PRECISE

ENERGIZING PROSPERITY FOR ALL


# Annual Registration Statement / Annual Report 2022
# (Form 56-1 One Report)

# Contents

## Message from the Chairman of the Board of Directors and Chief Executive Officer

**To Shareholders of Precise Corporation Public Company Limited**

Throughout the past years, the Company has been developing its competitive competency continuously. Despite being slightly affected by economic fluctuations due to the COVID-19 pandemic during 2020-2022, the Company could maintain its strategic management and personnel competencies with professionalism, and coupled with the fundamentals of technology readiness and existing assets, resulting in the Company's operating results remaining in line with the set targets.

Moreover, following the Company's initial public offering (IPO) on the Stock Exchange of Thailand on October 21, 2022, it was well received by investors, leading to new business partners who were interested in joining the Company's business. This is therefore a good sign to increase business opportunities. Also, it is to prove that the efforts over the past years have been successful. The Company is ready to move towards continual growth, maintaining competitiveness, and receiving good returns in the long run.

For the operational plans in 2023, the Company will continue to develop and expand its business to be modern and competitive, along with upgrading its supply chain system to meet the global changes regarding Neutral CO2 Emission, digital economy, and aging society. Thus, the Company has set its business direction to cover and support the 3 future technology platforms, namely Smart Grid Digitalization, Bamboo for the Future, and Factory of the Future. This aims to create the intrinsic technology and business ecosystem of each platform towards the Company's sustainable growth, which is followed by higher employees' productivity, together with higher returns, as well as creating a happy workplace to stimulate up-to-date innovation It is also to create both financial and intellectual capitals for the organization to achieve higher market value for shareholders.

The Company continues to highlight its vision of "Energizing Prosperity for All", by prioritizing taking care of all stakeholders involved thoroughly, whether they are customers, business partners, employees, shareholders, and neighboring communities where the Company's enterprises are located in terms of economy, society, environment, and biological diversity.

Lastly, as the Chairman of the Board of Directors and Chief Executive Officer, we would like to thank the shareholders, Board of Directors, executives, employees, business partners, and stakeholders who have taken part in driving the Company towards success and prosperity up to the present. We wish that everyone is confident to support the Company in moving towards sustainable growth together.

| | |
|---|---|
| (Mr. Achittasak Banjongpoklang) | (Mr. Kitti Sumrit) |
| Chairman of the Board of Directors | Chief Executive Officer |

## Board of Directors

1. Mr. Achitsak Bunjongpotiklang
   Chairman /Independent Director
2. Mr. Kitti Sumrit
   Chief Executive Officer/Chairman of the Executive Board/Director
3. Mr. Kitti Nutchayangkul
   Director/ Senior Vice President
4. Mr. Suthee Chulanutrakul
   Director (Non-executive director)/Nomination and Remuneration Committee Member
5. Mr. Amorn Daengchot
   Director/Vice President
6. Mrs. Naree Boontherawara
   Director (Independent director)/Chairman of Audit Committee
7. Mr. Sanchai Thiewprasertkul
   Director (Independent director)/Chairman of Nomination and Remuneration Committee
8. Mr. Boonchai Pitugdamrongkija
   Director (Independent director)/Audit Committee Member
9. Ms. Sudarat Tangsoontornkij
   Director (Independent director)/Audit Committee Member/ Nomination and Remuneration Committee Member
10. Mr. Ketinart Sumrit
    Director

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.


## Audit Committee

1. Mrs. Naree Boontherawara

Chairman of Audit Committee (Independent Director)

2. Ms. Sudarat Tangsoontornkij [1]

Audit Committee Member (Independent Director)

3. Mr. Boonchai Pitugdamrongkija

Audit Committee Member (Independent Director)

Remark: [1.] Director with knowledge and experience in reviewing financial statement

## Nomination and Remuneration Committee

1. Mr. Sanchai Thiewprasertkul

Chairman of Nomination and Remuneration Committee

(Independent Director)

2. Mrs. Sudarat Tangsoontornkij

Nomination and Remuneration Committee Member

(Independent Director)

3. Mr. Suthee Chulanutrakul

Nomination and Remuneration Committee Member

(Non-Executive Director)

# Outstanding Financial Information

## Financial Status

| Unit: MB | 31 Dec 2020 | 31 Dec 2021 | 31 Dec 2022 |
|---|---|---|---|
| Total Assets | 5,394.88 | 5,579.93 | 6,839.79 |
| Total Liabilities | 3,367.64 | 3,390.87 | 3,662.51 |
| Total Shareholder's Equity | 2,027.24 | 2,189.06 | 3,177.28 |

## Profit and Loss Statement

| Unit: MB | 2020 | 2021 | 2022 |
|---|---|---|---|
| Total Revenues | 4,054.89 | 3,638.63 | 4,859.99 |
| EBITDA | 579.56 | 503.37 | 615.01 |
| Net Profit (Loss) | 279.56 | 228.32 | 309.46 |
| Net Profit (Loss) of the Parent Company | 253.82 | 202.68 | 283.79 |

## Revenue Proportion

| Unit: MB | 2020 | 2021 | 2022 |
|---|---|---|---|
| Revenue from Sales | 2,553.78 | 2,087.33 | 2,656.28 |
| Revenue from Services and Construction Projects | 1,493.19 | 1,536.00 | 2,188.85 |
| Other Revenues | 7.97 | 15.43 | 14.99 |
| Total Revenues | 4,054.89 | 3,638.63 | 4,859.99 |

## Financial Ratios

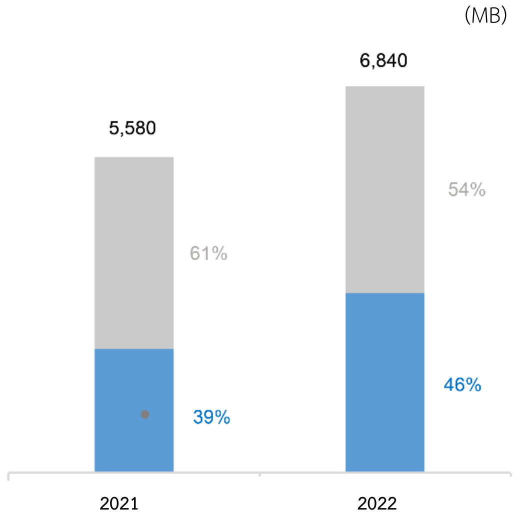
| Unit: MB | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Liquidity Ratio | Time | 1.09 | 1.07 | 1.28 |
| Gross Profit Margin | percentage | 29.45 | 26.80 | 24.09 |
| Operating Profit Margin | percentage | 9.46 | 8.84 | 8.69 |
| Net Profit Margin | percentage | 6.9 | 6.28 | 6.37 |
| Return on Equity Ratio | percentage | 13.81 | 10.15 | 11.03 |
| Return on Asset Ratio | percentage | 7.71 | 6.08 | 7.02 |
| Debt to Equity Ratio | time | 1.66 | 1.56 | 1.15 |

## Dividend Payment

| Year | 2020 | 2021 | 2022 |
|---|---|---|---|
| Operational Result Period | 1 Jan – 31 Dec | 1 Jan – 31 Dec | 1 Jan – 31 Dec |
| Net Profit (baht per share)<br>- Separate Financial Statement | 0.243 | 0.094 | 0.190 |
| Paid Dividend (baht per share) | 0.060 | 0.060 | 0.140 |
| Dividend Payment Rate (percentage)<br>- Separate Financial Statement | 24.73 | 63.89 | 92.11 |

**Note:** The Company paid the interim dividend of 2022 from the accumulated profit for 0.4893 baht per share.

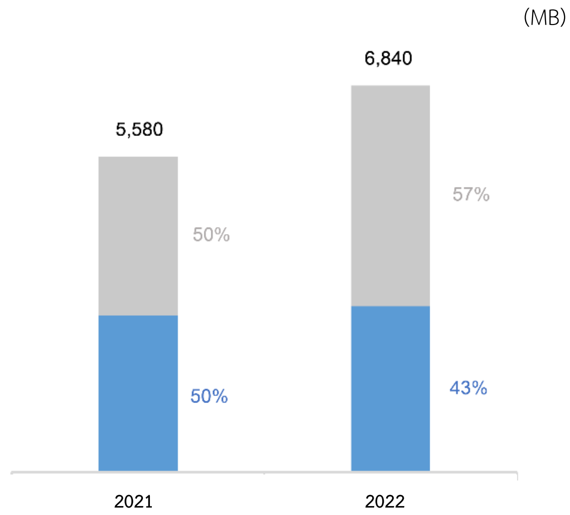
## Assets




Total Assets

- Current Assets
- Total Assets

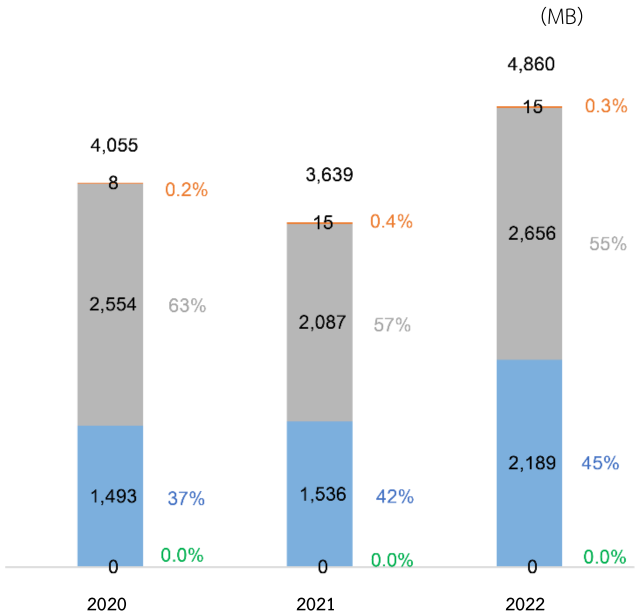
## Liabilities and Shareholders' Equity




Total Liabilities and Shareholders' Equity

- Liabilities
- Shareholders' Equity

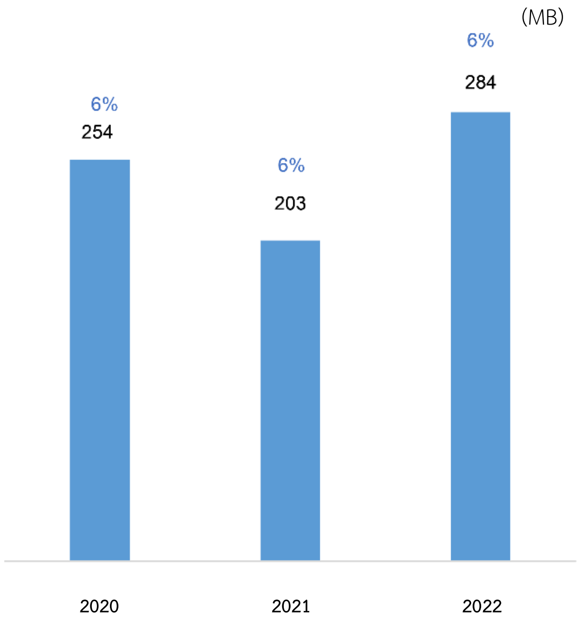
## Total Revenue Separated by Types




Total Revenue

- Other revenues
- Revenue from services and construction project
- Revenue from sales

## Net Profit of the Parenting Company




Net Profit of Parenting Company

- Net profit of parenting company
- % to total revenue

## Key Performance in 2022

| 1st Quarter: |
| --- |
| ▪ Sign the Memorandum of Understanding with the Export-Import Bank of Thailand for the EXIM Supply Chain Financing Solution.<br>▪ Precise System and Project Co., Ltd. was certified by the Electricity Generating Authority of Thailand for the "Approved List of Bidders for Supply and Construction Work and Manufacturers/Types/Models of Equipment for Transmission Line EGAT's Transmission System" so that the Company could freely present its proposal to work in the 500 kV system. *(February 15, 2022)*<br>▪ Obtain a certification from the Provincial Electricity Authority for the ELECTRONIC ENERGY METERS WITH WIRELESS COMMUNICATION, Meter Type 1, Phase 2 Wire (230 Volt, 5(100) Amp), so that the Company could propose to work in the changing of 18 million meters. *(March 2, 2022)*<br>▪ Join a ceremony of the groundbreaking for a factory construction of Precise Electric Manufacturing (Cambodia) Co., Ltd. *(March 25, 2022)* |
| **2nd Quarter:** |
| ▪ Precise System and Project Co., Ltd. signed a contract for the procurement and installation of MARS Master (WRL) and equipment at 142 locations, following the transmission and distribution system development project, phase 1 (KorPorJor. 1), worth of 124,160,660 baht (Provincial Electricity Authority). *(June 24, 2022)* |
| **3rd Quarter:** |
| ▪ Precise System and Project Co., Ltd. signed a contract for the power transmission system improvement project in the lower southern region to enhance the power transmission system as well as the procurement and construction of the high-voltage transmission cable of 500 kV, Thung Song – Songkhla 3 (from the 105th kilometer to Songkhla 3 High-Voltage Power Station), total distance of 106 kilometers, in line with the procurement and construction contract of the 230 kV high-voltage transmission cable, Hat Yai 2 - Khlong Ngae, to Songkhla 3 High-Voltage Power Station, total distance of about 0.9 kilometers, worth of 1,533,461,296.69 baht. The contract was a joint venture between Precise System and Project Co., Ltd., KALPATARU POWER TRANSMISSION LTD., and TSEC (Thailand) Co., Ltd. *(July 4, 2022)*<br>▪ Precise System and Project Co., Ltd. signed a contract to install the SCADA system for low-voltage distribution system, which is a pilot project in Pattaya City, Chonburi, worth of 59,994,900 baht (Provincial Electricity Authority). *(August 25, 2022)*<br>▪ Precise System and Project Co., Ltd. signed a contract to purchase SMART METER of the Automatic Meter Reading (AMR) for large power users, total SMART METER of 24,091 sets, AGREEMENT NO. STC-044-2022. (Smart Telecoms Public Company Limited). *(September 2, 2022)*<br>▪ Precise Digital Economy Co., Ltd. signed a purchase contract no. PorKor.MorTor. 107/2022, SMART METER 1P 2W 230V 5(100) A PLC, 50,000 units, worth of 125,457,500 baht (Provincial Electricity Authority). *(September 29, 2022)* |
| **4th Quarter:** |
| ▪ Precise Corporation Public Company Limited was listed on the Stock Exchange of Thailand and increased the registered capital on October 17, 2022, amounted to 1,226,619,100 baht.<br>▪ Precise Power Producer Co., Ltd. signed the Memorandum of Understanding (MOU) to study the feasibility of power trading in the form of Peer to Peer and the joint investment in power plants between PEA International Co., Ltd., Hosoda Ltd., and Precise Power Producer Co., Ltd. *(October 25, 2022)*<br>▪ Precise System and Project Co., Ltd. signed a contract no. OSP-0108/2022 for the 115-22 kV indoor substation project, under the new form of power station construction, worth of 59,600,000 baht (Osotspa Public Company Limited). *(October 5, 2022)*<br>▪ Precise System and Project Co., Ltd. signed contract no. TDDP2-APB/2022 for the construction of Ao Phai 2 Power Station (renovation of the existing station), according to the Transmission and Distribution System Development Project, Phase 2, Plan 2, worth of 281,499,880.00 baht (Provincial Electricity Authority). *(December 27, 2022)* |

## Awards and Achievements in 2022

| |
|---|
| **1st Quarter:** |
| ▪ Precise Digital Economy Co., Ltd. received the Certificate Huawei Enterprise Channel Partner Program, "Goal Partner". *(March 5, 2022)*<br>▪ Precise System and Project Co., Ltd. received the Industry Contribute Award 2021 (Energy) and the Outstanding Sales Performance Award 2021 from Huawei Thailand Ecosystem Partner Summit 2022. *(March 25, 2022)* |
| **2nd Quarter:** |
| ▪ Mr. Kitti Sumrit, Chief Executive Officer and President of Precise Corporation Public Company Limited (PCC), received the "THAILAND TOP COMPANY AWARDS 2022" for the BEST BUSINESS TREND EXCELLENCE AWARD, an award for the organization with its excellent operations according to the changing trends in business by bringing innovations into organizational management strategy of environmentally friendly operations and social responsibilities for public benefits. *(May 12, 2022)* |
| **3rd Quarter:** |
| ▪ Precise Electric Manufacturing Co., Ltd. received the Benefactor Honorary Award 2021 from the King Mongkut's University of Technology Thonburi. *(July 5, 2022)*<br>▪ Precise Electric Manufacturing Co., Ltd. was certified for the standard ISO 45001 and TIS 18001, "Standardized Occupational Health and Safety Management" from the Management System Certification Institute (Thailand), Foundation for Industrial Development, Networking Institute of the Ministry of Industry. *(July 8, 2022)* |
| **4th Quarter:** |
| ▪ Precise Corporation Public Company Limited was selected as one of the securities in FTSE SET Shariah Index.<br>▪ Precise Electric Manufacturing Co., Ltd. was awarded the "Outstanding Organization for Labor Relations and Welfare 2022", National Level, for the 15th year from the Office of Labor Protection and Welfare. *(November 12, 2022)*<br>▪ Precise Electro-Mechanical Works Co., Ltd. was awarded the "Outstanding Organization for Labor Relations and Welfare 2022", National Level, for the 14th year from the Office of Labor Protection and Welfare. *(November 12, 2022)*<br>▪ Precise System and Project Co., Ltd. was awarded the "Outstanding Organization for Labor Relations and Welfare 2022" from the Office of Labor Protection and Welfare. *(November 24, 2022)* |

# PART 1 Business and Operating Performance

## 1. Structure and Operations of the Group

### 1.1 Policies and Business Overview

The Group's businesses were founded in 1983 under PKV Trading Co., Ltd. with a registered capital of 1,000,000 baht, as a broker and agent for import and export of machinery, electrical appliances, and high-and-low-voltage electrical equipment. Later in 1988, a group of experienced electrical engineers including Mr. Kitti Sumrit, Mr. Kitti Nutchayangkul, and Mr. Suthee Julanuttrakul ("the Founders"), came to manage and restructured the shareholders of PKV Trading Co., Ltd. In 1993, PKV Trading Co., Ltd. was renamed Precise International Corporation Co., Ltd. Until 2014, the Company was restructured into a holding company to prepare its shares listed on the Stock Exchange of Thailand and renamed Precise Corporation Co., Ltd., which then registered as a public company limited under the new name, "Precise Corporation Public Company Limited", ("the Company" or "PCC") until the present.

