623,632) | 640,386 | (5,452,516) | 836,345 |
| Other non-current liabilities | 151,555 | (499,714) | 151,555 | (499,714) |
| Cash received (paid) from operating activities | (157,653,376) | 293,994,726 | (157,515,268) | 289,817,132 |
| Employee benefit obligations paid | (10,473,475) | (13,591,536) | (10,473,475) | (13,591,536) |
| Interest expenses paid | (12,416,551) | (19,519,765) | (12,416,551) | (19,519,765) |
| Received income tax | 10,317,770 | 9,227,002 | 10,317,770 | 9,227,002 |
| Income tax paid | (16,347,245) | (10,572,350) | (16,347,245) | (10,022,817) |
| Net cash provided by (used in) operating activities | (186,572,877) | 259,538,077 | (186,434,769) | 255,910,016 |

# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
## STATEMENTS OF CASH FLOWS
## FOR THE YEAR ENDED DECEMBER 31, 2021

Unit: Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Cash flows from investing activities :** | | | | |
| Cash received for short-term loan to related company | - | - | - | 6,000,000 |
| Cash received from sales of assets for rent | 1,328,153 | 3,490,226 | 1,328,153 | 3,490,226 |
| Cash received from sale of property, plant and equipment | 185,610 | 579,960 | 185,610 | 579,960 |
| Cash paid for acquisition of assets for rent | (1,072,594) | (2,575,750) | (1,072,594) | (2,575,750) |
| Cash paid for acquisition of property, plant and equipment | (16,535,411) | (19,016,844) | (16,535,411) | (19,016,844) |
| Cash paid for assets payable | (1,294,950) | (1,684,423) | (1,294,950) | (1,684,423) |
| Cash paid for acquisition of intangible assets | (117,396) | (123,748) | (117,396) | (123,748) |
| Cash received from interest income | 196,442 | 302,003 | 195,034 | 444,305 |
| Net cash use in investing activities | (17,310,146) | (19,028,576) | (17,311,554) | (12,886,274) |
| **Cash flows from financing activities :** | | | | |
| Cash received from capital increase from exercise right of warrants | 128,243,452 | - | 128,243,452 | - |
| Increase (decrease) in short-term loans from financial institutions | 182,866,202 | (178,809,434) | 182,866,202 | (178,809,434) |
| Repayment of liabilities under financial lease contracts | (13,290,413) | (13,594,026) | (13,290,413) | (13,594,026) |
| Repayment of long-term loans from financial institutions | (28,264,000) | (28,272,000) | (28,264,000) | (28,272,000) |
| Net cash provided by (used in) financing activities | 269,555,241 | (220,675,460) | 269,555,241 | (220,675,460) |
| Net cash and cash equivalents increase - net | 65,672,218 | 19,834,041 | 65,808,918 | 22,348,282 |
| Cash and cash equivalents at the beginning of the year | 61,206,903 | 41,372,862 | 60,008,609 | 37,660,327 |
| Cash and cash equivalents at the ending of the year | 126,879,121 | 61,206,903 | 125,817,527 | 60,008,609 |
| | | | | |
| **Supplemental cash flow information :** | | | | |
| Non-cash transactions : | | | | |
| Transfer of inventories to property, plant and equipment | 2,227,291 | 750,581 | 2,227,291 | 750,581 |
| Transfer of inventories to asset for rent | 1,635,654 | 1,338,275 | 1,635,654 | 1,338,275 |
| Transfer of property, plant and equipment to assets for rent | - | 272,743 | - | 272,743 |
| Acquisition of assets on credit | 1,850,982 | 1,294,950 | 1,850,982 | 1,294,950 |
| Transfer of property, plant and equipment to right-of-use assets | - | 14,571,462 | - | 14,571,462 |
| Transfer of intangible assets to right-of-use assets | - | 8,344,325 | - | 8,344,325 |
| Transfer of prepaid rental expenses under operating lease agreements to right-of-use assets | - | 4,473,569 | - | 4,473,569 |
| Increase in right-of-use from liabilities under lease agreements | 2,651,445 | 76,862,020 | 2,651,445 | 76,862,020 |

EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

## 1. General information

Ekarat Engineering Public Company Limited ("the Company") was registered as a public company under Company Registration Number 0107537002711 on December 9, 1994, and was listed on the Stock Exchange of Thailand on August 7, 2006.

The head office is located at 9/291 UM Tower, 28th Floor, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok.

The Company and its subsidiaries ("the Group") engage in the manufacture and distribution of transformers and solar farms.

The Company has the following four branches:

Factory 1: 190/1 Moo 6 Hoklee Canal, Bangpakong River, Tambon Thasa-An, Amphur Bangpakong, Chachoengsao Province.

Factory 2: 7/242 Moo 6 Tambon Mabyangporn, Amphur Pluakdang, Rayong Province.

Solar thermal power plants:

Factory 1: 365, 365/1 Moo 3 Tambon Kroksomboon Amphur Sri-mahapo Prachinburi Province.

Factory 2: 78 Moo 9 Tambon Lahore Amphur Bang Bua Thong Nonthaburi Province.

## 2. Basis of preparation of the financial statements

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with Notification of the Department of Business Development, dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on the Thai version.

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

Preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

**Coronavirus Pandemic 2019 (COVID-19)**

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

**Basis of preparation of consolidation financial statements**

a) The consolidated financial statements include the financial statements of the Company and its subsidiaries (together referred to as "the Group") are as follows:

| Name | Nature of business | Incorporation | % of shareholding 2021 | % of shareholding 2020 |
|---|---|---|---|---|
| Ekarat Solar Co., Ltd. | Distributor of solar cell and solar panel | Thailand | 99.99 | 99.99 |
| Ekarat Energy Co., Ltd. | Operate on solar electric power | Thailand | 51.00 | 51.00 |

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 if it has the ability to direct the activities that significantly affect the amount of its returns.

c) Subsidiaries are fully consolidated as from 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.

The separate financial statements present investments in subsidiaries according to the Cost Method.

New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year 2021, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022

The Federation of Accounting Professions issued certain 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 adoption of these financial reporting standards will not have any significant impact on the Group's financial statements.

## 3. Significant accounting policies and accounting judgments and estimates

### 3.1 Significant accounting policies

**Revenue recognition**

- Sales are recognized upon the transfer of ownership to customers in exchange for the consideration to which the Group is entitled. Sales are shown net of sales taxes and discounts.
- Revenue from service and maintenance is recognized upon service completion and in accordance with the service contract.
- Revenue from installation of solar electric generating systems is recognized when a performance obligation is satisfied over the period of the contract by measuring progress towards complete satisfaction of that performance obligation by referencing the completion of a physical proportion of the contract work performed as assessed by the project engineers.

  Recognized revenue not yet due according to the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognized are reclassified to trade receivables when the Group's right to consideration is unconditional, such as upon completion of services and acceptance by the customer.

  Amounts received by the Group or that are due from customers with the obligation to transfer services to customers are presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are classified as "Advance received for goods and services" and will be recognized as revenue when the obligation satisfied under the term of contract.

- The Group recognizes revenue from sales of electricity when electricity is distributed to customers. Sales are recognized based on units of sale delivered at the applicable tariff rates.

  The Company received a subsidy from government for the purchase of the electricity, in accordance with project support for a small-scale solar electricity generator, at the rate of Baht 8 per kilowatt-hour in compliance with the announcement of the Provincial Power Authority and the Resolution of the Board of Energy Policy, dated March 9, 2009. The subsidy period is 10 years from the electricity trade date. The Company started trading electricity on April 2010. Such subsidy is recognized as income when the electricity is distributed to the Provincial Power Authority.
- Rental income is recognized based on the term of the lease.
- Interest income is recognized on an accrual basis based on the effective interest rate.
- Other income is recognized on an accrual basis.

**Expense recognition**

- Costs of installation of solar electric generating systems are recognized when a performance obligation is satisfied over the period of the contract by measuring progress towards complete satisfaction of that performance obligation by referencing the completion of a physical proportion of the contract work performed as assessed by the project engineers. The estimated total cost is determined by the Group's project engineers or its responsible person, but such estimate is subject to change. Expected loss from each project is provided and charged as an expense in the period when the estimated total costs of the project exceed its total contracted income.

  The actual cost of services incurred but not yet recognized as cost of services in profit or loss is referred to as "Work in process" under current assets in the statement of financial position, while contracts whose calculated costs of construction exceed incurred costs of construction are shown as "Accrued expense" under current liabilities in the statement of financial position.

  Work in process includes the cost of raw materials, direct labor and other expenses incurred for each project. Such work in progress is valued at the lower of cost or net realizable value.
- Payments made under short-term leases and low-value leases are recognized in profit or loss according to the straight-line method over the term of the lease. Contingent rentals are charged to profit or loss for the accounting period in which they are incurred.
- Financial cost consists of interest expenses or other expenses of a similar nature charged to profit or loss in the year such expenses are incurred except where they are partly recorded as cost of assets due to the effect of the long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amounts under lease contracts is charged to profit or loss by the effective rate method.
- Other expenses are recognized on an accrual basis

**Cash and cash equivalents**

Cash and cash equivalents include cash, bank deposits in the forms of savings and current accounts, and fixed accounts that do not exceed three months and that are not subject to withdrawal restrictions.

### Trade and other receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

### Inventories

Inventories are recorded at cost adjusted by allowance for inventories that are slow-moving or obsolete (if any) or net realizable value, whichever is the lower. Cost is computed as follows:

Raw materials and supplies are valued at cost by using the first-in, first-out method.

Finished goods and work in process are valued at cost by using the specific identification method.

Net realizable value is the estimated selling price in the ordinary course of business less the expenses necessary to make the sale.

### Financial assets and financial liabilities

*Classification*

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

*Measurement*

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, 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 from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, 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. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

**Impairment**

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

**Investments**

In the separate financial statements, investments in subsidiary companies are recorded according to the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in profit or loss when the investments have been disposed or impaired.

**Investment properties**

Investment properties are recorded at cost. Afterward, the Group recorded the investment properties, which is land at cost less allowance for accumulated impairment (if any).

The Group recognized the difference between the net amount received from disposal and the carrying amount of the asset in profit or loss in the period the investment properties were removed from the account.

**Assets for rent**

Assets for rent are inventories for rent or loans to customers that have been recorded at the initial value at cost. Afterward, the Group recorded assets for rent at cost less accumulated depreciation and allowance for accumulated impairment (if any). Depreciations are calculated by the straight-line method over the useful life for five years.

**Property, plant and equipment**

Property, plant and equipment are recorded at cost. Afterward, the Group recorded the property, plant and equipment at cost less accumulated depreciation and allowance for accumulated impairment (if any) and depreciation is calculated by the straight-line method over the following estimated useful lives:

| | "Estimated useful lives (years)" |
|---|---|
| Office buildings and construction | 10 - 40 |
| Machinery, tools and equipment | 5 - 25 |
| Furniture and office equipment | 3 - 5 |
| Vehicles | 5 |

The Group did not carry depreciation for land, land improvements and assets under construction. In the case of impairment of assets, the Group will calculate the depreciation of the assets using the carrying amount after deducting allowance for loss on impairment (if any) over the remaining useful life of the asset.

Property, plant and equipment shall be eliminated from accounts on disposal or where no future economic benefits are expected from their usage or disposal. Profit or loss arising on disposal is recognized in profit or loss when such asset is eliminated from accounts.

### Intangible assets

Intangible assets are shown at cost less accumulated, amortized expenses and allowance for impairment (if any) of that asset. The Group amortizes intangible assets with certain useful lives systematically throughout the useful life of individual asset and will review the period and method for amortization of intangible assets with certainty in useful life at least at the end of every year. Amortized expenses will be recognized in profit or loss based on period during which economic benefits are expected from the assets.

### Impairment of assets

The Group has considered the impairment of assets-property, plant and equipment, investments and intangible assets and other non-current assets whenever events or changes indicate that the carrying amount of an asset exceeds recoverable amount (net selling price of the asset under the normal course of operations or its utilization value, whichever is higher) by considering the impairment for each asset item or each asset unit generating cash flow, whichever is practical.

If the carrying amount of an asset exceeds its net realizable value, the Group will recognize an impairment loss in profit or loss for the period or decrease appraisal surplus if those assets have been revaluated and recorded as appraisal surplus included in shareholders' equity. The Group will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment as "other income" or "appraisal surplus," whichever is practical.