In 1986, Precise Electric Manufacturing Co., Ltd. ("PEM") was established with a registered capital of 1,000,000 baht to produce electrical system equipment, such as surge-arrester capacitors to serve the demand of such product at that time. According to the current organizational structure of the Group, PEM is the main business company and the parent company of the business line in the production and distribution of electrical system equipment, project management, services, and electrical system maintenance for both low-voltage system and high-voltage system of not over 115 kV.

In 1990, the Founders anticipated an opportunity from the higher domestic demand of control and protection equipment. Therefore, Precise Isgra Co., Ltd. was established to produce electrical control cabinets, which was later renamed Precise Engineering and Construction Co., Ltd. to operate a business in the production of control and protection equipment as well as construction services for high-voltage power station, before being renamed Precise System and Project Co., Ltd. ("PSP"). According to the present organizational structure of the Group, PSP is a company with its business line in construction contracts for high-voltage power station, high-voltage power transmission cable, as well as the production and installation of electrical control system and intelligent grid.

In 1992, the Group established Precise Motor Industry Co., Ltd. to produce motors for air conditioners. In 2000, it was renamed Precise Power Products Co., Ltd. The Company started producing the equipment for the electricity distribution system not yet produced in PEM and PSP, while expanding to customers in the Provincial Electricity Authority and private sector. In 2005, its name was changed to Precise Green Products Co., Ltd. for expansion to energy-saving products, such as LED light bulbs. Recently, in 2016, the structure was adjusted with the electrical appliances transferred to PEM. In 2017, the Company name was changed to Precise Digital Economy Co., Ltd. ("PDE"). The present organizational structure of PDE shows that the company's business is in designing software management systems, platforms, and digital economy.

In 1993, the Conglomerate founded Precise Electro-Mechanical Works Co., Ltd. ("PMW") to extend to produce and distribute electrical equipment, such as the switchgear, switchboard, load break switch, recloser, and other electrical equipment. The present structure of PMW is a subsidiary of PEM.

In the same year, the Conglomerate achieved an agreement with Coelme SPA from Italy to establish Coelme International Co., Ltd. ("CI") to produce the blade switch for the high-voltage electricity distribution system, with the maximum voltage of 115 kV. The present structure of CI Conglomerate is a joint venture of PEM.

In 2009, the Conglomerate founded Precise Biorefinery Complex Co., Ltd. which later changed to Precise Smart Life Co., Ltd. ("PSL") in 2012. At present, PSL runs the business of Bio-Circular-Green Economy for the continual energy and production in bio-based materials.

The Conglomerate saw the opportunity and potential for investing in producing and distributing electricity, so they began studying the feasibility of the project since then. In 2011, the Conglomerate founded Precise Power Producer Co., Ltd. ("PPP") to invest in Songkhla Biomass Co., Ltd. ("SKB") as a joint venture with Ratchburi Energy Co., Ltd. and Assiddeek Saving Cooperation Ltd. to establish the biomass electrical factory of 9.9 megawatt. This power plant has been operating commercially since 2015; then, Precise Power Producer Co., Ltd. invested in Songkhla Biopower Co., Ltd. ("SBP") with Assiddeek Saving Cooperation Ltd. and Chumchon Khuntadwai Co., Ltd. to establish the biomass electrical factory of 9.9 megawatt. This power plant has been operating commercially since 2018. Moreover, the Conglomerate invested as a joint venture with Namsor Hydropower Co., Ltd. ("NSPC") and V. Hydro Co., Ltd. to establish the hydropower electrical factory of 6 megawatt in Laos. This power plant has been operating commercially since 2019. The present structure of PPP is a parent company that invests in subsidiaries and joint ventures to establish power plants to produce renewable energy and distribute the electricity, focusing on investing and developing the full-range renewable energy business in Suvarnabhumi region, including Cambodia, Laos, Myanmar, and Thailand. In addition, PPP produces and distributes woodchips.

In 2013, the Conglomerate founded Pacific Power Development Corporation Co., Ltd. (which was later changed to Pacific Prosperity Development Co., Ltd) ("PPD") to import equipment from overseas and export to Laos, Cambodia, and Myanmar in AEC. The present structure of PPD is the parent company of the import and export business of electrical and mechanical equipment as an international business.

Since 2014, the Conglomerate and major shareholders have adjusted the Conglomerate structure by allowing PCC to hold the shares in subsidiaries, leading to PCC becoming a major shareholder of those subsidiaries.

In 2020, the Conglomerate registered Previse Electric Manufacturing (Cambodia) Co., Ltd. ("PEMC") as a subsidiary of the PEM group to produce and distribute electrical equipment, such as electric transformers, instrument transformers, and switchboard assembly to distribute to both private and public sectors in Cambodia. The Company has finished the factory construction and predicted to be opened by February 2023.

On April 1, 2022, PEM signed to adjust the joint venture contract of CI to change some conditions which related to significant activities of CI that affect PEM and another party of shareholder to obtain the power in controlling CI together without changing of shareholding proportion. With this reason, PEM has changed the type of capital investment in CI from subsidiaries to joint ventures since the date of signing the contract.

### 1.1.1 Visions, Missions, Values, and Strategies for Operation

<u>Visions</u>

"Energizing Prosperity for All"

<u>Missions</u>

We will be the leader in technology platform business of Smart Grids and develop related industry which includes the Overall Supply Chain of bamboo, energy crop, economic crop, and Industry 4.0 in Bio-Circular-Green Economy.

<u>Values</u>

With the determination based on visions, the Company focuses on continual improvement of the corporate cultures in several aspects by creating the corporate values for the Board, executives, and employees of all levels to cooperate for success and develop the Company to grow together with "PC" value, which include:

P: Professionalism

We operate with professionalism in every detail of the work, not only to achieve the goal as we want, but we also value all processes which can lead to that goal fairly. These are to reflect the identity and main values of the Company.

C: Co-creation with Integrity for Sustainable Development Goals (SDGs)

Create a joint sustainable development on the virtue basis.

<u>Operational Strategies</u>

The significant operational strategies to develop the organization based on organic sustainable growth are as follows.

- The Company develops the products to be worthwhile for investment with competitive advantages and distinctive competencies to maintain the competitiveness and connects all systems in the Conglomerate, focusing on making profits from existing customer base and extend to new customers with the digital marketing system and total customer solutions model. Besides this, the Company can manage the business mix, product mix, customer mix, pricing mix, gross margin mix, and less fixed cost to increase market share and still maintain the gross profit margin as per the goal.

- The Company manages the production and projects with High-Value Stream process and information flow, together with product flow to manage supply chain effectively, so that the products and services can align with QCD (Quality / Cost / Delivery) as per the contract by creating customer satisfaction through services that are beyond expectation.
- The Company develops the main financial indicators and defines sub-success indicators at line level, department level and employee level. Moreover, the Company develops the indicator of intellectual capital development and capability development for sustainable growth.
- The Company creates and develops responsibilities of the Board and executives to be as specified by the Company and provides leader's development and succession plan, training and development, and assessment of each position.
- The Company promotes and supports equality and justification for employees by giving opportunities, promoting employees to increase their capabilities, and giving appropriate remuneration for each employee. Moreover, the Company supports employees to be determined towards the team's goals and values public's benefits as priority.
- The Company adjusted the business operation to focus on competitive advantages by science and technology and developed the organization to be a digital business organization.

### 1.1.2 History and Milestones

<u>Precise Corporation Public Company Limited – the Company</u>

| |
|---|
| 1983 : |
| ▪ Registered the Company as "PKV Trading Co., Ltd."<br>▪ Initial registered capital of 1 million baht<br>▪ The headquarter was located at Phrapradaeng District, Samutprakarn<br>▪ Started the business as a dealer importing and exporting machines, electrical appliances, high-voltage and low-voltage electrical equipment. |
| 1986 : |
| ▪ The headquarter was relocated to Huaykwang District, Bangkok |
| 1987 : |
| ▪ Increased the registered capital for 1.5 million baht from existing 1 million baht to 2.5 million baht by issuing 15,000 common stocks with par value of 100 baht per share. |
| 1992 : |
| ▪ Increased the registered capital for 17.5 million baht from existing 2.5 million baht to 20 million baht by issuing 175,000 common stocks with par value of 100 baht per share. |
| 1994 : |
| ▪ Registered to change the name to "Precise International Corporation Co., Ltd." |
| 1996 : |
| ▪ Increased the registered capital for 60 million baht from existing 20 million baht to 80 million baht by issuing 600,000 common stocks with par value of 100 baht per share. |
| 1999 : |
| ▪ Increased the registered capital for 20 million baht from existing 80 million baht to 100 million baht by issuing 200,000 common stocks with par value of 100 baht per share. |

| 2009 : |
|---|
| ▪ Increased the registered capital for 10 million baht from existing 100 million baht to 110 million baht by issuing 100,000 common stocks with par value of 100 baht per share. |
| 2010 : |
| ▪ Increased the registered capital for 10 million baht from existing 110 million baht to 120 million baht by issuing 100,000 common stocks with par value of 100 baht per share. |
| 2011 : |
| ▪ Increased the registered capital for 10 million baht from existing 120 million baht to 130 million baht by issuing 100,000 common stocks with par value of 100 baht per share. |
| 2012 : |
| ▪ Registered to change the name to "Precise Corporation Co., Ltd." |
| 2013 - 2014 : |
| ▪ Adjusted the Conglomerate's structure to show transparency, prevent conflict of interests, and prepare for listing in the Stock Exchange of Thailand.<br>▪ Allowed PCC to hold the shares in subsidiaries as a parenting company in several business lines instead of the existing shareholders of those companies, which lead to the Company holding more than 99.9% in subsidiaries as a parenting company in several business lines of the Company. This restructuring was under the same control.<br>▪ Registered to increase the capital with the Ministry of Commerce for 130,000,000 baht to be 919,619,100 baht for authorized capital from restructuring. |
| 2018 : |
| ▪ Registered to change the Company to public company limited on June 9, 2018, with the registered capital of 1,226,619,100 baht. Paid registered capital was 919,619,100 baht with par value of 1 baht.<br>▪ Registered to change the name to "Precise Corporation Public Company Limited" |
| 2022 : |
| ▪ Listed in Thailand Stock Exchange and increased the registered capital on October 17, 2022, to 1,226,619,100 baht. Paid-up capital was 1,226,619,100 baht with par value of 1 baht. |

Precise Electric Manufacturing Co., Ltd. – Main Business

| 1986 : |
|---|
| ▪ Registered the Company as "Precise Electric Manufacturing Co., Ltd.<br>▪ Started the business as a producer of electrical equipment in Pathumthani Factory. |
| 1988 : |
| ▪ Increased the registered capital for 4 million baht from existing 1 million baht to 5 million baht by issuing 40,000 common stocks with par value of 100 baht per share. |
| 1990 : |
| ▪ Increased the registered capital for 4 million baht from existing 5 million baht to 9 million baht by issuing 40,000 common stocks with par value of 100 baht per share. |
| 1991 : |
| ▪ Increased the registered capital for 11 million baht from existing 9 million baht to 20 million baht by issuing 110,000 common stocks with par value of 100 baht per share. |
| 1999 : |
| ▪ Increased the registered capital for 60 million baht from existing 20 million baht to 80 million baht by issuing 600,000 common stocks with par value of 100 baht per share. |

| 2006 : |
|---|
| ▪ Increased the registered capital for 5.96 million baht from existing 80 million baht to 85.96 million baht by issuing 595,800 common stocks and changed the par value from 100 baht to 10 baht per share. |
| **2007 :** |
| ▪ Increased the registered capital for 44.04 million baht from existing 85.96 million baht to 130 million baht by issuing 4,404,200 common stocks with par value of 10 baht per share. |
| **2008 :** |
| ▪ Increased the registered capital for 45 million baht from existing 130 million baht to 175 million baht by issuing 4,500,000 common stocks with par value of 10 baht per share. |
| **2009 :** |
| ▪ Received the certificate of quality for quality assurance and process management ISO 9001:2008. |
| **2013 - 2014 :** |
| ▪ Increased the registered capital for 287.5 million baht from existing 175 million baht to 462.5 million baht by issuing 28,750,000 common stocks with par value of 10 baht per share, offering to existing shareholders to restructure the Conglomerate to be fair and prevent conflict of interests and prepare for listing in the Stock Exchange of Thailand.<br>▪ Received the award of outstanding organization for labor relations and welfare for five years in a row.<br>▪ Received the award of Thai Labor Standard, Social Responsibility of Thai Business, Mor Ror Thor 8001-2010. |
| **2017 :** |
| ▪ Obtained the certificate of quality system management ISO 9001:2015.<br>▪ Obtained the award of outstanding organization for labor relations and welfare. |
| **2018 :** |
| ▪ Obtained the certificate of the standard of environmental management system ISO 14001:2015.<br>▪ Obtained the award of outstanding organization for labor relations and welfare of 2018.<br>▪ Obtained the certification of the standard of drugs prevention and remedy in workplaces from the Department of Labor Protection and Welfare. |
| **2019 :** |
| ▪ Obtained the award of outstanding organization for labor relations and welfare of 2019.<br>▪ Obtained the Thailand Vision Zero Achievement Award, Level 1 from the Safety and Health at Work Promotion Association (Thailand) under Patronage.<br>▪ Obtained the certification of the standard of drugs prevention and remedy in workplaces from the Department of Labor Protection and Welfare. |
| **2020 :** |
| ▪ Registered the Company as "Precise Electric Manufacturing (Cambodia) Co., Ltd." ("PEMC"), which is a subsidiary of PEM group.<br>▪ Obtained the Green Label for electrical transformers from Thailand Environment Institute.<br>▪ Obtained the award of outstanding organization for labor relations and welfare of 2020.<br>▪ Obtained the Thailand Vision Zero Achievement Award, Level 2 from the Safety and Health at Work Promotion Association (Thailand) under Patronage. |
| **2021 :** |
| ▪ Obtained the Certificate of Product Registration from PEA Product Acceptance for electrical transformers.<br>▪ Obtained the certificate that the products were made in Thailand (MiT) from the Ministry of Industry.<br>▪ Obtained the Certificate of Green Industry, Level 3, Green System from the Ministry of Industry. |

| |
|---|
| ▪ Obtained the Certificate of the Standard Laboratory Competency ISO/IEC 17025:2017 from the Laboratory Standard Center.<br>▪ Obtained the award of outstanding organization for labor relations and welfare of 2021.<br>▪ Obtained the Thailand Zero Vision, Creating Sustainable Protective Safety Culture.<br>▪ Obtained the certification of the standard of drugs prevention and remedy in workplaces from the Department of Labor Protection and Welfare. |
| 2022 : |
| ▪ Ceremony of the Main Post for building the factory of Precise Electric Manufacturing (Cambodia) Co., Ltd. (March 25, 2022)<br>▪ Obtained the Certificate of the Standard of Industrial Hygiene and Safety System ISO 45001 and TIS 18001.<br>▪ Obtained the award of outstanding organization for labor relations and welfare of 2022.<br>▪ Obtained the certification of the standard of drugs prevention and remedy in workplaces from the Department of Labor Protection and Welfare. |

Precise System and Project Co., Ltd. – Main Business

| 1990 : |
|---|
| ▪ Registered the Company as “Precise Isgra Co., Ltd.”<br>▪ Initial registered capital was 10 million baht.<br>▪ Started the business producing the equipment for controlling system. |
| 1991 : |
| ▪ Registered to change the name to “Precise Engineering and Construction Co., Ltd.” |
| 1994 : |
| ▪ Increased the registered capital for 50 million baht from existing 10 million baht to 60 million baht by issuing 500,000 common stocks with par value of 100 baht per share. |
| 2002 : |
| ▪ Registered to change the name to “Precise Engineering and Construction Co., Ltd.”<br>▪ Obtained the Certificate of Quality System for quality assurance and system management ISO 9001:2000. |
| 2007 : |
| ▪ Increased the registered capital for 40 million baht from existing 60 million baht to 100 million baht by issuing 400,000 common stocks with par value of 100 baht per share. |
| 2013 : |
| ▪ Obtained the Certificate of Quality System for quality assurance and system management ISO 9001:2008 (change the standard version). |
| 2013 - 2014 : |
| ▪ Increased the registered capital for 130 million baht from existing 100 million baht to 230 million baht by issuing 1,300,000 common stocks with par value of 100 baht per share to restructure the Conglomerate for transparency and prevent conflict of interests and prepare for listing in the Stock Exchange. |
| 2017 : |
| ▪ The construction of a new factory building was finished.<br>▪ Obtained the award of outstanding organization for labor relations and welfare for five years in a row (2013 – 2018). |
| 2019 : |
| ▪ Obtained the Certificate of Quality System for quality assurance and system management ISO 9001:2015 (change the standard version).<br>▪ Obtained the award of outstanding organization for labor relations and welfare of 2019, provincial level. |

| 2020 : |
|---|
| ▪ Obtained the Certificate of Safety System, Industrial Hygiene, and Working Environment.<br>▪ Obtained the award of outstanding organization for labor relations and welfare of 2020, country level. |
| 2021 : |
| ▪ Obtained the Certificate of the Standard of Environmental Management System ISO 14001:2015.<br>▪ Obtained the Certification of Green Industry, Level 1, Green Commitment.<br>▪ Obtained the Certification for Clean and Safe Corporation or Factory Preventing COVID-19 for Precise System and Project Co., Ltd., Small-Sized Type, from the Department of Health, Ministry of Public Health.<br>▪ Obtained the Certification for products made in Thailand (MiT) for watt-hour meter of alternating current, electronic standard 1 phase 2, 230 V 50 Hz 5(100)A from the Federation of Thai Industries.<br>▪ Obtained the Certification for products made in Thailand (MiT) for watt-hour meter of alternating current, electronic standard 3 phase 4, 230/400 V 50 Hz 5(100)A from the Federation of Thai Industries.<br>▪ Obtained the Certification for products made in Thailand (MiT) for controlling and preventing switch for high-voltage electric system of 115 kV and controlling and preventing switch for the high-voltage electric system of 115 kV, PRECISE brand, from the Federation of Thai Industries.<br>▪ Obtained the Certification for products made in Thailand (MiT) for controlling equipment set in the electric station via the computer with the highest voltage of 115 kV, PRECISE IPS, produced by Precise System and Project Co., Ltd. from the Federation of Thai Industries.<br>▪ Obtained the PEA Product Acceptance for 115 kV Control and Protection Board. |
| 2022 : |
| ▪ On February 15, 2022, the Company obtained the Certification of Electricity Production in the topic of "Approved List of Bidders for Supply and Construction Work and Manufacturers/Types/Models of Equipment for Transmission Line EGAT's Transmission System."<br>▪ On March 2, 2022, the Company obtained the Certification from the Provincial Electricity Authority for Electronic Energy Meters with Wireless Communication, Meter 1 Phase 2 Wire (230 Volt, 5(100) Amp), PRECISE brand, Model CL710N21, firmware version 0100-24. The Provincial Electricity Authority certified that the product passed the inspection based on the technical obligations of the Provincial Electricity Authority, No. RMTR-038/2564 Rev. No.2.<br>▪ On March 25, 2022, the Company obtained the Industry Contribute Award 2021 (Energy) and Outstanding Sales Performance Award 2021 from Huawei Thailand Ecosystem Partner Summit 2022.<br>▪ On May 16, 2022, the Company obtained the Certification from the Provincial Electricity Authority for Electronic Energy Meters with Wireless Communication, Meter 1 Phase 2 Wire (230 Volt, 5(100) Amp), PRECISE brand, Model CL710N21, firmware version 0200-04. The Provincial Electricity Authority certified that the product passed the inspection based on the technical obligations of the Provincial Electricity Authority, No. RMTR-038/2564 Rev. No.2.<br>▪ On June 30, 2022, the Company obtained the Announcement of Honor, First Level for the first year for 685,656 hours from the activity campaigning to reduce working accidents to be zero of 2022.<br>▪ On November 24, 2022, the Company obtained the award of outstanding organization for labor relations and welfare of 2022 from the Department of Labor Protection and Welfare. |

Precise Power Producer Co., Ltd. – Main Business

| 2010 : |
|---|
| ▪ Registered as "Precise Power Producer Co., Ltd."<br>▪ Started the business producing and distributing electricity current.<br>▪ Registered capital was four million baht, issuing 40,000 common stocks with par value of 100 baht per share. |

| 2011 : |
|---|
| ▪ Increased the registered capital for 11 million baht from existing 4 million baht to 15 million baht by issuing 110,000 common stocks with par value of 100 baht.<br>▪ Increased the registered capital for 15 million baht from existing 15 million baht to 30 million baht by issuing 150,000 common stocks with par value of 100 baht.<br>▪ Invested in Songkhla Biomass Co., Ltd. who produced and distributed the electricity current from biomass renewable energy. |
| 2012 : |
| ▪ Increased the registered capital for 20 million baht from existing 30 million baht to 50 million baht by issuing 200,000 common stocks with par value of 100 baht and invested in Songkhla Biopower Co., Ltd. |
| 2013 : |
| ▪ Increased the registered capital for 40 million baht from existing 50 million baht to 90 million baht by issuing 400,000 common stocks with par value of 100 baht. |
| 2014 : |
| ▪ Increased the registered capital for 60 million baht from existing 90 million baht to 150 million baht by issuing 600,000 common stocks with par value of 100 baht.<br>▪ Increased the registered capital for 50 million baht from existing 150 million baht to 200 million baht by issuing 500,000 common stocks with par value of 100 baht. |
| 2015 : |
| ▪ Songkhla Biomass Electric Station by SKB, where PPP was holding 40% shares started distributing the electricity commercially. (Commercial Operation Date: COD) |
| 2017 : |
| ▪ Increased the registered capital for 60 million baht from existing 90 million baht to 150 million baht by issuing 600,000 common stocks with par value of 100 baht.<br>▪ Increased the registered capital for 50 million baht from existing 150 million baht to 200 million baht by issuing 500,000 common stocks with par value of 100 baht. |
| 2018 : |
| ▪ Increased the registered capital for 160 million baht from existing 230 million baht to 390 million baht by issuing 1,600,000 common stocks with par value of 100 baht.<br>▪ Songkhla Biopower Electric Station by SBP, where PPP was holding 76% shares, started distributing electricity commercially. (Commercial Operation Date: COD) |
| 2019 : |
| ▪ Namsor Hydropower Electric Station by NSPC, where PPP was holding 38% shares started distributing electricity commercially. (Commercial Operation Date: COD)<br>▪ Songkhla Biopower Co., Ltd., who was a subsidiary was certified to be a white factory. |
| 2020 : |
| ▪ Songkhla Biopower Co., Ltd., who was a subsidiary, was certified to be a Green Industry, Level 1, Green Commitment from the Ministry of Industry.<br>▪ Songkhla Biopower Co., Ltd., who was a subsidiary, obtained the Certificate of the Standard of Quality System Management ISO 9001:2015. |
| 2021 : |
| ▪ Songkhla Biopower Co., Ltd., who was a subsidiary, was certified to be a Green Industry, Level 1, Green Commitment from the Ministry of Industry. |

| |
|---|
| ▪ Songkhla Biopower Co., Ltd., who was a subsidiary, obtained the Certificate of the Standard of Quality System Management ISO 9001:2015. |
| 2022 : |
| ▪ Precise Power Producer Co., Ltd. signed the agreement to learn the feasibility of electricity trading in the form of peer-to-peer and learn the joint venture in the electric station in Srithep District in Petchbun, Jana District in Songkhla, Takbai District in Narathiwat between PEA International Co., Ltd., Hosoda Co., Ltd., and Precise Power Producer Co., Ltd. on October 25, 2022.<br>▪ Songkhla Biopower Co., Ltd., who was a subsidiary, joined the project to develop the organization based on the Standard of Safety System Management, Industrial Hygiene, and Working Environment of 2022 from the Safety, Industrial Hygiene, and Working Environment Promotion Association (public organization). Besides this, the Company was assessed to be in a platinum level and will obtain the Announcement of Honor in March, 2023 |

### 1.1.3 Expenses from Fundraising as per the Objectives

The Company offered the newly issued common stocks for sales at 307,000,000 shares to the public and registered the capital increase in the Stock Exchange of Thailand. The Company received the money from the offering of newly issued common stocks in the amount of 1,228 million baht as of December 31, 2022 and has used the proceeds from the offering of newly issued ordinary shares as follows:

| Expense Objectives | Expense Plan (Estimated) | Amount Spent until December 31, 2022 | Remaining Amount as of December 31, 2022 |
|---|---|---|---|
| 1. To invest in the ongoing projects and other projects in the future.<br>1.1 Distributing Center Project and Marketing<br>1.2 Hemp Planting (Closed System) Project<br>1.3 Bamboo Business Project, Srithep District in Petchbun | 350.00 | 39.17 | 310.83 |
| 2. To use as the working capital for operations and for general objectives of the Company | 194.00 | 65.75 | 128.25 |
| 3. Payback loans from financial institutes. | 650.00 | 650.00 | - |
| **Total** | **1,194.00** | **754.92** | **439.08** |

### 1.1.4 Obligations that the Company Promised in the Property Offering Information Form

The Company has no financial obligations for common stocks as stated in the registration statement and other documents relating to the offered stocks.

## 1.2 Nature of Business Operation

The Company (Holding Company) operates its business by holding shares in other companies in six business lines, comprising three main business lines as follows:

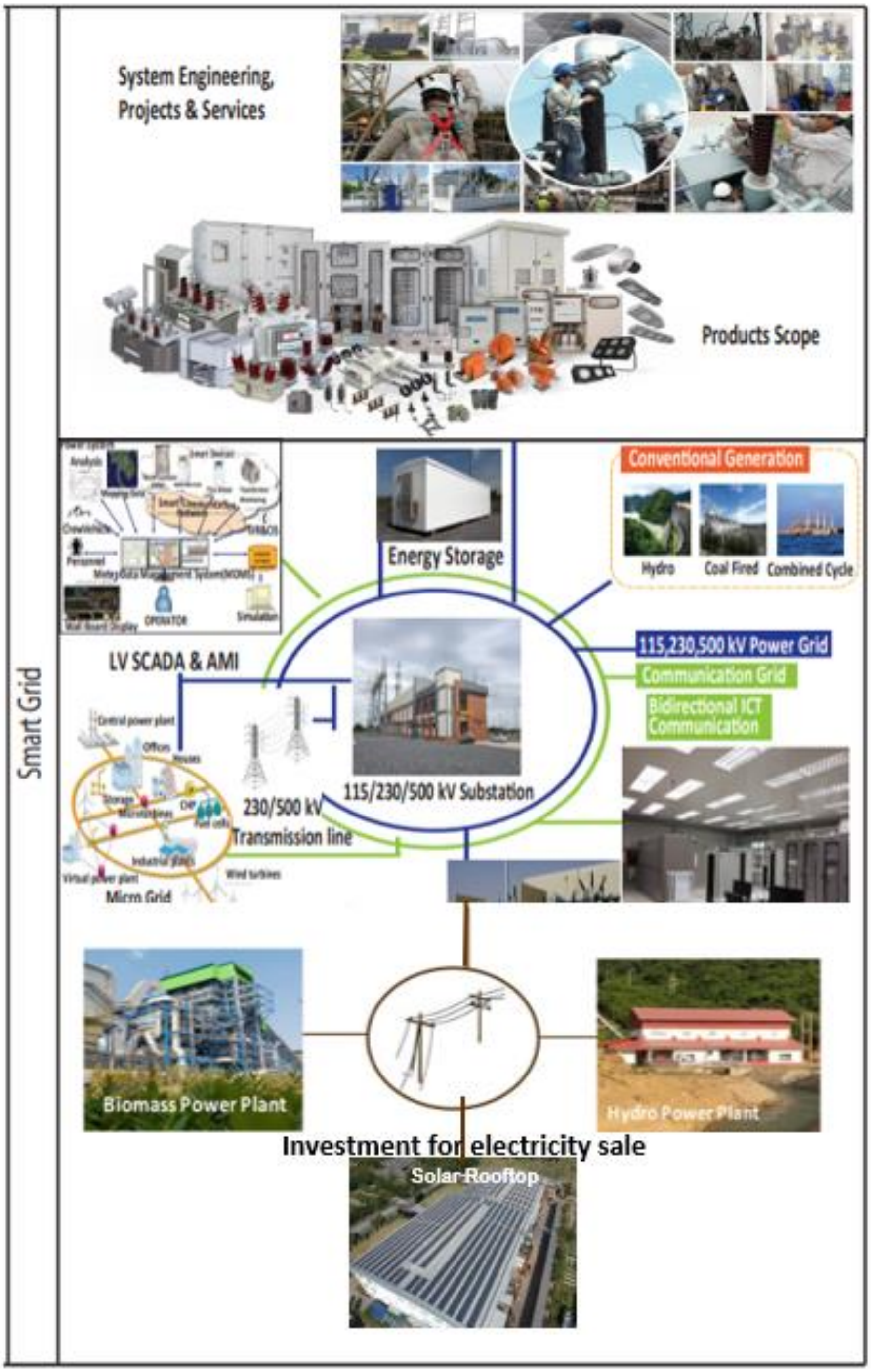
1. Precise Electric Manufacturing Company Limited, which is a subsidiary in the business line of production and distribution of equipment in the power distribution system, project management, services, maintenance of low- and high-voltage electrical systems, no more than 115 kV, and power distribution and energy management system to be effective.
2. Precise System and Project Company Limited, a subsidiary in the business line of construction of high-voltage power stations and high-voltage transmission lines, along with the production and installation of control systems for smart electricity systems and the production of intelligent grids.
3. Precise Power Producer Company Limited, a subsidiary in the business line of investment in the electricity production and distribution from renewable energy, and the fuel production from renewable energy and other related businesses.

In addition, the Company holds shares in subsidiaries in three business lines as follows:

1. Precise Digital Economy Company Limited, which is a subsidiary in the business line of designing and selling software management systems, platforms, and information systems for organizations and other related industrial automation systems (Digital Economy).
2. Precise Smart Life Company Limited, which is a subsidiary in the business line of Bio-Circular-Green Economy (BCG) for continuous energy and products in other biomaterials.
3. Pacific Prosperity Development Company Limited, which is a subsidiary in the business line of import and export of electrical and mechanical equipment and project sales (International Business).

Diagram showing the industrial systems and functions of the Group of Companies

in line with the smart electricity industry



### 1.2.1 Income Structure

The group of companies conducts its core business and other businesses as listed above. Its income structure for the fiscal year ended December 31, 2019, 2020, and 2021, and December 31, 2022 can be summarized as follows:

| | 2019 | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent |
| Precise Electric Manufacturing Co., Ltd., which is a subsidiary in the business line of production and distribution of equipment in the power distribution system, project management, services, maintenance of low- and high-voltage electrical systems, no more than 115 kV, and power distribution and energy management system. | 1,543 | 39.5 | 1,758 | 43.4 | 1,458 | 40.2 | 1,907 | 39.4 |
| Precise System and Project Co., Ltd., which is a subsidiary in the business line of construction of high-voltage power stations and high voltage transmission lines, along with the production and installation of control systems for smart electricity systems and the production of intelligent grids. | 1,700 | 43.5 | 1,602 | 39.6 | 1,619 | 44.7 | 2,207 | 45.6 |
| Precise Power Producer Co., Ltd., which is a subsidiary in the business line of investment in the electricity production and distribution from renewable energy and the fuel production from renewable energy and other related businesses. | 358 | 9.2 | 394 | 9.7 | 391 | 10.8 | 394 | 8.1 |
| Precise Digital Economy Co., Ltd., which is a subsidiary in the business line of designing and selling software management systems, platforms, and information systems for organizations | 29 | 0.7 | 87 | 2.1 | 22 | 0.6 | 32 | 0.7 |
| Precise Smart Life Co., Ltd., which is a subsidiary in the business line of Bio-Circular-Green Economy (BCG). | 5 | 0.1 | 4 | 0.1 | 2 | 0.1 | - | - |
| Pacific Prosperity Development Co., Ltd., which is a subsidiary in the business line of import and export of electrical and mechanical equipment and project sales. | 274 | 7.0 | 202 | 5.0 | 131 | 3.6 | 305 | 6.3 |
| **Total incomes from sales and services** | **3,909** | **100.0** | **4,047** | **100.0** | **3,623** | **100.0** | **4,845** | **100.0** |

### 1.2.2 Information on Products and Services

The group of companies divides the nature of the products and services of the core business into three segments as follows:

**1.2.2.1 Precise Electric Manufacturing Co., Ltd., which is a subsidiary in the business line of production and distribution of equipment in the power distribution system, project management, services, maintenance of low- and high-voltage electrical systems, no more than 115 kV, and power distribution and energy management system to be effective (Power Distribution and Energy Management System)**

PEM and its subsidiaries operate the business of manufacturing and distributing electrical equipment in a distribution system, design, and project management; contract, installation, and construction of the distribution system, underground power system, and power stations with a voltage of 69 to 115 kV; and electrical energy management, integrated electrical system maintenance, and electrical equipment repair, supporting the smart electrical system industry.

In addition, PEM has subsidiaries consisting of PMW, which is engaged in the business regarding production, distribution, testing, inspection, and maintenance and repairs of switchboard products, switchgear cabinets, load-break switches, and metalwork production for electrical equipment and control cabinets; CI, which is engaged in the business of production and distribution of circuit breaker equipment; and PEMC, which is engaged in the business of production and distribution of voltage, current, and instrument transformers, and switchboard cabinets in Cambodia. (See the diagram showing the power transmission and distribution systems in Item 1.2, Nature of Business.)