### Trade and other payables

Trade and other payables are stated at cost.

### Interest bearing liabilities

Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as expense for the year.

### Employee benefits

*Short-term employee benefits*

The Group recognizes salaries, wages, bonuses, and contributions to the social security fund and its provident fund as expenses on an accrual basis.

*Post-employment benefits*

The Group has severance pay obligations to employees upon their retirement under labor law. The defined benefits plan is defined as a post-employment benefit plan.

The obligation under the defined benefits plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The Projected Unit Credit Method, allocates benefits for the current period and previous period that must be paid to an employee who provided services to the Group throughout various periods according to the calculation formula of the benefits of the project. And, accordingly, such benefits will be allocated according to the straight-line method throughout the service life of the employee until retirement.

Current service costs, past service costs and gains and losses on settlement including gains and losses from reducing project size and project benefit payments when reducing project size will be recognized in profit or loss for the period during which the transaction occurs.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income and loss.

The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

**Estimation of liabilities**

Provisions are recognized 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.

**Leases**

***Leases - where the Group is the lessee***

At inception of a contract, the Group assesses whether the 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 recognizes right-of-use ("ROU") asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, where by the exercise price is considered as lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

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.

| | "Estimated useful lives (years)" |
|---|---|
| Right-of-use - land | 25 |
| Machinery, tools and equipment | 5 |
| Office equipment | 5 |
| Vehicles | 5 |

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Foreign currencies**

Foreign currency transactions are translated into Baht at the rates prevailing on the dates of their occurrence. Monetary assets and liabilities denominated in foreign currency that are outstanding at the period then ended are translated into Thai Baht at the foreign exchange rate prevailing at that date. Exchange gains or losses from translations are included as income or expenses in the in profit or loss.

Non-monetary assets and liabilities, which are derived from accounting items denominated in foreign currencies, are recorded at their initial cost and then converted into Baht using exchange rates prevailing on that date.

**Income tax**

Income tax expenses for the year comprise current and deferred tax. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to items recognized directly in shareholders' equity or in other comprehensive income.

*Current tax*

The Group recognizes current tax at the amount expected to be paid to the taxation authorities, calculated based on taxable profits in accordance with the Revenue Code.

*Deferred tax*

The Group recognizes deferred tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using tax rates enacted at the end of the reporting period.

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

At each reporting date, the Group 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 utilized.

**Related party transactions**

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

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

### 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 its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there is 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 techniques that are appropriate in the circumstances and that maximize 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 categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

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

### Basis earnings per share

Basis earnings per share are calculated by dividing profit for the year of the Company (excluding other comprehensive income) by the weighted average number of issued and fully paid shares during the accounting year.

### Segment information

Sectorial business operations are disclosed under the separate business sectors of the Group. The business segment is the business sector that sources products or provides services which have different risk and return from the risks and return of the products or services provided by other business sectors.

### Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, trade receivables and trade payables, other current receivables and other current payables, non-current financial assets, loan receivables and payables and lease liabilities. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

## 3.2 Significant accounting judgments and estimates

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

**Revenue from contracts with customers**

*Identification of performance obligations*

In identifying performance obligations, management is required to use judgement regarding whether each obligation to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other obligation in the contract and if the customer can benefit from it, it is accounted for separately.

*Determination of timing of revenue recognition*

In determining the timing of revenue recognition, management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognizes revenue over time if the:

- Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- Entity's performance creates or enhances a customer controlled asset as the asset is created or enhanced; and
- Entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognized over time, management is required to use judgement to measure progress towards complete satisfaction of a performance obligation based on information provided by the Group's project managers and certificates of works from its customers.

**Allowances for expected credit losses of trade receivables**

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

### Allowance for devaluation of inventories

In determining the reduced cost of inventories to net realizable value, management makes judgment and estimates of the net realizable value of inventories based on the amount the inventories that are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, management makes judgement and estimates about expected losses from stock obsolescence based upon aging profile of inventories and prevailing economic conditions.

### Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

### Impairment of investment in subsidiary

The Company treats investment in its subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what constitutes “significant” or “prolonged” requires judgment by management.

### Property, plant and equipment and depreciation

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

In addition, management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount.

This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.



### Post-employment benefits under defined benefit plans

Obligations under defined benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

## 4. Transactions with related parties

The Company has significant transactions with related parties, which are directly and indirectly related through inter-company shareholding or common shareholders and directorships. The related transactions comply with the terms and conditions specified in the agreement between the Company and the concerned parties.

### *4.1 Relationship among the parties*

| Name | Country | Nature of relationships | Related by |
|---|---|---|---|
| Ekarat Solar Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 99.99% |
| Ekarat Energy Co., Ltd. | Thailand | Subsidiary | Direct shares holding of 51% |
| "SKP Consulting and Engineering Co.,Ltd." | Thailand | Related Company | The company that is close person of the directors being the shareholder and director |

Balances with related parties as at December 31, 2021 and 2020 are as follows:

### *4.2 Other receivables - related company*

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| **Other receivables** | | | | |
| Ekarat Energy Co., Ltd. | - | - | 18,000 | 60,000 |

### *4.3 Short-term loans and interest receivables to related parties - net*

Short-term loans and interest receivables to related parties - net as at December 31, 2021 and 2020 are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Separate financial statements | | | |
| | December 31, 2020 | Increase | Written-off bad debts | December 31, 2021 |
| **Short-term loans** | | | | |
| Ekarat Solar Co., Ltd. | 10,496,986 | - | (10,496,986) | - |
| **Interest receivables** | | | | |
| Ekarat Solar Co., Ltd. | 501,799 | 331,665 | (833,464) | - |
| **Total short-term loans and interest receivables** | 10,998,785 | 331,665 | (11,330,450) | - |
| Less allowance for expected credit loss | (10,998,785) | | | - |
| **Short-term loans and interest receivables - net** | - | | | - |

For the years ended December 31, 2021 and 2020, there was movement in the allowance for expected credit loss of short-term loans and interest receivables to related company as follows:

| | Unit: Baht | |
|---|---|---|
| | Separate financial statements | |
| | 2021 | 2020 |
| Balance as beginning of year | 10,998,785 | 10,512,803 |
| Increase during the year | 331,665 | 485,982 |
| Decrease during the year | (11,330,450) | - |
| Balance as the ending of year | - | 10,998,785 |

On September 16, 2021, Board of Director Meeting No. 6/2021 approved to forgive a debt of Ekarat Solar Co., Ltd. and has written-off bad debts during the year amounting of Baht 11.33 million.

### 4.4 *Significant transactions with related parties*

Significant transactions with related parties for the years ended December 31, 2021 and 2020 consisted of:

| | Unit: Baht | | | | |
|---|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | | |
| | 2021 | 2020 | 2021 | 2020 | Pricing Policy |
| **Rental income** | | | | | |
| Ekarat Energy Co., Ltd. | - | - | 24,000 | 24,000 | Mutually agreed price based on the contract. |
| **Interest income** | | | | | |
| Ekarat Solar Co., Ltd. | - | - | 331,665 | 485,982 | Based on the agreed price according to the interest rates of domestic commercial banks. |
| Ekarat Energy Co., Ltd. | - | - | - | 49,057 | Based on the agreed price according to the interest rates of domestic commercial banks. |
| **Consultant fee** | | | | | |
| SKP Consulting and Engineering Co., Ltd. | - | 5,607,477 | - | 5,607,477 | Mutually agreed price based on the contract. |

### 4.5 *Remuneration of key management*

Remuneration of key management for the years ended December 31, 2021 and 2020 consisted of:

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Benefit - short-term | 17,309,000 | 21,448,400 |
| Benefit - after retirement | 840,965 | 763,500 |
| Directors' remuneration | 3,366,000 | 5,492,083 |
| Total | 21,515,965 | 27,703,983 |

## 5. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2021 and 2020 are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cash on hand | 672,284 | 794,834 | 670,000 | 785,000 |
| Current accounts | 10,607,998 | 3,122,091 | 10,607,998 | 3,122,091 |
| Savings accounts | 38,032,475 | 56,320,199 | 36,973,165 | 55,131,739 |
| Fixed account (maturity less than 3 months) | 76,000,000 | - | 76,000,000 | - |
| Cheque due for deposit | 1,566,364 | 969,779 | 1,566,364 | 969,779 |
| **Total cash and cash equivalents** | 126,879,121 | 61,206,903 | 125,817,527 | 60,008,609 |

## 6. Current financial assets - net

Current financial assets - net as at December 31, 2021 and 2020 is as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| **Current financial assets** | | |
| Investment in equity instrument on marketable securities | 1,128,315 | 1,128,315 |
| Loss from change in fair value | (1,128,315) | (1,128,315) |
| **Total current financial assets - net** | - | - |

As at December 31, 2021 and 2020, the fair value of equity instrument on marketable securities, arranged in Tier 1, calculation by the last offer price.

As at December 31, 2021 and 2020, there was movement in the loss from change in fair value of current financial assets as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Balance as beginning of years | 1,128,315 | 1,093,773 |
| Increase during the years | - | 34,542 |
| Balance as the ending of years | 1,128,315 | 1,128,315 |

## 7. Trade and other current receivables - net

Trade and other current receivables - net as at December 31, 2021 and 2020 are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| **Trade receivables** | | | | |
| - Trade receivables - other paties | 243,032,313 | 234,736,978 | 237,247,372 | 228,770,973 |
| Contract assets | 42,833,836 | 19,468,358 | 42,733,256 | 17,366,879 |
| Post-dated cheque | 9,846,894 | 18,331,286 | 9,846,894 | 18,331,286 |
| Total trade receivables | 295,713,043 | 272,536,622 | 289,827,522 | 264,469,138 |
| Less allowance for expected credit loss | (18,781,197) | (20,415,456) | (12,996,256) | (14,781,151) |
| Total trade receivables - net | 276,931,846 | 252,121,166 | 276,831,266 | 249,687,987 |
| **Other current receivables** | | | | |
| - Other receivables - related party | - | - | 18,000 | 60,000 |
| - Other receivables - other paties | 5,632,684 | 4,779,010 | 5,632,684 | 4,779,010 |
| Prepaid expenses | 8,644,046 | 12,880,136 | 8,644,046 | 12,880,136 |
| Others | 2,035,960 | 1,834,761 | 2,036,138 | 1,834,935 |
| Total other current receivables | 16,312,690 | 19,493,907 | 16,330,868 | 19,554,081 |
| Less allowance for expected credit loss | (4,199,375) | (4,199,375) | (4,199,375) | (4,199,375) |
| Total other current receivables - net | 12,113,315 | 15,294,532 | 12,131,493 | 15,354,706 |
| **Total trade and other current receivables - net** | 289,045,161 | 267,415,698 | 288,962,759 | 265,042,693 |

As at December 31, 2021 and 2020, the Group's trade receivables classified by age analysis are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| **Trade receivables - other parties** | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 135,314,934 | 106,892,520 | 135,314,934 | 106,892,520 |
| Over due | | | | |
| Less than 3 months | 61,096,430 | 83,687,592 | 61,096,430 | 83,355,892 |
| From 3 months to 6 months | 13,232,183 | 6,979,734 | 13,232,183 | 6,979,734 |
| From 6 months to 12 months | 5,023,324 | 6,834,393 | 5,023,324 | 6,834,393 |
| More than 12 months | 28,365,442 | 30,342,739 | 22,580,501 | 24,708,434 |
| Total | 243,032,313 | 234,736,978 | 237,247,372 | 228,770,973 |
| **Contract assets** | | | | |
| Aged on the basis of services dates | | | | |
| Less than 3 months | 36,100,750 | 16,339,180 | 36,100,750 | 16,238,600 |
| From 3 months to 6 months | 120,910 | 672,565 | 120,910 | 672,565 |
| From 6 months to 12 months | 6,462,804 | 2,402,154 | 6,462,804 | 401,255 |
| More than 12 months | 149,372 | 54,459 | 48,792 | 54,459 |
| Total | 42,833,836 | 19,468,358 | 42,733,256 | 17,366,879 |
| **Post-dated cheque** | | | | |
| Not yet due | 9,846,894 | 18,331,286 | 9,846,894 | 18,331,286 |
| **Total** | 295,713,043 | 272,536,622 | 289,827,522 | 264,469,138 |
| Less allowance for expected credit loss | (18,781,197) | (20,415,456) | (12,996,256) | (14,781,151) |
| **Total trade receivables - net** | 276,931,846 | 252,121,166 | 276,831,266 | 249,687,987 |

The normal credit terms for the Group's customers are approximately 30 - 90 days with average age of 30 - 90 days for a post-dated cheque.