**(1) Nature of Products**

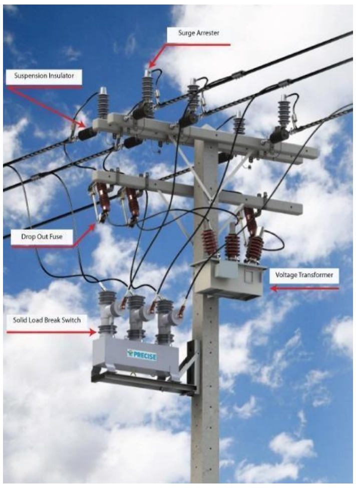
PEM and its subsidiaries have more than 35 years of experience in product technology development and engineering systems that satisfy the requirements of stakeholders and sellers of raw materials or important components in the electrical distribution system industry, and consumers from both the public and private sectors.

However, for the product groups for equipment manufacture, project management, services, and distribution in the industry, low- and high-voltage systems can be divided into eight groups as follows:

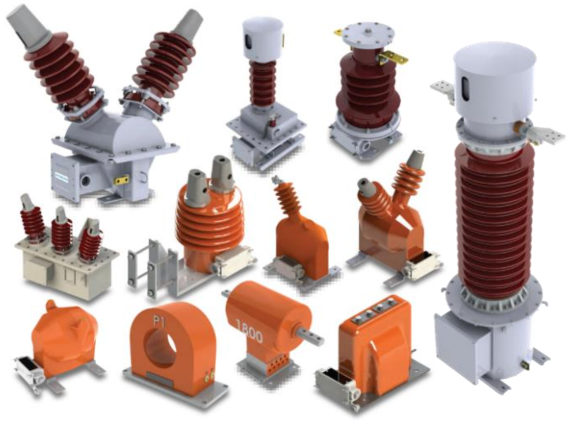
| Income Structure of Consolidated Financial Statements | 2019 | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent |
| 1. Product group of voltage adjustment and protection of current and over-voltage, insulators in the distribution system, and LED lamp product group. | 340.96 | 22.11 | 418.64 | 23.81 | 290.11 | 19.90 | 389.13 | 20.41 |
| 2. Product group of voltage, current, and instrument transformers | 160.00 | 10.38 | 245.50 | 13.96 | 172.51 | 11.84 | 218.89 | 11.48 |
| 3. Product group of distribution transformer | 310.92 | 20.16 | 308.02 | 17.52 | 332.40 | 22.81 | 546.56 | 28.66 |
| 4. Work group of distribution system construction projects | 109.14 | 7.08 | 97.36 | 5.54 | 86.56 | 5.94 | 76.78 | 4.03 |
| 5. Product group of switchgear cabinets and switchboard | 65.28 | 4.23 | 151.44 | 8.61 | 268.19 | 18.40 | 278.57 | 14.61 |
| 6. Product group of various types of circuit breakers | 325.03 | 21.08 | 331.24 | 18.84 | 74.56 | 5.12 | 130.21 | 6.83 |
| 7. Product group of disconnecting switches | 49.97 | 3.24 | 96.68 | 5.50 | 121.09 | 8.31 | 18.62 | 0.98 |

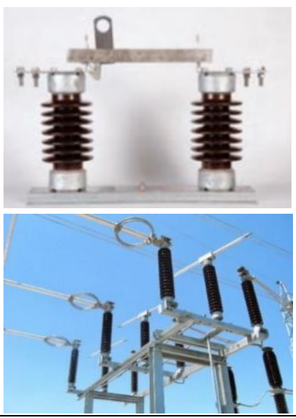
| Income Structure of Consolidated Financial Statements | 2019 | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent |
| 8. Other products and services, such as metalwork, maintenance and repair services, and other equipment | 181.23 | 11.72 | 109.54 | 6.23 | 112.11 | 7.69 | 248.22 | 13.02 |
| **Total incomes from sales and services** | **1,542.53** | **100.00** | **1,758.42** | **100.00** | **1,457.53** | **100.00** | **1,906.98** | **100.00** |

Examples of Equipment Manufactured by PEM and its Subsidiaries for Sale




| Products and Services | Description and Characteristics of Use |
|---|---|
| 1. Product group of voltage regulator and protection of current and over-voltage, insulators in the distribution system, and LED lamp product group   | Equipment to adjust the voltage and prevent short circuits and overvoltage occurring in the distribution system due to various causes such as trees and lightning, which may cause damage to other equipment in the distribution system. Examples of products in the equipment group in this product group are:<br>- Surge Arresters<br>- Fuse Cutouts<br>- Low Tension Fuse Switch<br>- Power Capacitor<br>- HDPE Cable Spacer<br>- Suspension Insulator<br>- LED Lighting |

<table>
<tr><th>Products and Services</th><th>Description and Characteristics of Use</th></tr>
<tr><td>2. Product group of instrument transformer<br></td><td>Instrument transformers are responsible for measuring values in the electrical system by converting current or voltage at high voltages and currents to lower voltages and currents so that the meter can measure the value. The instrumentation transformer product group is divided into two types as follows:<br>- Current Transformer<br>- Voltage Transformer</td></tr>
<tr><td>3. Product group of distribution transformer<br></td><td>Distribution transformers are transformers used to reduce the voltage transmitted along the distribution line, which has a maximum voltage of 36 kV, to a low voltage that can be used with home equipment. Transformers produced by PEM and its subsidiaries include:<br>- A single-phase transformer with a maximum power of 75 kVA and a voltage of 24 kV<br>- A single-phase transformer with a maximum power of 50 kVA and a voltage of 36 kV<br>- A three-phase transformer with a maximum power of 1,250 kVA and a voltage of 24 kV<br><br>A three-phase transformer with a maximum power of 1,250 kVA and a voltage of 36 kV</td></tr>
<tr><td>4. Work group of distribution system construction projects<br></td><td>Provide services in the construction of power stations, transmission lines, and underground lines with a maximum voltage of 115 kV. In both public and private organizations, project management includes design, procurement, installation of equipment, civil construction, and testing.</td></tr>
</table>

| Products and Services | Description and Characteristics of Use |
|---|---|
| 5. Product group of switchgear and switchboard cabinets<br> | Switchgear cabinets and switchboard cabinets are products that receive electricity from transformers and then separate to supply the load to a sub feeder to transmit power to the equipment that requires electricity at the different parts of each destination. Switchgear and switchboard cabinets manufactured by PEM and its subsidiaries include:<br>- Medium voltage switchgear cabinet is used to cut 22 kV and 33 kV systems, supports a maximum voltage of 36 kV, a maximum current of 2,000 A, and a short-circuit current tolerance of 25 kA, which is certified by the IEC standards.<br>- Low voltage main switchboard cabinet, rated voltage up to 600 VAC.<br>- Junction Box<br><br>Switchgear cabinet, in cooperation with LSIS, Republic of Korea |
| 6. Product group of various types of circuit breakers<br><br>Load Break Switch and Control Cubicle<br><br>Recloser and Control Cubicle | A load break switch with a control cubicle is a circuit breaker in the distribution system that can turn the circuit off and on. There are two types of loads produced:<br><br>1. Arc quenching type with SF6 gas (Sulfur Hexafluoride), which is a reliable and long-proven technology.<br><br>2. The vacuum arc quenching type (Vacuum Interrupter) is a new technology that is environmentally friendly and does not generate greenhouse gases.<br><br>In addition, a recloser with a control cubicle is also produced, which is a high-voltage circuit breaker in the distribution system that can turn the circuit off and on while there is a high current during a short circuit. |
| 7. Product group of disconnecting switch<br> | The disconnecting switch serves as a switch to cut off the no-load circuit, then performs maintenance and connects the circuit by switching in when maintenance is complete to supply electricity. Examples of the disconnecting switch product group are:<br>- Medium-voltage disconnecting switches are used to cut 22 kV and 33 kV systems.<br>- High-voltage disconnecting switches are used to cut the 115 kV system.<br><br>The above products are based on Coelme's patented production technology in Italy. |

| Products and Services | Description and Characteristics of Use |
|---|---|
| 8. Other products and services, such as metalwork, maintenance and repair services, and other equipment  | The manufacture of metal parts according to the needs of customers in each work group, such as cubicle, tank, and mechanical parts, and the creation of a comprehensive electrical energy management system with the service covering all products and levels to maximize energy use efficiency, reduce energy costs and greenhouse gas emissions, as well as reducing environmental impacts in a systematic and sustainable manner. It includes providing services in consultation, assessment, analysis, and preparation of electrical energy management systems for efficient use of electricity, as well as professional maintenance. |

(2) Marketing and Competition

<u>Competitive Strategies</u>

1. Capability of producing comprehensive and diversified products

PEM and its subsidiaries are featured in their ability to produce a wide range of products that cover the needs of electricity distribution systems in the form of equipment for assembly and installation of equipment for control and measurement, and equipment to prevent damage that may occur to the electrical system. Therefore, PEM and its subsidiaries can respond well to the variety of needs of each group of customers. PEM and its subsidiaries focus on using the economy of scope strategy. PEM and its subsidiaries have the ability to produce comprehensive electrical equipment and regularly meet the purchase needs of each type of product. They also use the strategy to share resources in common productions by training employees in the production line with knowledge, capabilities, and experience in various production lines in order to be able to allocate employees to production lines in consistency with market demand to reduce employee wasted time.

2. Product technology expertise

With more than 30 years of combined experience in the electrical system industry, PEM and its subsidiaries are well versed in the design, manufacture, and assembly methods of electrical equipment. In addition, they have a research and development department on staff, which is tasked with investigating emerging technologies in an effort to as closely as possible satisfy customer demands. The emphasis is on developing products to replace foreign imports that reduce the project cost of customers, for example, the use of transformer production technology, distribution system and switchgear, the use of technology to in medium and high pressure disconnecting switches production from Coelme in Italy, the development of new concepts in energy management services in the form of energy management platform in collaboration with technology leaders, resulting in intelligent management innovation and increasing the efficiency of integrated energy management. The development of new products not only creates opportunities for expansion and an increase in the revenue of PEM and its subsidiaries but also builds a good relationship for customers to study and develop products together, which will affect trust and continued business together in the future.

3. Product quality standard

PEM and its subsidiaries focus on the production and distribution of products in accordance with the standards and meet the customer's needs under the international quality management systems of ISO 9001:2015, ISO 14001:2015, and ISO 17025:2017 for leadership in terms of quality and efficiency of the organization. Moreover, PEM and its subsidiaries have their own production plants, thus enabling them to control the quality at all stages of the production process and ensure that the high-quality products have always been trusted by customers at home and abroad. PEM and its subsidiaries have also been certified by various agencies for products as specified in Item 1.2.2.1 (3) Procurement of Product and Service, subheading Standards of Management Systems and Products.

4. Customer Relations Management (CRM) and Supply Chain Management

In addition to offering quality and diverse products to meet the needs of customers as fully as possible, PEM and its subsidiaries also focus on delivering products and services with precision and speed to customers as scheduled. The Company has developed and installed a new PMIS (Precise Management Information System) and software to manage customer relationship management (CRM) in accordance with the various needs of each customer group.

Customer Groups and Pricing Policy

1. Setting sale prices for the auction of government customers

When entering into a tender for the sale of products to a group of government customers related to the three electricity authorities, namely the Electricity Generating Authority of Thailand, the Provincial Electricity Authority, and the Metropolitan Electricity Authority, PEM and its subsidiaries adhere to the tender guidelines with reference to the median price (the price that the government agency bought the last time) by improving the cost of production of products to meet the characteristics set by the customer group.

2. Setting sale prices of private sector customers in the country and abroad

To sell in the private market, PEM and its subsidiaries will offer prices in line with the market conditions of each customer group, fairness in price, quality, and delivery time, as well as satisfaction in after-sales service, based on cost, demand, and product characteristics.

3. Tailor Made Product Pricing

When selling products that need to go through the development of specific characteristics in order to meet the demand for products that have better characteristics than general standards, the pricing will include the development costs of that product. The sale of this type of product will not only build a good relationship with customers but also show that PEM and its subsidiaries can respond to the special needs of customers, which will open up opportunities for ongoing joint business operations in the future.

Distribution and Distribution Channels

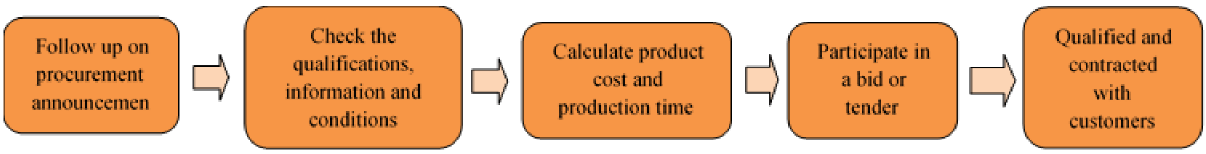
The income structure of PEM and its subsidiaries is divided by the type of customer group.

| Income | 2019 | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent |
| 1. Government sector customer group | 909.55 | 58.99 | 1,039.82 | 59.13 | 491.16 | 33.70 | 603.66 | 31.68 |
| 2. Domestic private sector customer group | 631.44 | 40.95 | 718.46 | 40.86 | 950.39 | 65.21 | 1,303.32 | 68.34 |
| 3. Foreign customer group | 0.96 | 0.06 | 0.14 | 0.01 | 15.98 | 1.10 | - | - |
| **Total Income** | **1,541.95** | **100.00** | **1,758.42** | **100.00** | **1,457.53** | **100.00** | **1,906.98** | **100.00** |

PEM and its subsidiaries divide the Marketing and Sales Department into three segments according to customer groups: Public Sales, Private Sales, and Overseas Sales, to meet the needs of each group as much as possible. Distribution channels for each group of customers are provided as follows:

- Government sector customers include government agencies and state enterprises in Bangkok and other provinces, for example, the Electricity Generating Authority of Thailand, the Metropolitan Electricity Authority, and the Provincial Electricity Authority, with approximately 170 locations throughout Thailand. To sell products to these customers, PEM and its subsidiaries must register as sellers with government agencies in order to present themselves as qualified and sufficient companies to be able to offer products for sale to the government, such as having the industrial standard registration (TIS) or certification for the quality control system according to ISO 9001 required for producing plants.

  PEM and its subsidiaries will sell products through the procurement processes of each agency. The Company's staff will follow up on news from government agencies' invitation letters, websites, and procurement announcements from various agencies to participate in bidding, which are characterized by price agreement, price inquiry, and tendering, and evaluate bidders. The procedures of PEM and its subsidiaries can be summarized as follows:




  Since selling to government sector customers is a competitive market with high prices through the auction purchasing method, PEM and its subsidiaries have a strategy to shift their reliance on the public sector market to other groups of customers, especially private sector customers.

- Private sector customers include system contractors in Bangkok and upcountry who use PEM and its subsidiaries' products for their own projects.

  PEM and its subsidiaries distribute products directly to customers, often in the form of small individual orders. But there are a lot of rounds of orders. Private sector customers have different procedures for ordering products, from sending staff to contact to offer products and services, including contractor customers who win project tenders, which must provide all products related to systems used in the project. The Marketing Department of PEM and its subsidiaries will be in regular contact with this group of customers by focusing on the omni channel marketing strategy, which is a marketing strategy that provides customers with access to a variety of products and services from multiple channels in order to reach customers quickly through technical presentations and immediate answers. There is also a comprehensive connection of customer information through all sales channels to meet the needs of customers directly and all customer groups at a price that meets their value.

  In omni channel marketing, PEM and its subsidiaries use software to manage customer relations (Customer Relationship Management: CRM) to provide good services, promote sales to customers until they can turn into regular customers (Customer Loyalty) with higher repurchase rates, as well as analyzing demand data to determine product development plans to keep up with the needs and changes in digital technology. This helps to create stability in responding to the needs of products in the future.

- Foreign customers include both public and private sector customers in countries, such as electricity state enterprises in Lao and wholesale customers and distributors in different countries. PEM and its subsidiaries will sell products to foreign customers through Pacific Prosperity Development Co., Ltd.

Industrial Conditions and Competition

The electricity industry structure in Thailand can be divided into three systems as mentioned above:

- Generation System
- Transmission System
- Distribution System

The electrical system starts from the power plant (Generation), which is mostly located in a remote area from the source of electricity. Therefore, it is necessary to transmit electricity through the transmission line. When approaching an area with a demand for electricity or a community, the voltage will be adjusted down with a transformer, and then electricity is transmitted through the distribution system (Distribution Line), and the voltage is adjusted to be appropriate again before supplying electricity to the users.

The Ministry of Energy and the Electricity Generating Authority of Thailand and related agencies have developed the Thailand Power Generation Capacity Development Plan, B.E. 2561–2580 (2018–2037) (PDP2018). The period of the plan is in line with the 20-year national strategic plan (2018–2020). The highlights of the Thailand Power Generation Capacity Development Plan, B.E. 2561–2580 (2018–2037) (PDP2018) include

(1) Electricity generation system, electricity transmission system, and electricity distribution system are stable in each area and balance the electricity system in each region.

(2) The is consideration of power plants for appropriate levels of stability to support the event of an energy crisis, including increasing the grid flexibility of the electrical system.

(3) The low-cost electricity production is promoted to reduce electricity user burden and not hinder the country's long-term economic and social development.

(4) There is preparation of the electricity system to achieve the electricity production competition, which will improve the electricity production efficiency in the country as a whole. Electricity production reflects the true cost.

(5) The environmental impact must be minimized.

(6) The production of electricity from renewable energy is promoted, including increasing efficiency in the power system (Efficiency) in both electricity production and electricity consumption.

(7) A smart grid system is promoted to support the changing trend of prosumer electricity users.

The preparation of the PDP Plan 2018 must be in line with the country's economic development direction prepared and estimated by the Office of the National Economic and Social Development Council (NESDB) that has predicted that the long-term economic growth trend (GDP) from 2017 to 2037 with an average of 3.8% per year, using the average population growth rate of -0.02% per year.

For the prediction of the electricity demand used in preparing the PDP2018 plan for the period 2018–2037, it was found that the forecast value of the total net energy demand (Energy) of the three electricity systems and the net power peak in 2037 is approximately 367,458 million units and 53,997 megawatts, respectively.

| Year | PDP2015 | | PDP2018 | | Change | |
|---|---|---|---|---|---|---|
| | Maximum Power (Megawatt) | Electric Energy (Million Unit) | Maximum Power (Megawatt) | Electric Energy (Million Unit) | Maximum Power (Megawatt) | Electric Energy (Million Unit) |
| 2018 | 32,429 | 212,515 | 29,969 | 203,203 | -2,460 | -9,312 |
| 2022 | 36,776 | 241,273 | 35,213 | 236,488 | -1,563 | -4,785 |
| 2027 | 41,693 | 273,440 | 41,079 | 277,032 | -614 | 3,862 |
| 2032 | 46,296 | 303,856 | 47,303 | 320,761 | 1,007 | 16,905 |
| 2037 | - | - | 53,997 | 367,458 | - | - |

The guidelines for developing the PDP 2018 plan consist of four main parts:

(1) Power plants according to the government's promotion policy: promoting the production of electricity from renewable energy sources, such as community waste and Pracharat biomass power plants in three southern border provinces, etc.

(2) Fossil fuel type main power plants consisting of the power plant of EGAT, major private power producers (IPP), small private power producers (SPP), and overseas electricity purchase by (1) allocating the main power plants for regional stability in seven regions, namely the North, Northeast, East, West, Central, South, and Metropolitan areas; and (2) allocating the main power plants as necessary and sufficient to maintain the stability of the regional power system. The EGAT is responsible for maintaining the stability of the electrical system.

(3) Renewable energy power plants, according to the Alternative Energy Development Plan (AEDP), consisting of biomass, biogas, solar energy, floating buoy solar power, hydroelectric power plants, and other renewable energy. The goal is to purchase electricity annually, following the renewable energy generation policy, at a price not exceeding grid parity in order to maintain the retail electricity price level from rising.

(4) Energy conservation policy under the energy conservation plan that can prove confidence with quality and competitiveness at a price that does not exceed grid parity.

- New/Replacement Power Plants: 8,300 MW
- Energy Conservation Measures: 4,000 MW

Total 56,431 MW

Thailand Power Development Plan B.E. 2561–2580 (2018–2037) (PDP2018)

Power generation capacity during the years 2018–2037

- Power generation capacity as of December 2017 46,090 MW
- New power generation capacity during the years 2018–2037 56,431 MW
- Discharged power generation capacity during the years 2018–2037 25,310 MW
- Total power generation capacity at the end of 2037 77,211 MW

The new power generation capacity during the years 2018–2037 equal to 56,431 MW can be classified by power plant type as follows:

| | |
|---|---|
| - Renewable energy power plants | 20,766 MW |
| - Reverse pumped hydroelectric power plants | 500 MW |
| - Cogeneration power plants | 2,112 MW |
| - Combined-cycle power plants | 13,156 MW |
| - Coal/lignite power plants | 1,740 MW |
| - Overseas power purchase | 5,857 MW |
| - New/replacement power plants | 8,300 MW |
| - Energy Conservation Measures | 4,000 MW |
| Total | 56,431 MW |

The Energy Policy and Planning Office, in cooperation with the Electricity Generating Authority of Thailand and related agencies, has established the investment limit and project implementation period for the Thailand Smart Grid System Development Master Plan B.E. 2558–2579 (2015–2036) as follows:

(1) The summary of the EGAT's the limit and implementation period of the smart grid system development project.

| Activity | | Duration (Year) | Limit (Million Baht) |
|---|---|---|---|
| 1 | Wide Area Monitoring System (WAMS)/Wide Area Protection and Control (WAPC) | 10 | 407 |
| 2 | Energy Management System (SCADA/EMS) | 10 | 1,240 |
| 3 | EHV/FACTS | 10 | 50,000 |
| 4 | Substation Automation (G&T) | 17 | 11,475 |
| 5 | Energy Storage System (G&T) | 17 | 36,750 |
| 6 | Renewable Energy Forecast System | 10 | 165 |
| 7 | SPP/VSPP Data Communication System (G&T) | 10 | 2,185 |
| 8 | ICT Integration (G&T) | 10 | 2,000 |
| 9 | Demand Response (DR)/Demand-Side Management (DSM) (G&T) | 17 | 750 |
| 10 | Intelligent Charging System/V2G (G&T) | 17 | 250 |
| Total Limit | | | 105,222 |

Note: This limit is the one for a moderate investment.

(2) The summary of the limit and implementation period of the smart grid system development project of MEA and PEA.

| Activity | | Duration (Year) | Limit (Million Baht) |
|---|---|---|---|
| 1 | Distribution/Feeder Automation (DA/FA) | 15 | 3,375 |
| 2 | Substation Automation (Distr) | 15 | 6,188 |
| 3 | Distribution Management System (SCADA/DMS) | 15 | 3,375 |
| 4 | Smart Meter + AMR/AMI | 17 | 54,397 |
| 5 | Intelligent Charging System/V2G (Distr) | 10 | 1,515 |
| 6 | Demand Response (DR)/Demand-Side Management (DSM) (Distr) | 10 | 2,908 |
| 7 | Intelligent Street Lights | 15 | 3,187 |
| 8 | Meter Data Management System (MDMS) | 15 | 3,224 |
| 9 | Microgrid Development | 15 | 1,100 |
| 10 | Energy Storage System (Distr) | 15 | 775 |
| 11 | SPP/VSPP Data Communication System (Distr) | 10 | 676 |
| 12 | ICT Integration (Distr) | 10 | 1,900 |
| Total Limit | | | 82,620 |

Note: This limit framework is the one for a moderate investment.

Examples of competitors in the industry

Since PEM produces a wide range of products to cover the needs of customers, it is possible to give examples of competitors based on the main product categories as follows:

(1) The group of voltage regulator and protection of current and overvoltage, insulators in the distribution system, and LED lamp product group including

Gunkul Engineering Public Company Limited, JPC Electric Corp Company Limited, and System 3 Company Limited.

(2) The group of current and instrument transformers including

Thai Maxwell Electric Company Limited, Charoenchai Transformer Company Limited, and Triple T Entech Company Limited.

(3) The group of distribution transformer including

Tirathai Company Limited, Ekarat Engineering Public Company Limited, and Q.T.C. Transformers Company Limited.

(4) The group of switchgears and switchboards including

ABB (Thailand) Company Limited, Schneider Electric (Thailand) Company Limited, and Power Utah Group Company Limited.

**(3) Procurement of Products and Services**

<u>Procurement of Raw Materials</u>

Assemblies and raw materials like steel plates, copper wires, transformer oil, breakers, etc., will be ordered by PEM and its subsidiaries' purchasing departments in accordance with the monthly quantity estimates made by the inventory department based on the remaining stock of each type of electrical equipment. However, PEM and its subsidiaries will procure suitable and high-quality equipment in accordance with the technical requirements of customers from vendors listed on the Approved Vendors List and compare the vendors' offers to obtain the best terms in respect of electrical equipment that is specific to the customer's needs. The key raw materials and assemblies are as follows:

1. Silicon steel

Silicon steel is a component of the steel cores of distribution transformers and instrumentation transformers. PEM and its subsidiaries primarily order it from overseas manufacturers, for example, the Republic of Korea, Japan, and other countries, by comparing prices from at least two distributors before placing an order. The Purchasing Department will order steel plates according to the quantity assessed by the Inventory Department every month based on the remaining quantity of each type of steel in the warehouse.

2. Ceramic insulators

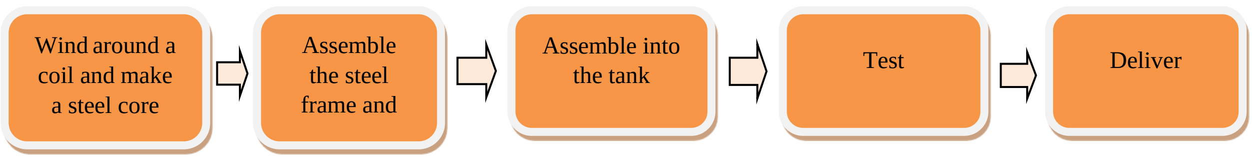
Ceramic insulators act as insulators and prevent current leakage to the ground or short circuits to the ground. They are used in a variety of equipment, such as transformer product groups, measuring instruments, transformer product groups, distribution systems, and various types of switchgear. PEM and its subsidiaries mainly order the product from manufacturers or distributors in China.

<u>Raw Material Procurement Policy</u>

The requirements of the Production Department will be taken into consideration in order to efficiently buy raw materials and guarantee that PEM and its subsidiaries will receive the raw materials in accordance with the quality and quantity ordered at the right price. In order to instantly and adequately produce the products, a minimum inventory level must be established. The purchase order must be fast, and the delivery must be on time. The quality must be standardized according to the requirements. Each supplier will be compared to select the right one in terms of price and quality of raw materials that meet the needs in order to maintain the standards of the products, which is why the Group has gained the trust of customers. Moreover, PEM and its subsidiaries have estimates of the future use of raw materials by the Group and have made each order a high quantity to use as a bargaining power for the best price with the distributors.

<u>Production Procedures</u>

Distribution transformers have an average production time of about three weeks. The diagram shows the manufacturing process of the distribution transformer as follows:




1. Winding around coils and making steel cores

The process of manufacturing transformers starts with preparing the raw materials by winding them around the coils. Coil winding starts with winding an insulated red coil. Coils are divided into low-voltage coils and high-voltage coils. For making steel cores, it starts by cutting silicon steel as required. After cutting silicon steel into different sizes, the silicon steel plates will be sorted to have a low value of loss in the steel core.

2. Assembling the steel frame and packing coils

This procedure is to take the coil to assemble it to the steel core. The insulating paper and supporting wood must be of the required size and then wired to the automatic voltage regulator. After that, it will be taken for dehumidification in the large vacuum furnace.

3. Assembling into a tank

The coils and steel cores that have been baked will be assembled into the transformer tank, along with installing external equipment, such as insulators, cooling equipment, etc. After that, the transformer oil is refilled with the heating and vacuum system filter.

4. Test

After passing the assembly process into the tank, the final step is to test the transformer. It will be tested according to the standard manual by the Testing Department. When it has passed the standard testing process, the transformer will be delivered to the customer.

Production capacity and production policy

PEM and its subsidiaries currently have plants located at

1. No. 103/2, Village No. 6, Ban Mai Subdistrict, Muang Pathum Thani district, Pathum Thani Province, on an area of about 44 rai 2 ngan with a total usable area of approximately 29,851 square meters.
2. No. 1/5, Village No. 9, Bang Pud Subdistrict, Pak Kret District, Nonthaburi Province, on an area of approximately 2 ngan, 96 square wah with a total usable area of approximately 1,184 square meters.

PEM and its subsidiaries have classified details of the average capacity and utilization categorized by major products as follows:

| Product | Unit | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| 1. Voltage regulator and current and overvoltage protection, circuit breakers, and insulating equipment in the distribution system | | | | | |
| Capacity | Piece | 350,000 | 350,000 | 350,000 | 662,500 |
| Utilization | Piece | 576,676 | 465,000 | 365,000 | 1,008,550 |
| Capacity Utilization Rate | Percent | 164.80% | 132.86% | 104.29% | 152.23% |
| Number of machines and testing machine | | | | Machine | 68 |
| 2. Instrument transformer | | | | | |
| Capacity | Machine | 19,360 | 19,520 | 24,000 | 24,000 |
| Utilization | Machine | 17,110 | 15,794 | 17,457 | 22,592 |
| Capacity Utilization Rate | Percent | 88.38% | 80.91% | 72.74% | 94.13% |
| Number of machines and testing machine | | | | Machine | 58 |
| 3. Distribution transformer | | | | | |
| Capacity | MVA | 330 | 360 | 360 | 720 |
| Utilization | MVA | 358 | 114 | 345 | 524 |
| Capacity Utilization Rate | Percentage | 108.48% | 31.67% | 95.83% | 72.78% |
| Number of machines and testing machine | | | | Machine | 40 |
| 4. Switchgear cabinet and switchboard | | | | | |
| Capacity | Set | 900 | 900 | 900 | 900 |
| Utilization | Set | 1,097 | 1,300 | 1,178 | 1,123 |

| Product | Unit | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Capacity Utilization Rate | Percentage | 121.89% | 144.44% | 130.89% | 124.78% |
| Number of machines and testing machine | | | | Machine | 21 |
| 5. Various kinds of circuit breakers | | | | | |
| Capacity | Set | 2,880 | 3,000 | 2,400 | 2,500 |
| Utilization | Set | 1,672 | 2,153 | 567 | 917 |
| Capacity Utilization Rate | Percentage | 58.06% | 71.77% | 23.63% | 36.68% |
| Number of machines and testing machines | | | | Machine | 10 |
| 6. Disconnecting switch | | | | | |
| Capacity | Set | 5,800 | 5,100 | 8,302 | 6,096 |
| Utilization | Set | 3,528 | 3,392 | 6,427 | 3,491 |
| Capacity Utilization Rate | Percentage | 60.83% | 66.51% | 77.41% | 57.27% |
| Number of machines and testing machines | | | | Machine | 1 |
| 7. LED lamps | | | | | |
| Capacity | Set | 12,150 | 12,400 | 12,000 | 12,500 |
| Utilization | Set | 5,587 | 7,380 | 5,643 | 17,098 |
| Capacity Utilization Rate | Percentage | 45.98% | 59.52% | 47.03% | 136.78% |
| Number of machines and testing machines | | | | Machine | 4 |

Remark: The production capability is calculated using a five-day workweek and an eight-hour workday. Nevertheless, based on the volume of orders and workload for each period, PEM and its subsidiaries may think about working longer hours or increasing working hours.

## Management system and product standards

The standards that PEM and its subsidiaries have received are divided into management system standards and product standards as follows:

| Mark/Standard | Description of Standard | Accreditation Institution | Acquired Standard | Year of Accreditation |
|---|---|---|---|---|
| 1. Management System Standards | | | | |
| ISO | Quality Management System Standards | SGS | ISO 9001:2015 | 2017 |
| ISO | Environmental Management System Standards | SGS | ISO 14001:2015 | 2018 |
| ISO/IEC | Testing Laboratory Management System Standards | TISI | ISO/IEC 17025:2017 | 2021 |
| ISO | Occupational Health and Safety Management System Standards | MASCI | ISO 45001:2018 | 2022 |

| Mark/Standard | Description of Standard | Accreditation Institution | Acquired Standard | Year of Accreditation |
|---|---|---|---|---|
| 2. Product Standards | | | | |
| Product Group of voltage regulator and current and overvoltage protection, circuit breakers, and insulating equipment in the distribution system | | | | |
| IEC | Type test Capacitor 12.7kV 100kVAR | CPRI (India) | IEC 60871-1 | 2019 |
| IEC | Type test Capacitor 19kV 100kVAR | CPRI (India) | IEC 60871-1 | 2021 |
| IEC | Type test Surge Arrester 3-36kV 5kA | CESI (Italy)<br>FGH (Germany)<br>CPRI (India)<br>EGAT (Thailand) | IEC 60099-4 | 2009–2020 |
| IEC | Type test Surge Arrester 3-36kV 10kA Class 1 | CESI (Italy) | IEC 60099-4 | 2000–2001 |
| IEC | Type test Surge Arrester 3-36kV 10kA Class 2 | CPRI (India)<br>XIHARI (China) | IEC 60099-4 | 2017–2018 |
| IEC | Type test Surge Arrester 3-36kV 10kA Class 3 | CPRI (India)<br>XIHARI (China) | IEC 60099-4 | 2016–2018 |
| IEC | Type test Suspension insulator 15kV | XIHARI (China) | IEC 61109 | 2014 |
| IEC | Type test Suspension insulator 24kV | XIHARI (China) | IEC 61109 | 2014 |
| IEC | Type test Suspension insulator 36kV | XIHARI (China) | IEC 61109 | 2016 |
| IEEE | Type test Fuse cutout 27kV 100A 12kA (PEA) | CU (Thailand)<br>PEA (Thailand)<br>Thailand Automotive Institute (Thailand) | IEEE C 37.42 | 2018 |
| IEEE | Type test Fuse cutout 27kV 100A 12kA (MEA) | CESI (Italy)<br>CU (Thailand)<br>PEA (Thailand)<br>MEA (Thailand)<br>Thailand Automotive Institute (Thailand) | IEEE C 37.42 | 2015–2017 |
| IEEE | Type test Fuse cutout 38kV 100A 8kA (PEA) | CESI (Italy)<br>CU (Thailand)<br>PEA (Thailand)<br>Thailand Automotive Institute (Thailand) | IEEE C 37.42 | 2016–2017 |