As at December 31, 2021 and 2020, a part of trade receivables overdued more than 12 months is under installment payments. The Company received payment from a trade receivable that is overdue more than 12 months on January 5, 2022 amount of Baht 5.07 million.

For the year ended December 31, 2021, movement in the allowance for expected credit loss of trade receivables and contract assets are as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated financial statements | Separate financial statements |
| As at January 1, 2021 | 20,415,456 | 14,781,151 |
| Increase during the year | 596,826 | 446,190 |
| Less reversal of allowance for expected credit loss | (260,629) | (260,629) |
| written-off bad debts | (1,970,456) | (1,970,456) |
| As at December 31, 2021 | 18,781,197 | 12,996,256 |

## 8. Inventories - net

Inventories - net as at December 31, 2021 and 2020 are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Raw materials | 496,450,782 | 172,478,915 | 496,450,782 | 172,033,655 |
| Raw materials - in transit | 57,172,526 | 15,436,948 | 57,172,526 | 15,436,948 |
| Work in process | 143,643,689 | 111,156,842 | 143,643,689 | 111,156,842 |
| Finished goods | 225,476,209 | 106,450,010 | 223,786,994 | 104,760,795 |
| Supplies | 6,091,375 | 5,984,920 | 6,091,375 | 5,947,420 |
| Total | 928,834,581 | 411,507,635 | 927,145,366 | 409,335,660 |
| Less allowance for decline in value of goods | (40,672,460) | (31,425,098) | (38,983,245) | (29,253,123) |
| **Total inventories - net** | 888,162,121 | 380,082,537 | 888,162,121 | 380,082,537 |

For the year ended December 31, 2021, the Group's movement of allowance for the decline in value of goods (cost of goods exceeding net realizable value and allowance for deteriorated and obsolete goods) was as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated financial statements | Separate financial statements |
| As at January 1, 2021 | 31,425,098 | 29,253,123 |
| Add Loss on provision of declining in value of inventories | 19,945,088 | 19,945,088 |
| Less Disposal of the deteriorate inventories | (10,402,348) | (9,919,588) |
| transferred to assets | (295,378) | (295,378) |
| As at December 31, 2021 | 40,672,460 | 38,983,245 |

## 9. Investments in subsidiary companies - net

Investments in subsidiary companies - net as at December 31, 2021 and 2020 are as follows:

| | Percentage of Shareholding (%) | | Paid-up share Capital (Million Baht) | | Unit: Million Baht<br>Separate financial statements<br>Cost method | | Allowance for impairment | | Net | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Ekarat Solar Co., Ltd. | 99.99 | 99.99 | 1,000 | 1,000 | 999.99 | 999.99 | (999.99) | (999.99) | - | - |
| Ekarat Energy Co., Ltd. | 51.00 | 51.00 | 2.50 | 2.50 | 1.27 | 1.27 | - | - | 1.27 | 1.27 |
| Total | | | | | 1,001.26 | 1,001.26 | (999.99) | (999.99) | 1.27 | 1.27 |

## 10. Non-current finance assets - net

Non-current finance assets - net as at December 31, 2021 and 2020 are as follows:

| | | Unit: Baht | | | | | |
|---|---|---|---|---|---|---|---|
| | | Consolidated and Separate financial statements | | | | | |
| | | December 31, 2021 | | | December 31, 2020 | | |
| | Level of fair value | Fair value either through other comprehensive income | Amortised cost | Total | Fair value either through other comprehensive income | Amortised cost | Total |
| **Non-current finance assets - net** | | | | | | | |
| Investments in common stock - non listed companies | Level 3 | - | - | - | - | - | - |
| Deposits at financial institutions with collateral obligations | Level 1 | - | 19,650,000 | 19,650,000 | - | 19,650,000 | 19,650,000 |
| Total | | - | 19,650,000 | 19,650,000 | - | 19,650,000 | 19,650,000 |

Investments in common stock - non listed companies - net as at December 31, 2021 and 2020 are as follows:

| | Percentage of Shareholding (%) | | Paid-up share Capital (Million Baht) | | Unit: Million Baht<br>Consolidated and Separate financial statements<br>Cost method | | Allowance for impairment | | Net | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| G.E.C. Engineering Co.,Ltd. | 1.19 | 1.19 | 230 | 230 | 2.73 | 2.73 | (2.73) | (2.73) | - | - |
| Saha Karn Engineering Co.,Ltd. | 0.04 | 0.04 | 403 | 403 | 0.16 | 0.16 | (0.16) | (0.16) | - | - |
| Total | | | | | 2.89 | 2.89 | (2.89) | (2.89) | - | - |

As at December 31, 2021 and 2020 deposits at financial institutions with collateral obligations are used to guarantee credit and obligations with commercial banks as mentioned in Notes 17, 20 and 32.1.

## 11. Investment properties - net

Investment properties - net as at December 31, 2021 and 2020 are as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Cost | 12,973,886 | 12,973,886 |
| Less allowance for impairment | (11,342,131) | (11,342,131) |
| Net | 1,631,755 | 1,631,755 |

As at December 31, 2021 and 2020, the Company and a related company jointly registered ownership of land, valued of Baht 12.42 million, with an area of 136 rai 1 ngan and 67 square wah. (Total cost is Baht 17.92 million).

Such land is a non-operating land which has appraised by an independent appraiser using the market value approach in accordance with the report dated October 10, 2019 at the appraised value amount of Baht 1.67 million.

The fair value of investment property is categorized as a Level 3 of the fair value hierarchy.

## 12. Assets for rent - net

For the years ended December 31, 2021, the movement of assets for rent - net are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | |
| | Repurchased transformer | Transformer reserved at service center | Transformer and solar panel for borrow or rent | Total |
| **Cost** | | | | |
| Balance as at January 1, 2021 | 22,847,118 | 2,450,952 | 4,476,199 | 29,774,269 |
| Acquisition | 1,072,594 | - | - | 1,072,594 |
| Transfer from inventories | 1,471,751 | - | 163,903 | 1,635,654 |
| Transfer in (transfer out) | (1,692,768) | 1,052,611 | 640,157 | - |
| Disposal | (782,782) | - | - | (782,782) |
| Balance as at December 31, 2021 | 22,915,913 | 3,503,563 | 5,280,259 | 31,699,735 |
| **Accumulated depreciation** | | | | |
| Balance as at January 1, 2021 | (18,498,905) | (2,224,036) | (3,678,042) | (24,400,983) |
| Depreciation for the year | (1,174,448) | (170,518) | (164,031) | (1,508,997) |
| (Transfer in) transfer out | (1,051,474) | 255,543 | 795,931 | - |
| Disposal | 341,366 | - | - | 341,366 |
| Balance as at December 31, 2021 | (20,383,461) | (2,139,011) | (3,046,142) | (25,568,614) |
| **Accumulated allowance for impairment** | | | | |
| Balance as at January 1, 2021 | (941,934) | - | - | (941,934) |
| Decreases during the year | - | - | - | - |
| Balance as at December 31, 2021 | (941,934) | - | - | (941,934) |
| **Net book value** | | | | |
| As at December 31, 2021 | 1,590,518 | 1,364,552 | 2,234,117 | 5,189,187 |
| As at December 31, 2020 | 3,406,279 | 226,916 | 798,157 | 4,431,352 |

| | |
|---|---|
| **Depreciations are recognized in profit or loss for the years** | |
| Ended December 31, 2021 | 1,508,997 |
| Ended December 31, 2020 | 1,163,312 |

## 13. Property, plant and equipment - net

For the years ended December 31, 2021, the movements of property, plant and equipment - net are as follows:

| | Unit: Baht | | | | | | |
|---|---|---|---|---|---|---|---|
| | Consolidated financial statements | | | | | | |
| | Land and land improvement | Building and construction | Machinery, tools and equipment | Furniture and office equipment | Vehicles | Work under construction | Total |
| **Cost** | | | | | | | |
| Balance as at January 1, 2021 | 104,034,296 | 955,627,677 | 1,546,927,360 | 80,150,436 | 44,168,556 | 3,380,143 | 2,734,288,468 |
| Acquisition | - | 3,441,000 | 4,076,190 | 2,361,084 | - | 8,508,119 | 18,386,393 |
| Transfer from (transfer to) inventories | - | - | 1,499,592 | - | - | 727,699 | 2,227,291 |
| Transfer in (transfer out) | - | 8,347,651 | 321,921 | 103,500 | - | (8,773,072) | - |
| Disposal | - | (12,160) | (524,537) | (38,949) | (4,420,883) | - | (4,996,529) |
| Balance as at December 31, 2021 | 104,034,296 | 967,404,168 | 1,552,300,526 | 82,576,071 | 39,747,673 | 3,842,889 | 2,749,905,623 |
| **Accumulated depreciation** | | | | | | | |
| Balance as at January 1, 2021 | - | (479,895,694) | (920,756,140) | (73,156,606) | (41,286,608) | - | (1,515,095,048) |
| Depreciation for the year | - | (23,684,680) | (35,167,971) | (2,969,729) | (1,000,957) | - | (62,823,337) |
| Disposal | - | 4,516 | 522,921 | 36,815 | 4,391,864 | - | 4,956,116 |
| Balance as at December 31, 2021 | - | (503,575,858) | (955,401,190) | (76,089,520) | (37,895,701) | - | (1,572,962,269) |
| **Accumulated allowance for impairment:** | | | | | | | |
| Balance as at January 1, 2021 | - | (124,418,206) | (494,125,982) | (58,426) | - | (1,163,245) | (619,765,859) |
| Increase during the year | - | (33,776) | (5,811,927) | (2,925) | - | - | (5,848,628) |
| Balance as at December 31, 2021 | - | (124,451,982) | (499,937,909) | (61,351) | - | (1,163,245) | (625,614,487) |
| **Net book value** | | | | | | | |
| As at December 31, 2021 | 104,034,296 | 339,376,328 | 96,961,427 | 6,425,200 | 1,851,972 | 2,679,644 | 551,328,867 |
| As at December 31, 2020 | 104,034,296 | 351,313,777 | 132,045,238 | 6,935,404 | 2,881,948 | 2,216,898 | 599,427,561 |
| **Depreciations are recognized in profit or loss for the years** | | | | | | | |
| Ended December 31, 2021 | | | | | | | 62,823,337 |
| Ended December 31, 2020 | | | | | | | 62,874,026 |

| | Unit: Baht | | | | | | |
|---|---|---|---|---|---|---|---|
| | Separate financial statements | | | | | | |
| | Land and land improvement | Building and construction | Machinery, tools and equipment | Furniture and office equipment | Vehicles | Work under construction | Total |
| **Cost** | | | | | | | |
| Balance as at January 1, 2021 | 112,075,491 | 787,327,993 | 1,087,034,556 | 71,140,079 | 44,504,556 | 3,548,179 | 2,105,630,854 |
| Acquisition | - | 3,441,000 | 4,076,190 | 2,361,084 | - | 8,508,119 | 18,386,393 |
| Transfer from (transfer to) inventories | - | - | 1,499,592 | - | - | 727,699 | 2,227,291 |
| Transfer in (transfer out) | - | 8,347,651 | 321,921 | 103,500 | - | (8,773,072) | - |
| Disposal | - | (12,160) | (524,537) | (38,949) | (4,420,883) | - | (4,996,529) |
| Balance as at December 31, 2021 | 112,075,491 | 799,104,484 | 1,092,407,722 | 73,565,714 | 40,083,673 | 4,010,925 | 2,121,248,009 |
| **Accumulated depreciation** | | | | | | | |
| Balance as at January 1, 2021 | - | (384,223,046) | (619,223,013) | (63,755,552) | (41,654,556) | - | (1,108,856,167) |
| Depreciation for the year | - | (23,388,014) | (35,167,971) | (2,969,729) | (1,000,957) | - | (62,526,671) |
| Disposal | - | 4,516 | 522,921 | 36,815 | 4,391,864 | - | 4,956,116 |
| Balance as at December 31, 2021 | - | (407,606,544) | (653,868,063) | (66,688,466) | (38,263,649) | - | (1,166,426,722) |
| **Accumulated allowance for impairment:** | | | | | | | |
| Balance as at January 1, 2021 | - | (101,347,314) | (298,999,755) | (51,804) | - | (1,163,245) | (401,562,118) |
| Increase during the year | - | (33,776) | (5,811,927) | (2,925) | - | - | (5,848,628) |
| Balance as at December 31, 2021 | - | (101,381,090) | (304,811,682) | (54,729) | - | (1,163,245) | (407,410,746) |
| **Net book value** | | | | | | | |
| As at December 31, 2021 | 112,075,491 | 290,116,850 | 133,727,977 | 6,822,519 | 1,820,024 | 2,847,680 | 547,410,541 |
| As at December 31, 2020 | 112,075,491 | 301,757,633 | 168,811,788 | 7,332,723 | 2,850,000 | 2,384,934 | 595,212,569 |
| **Depreciations are recognized in profit or loss for the years** | | | | | | | |
| Ended December 31, 2021 | | | | | | | 62,526,671 |
| Ended December 31, 2020 | | | | | | | 62,577,361 |

As at December 31, 2018, the management of the Company has assessed the net realizable value of assets in the production and distribution section of solar cells panels at Amata City Industrial Estate, Rayong Province, by independent appraisers approved by the Securities and Exchange Commission of Thailand (SEC). The results showed that the expected return value of the assets (calculated by cost method) is lower than the book value of assets according to the consolidated and separate financial statements in the amount of Baht 347.61 million. Therefore the management considered to record the allowance for impairment of assets in the consolidated and separate profit or loss for the year 2018 in whole amount.