| Mark/Standard | Description of Standard | Accreditation Institution | Acquired Standard | Year of Accreditation |
|---|---|---|---|---|
| Instrument Transformer Product Group | | | | |
| IEC | Type test<br>CT Product Requirement Standards<br>(COL-24 400/5A, COL-24 600/5A, COL-36 400/5A, COU-123, CEL-24 (150-300/5A), CExL-24 400/5A, CExL-24 100/5A, LDB-35 400/5A, LDB-35 150/5A) | IPH,<br>CESI,<br>KERI,<br>EGAT | IEC 61869-2<br>IEC 60044-1 | 2015–2017 |
| IEC | Type test<br>VT Product Requirement Standards<br>(VEL-24, VOL-24 22000/110V, VOL-24 RCS, VOL-36 33000/110V, VOG-242 MEA, VOG-242-P, VOG-362-P), VOL-24 22000/230V 500VA, VOL-36 33000/230V 500VA | KERI,<br>EGAT,<br>IPH | IEC 61869-3 | 2014–2020 |
| IEEE | Type test<br>CT and VT Product Requirement Standards<br>(LExM-35 200/5A, LExM-55 400/5A, CExL-24 400/5A, CExL-24 100/5A, COU-36, VOG-24, VOG-36, VExL-24 | CESI,<br>KERI,<br>EGAT | IEEE C 57.13 | 2012–2015 |
| Distribution Transformer Product Group | | | | |
| IEC | Type Test Distribution transformer<br>(Certificate of Complete type test) | KEMA (na)<br>CPRI (India)<br>CESI (Italy)<br>CTQC (China) | IEC 60076-1,<br>IEC 60076-2,<br>IEC 60076-3,<br>IEC 60076-5, | 2013–2020 |
| IEC | Type Test Distribution transformer<br>(Based on the standard required by the customer) | CU (Thailand)<br>PEA (Thailand)<br>TRT(Thailand)<br>EGAT (Thailand) | IEC 60076-1,<br>IEC 60076-2,<br>IEC 60076-3,<br>IEC 60076-10, | 2011–2020 |
| TIS | Industrial Product Standards for Power Transformers | TISI | TIS 384-2543 | 2002–2019 |
| Switchgear Cabinet and Switchboard Product Group | | | | |
| IEC | Type Test High-voltage switchgear and control gear – Part 1: Common specifications | KERI | IEC 62271-200:2011 | 2018 |
| IEC | Type Test High-voltage switchgear and control gear – Part 1: Common specifications | ASTA | IEC 62271-200:2011 | 2019 |
| IEC | Type Test Low-voltage switchgear and control gear assemblies – Part 1: General rules | PT&T | IEC 61439-1:2011 | 2020 |

| Mark/Standard | Description of Standard | Accreditation Institution | Acquired Standard | Year of Accreditation |
|---|---|---|---|---|
| IEC | Type Test Low-voltage switchgear and control gear assemblies – Part 2: Power switchgear and control gear assemblies | PT&T | IEC 61439-2:2011 | 2020 |
| TIS | Industrial Product Standards for Low-voltage Electrical Control Prefabricated Assemblies | TISI | TIS 1436-2540 | 2017 |
| TISI | Switchgear Cabinet Product Registration (AC Metal-enclosed switchgear and control gear) Rated Voltage 24 kV Rated short-time withstand current 25 kA according to the IEC Standards 62271-200 Edition 2.0 2011-10 | TISI | Product Registration | 2019 |
| Various Types of Circuit Breaker Product Group | | | | |
| IEC | Type Test High-voltage switches – Part 1: Switches for rated voltages above 1 kV and less than 52 kV | CESI | IEC 60265-1:1998 | 2003 |
| IEC | Type Test High-voltage switchgear and control gear – Part 1: Common specifications | CESI | IEC 62271-1:2007 | 2012 |
| IEC | Type Test High-voltage test techniques – Part 1: General definitions and test requirements | CESI | IEC 60060-1:2010 | 2012 |
| IEC | Type Test Automatic circuit reclosers and fault interrupters for alternating current systems up to 38 kV | KERI | IEC 62271-111:2012 | 2017 |
| IEC | Type Test High-voltage switchgear and control gear – Part 103: Switches for rated voltages above 1 kV up to and including 52 kV | KERI | IEC 62271-103:2011 | 2017 |
| IEEE | Type Test High-voltage switchgear and control gear – Part 111: Automatic circuit reclosers and fault interrupters for alternating current systems up to 38 kV | KERI | IEEE C37-61 | 2017 |
| IEC | Type Test High-voltage switchgear and control gear – Part 103: Switches for rated voltages above 1 kV up to and including 52 kV | KERI | IEC 62271-103:2011 | 2019 |
| IEC | Type Test High-voltage switchgear and control gear – Part 103: Switches for rated voltages above 1 kV up to and including 52 kV | KERI | IEC 62271-103:2011 | 2020 |

| Mark/Standard | Description of Standard | Accreditation Institution | Acquired Standard | Year of Accreditation |
|---|---|---|---|---|
| Disconnecting Switch Product Group | | | | |
| IEC | Type Test High-voltage disconnectors and earthing switches 115 kV | ICMET, EGAT, CESI, SVEPPI | IEC 62271-102 | 2010–2013 |
| IEC | Type Test Medium-voltage disconnectors switches (1995) | CESI | IEC 62271-102 | 1995 |
| IEC | Type Test Medium-voltage disconnectors switches (2019) | SVEPPI | IEC 62271-102 | 2019 |
| LED Electric Lamp Product Group | | | | |
| TIS | Industry Product Standard for Lighting and Similar Products: Radio Interference Limits | TISI | TIS 1955:2551 | 2020 |

Environmental Impact

PEM and its subsidiaries are committed to performing environmentally responsible production within the confines of the plant as well as responsibly toward neighboring communities and society. The operation is monitored in accordance with environmental laws that must be reported to the provincial industry for monitoring in order to comply with the law.

**(4) Projects that have not been delivered**

As of December 31, 2022, PEM and its subsidiaries sold products and provided services for projects that have been in operation for 486.93 million baht. Most projects have been planned to be delivered in 2023. Details are as follows:

| Type of Work | Works Not Be Delivered Yet (Million Baht) |
|---|---|
| Projects with the state enterprise sector | 72.28 |
| Projects with the private sector | 169.28 |
| Omni Channel Work with the private sector | 244.42 |
| Auction with the state enterprise sector | 0.95 |
| **Total** | **486.93** |

**1.2.2.2 Precise System and Project Co., Ltd., a subsidiary in the business line of high-voltage power station construction and high-voltage power transmission line, along with installation of a control system for intelligent power system and intelligent meter production (Intelligent Grid)**

PSP operates a network of the transmission system, distribution system, and communication system for controlling and commanding two-way to develop intelligent power systems, covering the design, engineering procurement and construction (EPC), equipment production and distribution, and services for high-voltage power stations and power transmission systems.

(1) Product Characteristics

PSP provides services of project contracting, design, procurement, and construction that can be divided into three main categories as follows:

| Income Structure | 2019 | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent | Million Baht | Percent |
| 1. Income from construction service | 1,203.48 | 70.78 | 1,227.87 | 76.65 | 1,306.56 | 80.67 | 1,825.57 | 82.73 |
| 1.1 High-voltage power station construction | 413.05 | 24.29 | 434.45 | 27.12 | 681.83 | 42.10 | 732.18 | 33.18 |
| 1.2 Construction of high-voltage transmission lines | 724.55 | 42.62 | 245.87 | 15.35 | 13.95 | 0.86 | 75.45 | 3.42 |
| 1.3 Control system for intelligent power grid system | - | - | 495.58 | 30.94 | 591.22 | 36.51 | 890.32 | 40.35 |
| 1.4 Procurement and installation of high voltage equipment | 65.88 | 3.87 | 51.97 | 3.24 | 19.56 | 1.21 | 127.62 | 5.78 |
| 2. Income from the production and sale of equipment | 429.89 | 25.28 | 275.55 | 17.20 | 239.02 | 14.76 | 350.52 | 15.88 |
| 3. Income from services | 66.83 | 3.98 | 98.52 | 6.15 | 73.98 | 4.57 | 30.59 | 1.39 |
| **Total incomes from services** | **1,700.20** | **100.00** | **1,601.94** | **100.00** | **1,619.57** | **100.00** | **2,206.68** | **100.00** |

1. Income from Construction Service

**1.1 Construction of High Voltage Substation (EPC: High Voltage Substation)**

The power station receives electricity from the power generation system to convert the voltage through the high-voltage transmission line and the distribution system for distribution to various types of power users, whether industrial plants, community sources, or residential. Generally, the nature of a high-voltage substation has two types: an air-insulated or conventional substation (AIS) and an SF6 gas-insulated substation (GIS).

Major projects for power station construction include the following:

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 1. EPC 115 kV AIS Substation   | Comprehensive AIS and GIS substation construction covers operations on project management, design, procurement, and installation of equipment, civil construction, and testing to meet customer requirements. |

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 2. EPC 115 kV SF6 GIS Substation   | *Manufacturing or Testing Standards*<br>The manufacture and assembly are in accordance with IEC and ANSI international standards under production control according to the quality management system of ISO: 9001:2015. |
| 3. EPC 230 kV SF6 GIS Substation   | |
| 4. EPC 500 kV SF6 GIS Substation    | |

1.2 Construction of High-voltage Transmission Lines (EPC: Transmission Lines)

High-voltage transmission lines are the power transmission system that is fed by a variety of power sources, such as thermal power plants, and hydropower plants. The electricity is delivered to power stations or between power stations. High-voltage transmission lines consist of voltage levels ranging from 115 kV to 500 kV, which are under the responsibility of the Electricity Generating Authority of Thailand.

The main projects in the construction of high-voltage transmission lines for PSP include the following:

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 1. EPC Transmission Line 115 kV   | The nature of integrated high-voltage transmission line construction covers the implementation of project management, design, equipment procurement, foundation construction, steel-frame transmission pole installation and assemblies, line traction, and testing in order to meet customers' needs. |

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 2. EPC Transmission Line 230 kV  | *Manufacturing or Testing Standards* The manufacture and assembly are in accordance with IEC and ANSI international standards under production control according to the quality management system of ISO 9001:2015. |
| 3. EPC Transmission Line 500 kV  | |

### 1.3 Control System Work for Intelligent Grid System

The control system for an intelligent grid system is the application of a combined technology to monitor and analyze data in real time. It is used to monitor the status and smartly control the operation of the control system in the electricity distribution system for consumers. It consists of a power distribution command center system, a communication system, and intelligent control equipment for the circuit breakers unit in the electricity distribution system and the distribution system itself, which is under the responsibility of the Provincial Electricity Authority.

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 1. Power Distribution Command Center System  | The design, procurement, and installation of software and hardware must be in accordance with the customer's requirements, starting from the detailed survey of the system design requirements and further development of the main software. Then, install the developed software on the hardware system and start testing and commissioning the work in each section, namely the power distribution command center system, communication system, and intelligent control equipment, by using real-time data monitoring and analysis to monitor the status, as well as controlling the operation of the control system in the power distribution system to consumers smartly and supervising the use after delivery to customers. |
| 2. Communication System  | |

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 3. Intelligent Control Equipment for Circuit Breaker Set  | *Manufacturing or Testing Standards*<br><br>The manufacture and assembly are according to international standards of IEC, ITU, ANSI, IEEE, EIA, ISA, NIST, NEMA, NERC under production control by the quality management system of ISO 9001:2015. |

## 1.4 Services for Procurement and Installation of High Voltage Equipment

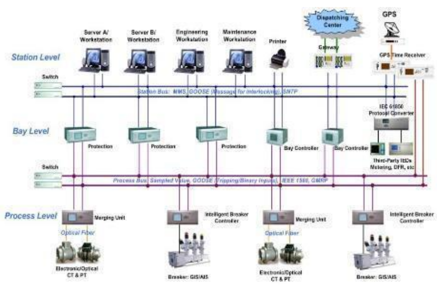
A shunt capacitor bank is a device that helps make high-voltage transmission systems more reliable. A shunt capacitor bank is included in the voltage system from 22 kV to 230 kV. It is under the responsibility of the Electricity Generating Authority of Thailand.

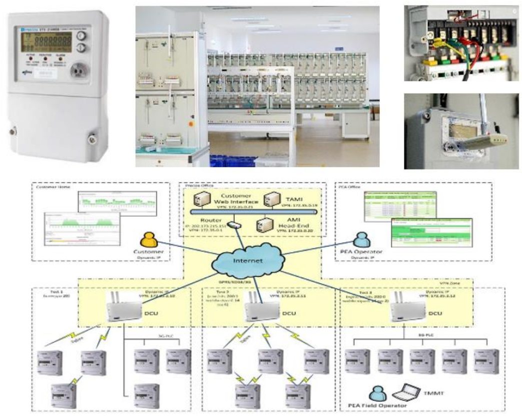
A load break switch is a device that helps to strengthen the stability and increase the efficiency of the high-voltage power transmission system. The device is assembled in the 115 kV system, which is under the responsibility of the Metropolitan Electricity Authority and the Provincial Electricity Authority.

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 1. Load Brake Switch 115 kV  | The nature of the procurement and installation of 115 kV load break switch while still distributing electricity covers project management, design, procurement and installation of equipment, and testing to meet customers' needs.<br><br>*Manufacturing or Testing Standards*<br><br>The manufacture and assembly are in accordance with IEC and ANSI international standards under production control according to the quality management system of ISO 9001:2015. |
| 2. Shunt Capacitor Bank 230 kV  | Supply and sales of shunt capacitor bank sets to help adjust the power quality for voltage systems ranging from 22 kV to 230 kV to meet customers' requirements.<br><br>*Manufacturing or Testing Standards*<br><br>The manufacture and assembly are in accordance with the IEC international standards under production control according to the quality management system of ISO 9001:2015. |

## 2. Income from the Production and Sale of Equipment

The power transmission system's control and protection relay board is a set of devices that is used to control, command, and detect system and electrical equipment malfunctions by telling the affected electrical equipment to be disconnected from the electrical system so that the rest of the system can continue to operate normally. The control and protection relay boards are installed in power stations and high-voltage power stations with the voltage level ranging from 22 kV to 500 kV, which is under the responsibility of the Electricity Generating Authority of Thailand, the Metropolitan Electricity Authority, and the Provincial Electricity Authority.

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 1. Control and Protection Relay Board<br> | Control, protect, and disconnect the hardware in distribution and transmission systems placed in power stations of the Electricity Authority.<br>*Manufacturing or Testing Standards*<br>The manufacture and assembly are in accordance with IEC and ANSI international standards and conditions as specified by customers under production control according to the quality management system of ISO 9001:2015. |
| 2. Computer-Based Substation Control System<br>  | It is a computerized system that controls different devices conveniently for equipment inside the power station.<br>*Manufacturing or Testing Standards*<br>The manufacture and assembly are in accordance with IEC and ANSI international standards under production control according to the quality management system of ISO 9001:2015. |
| 3. Automatic Power Station Control System<br> | According to the IEC 61850 standard, it is the protective and disconnecting system of equipment in distribution and transmission systems, including computer-controlled equipment within power stations.<br>*Manufacturing or Testing Standards*<br>The manufacture and assembly are in accordance with the IEC international standards under production control according to the quality management system of ISO: 9001:2015. |

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 4. Smart Meter  | An electric energy meter with electronic circuits can read electric energy values, record data, and transmit data in digital form. It supports sending data through the communication systems to be used as data for the smart grid system.<br><br>*Manufacturing and Testing Standards*<br><br>The manufacture and assembly are in accordance with IEC and ANSI international standards under production control according to the quality management system of ISO 9001:2015. |

3. Income from Services

The engineering work and equipment testing for power stations and power transmission systems are very important in the construction of power stations because they test all equipment and systems before actual use to meet the designed engineering conditions. Therefore, this process is required under the responsibility of the Electricity Generating Authority of Thailand, the Metropolitan Electricity Authority, and the Provincial Electricity Authority.

| Group of Product and Service | Description and Application Characteristics |
|---|---|
| 1. Engineering and Test Commissioning  | It is the process of equipment testing, an overall system performance check, and various signal testing with instruments similar to the real signal as much as possible to ensure the systems' functions before actual application and to solve problems before supplying power to the equipment or system.<br><br>*Manufacture or Testing Standards*<br><br>It complies with IEC and ANSI international standards and conditions as specified by customers under the control of the quality management system of ISO 9001:2015. |

(2) Past Projects

Delivered projects: projects that have received a letter of delivery from the customers

| Customer | Project Name | Type | Year Receiving Work | Net Contract Value (Million Baht) as of December 31, 2022 | Scope of Responsibility | Project Duration |
|---|---|---|---|---|---|---|
| EGAT | Procurement and construction of Chachoengsao Power Station and Samut Sakhon 1 Power Station | Substation (115 kV) | 2014 | 538.96 | Main Contractor | 2014–2020 |
| MEA | Procurement and construction of Khlong Roi Power Station | Substation (115 kV) | 2014 | 288.87 | Main Contractor | 2014–2018 |
| EGAT | Procurement and construction of Chaiyaphum Power Station 2 | Substation (500/230 kV) | 2014 | 808.1 | Main Contractor | 2014–2018 |
| EGAT | Procurement and construction of Bangkoknoi Power Station | 500 kV Substation | 2015 | 414.30 | Main Contractor | 2015–2020 |
| EGAT | Procurement and construction of Sattahip Power Station 1 | Substation (115 kV) | 2015 | 251.63 | Main Contractor | 2015–2020 |
| EGAT | Procurement and construction of Bang Pa-in Power Station 1 and Samut Songkhram Power Station | Substation (115 kV) | 2016 | 651.41 | Main Contractor | 2016–2021 |
| EGAT | Construction of high-voltage transmission lines at Klong Ngae – Satun and Klong Ngae – Sadao | Transmission Line (230 kV) | 2016 | 132.19 | Main Contractor | 2016–2021 |
| EGAT | Procurement and construction of Phuket Power Station 1 | Substation (115 kV) | 2016 | 285.33 | Main Contractor | 2016–2022 |

| Customer | Project Name | Type | Year Receiving Work | Net Contract Value (Million Baht) as of December 31, 2022 | Scope of Responsibility | Project Duration |
|---|---|---|---|---|---|---|
| EGAT | Procurement and construction of Bang Pakong Power Station 1 | Substation (500/230/115 kV) | 2016 | 2,350.00 | Main Contractor | 2016–2022 |
| EGAT | High-voltage Transmission Line Construction at Bang Saphan – 157 km. | Transmission Line (500 kV) | 2017 | 1,091.12 | Main Contractor | 2017–2022 |
| EGAT | Procurement and construction of Tha Li Power Station | Substation (500 kV) | 2016 | 486.11 | Main Contractor | 2016–2020 |
| Faculty of Engineering, Chiang Mai University | Smart Grid at Ban Khun Pae | Installation of Smart Grid | 2017 | 14.90 | Main Contractor | 2017–2018 |
| PEA | Construction of 115/22 kV Power Station in Khon Kaen University | Substation (115/22 kV) | 2017 | 42.58 | Main Contractor | 2017–2019 |
| PEA | Contract for procurement and replacement of relays | Contract for procurement and replacement of relays, GE Product | 2017 | 29.67 | Main Contractor | 2017–2018 |
| PEA | Load Break Switch | Installation of load break switch | 2019 | 83.77 | Main Contractor | 2019–2020 |
| PEA | Construction of a 115 kV power station, Nakhon Ratchasima Power Station 5 | Substation (115 kV) | 2019 | 118.96 | Main Contractor | 2019–2020 |
| SINO-THAI Engineering & Construction Public Company Limited | Procurement, dismantling, and installation of Monopole and 230 kV transmission line to Monopole (editing work to upgrade 230 kV transmission line, Chaengwattana – Ladprao) (MRT Pink Line Project) | Transmission Line | 2019 | 18.89 | Main Contractor | 2019–2020 |

| Customer | Project Name | Type | Year Receiving Work | Net Contract Value (Million Baht) as of December 31, 2022 | Scope of Responsibility | Project Duration |
|---|---|---|---|---|---|---|
| Faculty of Engineering, Chiang Mai University | Smart Grid at Ban Khun Klang | Installation of Smart Grid | 2019 | 15.24 | Main Contractor | 2019–2021 |
| EGAT | High-voltage Transmission Line Construction at Buriram – Prakhon Chai | Transmission Line (115 kV) | 2019 | 100.27 | Main Contractor | 2019–2021 |
| PEA | Construction of Nakhon Ratchasima Power Station 6 | Substation (115 kV) | 2019 | 152.74 | Main Contractor | 2019–2021 |
| PEA | Construction of Phayuha Khiri Power Station, Pua Power Station, and Phitsanulok Power Station 3 | Substation (115 kV) | 2020 | 171.49 | Main Contractor | 2020–2021 |

Factors Determining Project Value

The value of a power station construction project depends on the number of power stations and bays/breakers in each type of power station. In addition, a high-voltage power station will have a higher project value than a lower-voltage power station.

The value of the construction of high-voltage transmission lines depends on the level of voltage and the length of the transmission lines in the project.

The project value of the control system for the intelligent grid system depends on the technology and the number of command center systems, the number of communication system installation points, and the number of intelligent control devices for the circuit breaker unit.

**(3) Marketing and Competition**

Competitive Strategies

PSP has established a competitive strategy to create a competitive advantage, increase the chances of winning projects, and maintain the standard of service in accordance with customer requirements as follows:

1. State-of-the-art technology in control systems and intelligent grid systems

PSP has a technology-based approach to doing business and future projects. Therefore, the PSP team studies the appropriate technology that can meet the needs and offer customers confidence at all times.

2. Experienced personnel who are trusted by customers

PSP emphasizes quality and standard of service, whether it is construction of a high-voltage power station or a high-voltage power transmission line. The PSP Group has a Board of Directors, executives, and employees who have experience in the industry for more than 30 years. The PSP also has a standard of training employees to maintain competitiveness and quality of work. Moreover, from the past performance of PSP, it can complete the work effectively within the specified period of time. As a result, PSP has been trusted by both public and private customers continuously.

3. PSP has established good relationship with business partners for competitiveness.

PSP has established good relationships with partners, such as Huawei, Schneider, Hitachi (Japan), Hitachi (Indonesia), Hyundai ABB, and NR, which are world renowned, for example, participation in the bid for the construction of a 500 kV high-voltage power station, in cooperation with Hitachi (Japan) to increase competitiveness, as well as dividing the benefits proportionally. In addition, Schneider and Huawei have collaborated with PSP to propose a power distribution center and communication system projects, which PSP is the main partner in the proposal of the intelligent grid system in Thailand.

4. Accuracy in Project Delivery

In addition to the construction standard in conformity to customer requirements, PSP has a policy of delivering projects with accuracy and punctuality to maintain reliability to prevent fines due to delays in project delivery that will affect PSP's profitability.

5. Creation of relationships with traders in the same industry

PSP has strong relationships with traders in the same industry. In the case of project bidding and PSP is not selected as the winner of the auction, PSP can sell its products and services to the group of customers who won the auction.

<u>Examples of competitors in the industry</u>

Since PSP can provide construction services not only power stations, but also cover to the sale of related goods and services, so it can give examples of competitors according to the type of revenue structure as follows:

1. High-voltage power station construction including

   ABB Power Grids (Thailand) Company Limited, Demco Public Company Limited, and Italthai Engineering Company Limited.

2. Control system work for intelligent grid system including

   Loxley Power Systems Company Limited, Power Utha Group Company Limited, and Inova Integration Company Limited.

3. Revenues from the production and sale of equipment including

   Energy Automation Company Limited, TCCL Company Limited, and Timpano Electrical Company Limited.

<u>Target Customers</u>

PSP's target groups for high-voltage power station construction and high-voltage power transmission lines, along with the production and installation of electrical control units and intelligent grid systems will focus on government customers, including the Electricity Generating Authority of Thailand, the Provincial Electricity Authority, and the Metropolitan Electricity Authority. The largest proportion of revenue comes from the EGAT. Furthermore, PSP has a customer base of agencies, including the private sector, that wants to improve or install electricity distribution systems.

**Price Policies**

Since PSP's main customers in service businesses of project contracting, design, procurement, and construction of transmission lines and power stations are government agencies, especially the Electricity Generating Authority of Thailand using the project bidding method to find contractors and has a central price for each project, PSP has adhered to the tender guidelines based on central prices and has improved and developed construction costs considering many factors, for example, the competitive environment, negotiations with partners on the cost of providing services, including civil construction contractors, related raw material prices, and financial costs.

**Industrial and Competitive Conditions**

Power Transmission Development Plan of the Electricity Generating Authority

In order to support the PDP and AEDP plans to achieve the goal of producing and transmitting electricity to electricity users, the Electricity Generating Authority of Thailand has prepared projects and plans for the development of the power transmission system that will be implemented during the period of the 2018 PDP Plan, consisting of various projects related to all PSP businesses as follows:

The projects/development plans of power transmission system by the Electricity Generating Authority of Thailand (EGAT) are in progress and planned to be implemented during the period according to the Thailand Electricity Generating Capacity Development Plan B.E. 2561–2580 (2018–2037) (PDP2018) The main objectives of the implementation are as follows:

- To respond to the growing demand for electricity.
- To strengthen the stability and increase the flexibility of the power transmission system to support the changing production and consumption.
- To improve the transmission system with deterioration according to the service life to supply electricity continuously and steadily.
- To support the connection of domestic and foreign power plants.
- To support the connection of electrical systems to neighboring countries system by system.
- To develop the power grid system into a smart grid system.

List of projects/plans for the power transmission system approved by the EGAT and under construction during the year 2018–2037 (PDP2018)

| Project Name | Expected Completion |
|---|---|
| 1. Power Transmission System Expansion Project in Bangkok Metropolitan and Surroundings Area, Phase 3 | 2016–2022 |
| 2. Power Transmission System Expansion Project, Phase 12 | 2016–2023 |
| 3. Power Transmission System Improvement Project in the Eastern Region for Enhancement of Power System Security | 2021 |
| 4. Power Transmission System Improvement Project in the Western and Southern Regions for Enhancement of Power System Security | 2021 |
| 5. Improvement and Expansion Project for Power Transmission System Deteriorating by Service Life, Phase 1: High-voltage Power Stations | 2021 |
| 6. Improvement and Expansion Project for Power Transmission System Deteriorating by Service Life, Phase 1: High-voltage Power Transmission Lines | 2023 |
| 7. Improvement and Expansion Project for Power Transmission System Deteriorating by Service Life, Phase 2 | 2022 |
| 8. Transmission System Project to Purchase Electricity from Major Private Power Producers (IPP 2007) | N/A |

| Project Name | Expected Completion |
|---|---|
| 9. Main Power Transmission System Expansion Project to Support Cogeneration Small Power Plants according to the Power Purchase Regulations B.E. 2553 (2010) | 2019 |
| 10. Power Transmission System Development Project in Ubon Ratchathani, Yasothon, and Amnat Charoen provinces to Purchase Electricity from Projects in Lao PDR | 2018 |
| 11. Power Transmission System Development Project in Loei, Nong Bua Lamphu, and Khon Kaen Provinces to Purchase Electricity from Projects in Lao PDR | 2018 |
| 12. Power Transmission System Improvement Project in the Northeastern, Lower Northern, Central Regions, and Bangkok to Strengthen the Stability of the Power System | Phase 1: 2019<br>Phase 2: 2021<br>Phase 3: N/A |
| 13. Power Transmission System Improvement Project in the Lower Southern Region to Strengthen the Stability of the Power System | Phase 1: 2021<br>Phase 2: N/A |
| 14. Power Transmission System Improvement Project in the Upper Northern Region to Strengthen the Stability of the Power System | 2022–2023 |
| 15. Power Transmission System Project for Power Purchase from IPP Power Plants, Phase 3 (IPP 2012) | 2020 and 2022 |
| 16. Smart Grid Development Pilot Project in Mae Hong Son | 2020 |
| 17. Improvement/Solution Project of Electrical Problems by Installing Energy Storage Systems in Chaiyaphum and Lopburi provinces to Cope with the Impact of Renewable Energy | 2019–2020 |

List of Projects/Schemes for Power Transmission Systems that EGAT Plans to Study for Approval during 2018–2037 (PDP2018)

| Project Name | Expected Completion |
|---|---|
| Power Transmission System Development Project to Support Special Economic Zones | Phase 1: 2024<br>Phase 2: 2024 |
| Undersea Cable System Development Project to Koh Samui area in Surat Thani Province to Strengthen the Stability of the Power System | 2027 |
| Power Transmission System Expansion Projects in Bangkok and Surroundings in Various Phases | 2022 onwards |
| Power Transmission System Expansion Projects in Various Phases | 2027 |
| Grid System Linkage Project to Support the East-West Economic Corridor Route | According to the Policy |
| Improvement and Expansion Project for Power Transmission System Deteriorating by Service Life at Various Phases | 2024 onwards |
| Power Transmission System Project to Connect New Power Plants in the Country | 2018 onwards |
| Power Transmission System Project to Purchase Electricity from Power Plants in Neighboring Countries | 2027 onwards |
| Power Transmission System Project to Purchase Electricity from Power Plants in Neighboring Countries | 2019 onwards |
| Electricity System Development Project According to the Master Plan for Developing Thailand's Smart Grid Power Network (Smart Grid) | 2019 onwards |

<u>Acquisition of Projects</u>

Since the construction of high-voltage power stations and high-voltage power transmission lines is under the responsibility and implementation plan of government agencies, especially the Electricity Generating Authority of Thailand, which plans the strategy for the management of electricity production and distribution in the future. The Electricity Generating Authority of Thailand will recruit contractors to take charge of the construction of the projects according to the established electricity development plan to accommodate the increased electricity consumption in the future. PSP, as a participant in the tender, takes an average period of one year to acquire projects. The procedures are as follows:

1. Follow the project information on the website of the Electricity Generating Authority of Thailand.
2. Study the details of tendering/bidding conditions including bidders' qualifications, term of reference, technical specification, duration, terms of payment, penalties, etc.

3. If the qualifications of PSP are in accordance with the specified details, PSP will buy the drawing of the project.
4. Provide equipment, including subcontractors, to calculate the estimated cost of the project, which is subject to change in the future. Then, documents requesting financial support from financial institutions are prepared.
    4.1 In procuring supplies and equipment, PSP will first consider procuring such products from companies that are distributors. If the company is not a distributor of that equipment, PSP can purchase from the seller listed in PSP's vendor registry and/or new vendors.
    4.2 For equipment selection, outsourcing, and service outsourcing, PSP will select and evaluate vendors and subcontractors (Outsource). PSP defines the selection process to ensure that subcontractors and vendors have the appropriate capabilities to deliver good quality products in time.
5. Summarize all the details to submit the tender envelope. It is a form of open auction.

Remark: In case of not winning the tender, PSP will follow up to ask for the return of the guarantee of the tender envelope.

The control system project for the intelligent grid system is under the responsibility of the Energy Policy and Planning Office, Ministry of Energy. The Provincial Electricity Authority has a policy to increase the communication system and intelligent control equipment to cover the area according to the technology of electricity consumption of power users, such as electric cars and solar power rooftops. Therefore, the power distribution system needs to be developed to increase efficiency of the power distribution center system, communication system, intelligent control equipment, and smart meters to keep up with the growth of electricity users in the future. Accordingly, PSP has the following steps to take:

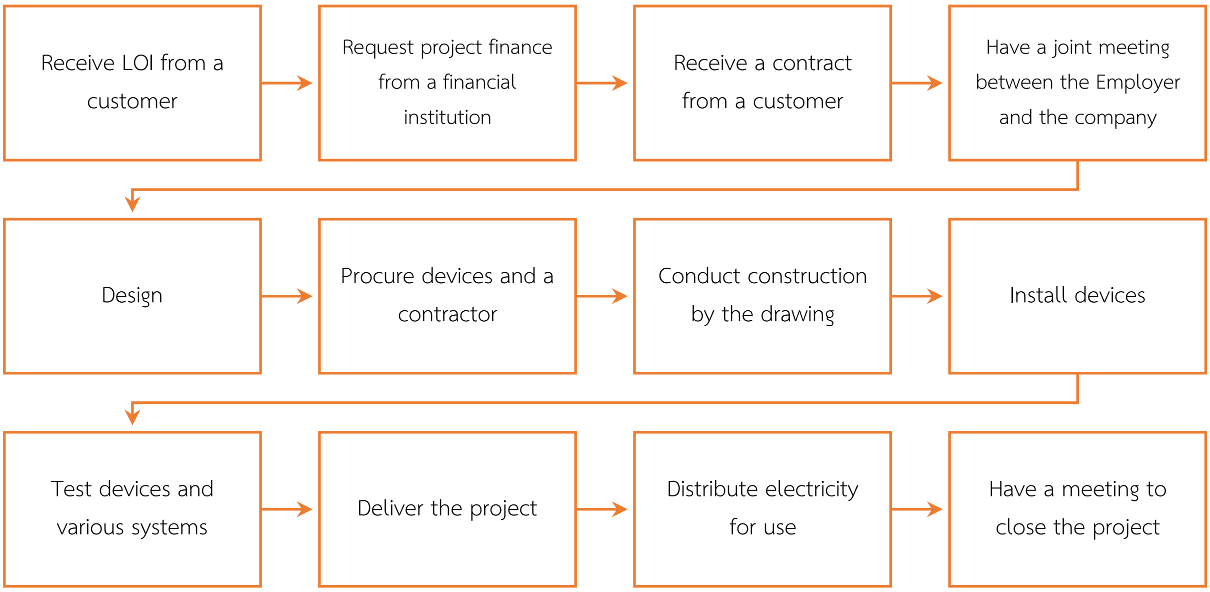
1. Study the growth of the business and the expansion of electricity users and the direction of government policies to support energy investment.
2. Study the technology for the management of electrical energy and find a technology partner to present the pilot study to the Electricity Authority and related agencies.
3. Follow up on information on the procurement plan because some agencies need to make a specific purchase to PSP directly because it is an extension from the original system of PSP. There are some works that the Electricity Authority can carry out the procurement under normal conditions that allow PSP to participate in bidding.
4. Study the details of tendering/bidding conditions including bidders' qualifications, term of reference, technical details, duration, terms of payment, and penalties.
5. Provide software and hardware in accordance with customers' requirements to calculate the estimated cost of the project, which is subject to change in the future. Then, documents requesting financial support from financial institutions are prepared.
    5.1 5.1 Procurement of Software and Hardware: PSP will first consider procuring such products with its primary business partners. If they are not distributors of the devices, the company can purchase from the sellers listed in PSP's seller registry and/or new sellers.
    5.2 5.2 For equipment purchase, contracting and service outsourcing, the company will select and evaluate the vendors and subcontractors (Outsource). PSP determines the selection process to ensure that the subcontractors and vendors have the right competence and deliver good quality products on time.

6. Summarize all the details to submit the tender envelope. It is a form of open auction.

Remark: In case of not winning the tender, PSP will follow up to ask for the return of the guarantee of the tender envelope.