As at December 31, 2021, the management of the Company appointed an independent appraiser to assess the fair value of assets in the production and distribution section of solar cells panels. According to the appraisal report dated November 15, 2021, the appraiser determines the salvage value to be the fair value of the asset, the results showed that the expected return value of assets in the production and distribution section of solar cells panels (calculated by cost method) is lower than the book value of assets according to the consolidated and separate financial statement in the amount of Baht 5.81 million. Therefore the management considered to record the allowance for impairment of assets in the consolidated and separate profit or loss for the year 2021 amount of Baht 5.81 million.

As at December 31, 2021 and 2020, the Company has net book value of these unused assets of Baht 84.86 million and Baht 110.98 million, respectively.

As at December 31, 2021 and 2020, assets under the Project Solar Farm, with booked values of Baht 125.04 million and Baht 133.37 million, respectively, are assets that the Company has right to utilize in its sale of electricity from a government agency for a 25-year term. Such project is situated on land owned by multiple parties, as discussed in Note to Financial Statements No. 14.

As at December 31, 2021 and 2020, the assets, costing Baht 591.83 million and Baht 581.30 million respectively, were fully depreciated. However, most of such assets are still in use.

As at December 31, 2021 and 2020, the Company mortgaged land with constructions with carrying amounts of Baht 171.00 million and Baht 180.18 million respectively, as well as buildings and machinery with carrying amounts of Baht 40.66 million and Baht 50.19 million respectively, as collateral against credit facilities and obligations with commercial banks as mentioned in Notes to Financial Statements 17, 20 and 32.1.

As at December 31, 2021 and 2020, the Company has unused assets with booked values of Baht 91.69 million and Baht 118.79 million, respectively.

## 14. Right-of-use assets - net

For the years ended December 31, 2021, the movements of right-of-use assets - net are as follows:

| | Unit: Baht | | | | |
|---|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | | |
| | Right-of-use - land | Machinery, tools and equipment | Office equipment | Vehicles | Total |
| **Cost** | | | | | |
| Balance as at January 1, 2021 | 54,637,268 | 9,118,309 | 1,575,000 | 47,844,662 | 113,175,239 |
| Acquisition | - | - | - | 2,651,445 | 2,651,445 |
| Disposal | - | - | - | (1,205,607) | (1,205,607) |
| Balance as at December 31, 2021 | 54,637,268 | 9,118,309 | 1,575,000 | 49,290,500 | 114,621,077 |
| **Accumulated depreciation** | | | | | |
| Balance as at January 1, 2021 | (4,123,878) | (4,165,063) | (80,216) | (12,500,249) | (20,869,406) |
| Depreciation for the year | (2,405,595) | (1,823,660) | (314,828) | (9,809,340) | (14,353,423) |
| Disposal | - | - | - | 1,205,607 | 1,205,607 |
| Balance as at December 31, 2021 | (6,529,473) | (5,988,723) | (395,044) | (21,103,982) | (34,017,222) |
| **Net book value** | | | | | |
| As at December 31, 2021 | 48,107,795 | 3,129,586 | 1,179,956 | 28,186,518 | 80,603,855 |
| As at December 31, 2020 | 50,513,390 | 4,953,246 | 1,494,784 | 35,344,413 | 92,305,833 |
| **Depreciations are recognized in profit or loss for the years** | | | | | |
| Ended December 31, 2021 | | | | | 14,353,423 |
| Ended December 31, 2020 | | | | | 11,945,543 |

On August 22, 2016, the Company entered into an agreement to support a ground-based solar farm project to generate electricity for government and agricultural cooperatives. The agreement has a 25-year term, from January 1, 2017 to December 31, 2041, and carries an obligation to pay for such projects, until completion, as follows:

| | Unit: Baht |
|---|---|
| Land usuage fee | 23,789,500 |
| Agreement granted fee | 9,025,000 |
| Royalty for electricity sale | Percentage of sales before expenses each month (Minimum guarantee of Baht 47,906,675) |

## 15. Intangible assets - net

For the year ended December 31, 2021, movements of intangible assets - net are as follows:

| | Unit: Baht | |
|---|---|---|
| | Computer software | |
| | Consolidated financial statements | Separate financial statements |
| **Cost** | | |
| Balance as at January 1, 2021 | 27,916,127 | 20,729,014 |
| Acquistion | 117,396 | 117,396 |
| Balance as at December 31, 2021 | 28,033,523 | 20,846,410 |
| **Accumulated amortization** | | |
| Balance as at January 1, 2021 | (25,102,494) | (20,342,475) |
| Amotisation for the year | (207,391) | (207,391) |
| Balance as at December 31, 2021 | (25,309,885) | (20,549,866) |
| **Accumulated allowance for impairment:** | | |
| Balance as at January 1, 2021 | (2,427,094) | - |
| (Increase) decrease during the year | - | - |
| Balance as at December 31, 2021 | (2,427,094) | - |
| **Net book value** | | |
| As at December 31, 2021 | 296,544 | 296,544 |
| As at December 31, 2020 | 386,539 | 386,539 |
| **Amortisations are recognized in profit or loss for the years** | | |
| Ended December 31, 2021 | 207,391 | 207,391 |
| Ended December 31, 2020 | 210,002 | 210,002 |

As at December 31, 2021 and 2020, the intangible assets, costing Baht 19.73 million and Baht 19.65 million respectively, were fully amortized but are still in use.

## 16. Deferred tax assets - net

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Deferred tax assets | 79,737,858 | 84,824,456 |
| Deferred tax liabilities | (2,191,006) | (2,213,717) |
| Net | 77,546,852 | 82,610,739 |

Movement of deferred tax assets and liabilities incurred during the year ended December 31, 2021 and

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | |
| | | Movement increase (decrease) | | |
| | January 1, 2021 | Profit or loss | Other comprehensive income | December 31, 2021 |
| **Deferred tax assets :** | | | | |
| Allowance for devaluation of inventories | 5,850,625 | 1,946,024 | - | 7,796,649 |
| Allowance for impairment of fixed assets and related depreciation | 62,144,359 | (6,250,521) | - | 55,893,838 |
| Non-current provisions for employee benefit | 16,582,209 | (932,480) | - | 15,649,729 |
| Estimated demolishment | 126,596 | 36,471 | - | 163,067 |
| Lease agreements | 120,667 | 113,908 | - | 234,575 |
| Total | 84,824,456 | (5,086,598) | - | 79,737,858 |
| **Deferred tax liability :** | | | | |
| Depreciation from life expectancy change | (1,967,836) | 134,313 | - | (1,833,523) |
| Depreciation | (245,881) | (111,602) | - | (357,483) |
| Total | (2,213,717) | 22,711 | - | (2,191,006) |
| Net | 82,610,739 | (5,063,887) | - | 77,546,852 |

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | |
| | | Movement increase (decrease) | | |
| | January 1, 2020 | Profit or loss | Other comprehensive income | December 31, 2020 |
| **Deferred tax assets :** | | | | |
| Allowance for devaluation of inventories | 5,502,224 | 348,401 | - | 5,850,625 |
| Allowance for impairment of fixed assets and related depreciation | 69,367,393 | (7,223,034) | - | 62,144,359 |
| Non-current provisions for employee benefit | 15,640,725 | (1,475,544) | 2,417,028 | 16,582,209 |
| Estimated demolishment | 90,126 | 36,470 | - | 126,596 |
| Lease agreements | - | 120,667 | - | 120,667 |
| Total | 90,600,468 | (8,193,040) | 2,417,028 | 84,824,456 |
| **Deferred tax liability :** | | | | |
| Depreciation from life expectancy change | (2,102,149) | 134,313 | - | (1,967,836) |
| Depreciation | 265,984 | (511,865) | - | (245,881) |
| Total | (1,836,165) | (377,552) | - | (2,213,717) |
| Net | 88,764,303 | (8,570,592) | 2,417,028 | 82,610,739 |

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| **Current tax expense** | | |
| Current periods | 14,209,101 | 15,873,049 |
| **Deferred tax expense** | | |
| Movement in temporary differences | 5,063,887 | 8,570,592 |
| Total income tax expense | 19,272,988 | 24,443,641 |

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit before tax expenses | 109,084,880 | 122,101,791 | 109,565,568 | 124,949,344 |
| Tax rate | 20% | 20% | 20% | 20% |
| Current tax expense as tax rate | 21,816,976 | 24,420,358 | 21,913,114 | 24,989,869 |
| Tax effects on: | | | | |
| Benefit of non-taxable | | | | |
| promoted operation (BOI) | (3,281,785) | - | (3,281,785) | - |
| Net loss in current year, | | | | |
| not recognized as defferred tax | 33,076 | 597,699 | - | - |
| Net loss in past event, | | | | |
| not recognized as defferred tax | (2,923,817) | (1,712,749) | (661,766) | (1,712,749) |
| Income tax on inter-company profit (loss) | 2,259,090 | (37,863) | - | - |
| Non-deductible expenses by the Revenue Code | 1,882,094 | 2,327,656 | 1,816,071 | 2,317,981 |
| Non-taxable income/deductible expense | (512,646) | (1,151,460) | (512,646) | (1,151,460) |
| Tax expense | 19,272,988 | 24,443,641 | 19,272,988 | 24,443,641 |
| The average effective tax rate | 18% | 20% | 18% | 20% |

### Income tax rate

The Group used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2021 and 2020.

## 17. Short-term loans from financial institutions

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | |
| | 2021 | Interest rate | 2020 | Interest rate |
| Promissory notes | 36,250,000 | MLR-1.5%, MLR-2.15% | 28,100,000 | MLR-0.5% |
| Trust receipts payable | 185,348,183 | Market rate | 10,134,082 | Market rate |
| Total | 221,598,183 | | 38,234,082 | |

As at December 31, 2021 and 2020, the Company has overdrafts and short-term loans limits from three local banks totaling Baht 1,369.98 million and Baht 1,133.84 million, respectively. These loans are guaranteed by bank deposits in Note to Financial Statements No.10, and land with constructions and

machineries in Note to Financial Statements No.13.

## 18. Trade and other current payables

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| **Trade payables** | | | | |
| Other parties | 237,830,727 | 99,232,891 | 237,830,727 | 97,200,329 |
| Total trade payables | 237,830,727 | 99,232,891 | 237,830,727 | 97,200,329 |
| **Other current payables** | | | | |
| Other parties | 9,984,725 | 8,756,157 | 9,984,725 | 8,748,947 |
| Assets payables | 1,861,296 | 1,305,264 | 1,861,296 | 1,305,264 |
| Others | 921,312 | 970,248 | 921,312 | 970,248 |
| Total other current payables | 12,767,333 | 11,031,669 | 12,767,333 | 11,024,459 |
| Total trade and other current payables | 250,598,060 | 110,264,560 | 250,598,060 | 108,224,788 |

## 19. Advances received for goods and services

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Deposit received in advance | 544,800 | 580,300 |
| Advance received for goods | 18,590,463 | 16,269,659 |
| Advance received from services and maintenance contracts | 9,093,260 | 9,472,780 |
| Contract liabilities | 49,824,622 | 27,000 |
| Total | 78,053,145 | 26,349,739 |

As at December 31, 2021 and 2020, contract assets and liabilities are as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| **Contract assets** | | | | |
| Value of contract | 230,533,169 | 116,008,501 | 230,533,169 | 95,428,501 |
| Revenue recognised | | | | |
| - Services revenue recognized from | | | | |
| beginning of the year | 67,341,327 | 33,262,118 | 67,341,327 | 18,348,921 |
| - Services revenue recognized during the year | 102,718,782 | 75,048,410 | 102,718,782 | 69,475,610 |
| Revenue recognised on percentage | | | | |
| of completion basis | 170,060,109 | 108,310,528 | 170,060,109 | 87,824,531 |
| Less Value of progress billings (Installment) | (142,300,792) | (104,420,923) | (142,300,792) | (86,274,923) |
| Contract assets (included in trade and | | | | |
| other current receivables - net) | 27,759,317 | 3,889,605 | 27,759,317 | 1,549,608 |
| **Contract liabilities** | | | | |
| Value of contract | 185,866,428 | 540,000 | 185,866,428 | 540,000 |
| Revenue recognised | | | | |
| - Services revenue recognized from | | | | |
| beginning of the year | (1,820,093) | - | (1,820,093) | - |
| - Services revenue recognized during the year | (5,851,635) | (513,000) | (5,851,635) | (513,000) |
| Revenue recognised on percentage | | | | |
| of completion basis | (7,671,728) | (513,000) | (7,671,728) | (513,000) |
| Less Value of progress billings (Installment) | 57,496,350 | 540,000 | 57,496,350 | 540,000 |
| Contract liabities (included in advances | | | | |
| received for goods and services) | 49,824,622 | 27,000 | 49,824,622 | 27,000 |

## 20. Long-term loans from a financial institution - net

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Long-term loans from financial institutions | 60,410,000 | 88,674,000 |
| Less deferred front end fee | (517,888) | (816,557) |
| Total | 59,892,112 | 87,857,443 |
| Less current portion of long-term loans | (21,806,947) | (27,965,331) |
| Long-term loans from financial institutions - net | 38,085,165 | 59,892,112 |

The movements in long-term loans from financial institution for the year ended December 31,

| | Unit: Baht |
|---|---|
| | Consolidated and Separate financial statements |
| As at January 1, 2021 | 88,674,000 |
| Less repayment during the year | (28,264,000) |
| As at December 31, 2021 | 60,410,000 |

| Unit: (Million Baht) | | | | ((%)/ annum) | | |
|---|---|---|---|---|---|---|
| Credit Line | | Outstanding balance | | Interest rate | | |
| 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Repayment of principal and interest rate |
| 120.00 | 120.00 | 45.81 | 61.53 | MLR-1.50% | MLR-1.50% | - Loan for the purpose of investing in a government authorised ground-based solar farm project. The repayment is a total of 84 installments at the rate of Baht 1.31 million per installment and must be settled by November 2024.<br>- Interest is paid monthly from the date of first withdrawal. |
| - | 25.00 | - | 6.24 | MLR-1.50% | MLR-1.50% | - Loan for the purpose of reimbursement of land. The repayment is a total of 48 installments at the rate of Baht 0.521 million per installment and must be settled by December 2021.<br>- Interest is paid monthly from the date of first withdrawal. |
| 19.50 | 19.50 | 7.80 | 11.70 | 3.50% | 3.50% | - Loan for the purpose of investment and operation of energy reduction. The repayment is a total of 60 installments at the rate of Baht 0.325 million per installment and must be settled by December 2023.<br>- Interest is paid monthly from the date of first withdrawal. |
| 12.00 | 12.00 | 6.80 | 9.20 | 3.50% | 3.50% | - Loan for the purpose of investment and operation of energy reduction. The repayment is a total of 60 installments at the rate of Baht 0.2 million per installment and must be settled by October 2024.<br>- Interest is paid monthly from the date of first withdrawal. |
| 151.50 | 176.50 | 60.41 | 88.67 | | | |

As at December 31, 2021 and 2020, long-term loans from financial institutions are as follows:

*Collaterals*

As at December 31, 2021 and 2020, the Company has land and certain machines, as mentioned in Note to Financial Statements No. 13, and bank deposits, as mentioned in Note to Financial Statements No. 10, as collateral.

The Company has purchased an insurance policy for machines and equipment for the highest insurable amount allowable by insurance company. The benefit derivable from such policy is to be given to the lending financial institution. The Company must comply with material loan provisions, for example, maintain a debt to equity ratio and debt repayment capacity ratio as stated in the contracts until the completion of the repayment.

## 21. Lease liabilities - net

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| **Due not later than one year** | | |
| Minimum payments | 15,271,748 | 16,834,473 |
| Deferred interest | (3,086,055) | (3,903,210) |
| Lease liabilities - net | 12,185,693 | 12,931,263 |
| **Due later than one year but not later than five years** | | |
| Minimum payments | 30,508,637 | 39,991,338 |
| Deferred interest | (7,369,092) | (8,447,059) |
| Lease liabilities - net | 23,139,545 | 31,544,279 |
| **Due later than five years** | | |
| Minimum payments | 41,895,025 | 44,794,145 |
| Deferred interest | (11,287,065) | (12,697,522) |
| Lease liabilities - net | 30,607,960 | 32,096,623 |

The Company entered into an agreement to support a ground-based solar farm to generate electricity for government and agricultural cooperatives with a 25-year term, as mentioned in Note to Financial Statement No.14.

The Company entered into vehicle lease agreements with various financial institutions for four-five year periods. The Company entered into an agreement with a financial institution for the sale and lease back of machinery. The contract has a three-year term.

## 22. Non-current provisions for employee benefits

Movement of the present value of non-current provisions for employee benefits and employee benefits expenses in the statements of comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | Post - employment benefit plan | |
| | 2021 | 2020 |
| **Non-current provisions for employee benefit** | | |
| **as at beginning of years** | 82,911,046 | 78,203,626 |
| Included in profit or loss: | | |
| Current service cost | 4,301,113 | 3,638,095 |
| Interest cost | 1,509,961 | 2,575,723 |
| Included in other comprehensive income: | | |
| Actuarial loss arising from | | |
| Financial assumtions changes | - | 6,906,823 |
| Experience adjustments | - | 5,178,315 |
| Benefit paid during the years | (10,473,475) | (13,591,536) |
| **Non-current provisions for employee benefit** | | |
| **as at ending of years** | 78,248,645 | 82,911,046 |

Expenses are recognized in profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020, as follows:

| | Unit: Baht | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| **Included in profit or loss:** | | |
| Cost of sales | 3,814,063 | 4,236,974 |
| Administrative expenses | 1,997,011 | 1,976,844 |
| **Total** | 5,811,074 | 6,213,818 |
| **Included in other comprehensive income:** | | |
| Actuarial loss arising from | | |
| assumtions changes | - | 12,085,138 |

Principal actuarial assumptions as at December 31, 2021 and 2020 (represented by the weighted-aver age) consisted of:

| | (Percentage (%)/annum) | |
|---|---|---|
| | Consolidated and Separate financial statements | |
| | 2021 | 2020 |
| Discount rate | 1.73% | 1.73% |
| Future salary increase rate | 5.65% | 5.65% |
| Mortality rate | 100% of Thai Mortality Ordinary Tables of 2017 | 100% of Thai Mortality Ordinary Tables of 2017 |
| Turnover rate | | |
| Under 20 years old | 14% | 14% |
| 20 - 29 years old | 20% | 20% |
| 30 - 39 years old | 12% | 12% |
| 40 - 59 years old | 5% | 5% |
| Above 60 years old | 0% | 0% |
| Retired | 60 years | 60 years |

Changes in the actuarial assumption will affect employee benefit obligation for the years ended December 31, 2021 and 2020 as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | |
| | 2021 | | 2020 | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.50% movement) | (3,664,004) | 3,927,450 | (3,758,132) | 4,034,156 |
| Future salary increases rate (0.50% movement) | 4,059,404 | (3,821,244) | 3,751,632 | (3,536,785) |
| Employee turnover (1.00% movement) | (4,394,663) | 4,703,327 | (4,067,005) | 4,345,265 |

The Group has a defined benefits plan, in accordance with severance payment provisions under labor law, for eligible retired employees according to their work service periods at various rates.

The actuarial assumption of the discount rate is estimated from the weighted average of yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from the mortality table from the Office of Insurance Commission.

The actuarial assumption of resignation rate is estimated based on an historical data base on employee age ranges.

## 23. Issued and paid-up share capital and premium on share capital

In May, 2021, the Company received 128,243,452 ordinary shares, at par Baht 1.00, as payment from a warrant exercise. This resulted in an increase in the issued and paid-up share capital of the Company from Baht 1,074,631,523 (1,343,289,404 shares) to Baht 1,177,226,285 (1,471,532,856 shares) and share capital premium of Baht 25,648,690. The Company registered the share capital increase with the Ministry of Commerce on June 9, 2021.

## 24. Legal reserve

Pursuant to the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income, after deduction of expenses, as legal reserve until the reserve equals 10% of its authorized share capital. The reserve is not available for dividend distribution.

## 25. Warrant

On April 30, 2019, Ordinary Shareholders' Meeting No.1/2019 approved to issue the warrant to purchase the Company's Ordinary Shares No.1 (AKR-W1) allocated to existing shareholders, in proportion to the number of shares held by each (Rights Offer), but to a maximum of 671,644,702 units, with free of charge, at the ratio of two ordinary shares to one unit, at the exercise price of Baht 1.00 per share. Such warrant will be valid for two years from its issuance date.

On May 31, 2019, the Company issued the warrant to purchase the Company's Ordinary Shares No.1 (AKR-W1) allocated to existing shareholders, in proportion to the number of shares held by each (Rights Offering), a maximum of 671,644,702 units with free value at the ratio of two ordinary shares to one unit.

On May 28, 2021, the warrant holders of 128,243,452 units exercised their rights to purchase 128,243,452 ordinary shares at an exercise price of Baht 1.00 per share, resulting in an increase in the issued and paid-up share capital of the Company from Baht 1,074,631,523 (1,343,289,404 shares) to Baht 1,177,226,285 (1,471,532,856 shares).

Movement of warrants for the years ended December 31, 2021 and 2020 are as follows:

| | Unit | |
|---|---|---|
| | 2021 | 2020 |
| **Warrants as at beginning of year** | 671,644,702 | 671,644,702 |
| Less Exercised during the year | (128,243,452) | - |
| Expired during the year | (543,401,250) | - |
| **Warrants as at ending of year** | - | 671,644,702 |

## 26. Basic earnings per shares

Basic earnings per share for years ended December 31, 2021 and 2020 are calculated as follows:

| | For the years ended December 31, | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Number of common shares at beginning of year (Unit: Share) | 1,343,289,404 | 1,343,289,404 | 1,343,289,404 | 1,343,289,404 |
| Impact of shares issued during the year by exercising of warrants (Unit: Share) | 76,594,719 | - | 76,594,719 | - |
| Weighted average number of common shares during the year (Basic) (Unit: Share) | 1,419,884,123 | 1,343,289,404 | 1,419,884,123 | 1,343,289,404 |
| Net profit for the period attributable to equity holders of the Company (Unit: Baht) | 89,891,953 | 98,442,685 | 90,292,580 | 100,505,703 |
| Basic earnings per share (Unit: Baht) | 0.063 | 0.073 | 0.064 | 0.075 |

## 27. Operating segment

The operating segment information in the consolidated financial statement for the years ended December 31, 2021 and 2020 are as follows:

| | Unit: Million Baht | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Goods production and distribution | | Services | | Installation of a solar panel | | Electricity | | Consolidated financial statements | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues from sales and services | 1,080.09 | 1,145.09 | 187.82 | 223.27 | 108.57 | 75.56 | 37.78 | 43.62 | 1,414.26 | 1,487.54 |
| Cost of sale and service | (842.59) | (904.62) | (101.79) | (118.97) | (105.48) | (70.27) | (18.78) | (19.68) | (1,068.64) | (1,113.54) |
| Gross profit | 237.50 | 240.47 | 86.03 | 104.30 | 3.09 | 5.29 | 19.00 | 23.94 | 345.62 | 374.00 |
| Distribution costs and administrative expenses | | | | | | | | | (229.09) | (249.26) |
| Profit from operation | | | | | | | | | 116.53 | 124.74 |
| Other income | | | | | | | | | 11.30 | 15.95 |
| Reversal (loss) on impairment of assets | | | | | | | | | (5.99) | 1.10 |
| Finance costs | | | | | | | | | (12.76) | (19.69) |
| Income tax expenses | | | | | | | | | (19.27) | (24.44) |
| Profit for the year | | | | | | | | | 89.81 | 97.66 |

For the year ended December 31, 2020 the Group had revenues from major customers, representing approximately 10% of total revenues from operations.

Details of the sectorial business assets as at December 31, 2021 and 2020 are as follows:

| | Unit: Million Baht | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Goods production and distribution | | | | | |
| | Electricity | | Sell transformers | | Sell solar cell | | Consolidated financial statements | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Fixed assets | 183.03 | 195.43 | 254.57 | 261.41 | 113.73 | 142.59 | 551.33 | 599.43 |
| Other assets | | | | | | | 1,525.16 | 930.10 |
| Total assets | | | | | | | 2,076.49 | 1,529.53 |

## 28. Capital management

The objective of financial management of the Group is to maintain the continuity of operational capability and capital structure to be duly appropriated.

## 29. Financial Instruments

*Financial risk management policy*

The Group bears risk due to interest rate fluctuations and from non-performance of contractual obligations by contractual parties. The Group will consider using the appropriate financial instruments when it deems it is necessary to manage such risks. However, the Group does not have a policy to hold or issue any financial instruments for speculation or for trading.

*Risk from credit provision*

The Group bears risk due to credit provision related to trade receivables. However, the Group has set a policy to conduct business only with reliable traders with good financial status in order to reduce the risk of financial loss. The Group does not have high concentrations of credit risk since it has a large and diverse customer base. Maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

*Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents, deemed adequate by management, to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

*Risk from interest rates*

The Group bears significant risk over interest rates on financial instruments, which includes loans from financial institutions. Therefore, it is subject to risk in relation to floating interest rates which may fluc tuate in the future, possibly affecting the operating results and cash flows.

As at December 31, 2021 and 2020, significant financial instruments have the following details: (with respect to interest rates, they are already shown in related Notes to Financial Statements).

| | Unit: Million Baht | | | | | |
|---|---|---|---|---|---|---|
| | Consolidated financial statements | | | | | |
| | December 31, 2021 | | | | | |
| | Fixed interest rate | | | | | |
| | Within 1 year | more than 1 year to 5 years | more than 5 years | Floating Interest rate | Non Interest bearing | Total |
| **Financial assets** | | | | | | |
| Cash and cash equipvalents | 76 | - | - | 38 | 13 | 127 |
| Trade and orther current receivables - net | - | - | - | - | 289 | 289 |
| Non-current financial assets - net | - | - | - | 20 | - | 20 |
| Total | 76 | - | - | 58 | 302 | 436 |
| **Financial liabilities** | | | | | | |
| Short-term loans from financial institutions | - | - | - | 222 | - | 222 |
| Trade and other current payables | - | - | - | - | 250 | 250 |
| Lease liabilities | 12 | 23 | 31 | - | - | 66 |
| Long-term loans from financial institutions | - | - | - | 60 | - | 60 |
| Total | 12 | 23 | 31 | 282 | 250 | 598 |

| | Unit: Million Baht | | | | | |
|---|---|---|---|---|---|---|
| | Consolidated financial statements | | | | | |
| | December 31, 2020 | | | | | |
| | Fixed interest rate | | | | | |
| | Within 1 year | more than 1 year to 5 years | more than 5 years | Floating Interest rate | Non Interest bearing | Total |
| **Financial assets** | | | | | | |
| Cash and cash equipvalents | - | - | - | 56 | 5 | 61 |
| Trade and orther current receivables - net | - | - | - | - | 267 | 267 |
| Non-current financial assets - net | - | - | - | 20 | - | 20 |
| Total | - | - | - | 76 | 272 | 348 |
| **Financial liabilities** | | | | | | |
| Short-term loans from financial institutions | - | - | - | 38 | - | 38 |
| Trade and other current payables | - | - | - | - | 110 | 110 |
| Lease liabilities | 13 | 32 | 32 | - | - | 77 |
| Long-term loans from financial institutions | - | - | - | 88 | - | 88 |
| Total | 13 | 32 | 32 | 126 | 110 | 313 |

*Risk on exchange rates*

The Group is exposed to foreign currency risk relating to sales which are denominated in foreign currency. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge the foreign currency risk on collections.

For the year ended December 31, 2021, total forward purchase transactions dominated in foreign currency, approximate to Thai Baht of Baht 101.54 million having unrealized gain on fair value of the contract of Baht 0.10 million. The Group manages such risks through the use of forward exchange contracts, as and when it considers appropriate.

As at December 31, 2021 and 2020, the Group did not enter into forward exchange contracts for the following:

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | Trade receivables | | Trust receipts/Trade payables | |
| | 2021 | 2020 | 2021 | 2020 |
| US Dollar | 62,111 | 32,000 | 5,487,897 | 492,173 |
| Euro | 141,975 | 141,975 | 538,348 | 103,880 |
| SGD Dollar | 150,400 | 281,500 | - | - |
| Ringgit | 978,040 | 80,990 | - | - |

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Trade receivables | | Trust receipts/Trade payables | |
| | 2021 | 2020 | 2021 | 2020 |
| US Dollar | 60,111 | 30,000 | 5,487,897 | 492,173 |
| Euro | - | - | 538,348 | 103,880 |
| SGD Dollar | 150,400 | 281,500 | - | - |
| Ringgit | 978,040 | 80,990 | - | - |

*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 are not expected to be materially different from the amounts presented in the statements of financial position.

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

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, non-current financial assets, trade and other current receivables, trade and other current payables and lease liabilities, their carrying amounts in the statements of financial position approximate their fair values.
- For loans to and loans from carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair values.

## 30. Expenses by nature

The Company has significant expenses by nature for the years ended December 31, 2021 and 2020 as follows:

| | Unit: Baht | | | |
|---|---|---|---|---|
| | Consolidated financial statement | | Separate financial statement | |
| | 2021 | 2020 | 2021 | 2020 |
| Changes in finished goods and work in progress (increase) decrease | (151,513,045) | 17,148,176 | (151,513,045) | 17,148,176 |
| Raw material and supplies used | 712,870,851 | 647,226,146 | 712,388,091 | 644,237,523 |
| Loss from decline in value of inventories | 9,542,740 | 1,115,620 | 10,025,500 | 2,499,710 |
| Loss on impairment of fixed assets (reversal) | 5,985,439 | (1,099,972) | 5,985,439 | (1,099,972) |
| Employee expense | 257,729,920 | 269,288,386 | 257,629,920 | 267,758,386 |
| Directors' remuneration | 18,149,965 | 22,211,900 | 18,149,965 | 22,211,900 |
| Depreciation and amortization | 78,893,148 | 76,192,882 | 78,596,482 | 75,896,217 |
| Management consulting fee | 1,080,000 | 7,467,477 | 1,080,000 | 7,467,477 |
| Commission and consultion | 33,297,985 | 43,469,502 | 33,297,985 | 43,469,502 |

## 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 Group and its employees contribute to the fund, on a monthly basis, at rates that depend on the work period of the particular employee. A local financial institution is managing the provident fund. The provident fund will pay out to the particular employee upon termination in accordance with the fund rules. For the years ended December 31, 2021 and 2020, in the consolidated financial statements, the Group's contributions amounted to approximately Baht 5.40 million and Baht 5.93 million, respectively.

## 32. Commitment and contingent liabilities

32.1 As at December 31, 2021 and 2020, the Group has the following credit facilities with financial institutions:

| | Unit: Million Baht | | | | | | |
|---|---|---|---|---|---|---|---|
| | Consolidated and Separate financial statements | | | | | | |
| | 2021 | | | 2020 | | | |
| | Credit facilities | Utilized | Available | Credit facilities | Utilized | Available | Interest rate |
| Letters of guarantee | | 131.14 | | | 129.43 | | 1.00% - 1.75% |
| Promissory note | | 36.25 | | | 28.10 | | MLR-0.5%, MLR-1.5%, MLR-2.15% |
| Letter of credit, trust receipt | 1,169.98 | | 817.24 | 933.84 | | 766.18 | |
| and packing credit | | 185.35 | | | 10.13 | | Market Rate |
| Bank overdraft | | - | | | - | | MOR |
| Local factoring | 200.00 | - | 200.00 | 200.00 | - | 200.00 | MOR-0.75% |
| Long-term loans | 151.50 | 151.50 | - | 176.50 | 176.50 | - | MLR-1.50% |

On October 1, 2021, the Company entered into an agreement with a company to provide the credit line to issue a letter of guarantee with a commercial bank amount of Baht 50 million for bid bonds which agrees to purchase products from the Company. A company responsible for fees, interest, and other expenses arising from using of such credit line.

Commitment and contingent liabilities are guaranteed by deposits at financial institutions in Note to Financial Statements No. 10, and by mortgage of the Company's land with constructions in Note to Financial Statements No. 13.

32.2 As at December 31, 2021 and 2020, the Company has commitments on asset rental and other service agreements in the amounts of Baht 2.06 million and Baht 3.20 million, respectively.

32.3 The Company has a commitment under two construction and architectural design contracts to which the Company entered into in the amount of Baht 2.81 million. As at December 31, 2021, the Company has outstanding commitment under such contact of Baht 0.12 million.

32.4 The Company has a commitment under three construction and installation contracts to which the Company entered into in the amount of Baht 170.03 million. As at December 31, 2021, the Company has outstanding commitment under such contact of Baht 102.58 million.

32.5 The Company has a commitment under a consulting contract which the Company entered into in the amount of Baht 10 million. As at December 31, 2021, the Company has outstanding commitment under such contact of Baht 7 million.

## 33. Investment promotion privileges

As at December 31, 2021 and 2020, the Board of Investment, under the Investment Promotion Act B.E.2520, granted the Company the following promotional privileges:

33.1 The Company is promoted to generate electricity from solar cells, a Type 7.1 Activity: Utilities and Basic Services No.1105 (1)/2010, dated February 5, 2010, effective on December 14, 2009, and No. 1297(1)/2013, dated March 7, 2013, effective on October 3, 2012.

33.2 The Company is promoted to generate electricity from solar cells, a Type 7.1.1.2 Activity: Utilities and Basic Services No. 60-0018-1-00-1-0, dated January 11, 2017, effective on November 7, 2016. The Company enjoys the following rights and privileges:

- Exemption from corporate income tax on net profit derived from the promoted activity for 8 years, commencing from the date of income is earned from that activity. Where a loss has been incurred during corporate income tax exemption period, the promoted Company is granted permission to deduct such annual loss from net profits accrued for a maximum of 5 years after expiration of the corporate income tax period.
- Exemption for dividends derived from the promoted activity throughout the period the promoted company receives the corporate income tax exemption privilege.
- Fifty percent corporate income tax reduction (from the prevailing rate) on profits earned from the promoted activity for a maximum of 5 years after the expiration of the corporate income tax exemption period.
- Double deduction from taxable income from transportation, electricity and water costs for the period of 10 years after the expiry of the exemption period.
- Twenty-five percent reduction allowed for project infrastructure installation or construction cost in addition to the normal depreciation.

33.3 The Company is promoted to manufacture Transformers and Solar Cells Type 5.1.3, Electrical Appliances Type 5.4.8, and Parts and Equipment Used for Solar Energy No. 60-0803-1-04-1-0, dated July 21, 2017, effective on May 15, 2017. The Company enjoys the following rights and privileges:

- Immigration of skilled foreign experts, including their spouse and dependents, into the Kingdom of Thailand.
- Import duty exemption for machinery, as approved by the BOI.
- Exemption from corporate income tax on net profits derived from the promoted business, not exceeding 50 percent of the investment value, to improve production efficiency, excluding land and working capital, for a 3-year period from the date of receiving income after receiving the BOI Certificate.

- Exemption from corporate income tax on dividends derived from the promoted activity throughout the promoted period.
- Exemption of import duties for imported products to be re-exported for a period of one year from the date of first import.

The Company has income and expenses for the years ended December 31, 2021 and 2020, from the promoted activity as follows:

| | Unit: Baht | | |
|---|---|---|---|
| | Separate financial statements | | |
| | For the year ended December 31, 2021 | | |
| | Promoted | Non-promoted | Total |
| Revenue from sales and services | 34,730,795 | 1,379,136,102 | 1,413,866,897 |
| Other income | - | 11,634,913 | 11,634,913 |
| Total revenue | 34,730,795 | 1,390,771,015 | 1,425,501,810 |
| Costs | (15,015,057) | (1,042,923,562) | (1,057,938,619) |
| Loss on devaluation of goods | - | (10,025,500) | (10,025,500) |
| Distribution costs and administrative expenses | (3,306,814) | (225,912,988) | (229,219,802) |
| Loss on assets impairment | - | (5,985,439) | (5,985,439) |
| Finance costs | - | (12,766,882) | (12,766,882) |
| Total expenses | (18,321,871) | (1,297,614,371) | (1,315,936,242) |
| Profit before income tax expenses | 16,408,924 | 93,156,644 | 109,565,568 |

| | Unit: Baht | | |
|---|---|---|---|
| | Separate financial statements | | |
| | For the year ended December 31, 2020 | | |
| | Promoted | Non-promoted | Total |
| Revenue from sales and services | 551,124,624 | 930,804,793 | 1,481,929,417 |
| Other income | 6,781,650 | 9,697,685 | 16,479,335 |
| Total revenue | 557,906,274 | 940,502,478 | 1,498,408,752 |
| Costs | (463,087,310) | (642,230,957) | (1,105,318,267) |
| Loss on devaluation of goods | (2,260,103) | (239,607) | (2,499,710) |
| Distribution costs and administrative expenses | (103,124,349) | (143,927,189) | (247,051,538) |
| Reversal of loss on assets impairment | 1,099,972 | - | 1,099,972 |
| Finance costs | (7,067,502) | (12,622,363) | (19,689,865) |
| Total expenses | (574,439,292) | (799,020,116) | (1,373,459,408) |
| Profit (loss) before income tax expenses | (16,533,018) | 141,482,362 | 124,949,344 |

## 34. Subsequent event after reporting date

Board of Directors' Meeting No. 2/2022, held on February 24, 2022, resolved an approval to pay a dividend from the operating results for the year 2021 to shareholders of the Company at the rate of Baht 0.03 per share for 1,471.53 million shares, totaling Baht 44.15 million. The dividend will be paid within one month from the resolution of the shareholders' meeting.

## 35. Approval of financial statements

These financial statements have been approved by the Company's Board of Directors on February 24, 2022.

# Attachment

# Attachment 1 : Details of Director, Executive, Controlling Person and Company Secretary

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Vichit Yamboonruang**<br>**Position**<br>● Independent Director<br>● Chairman of the Board of Director<br>**Appointment Date**<br>February 28, 2011<br>  | 80 | - Bachelor of Economics, Commerce and Accountancy, Chulalongkorn University<br>- M.S.(Economics) Columbia University, New York, USA<br>- Ph.D. Public&International Affairs, University of Pittsburgh, Pennsylvania, USA<br>- Director Certification Program (DCP) / 2004<br>- Director Accreditation Program (DAP) / 2004<br>- Audit Committee Program (ACP) / 2004<br>- Role of the Chairman Program (RCP) / 2004<br>- Charter Director Class (CDC) / 2007<br>- Boards that Make a Difference (BMD) / 2017 | 0.171%<br>(2,509,922 shares) | -None- | 2018 - present<br>2012 - present<br>2012 - present<br><br><br><br>2018 - present | **1. Listed Company on SET**<br>● Independent Director / Chairman of Audit Committee<br>● Independent Director / Chairman of Audit Committee<br>● Independent Director / Chairman of Audit Committee<br><br>**2. Companies or other entities**<br>● Chairman of the Board of Director | ● BMP Energy PCL.<br>● Sherwood Chemicals PCL.<br>● Jasmine International PCL.<br><br>● V C K Solutions Co., Ltd |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2012 - 2021 | ● Chairman of the Board of Director | ● Wiik & Hoeglund PCL. |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Vinai Vittavasgarnvej**<br>**Position**<br>● Independent Director<br>● Chairman of Audit Committee<br>**Appointment Date**<br>June 11, 2012<br>  | 71 | - Bachelor of Commerce and Accountancy, Thammasat University<br>- M.S. of Political Science, Thammasat University<br>- Thailand National Defence College (2004)<br>- Capital Market Academy (2011)<br>- Director Certification Program (DCP) 77/2006<br>- Audit Committee Program (ACP) 40/2012 | -None- | -None- | 2019 - present<br>2014 – present<br><br>2012 - present | **1. Listed Company on SET**<br>● Independent Director / Audit Committee<br>● Independent Director / Vice Chairman of the Board / Chairman of Audit Committee<br>● Independent Director / Chairman of the Board of Director<br><br>**2. Companies or other entities**<br>-None- | ● Charoen Pokphand Foods PCL.<br>● Srisawad Power 1979 PCL.<br>● Sahamitr Pressure Container PCL. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2018 - 2019<br><br>2016 - 2019 | ● Independent Director / Chairman of the Board of Director<br>● Independent Director / Audit Committee | ● JSSR Group Co., Ltd<br>● Syn Mun Kong Insurance PCL. |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Wara Tongprasin**<br>**Position**<br>● Independent Director<br>● Chairman of Nomination and Remuneration Committee<br>● Audit Committee<br>**Appointment Date**<br>June 17, 2009<br>  | 50 | - Bachelor of Business Administration (Accounting), Ramkhamhaeng University<br>- Tax Auditor and CPA<br>- Director Accreditation Program (DAP) 80/2009<br>- Advanced Audit Committee Program (AACP) 20/2015<br>- Risk Management Program for Corporate Leaders (RCL) 14/2018<br>- Computable General Equilibrium (CGE) 16/2020 | 0.000%<br>(39 Shares) | -None- | 2014 - present<br><br><br><br><br>2012 – present | **1. Listed Company on SET**<br>● Independent Director / Chairman of Audit Committee<br><br>**2. Companies or other entities**<br>● Managing Director | ● Airports of Thailand PCL<br><br>● The Asset Audit Co., Ltd. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2013 - 2019<br>2013 - 2018 | ● Director<br>● Director | ● Wara Holding Co., Ltd.<br>● First Audit Co., Ltd. |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Aroon Sricharoon**<br>**Position**<br>● Independent Director<br>● Audit Committee<br>**Appointment Date**<br>May 13, 2019<br>  | 75 | - Bachelor of Political Science / Communication Arts, Sukhothai Thammathirat Open University<br>- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute<br>- Top Executive Program in Urban Development Management, Class 2<br>- Director Accreditation Program (DAP) 165/2019 | 0.014%<br>(210,000 shares) | -None- | | **1. Listed Company on SET**<br>-None- | - |
| | | | | | 2003 - present<br>1991 - present | **2. Companies or other entities**<br>● President<br>● Managing Director | ● Alpha Siamese Co.,Ltd.<br>● Sahapatanakanpim Co.,Ltd |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2015 - 2016<br>2014 - 2015 | ● Chairman of Advisors<br>● Chairman of Advisors | ● Flea Market Management Committee, Bangkok<br>● Flea Market Director Department, Bangkok |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Chatri Siripanichkorn**<br>**Position**<br>● Independent Director<br>● Nomination and Remuneration Committee<br>**Appointment Date**<br>July 12, 2016<br>  | 74 | - Bachelor of Commerce and Accountancy, Thammasat University<br>- Bachelor of Laws , Thammasat University<br>- Barrister 29, The Thai Bar Under The Royal Patronage<br>- Director Accreditation Program (DAP) 2013 | -None- | -None- | 2013 - present<br><br>2018 - Present | **1. Listed Company on SET**<br>● Chairman of Audit Committee<br><br>**2. Companies or other entities**<br>● Independent Director / Audit Committee | ● RAJA FERRY PORT PCL.<br><br>● All Inspire Development PCL. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | - | - | - |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Thunya Sriton**<br>**Position**<br>● Independent Director<br>● Chairman of Risk Management Committee<br>**Appointment Date**<br>June 30, 2020<br>  | 74 | - Bachelor of Engineering, Chulalongkorn University<br>- Director Accreditation Program (DAP) 174/2020 | -None- | -None- | 2016 - present | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities**<br>● Freelance Engineer | |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2008 - 2016<br>2004 - 2008 | ● Chief Operation Officer<br>● Managing Director | ● Italianthai Power Co., Ltd.<br>● Ratchaburi Power Co., Ltd. |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Miss Urawee Kanokpruk**<br>**Position**<br>● Director<br>● Nomination and Remuneration Committee<br>**Appointment Date**<br>February 28, 2011<br>  | 44 | - Bachelor of Engineering, Chulalongkorn University<br>- M.S. in Engineering University of Florida, USA<br>- Director Accreditation Program (DAP) 90/2011 | 2.107%<br>(31,000,000 shares) | -None- | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities** | |
| | | | | | 2019 - present<br>2013 - present<br>2012 - present<br>2012 - present<br>2005 - present | ● Director<br>● Director<br>● Director<br>● Project Management Manager<br>● Director | ● Ekarat Energy Co., Ltd.<br>● Business Values Promotion Center Co., Ltd.<br>● Saendee Drinking Water Co., Ltd.<br>● Chula Engineering Co., Ltd.<br>● Kanokpruk Co., Ltd. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2015 - 2019<br>2012 - 2019<br>2008 - 2015<br>2007 - 2015<br>2006 - 2015 | ● Director<br>● Director<br>● Researcher<br>● Researcher<br>● Planning Expert | ● Thai Super Esco Co., Ltd.<br>● Hippolicious Co., Ltd.<br>● Chula Unisearch, Chulalongkorn University<br>● NIDA-Center for Business Innovation (NIDA-CBI)<br>● Management Strategy Center |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Wiwat Sangtian**<br>**Position**<br>● Director<br>● Authorized Director<br>**Appointment Date**<br>June 25, 2014<br>  | 72 | - Bachelor of Civil Engineering, Chulalongkorn University<br>- M.S. in Civil Engineering Carnegie Mellon University, USA<br>- Ph.D. in Civil Engineering Carnegie Mellon University, USA<br>- Director Accreditation Program (DAP) 2014 | 0.012%<br>(170,000 shares) | -None- | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities**<br>2004 - present<br>1996 - present<br>1988 - present | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities**<br>● Managing Director<br>● Director<br>● Director | ● Ekarat Solar Co., Ltd.<br>● Ekarat Power&Management Co., Ltd.<br>● Ekarat Chemical Co., Ltd. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | - | - | - |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Danucha Noichaiboon**<br>**Position**<br>● Director<br>● Nomination and Remuneration Committee<br>● Authorized Director<br>**Appointment Date**<br>January 15, 2011<br>  | 65 | - Bachelor of Business Administration, Ramkhamhaeng University<br>- M.S. of Business Administration, Ramkhamhaeng Uninversity<br>- Diploma, National Defence College, The Joint State - Private Sector Course Class 17 Thailand National Defence College<br>- Director Accreditation Program (DAP) 90/2011 | -None- | - Brother's Mr.Daroonwat Noichaiboon<br>- Uncle's Ms.Rompissri Noichaiboon | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities** | |
| | | | | | 2015 - present<br>2005 - present<br>2004 - present<br>1995 - present<br>1987 - present | ● Director<br>● Director<br>● Director<br>● Director<br>● Director | ● Ekarat Energy Co., Ltd.<br>● Ekarat Solar Co., Ltd.<br>● KV Asset Co., Ltd.<br>● Ekarat Land and Development Co., Ltd.<br>● Ekarat Power Electronic Co., Ltd. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | - | - | - |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Miss Rompissri Noichaiboon**<br>**Position**<br>● Director<br>● Risk Management Committee<br>● Managing Director<br>● Authorized Director<br>**Appointment Date**<br>March 18, 2021<br>  | 45 | - Bachelor of Engineering, Rangsit University<br>- M.S. of Operations Research, George Washington University, USA<br>- Role of Executives at All Levels<br>- Human Capital Management Techniques and Organizations for the Highest Returns Course<br>- Improvement and development course to reduce work processes with quality<br>- Course to increase production, reduce costs, maintain quality | 0.080%<br>(1,171,724 shares) | - Granddaughter's Mr. Danucha Noichaiboon and Mr. Daroonwat Noichaiboon | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities** | |
| | | | | | 2021 - present<br>2020 - present<br>2004 - present | ● Director<br>● Director<br>● Director | ● Ekarat Energy Co., Ltd.<br>● Ekarat Solar Co., Ltd.<br>● KV Asset Co., Ltd. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2019 - 2020<br>2012 - 2019 | ● Deputy Managing Director of Sales and Service<br>● Purchasing Manager | ● Ekarat Engineering PCL.<br>● Ekarat Engineering PCL. |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mrs. Suwannee Sujaritwanichapong**<br>**Position**<br>● Risk Management Committee<br>● Chief Financial Officer<br>**Appointment Date**<br>January 1, 2021<br>  | 66 | - Bachelor of Accounting Theory Chulalongkorn University<br>- M.S. of Business Administration, National Institute of Development Administration<br>- Certificate in Business Administration Chulalongkorn University<br>- Certificate in MINI MBA Kasetsart University<br>- CFO's Orientation for New IPOs Course Class 5, Stock Exchange of Thailand | 0.001%<br>(10,000 shares) | -None- | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities**<br>-None- | |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2005 - 2020 | ● Internal Audit Manager | ● Ekarat Engineering PCL. |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Daroonwat Noichaiboon**<br>**Position**<br>● Risk Management Committee<br>● Deputy of Managing Director of Marketing<br>**Appointment Date**<br>January 1, 2018<br>  | 63 | - Bachelor of Business Administration, Ramkhamhaeng University<br>- Master of Business Administration, Ramkhamhaeng University<br>- Security Psychology Program, Institute of Security Psychology Class 94<br>- Diploma, National Defence College, The Joint State - Private Sector Course 2010, Thailand National Defence College<br>- Advanced Security Management Program (ASMP) Class 8 | 0.229%<br>(3,366,652 shares) | - Brother's Mr.Danucha Noichaiboon<br>- Uncle's Ms.Rompissri Noichaiboon | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities** | |
| | | | | | 2005 - present<br>2004 - present | ● Director<br>● Director | ● Ekarat Solar Co., Ltd.<br>● KV Asset Co., Ltd. |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | - | - | - |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mr. Paitoon Intrarawisut**<br>**Position**<br>● Risk Management Committee<br>● Deputy Managing Director of Factory<br>**Appointment Date**<br>January 1, 2020<br>  | 63 | - High School Certificate, Watdansamrong School<br>- Human Capital Management and Organization Techniques Courses for Maximum Return<br>- Improvement and development to reduce quality work processes Course<br>- Increase production, reduce costs, maintain quality Course | 0.008%<br>(113,322 shares) | -None- | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities**<br>-None- | |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2019 - 2019<br>2016 - 2018 | ● Acting as Deputy Managing Director of Factory<br>● Factory Manager | ● Ekarat Engineering PCL.<br>● Ekarat Engineering PCL. |

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| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Mrs. Somjit Phokabutr**<br>**Position**<br>● Accounting Manager<br><br>**Appointment Date**<br>August 1, 2015 | 63 | - Bachelor of Business Administration (Accounting), Ramkhamhaeng University<br><br>**Training in 2021**<br>- "TFRS Financial Reporting Standards Effective 2021" by the Federation of Accounting Professions under royal patronage for a period of 6 hours.<br>- "Developing operational potential for the new generation of accountants in order to record accounts correctly according to accounting standards" by the Federation of Accounting Professions under royal patronage for a period of 3 hours<br>- "Profitable Cost Data Analysis for Accountants" standards by the Federation of Accounting Professions under royal patronage | 0.000%<br>(4,283 shares) | -None- | | **1. Listed Company on SET**<br>-None-<br><br>**2. Companies or other entities**<br>-None- | |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | - | - | - |

| Name<br>Position<br>Appointment Date | Age | Education / Training | Shareholding proportion* | Relationship between executives | Work Experiences | | |
|---|---|---|---|---|---|---|---|
| | | | | | Year | Positions in other organizations | Name of Organization / Company |
| **Ms. Hansa Buranajan**<br>**Position**<br>● Company Secretary<br>● Managing Director Office Manager<br>**Appointment Date**<br>January 1, 2021 | 55 | - Bachelor of Arts, Ramkhamhaeng University<br>- Company Secretary Program CSP, Class 113/2020 | 0.098%<br>(1,447,220 shares) | -None- | | **1. Listed Company on SET**<br>-None-<br>**2. Companies or other entities**<br>-None- | |
| | | | | | **Work experience in the past 5 years** | | |
| | | | | | 2019 - 2020<br>2012 - 2019 | ● Corporate Communications Manager<br>● Public Relations Manager | ● Ekarat Engineering PCL.<br>● Ekarat Engineering PCL. |

Remark – All directors have no criminal record in the past 10 years.

## Attachment 2 : Details of the directors of the subsidiary

| Name | Ekarat Engineering PCL. | The Subsidiary | | Related Company |
|---|---|---|---|---|
| | | Ekarat Solar Co.,Ltd. | Ekarat Energy Co.,Ltd. | KV Asset Co., Ltd. |
| 1. Mr. Vichit Yamboonruang | X | - | - | - |
| 2. Mr. Vinai Vittawasgarnvej | /, AC | - | - | - |
| 3. Mr. Aroon Sricharoon | /, AC | - | - | - |
| 4. Mr. Wara Tongprasin | /, AC | - | - | - |
| 5. Mr. Chatri Siripanichkorn | / | - | - | - |
| 6. Mr. Thunya Siltorn | / | - | - | - |
| 7. Ms. Urawee Kanokpruk | / | - | / | - |
| 8. Mr. Wiwat Sangtian | /, // | /,M, // | - | - |
| 9. Mr. Danucha Noichaiboon | /, // | /, // | /, // | /, // |
| 10. Ms. Rompissri Noichaiboon | /, M, // | /, // | /, // | /, // |
| 11. Mrs. Suwannee Sujaritvanitchpong | Y | - | - | - |
| 12. Mr. Daroonwat Noichaiboon | Y | / | - | /, // |
| 13. Mr. Paitoon Intrarawisut | Y | - | - | - |

Note : X = Chairman of The Board, / = Director, // = Authorized Director, M = Managing Director, Y = Management

Attachment 3

## Attachment 3 : Details about the supervisor of the internal auditor

# Mr. Nuttavit Noisri

**Position** : Internal Audit Division Manager
**Age** : 47 years

Educational Record

- Master's degree, Master of Laws National Institute of Development Administration (NIDA)
- Master's degree, Master of Business Administration (MBA), Ramkhamhaeng University
- Diploma in Legal Practice, Lawyers Council under the Royal Patronage of His Majesty The King
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Bachelor of Political Science, Ramkhamhaeng University
- Bachelor of Business Administration, Ramkhamhaeng University

Training History

- Certified Professional Internal Audit of Thailand CPIAT, The Institute of Internal Auditors of Thailand (IIAT)
- Leadership Skills For Auditors, The Institute of Internal Auditors of Thailand (IIAT)
- Audit Program Development, The Institute of Internal Auditors of Thailand (IIAT)
- Control Self – Assessment, The Institute of Internal Auditors of Thailand (IIAT)
- Preventing Corruption in Organizations, The Institute of Internal Auditors of Thailand (IIAT)
- Assessment of the internal control system According to the guidelines of COSO 2013, Federation of Accounting Professions Under royal Patronage of His Majesty The King
- Internal Audit Certificate Course, Course 2, Federation of Accounting Professions Under royal Patronage of His Majesty The King
- Internal Audit Certificate Course, Course 1, Federation of Accounting Professions Under royal Patronage of His Majesty The King
- Governance and risk management according to the framework of the COSO-ERM 2004, Faculty of Commerce and Accountancy, Thammasat University

Work Experience

- 2006 - Present Internal Audit Division Manager
  Ekarat Engineering Public Company Limited
- 2007 - 2009 Special Lecturer, Faculty of Accounting,
  University of the Thai Chamber of Commerce
- 2003 - 2006 Senior Internal Auditor
  Road Accident Victims Protection Company Limited

Share Profession (%)

- - None -

Relationship among Director and Executive

- - None -

**Details about A.M.T. Solution Company Limited (Outsource)**

The Company has appointed A.M.T. Solution Company Limited, an outsource company, to act as the Company's internal auditor for the year 2021 by assigning Mrs. Tassanee Sonphet to be primarily responsible for the performance of internal auditors. The details are as follows.

## Mrs. Tassanee Sonphet

**Position** : Internal Audit Manager

**Age** : 37 years

Educational and Trainee

- Bachelor of Business Administration, Auditing, Rajamangala University of Technology Krungthep
- Certified Professional Internal Audit of Thailand (CPIAT 48/2016) Association of Internal Auditors of Thailand
- Internal control guidelines for company preparing to list on the stock exchange
- Assessment of internal control system according to COSO 2013 (Basic & Advance)
- Prepare for inspection IT (ISACA)
- Data Flow Diagram (DFD) for PDPA
- PDPA Documentation Preparation
- The Corruption issues that must be known

Work Experience

- 2017 - present Internal Audit Manager
  A.M.T. Solution Company Limited
- 2014 - 2017 Senior Internal Auditor
  Asset World Public Company Limited
- 2012 - 2014 Head of Accounting Department/Secretary, Office of Administration
  Asifa Public Company Limited
- 2004 - 2011 head of audit
  SK Accountant Company Limited

Share Profession (%)

- - None -

Relationship among Director and Executive

- - None -

Attachment 4

# Attachment 4 : Assets for business undertaking and details of asset appraisal

## 1. Assets for business undertaking

The detail of Assets for business undertaking at Part 1.1 page 36 item 4.

## 2. The details of asset appraisal

| | |
|---|---|
| Appraised property | Land, Buildings, Machinery and Equipment<br>At the Solar Cell Plant |
| Location of the property | 7/242, Amata City Industrial Estate , Sattahip-hachoengsao Road, Mapyangphon Subdistrict, Pluak Daeng District, Rayong |
| Market Value of the property<br>As of June 9, 2021 | 127,133,730.00 Baht |
| Appraisal Objectives | For public purposes (for accounting considerations) |
| Survey and Appraisal | Land and huge buildings, including machinery and equipment used in the production of solar cell |
| Appraiser | The Value and Consultants Company Limited |
| List of Supervisor | Mr. Smith Promsaka Na Sakonnakhon WT. 326<br>Mrs. Kanchana Chanakanon WT. 334 |
| Date of the property appraisal report | November 15, 2021 |

Attachment 5

## Attachment 5 : Corporate Governance Policy and Code of Business Ethics of Ekarat Engineering Public Company Limited, including Authorities, Duties and Responsibility of the Board and Sub Committee.

The Company recognized the importance of the operation principles. The Company has policies on business ethics and business ethics of the Board of Directors, the Board of Management and staffs according to the good corporate governance system as practice guidelines standard in the Company's Articles of Association. The Company have policy to behave under the best practices for the director which conducted from Code of Best Practices for Directors of Listed Company that governed by The Stock Exchange of Thailand. The assigned principles must able to do practically. In addition, the Company has adopted the Good Corporate Governance to develop the policies which will increase the ability to the competition, management, and operation for the value added and efficiency of the Company which will give the security and confidential to the stakeholders.

www.ekarat.co.th

The Company has announced its good corporate governance principles and code of business ethics handbook to the acknowledgement by publicized on the Company's internet and website. Further details related to the Company's Corporate Governance and Code of Business Ethics can be studied from https://www.ekarat.co.th/ir_index.php

Attachment 6

## Attachment 6 : Report of the Audit Committee

The details are report in section 8.2 on page 130

# Ekarat Engineering Public Company Limited

9/291 U.M.Tower Bldg., 28 Fl., Ramkhamhaeng Rd., Suanluang District.,
Bangkok 10250 Thailand.
Tel : (+662) 719-8777 Call Center : 095-371-5551
Fax : (+662) 719-8760
e-mail : marketing@ekarat.co.th
Line official : @ekaratengineering

EKARAT