**(4) Project Implementation**

For government projects, the company takes an average project implementation period of 2–3 years. The details are as follows:




<u>Engineer</u>

As of December 31, 2022, PSP has a total of 112 engineers, which are divided according to the responsibilities as follows:

| Level | Power System | Structure Design |
|---|---|---|
| Company Employee | | |
| Project Manager | 10 | - |
| Site Manager | 1 | 6 |
| Technical Engineer | 77 | 14 |
| | | |
| Consultant | 0 | - |
| Project Manager | 1 | 1 |
| Site Manager | 0 | - |
| Technical Engineer | 1 | 1 |
| **Total** | **90** | **22** |

## Working Capital

In the implementation of various projects, PSP needs to use working capital using credit lines from financial institutions. Since PSP's project work has a relatively high value, the company will consider providing cash flow for project management by receiving support and applying for project loans with financial institutions. The amount and limit of each project will be determined by several factors. For example, the income plan is based on the delivery plan of the person in charge of the project, and the payment plan is determined by the trade terms of the partners and their expenses expected to occur in the project. Then, they are summarized as the cash flow of the project to be used for further loan applications. The credit lines from financial institutions are divided into

## Guarantee Limit

1. A bid bond for submission of a bidding envelope of approximately 5% of the contract value, with an average life of 270 days according to the period of consideration by the customer.
2. A performance bond for signing a contract of approximately 10% of the contract value with an average contract life of 2–3 years.
3. An advance bond for receiving advance money about 10% of the contract value to be used as working capital for the project. The average contract life is about 2–3 years.
4. A maintenance bond for guaranteeing the project for a period of about 1–2 years, about 5–10% of the contract value, starting from the date of receipt of the letter of delivery to the date of receipt of the Provision Acceptance Certificate (PAC).

## Construction and Service Standards

PSP takes into account the compliance with the standards set by the contract that comes from the submission of tenders. In addition, in every engineering design, construction, and services, PSP adheres to the design, construction, and testing standards by using the main standard, the IEC standards, and under the control according to the ISO 9001 quality management system.

IEC (International Electrotechnical Commission) is an independent organization founded with the aim of establishing international standards in the field of electricity, electronics, and related technologies. Besides, it also carries out an assessment system for quality assurance to IEC standards as a tool to facilitate international trade. IEC membership requires the establishment of a national committee of the country.

## Environmental Impact

As of the effective date of this document, PSP does not have any disputes about the environment and has no history of offences or complaints by any government agencies regarding non-compliance with their requirements. PSP conducts its business by strictly studying the policies and requirements and keeps up with important changes all the time. Moreover, every service that PSP is responsible for will be conducted with consideration of the project environment to minimize potential damages and avoid disputes with the community.

(5) Projects that have not been delivered

| Customer | Project Name | Type | Year Receiving Work | Total Contract Value (Million Baht) | Values that have not been delivered as of December 31, 2022 | Scope of Responsibility | Project Duration |
|---|---|---|---|---|---|---|---|
| MEA | Procurement and construction of Bang Len Power Station | Substation (115 kV) | 2017 | 352.80 | 5.76 | Main Contractor | 2017–2021[1] |
| PEA | Procurement and installation of hardware and software of the power command center (SCADA/TDMS) | Installation of hardware and software of the power distribution commend center | 2020 | 1,135.00 | 795.79 | Main Contractor | 2020–2023 |
| PEA | Procurement and installation of FDI equipment and radio communication devices (2A) in the North PEA-DDIP-DDC-2A/2018 | Installation of FDI equipment and radio communication devices | 2019 | 218.66 | 54.94 | Main Contractor | 2019–2022 |
| PEA | Procurement and installation of FDI equipment and radio communication devices (2B) in the Northeast PEA-DDIP-DDC-2B/2018 | Installation of FDI equipment and radio communication devices | 2019 | 235.85 | 61.09 | Main Contractor | 2019–2022 |
| PEA | Procurement and installation of FDI equipment and radio communication devices (2C) in the Central Region PEA-DDIP-DDC-2C/2018 | Installation of FDI equipment and radio communication devices | 2019 | 421.07 | 100.03 | Main Contractor | 2019–2022 |
| PEA | Procurement and installation of FDI equipment and radio communication devices (2D) in the South Region PEA-DDIP-DDC-2D/2018 | Installation of FDI equipment and radio communication devices | 2019 | 265.80 | 79.00 | Main Contractor | 2019–2022 |
| MEA | One low-voltage microgrid system at the MEA Building Office, Rat Burana District ready to be installed | Install the microgrid system | 2020 | 30.88 | 2.06 | Main Contractor | 2020–2022[1] |
| KEC International Co., Ltd. (KEC) | Procurement and construction of Pluak Daeng-Rayong Power Station | Substation (500 kV, 230kV) | 2021 | 504.30 | 155.22 | Main Contractor | 2021–2023 |
| EGAT | Watthana Nakhon Power Station | Substation (230/115 kV) | 2021 | 411.16 | 231.00 | Main Contractor | 2021–2022 |

| Customer | Project Name | Type | Year Receiving Work | Total Contract Value (Million Baht) | Values that have not been delivered as of December 31, 2022 | Scope of Responsibility | Project Duration |
|---|---|---|---|---|---|---|---|
| PEA | Construction of Add Bay at Phayuha Khiri Power Station | Substation (22 kV) | 2021 | 49.66 | 19.26 | Main Contractor | 2021–2022 |
| Glory Construction Co., Ltd. (Glory) | 22Kv Underground Cable for Reignwood Park | Underground Cable | 2021 | 108.33 | 38.31 | Main Contractor | 2021–2022 |
| PEA | SCPS 5 Sub (Navanakorn 3, Ang Thong 1, Lad Bua Luang, Bang Pa-In 3, Wang Nam Yen) | SCPS | 2019 | 85.83 | 84.69 | Main Contractor | 2019–2022 |
| EGAT | SUPPLY AND CONSTRUCTION OF TRANSMISSION LINE 500 KV THUNG SONG-SONGKHLA 3 (FROM KM.105-SONGKHLA3) AND SECTIONALIZING OF 230 KV HATYAI 2-KHLONG NGAE TO SONGKHLA3 SUBSTATION | Transmission Line (500 kV) | 2022 | 570.54 | 567.69 | Consortium | 2022–2024 |
| Glory Construction Co., Ltd. (Glory) | Construction work to improve the transmission line system 115 kV and distribution system 22 kV, which is the underground cable at the Rainwood Park Project in Pathum Thani Province | Underground Cable | 2022 | 40.00 | 36.62 | Main Contractor | 2022 |
| PEA | Contract work, procurement, and installation of MARS Master (WRL) equipment and accessories according to the Transmission and Distribution System Development Project, Phase 1 (Kor Por Jor. 1) | Install FDI equipment and radio communication devices | 2022 | 116.03 | 116.03 | Main Contractor | 2022–2023 |
| **Net Project Value** | | | | 7,770.63 | 2,348.55 | | |

Note: [1]The term of the contract is extended.

In addition, PSP has signed a Smart Meter Supply Contract with Samart Telcom Public Company Limited for the Smart Meter Installation Project, which Telcom is a direct counterparty to PEA. The total value of the project is 2,359.96 million baht. The value of the work that PSP receives does not exceed 5% of the total project value and will be recognized as sales revenue.

PSP also has signed a Smart Meter Supply Contract with PEA. The total value of the project is 117.25 million baht and will be recognized as the sale revenue.

**1.2.2.3 Precise Power Producer Company Limited, a subsidiary in the business of investment in producing and distributing electricity from renewable energy and producing fuel from energy plants, and other related businesses (Renewable Energy)**

PPP invests in the production and distribution of renewable energy through subsidiaries and associated companies/joint ventures to construct power plants for renewable energy production and distribution of electricity. It focuses on investment and development of integrated renewable energy businesses in the Suvarnabhumi region, namely Cambodia, Laos, Myanmar and Thailand, as well as the production and distribution of woodchip. The Company has promoted the participation of the community to access the fuel sources of biomass power plants, taking into account the compliance with the power purchase agreement, the optimization of the power plant, the stability and price of fuel, as well as the friendliness of the local community and the attention on the environment. As of December 31, 2021, PPP held shares in subsidiaries and associated companies/joint ventures with a total installed power generation capacity of 25.8 MW (installed power generation capacity in proportion to total ownership of approximately 13.84 MW). The shareholding structure is as follows:

PPP

Songkhla Biomass Company Limited (SKB)

Songkhla Biomass Power Plant

Ratchaburi Energy Co., Ltd. holds 40% of the shares.

Assiddeek Savings Cooperative Ltd. holds 20% of the shares.

Songkhla Bio Power Company Limited (SBP)

Songkhla Bio Power Biomass Power Plant

Assiddeek Savings Cooperative Ltd. holds 19% of the shares.

Khun Tad Wai Community Co., Ltd. holds 5% of the shares.

Namsaw Hydro Power Company Limited (NSPC)

Nam Saw Hydroelectric Power Plant

Communication & System Solution Plc., Ltd. holds 39.43% of the shares.

Vientiane Techno Construction Co., Ltd. holds 17.62% of the shares.

V. Hydro Co., Ltd. holds 3.52% of the shares.

There are three projects starting their commercial operation with a total installed power generation capacity of 25.8 MW. The total amount of electricity offered under the agreement is 23.2 MW, namely

**(1) Songkhla Biomass Power Plant Project (operated by Songkhla Biomass Co., Ltd., which PPP holds 40% of the shares)**

(2) Songkhla Bio-Power Biomass Power Plant Project (operated by Songkhla Bio Power Co., Ltd., which PPP holds 76% of the shares)

(3) Nam Saw Hydroelectric Power Plant Project (operated by Nam Saw Hydro Power Co., Ltd., which PPP holds 39.43% of the shares)


(4) Songkhla Biofuel Company Limited, which PPP holds 40% of the shares. At this time, the company has not operated business yet.

Table Showing Summary on PPP Power Plant Projects

| | | | |
|---|---|---|---|
| Project | Songkhla Biomass Power Plant | Songkhla Bio-Power Biomass Power Plant | Nam Sor Hydroelectric Power Plant |
| Operator Company | Songkhla Biomass Co., Ltd., | Songkhla Biopower Co., Ltd. | Nam Sor Hydro Power Co., Ltd. |
| Proportion of Shares Held by PPP | 40% | 76% | 39.43% |
| Business Type | Biomass Power Plant | Biomass Power Plant | Hydroelectric Power Plant |
| Location | Khun Tad Wai Subdistrict, Chana District, Songkhla Province | Khun Tad Wai Subdistrict, Chana District, Songkhla Province | Vieng Thong, Bolikhamxai Province, Lao PDR |
| Installed Power Generation Capacity | 9.9 MW | 9.9 MW | 6.0 MW |

| | | | |
|---|---|---|---|
| Power Generation Capacity under Power Purchase Agreement/Concession Agreement | 9.1 MW | 9.1 MW | 5.0 MW |
| Installed Power Generation Capacity by Ownership Ratio | 3.96 MW | 7.52 MW | 2.36 MW |
| Electricity Trading Period | Start selling electricity on November 9, 2015<br>20-year agreement with PEA | Start selling electricity on December 20, 2018<br>20-year agreement with PEA | Start selling electricity on January 1, 2019<br>25-year agreement with Lao Electricity Enterprise |
| Project Status | In operation | In operation | In operation |
| Commercial Operation | 4th Quarter/2015 | 4th Quarter/2018 | 1st Quarter/2019 |
| Project Value | 810 million baht | 850 million baht | 11 million US dollars |
| Debt to Shareholders' equity Ratio | 70:30 | 70:30 | 59:41 |
| FiT Rate (2022) | 5.08 baht/unit | 5.08 baht/unit | 0.069 US dollars/unit |
| Number of Hours for Actual Power Generation | 7,821 hours | 8,214 hours | 2,194 hours |
| Amount of Distributed Electricity | 71,173 kW/hour | 74,746 kW/hour | 10,970 kW/hour |
| Production Stoppage Rate according to the Maintenance Plan | 1.95% | 3.84% | N/A |
| Production Stoppage Rate outside the Maintenance Plan | 3.85% | 1.36% | 3.48% |
| Capacity Utilization Rate in 2022 | 94.34% | 95.18% | 28.56% |

Note: (1) The details of important contracts of power plant projects can be found in Section 2.2.5 General and Other Important Information.

(1) Product Characteristics

PPP has invested in a total of three power plant projects through one subsidiary and two associated/joint ventures. They are divided into two biomass power plants in Songkhla, which is a very small private power producer (VSPP) with a power generation capacity of less than 10 MW per project, and one hydroelectric power plant in Laos.

1. Songkhla Biomass Company Limited – Joint venture of the Group

Songkhla Biomass Company Limited is the operator of Songkhla biomass power plant project. PPP holds 40% of the shares. The customer of Songkhla biomass power plant project is the Provincial Electricity Authority. The project's details are as follows:

| | |
|---|---|
| Fuel Type | Wood Chip |
| Installed Power Generation Capacity | 9.9 MW |
| Power Generation Capacity Offered for Sale | 9.1 MW |
| Installed Power Generation Capacity by Ownership Ratio | 3.96 MW |
| Commencement Date of Commercial Electricity Distribution | November 9, 2015 |
| The First Year of Recognition of Full Year Income | 2016 |
| Important information | |
| Project value | 810 million baht |
| Debt to Shareholders' equity Ratio | 70:30 |
| FiT Rate (2021) | 5.08 baht/unit |

2. Songkhla Biopower Company Limited – Subsidiary of the Group

Songkhla Biopower Company Limited is the operator of the biomass power plant project. PPP holds 76% of the shares. The customer of the Songkhla biopower project is the Provincial Electricity Authority. The project's details are as follows:

| | |
|---|---|
| Fuel Type | Wood Chip or mixed with EFB no exceeding 20% |
| Installed Power Generation Capacity | 9.9 MW |
| Power Generation Capacity Offered for Sale | 9.1 MW |
| Installed Power Generation Capacity by Ownership Ratio | 7.52 MW |
| Commencement Date of Commercial Electricity Distribution | December 20, 2018 |
| The First Year of Recognition of Full Year Income | 2019 |
| Important information | |
| Project value | 850 million baht |

| | |
|---|---|
| Debt to Shareholders' equity Ratio | 70:30 |
| FiT Rate (2021) | 5.08 baht/unit |

3. Nam Sor Hydro Power Company Limited – Associated Company of the Group

Nam Sor Hydro Power Company Limited is the operator of Nam Sor Hydroelectric Power Plant. PPP holds 39.43% of the shares. The customer of the Nam Sor hydroelectric power plant project is Lao Electricity State Enterprise. The project's details are as follows:

| | |
|---|---|
| Fuel Type | Water |
| Installed Power Generation Capacity | 6.0 MW |
| Power Generation Capacity under Concession Agreement | 5.0 MW |
| Installed Power Generation Capacity by Ownership Ratio | 2.36 MW |
| Commencement Date of Commercial Electricity Distribution | January 1, 2019 |
| The First Year of Recognition of Full Year Income | 2019 |
| Important information | |
| Project value | 11 million US dollars |
| Debt to Shareholders' equity Ratio | 59:41 |
| FiT Rate (2021) | 0.0693 USD/unit |

Important Tax Benefits

Songkhla Biomass Power Plant Project by Songkhla Biomass Company Limited

1) Exemption from corporate income tax on net profit earned from operating biomass power generation business for eight years and then deduction from corporate income tax at 50% of the normal rate for another 5 years.
2) Exemption from import duty for machinery

Biomass Power Plant Project by Songkhla Biopower Company Limited

1) Exemption from corporate income tax on net profit earned from operating biomass power generation business for ten years.
2) Exemption from import duty for machinery

Hydroelectric Power Project by Nam Sor Hydro Power Company Limited

1) Exemption from corporate income tax for net profit earned from operating electricity generation business for 10 years.

2) Exemption from import duty for machinery

**(2) Marketing and Competition**

Competitive Strategies

Since PPP's main business is the production and distribution of electricity to the Provincial Electricity Authority under a long-term power purchase agreement, which PEA determines the same price structure as other electricity producers who enter into the power purchase agreement in the same manner. Therefore, the distribution of electricity produced will not have competition among electricity producers in terms of increasing the number of customer bases or restructuring the price in any way. With respect to acquirement of an electricity purchase agreement ("PPA") of biomass power, there is no competition to obtain approval, but it is subject to the availability of the applicant according to the rules set forth by PEA, including land availability, technology availability, funding availability, and other relevant legal permits.

For PPP's competitive strategy, it focuses on maximizing profitability by controlling fuel at the right amount and cost, and providing efficient management services using the following key execution strategies:

**1. Partnering with communities to access fuel sources of biomass power plants**

In order to study the feasibility of the project, PPP will study the information and survey the fuel sources in the distance of transportation to the project to ensure that it can be carried out appropriately and cost-effectively and sufficiently to meet the needs. PPP is focused on building good relationships with several fuel owners in order to build confidence in the supply of sufficient fuel to the power plant in the long run.

**2. Operating with reliable and efficient technology**

PPP selects production processes and equipment that are acceptable and environmentally friendly and do not create problems for the community. Equipment used in power plant projects, such as combustion chambers, boilers, steam turbines, and generators will be selected from reputable, reliable, and financially stable manufacturers, which will increase the confidence of the project in the field of machinery repair and maintenance, spare parts acquisition, and after-sales service.

Target Customers

PPP operates two types of power plants: biomass power plants and hydroelectric power plants. The main customers are PEA and state electricity enterprise in Lao PDR.

Pricing

The company has entered into power purchase agreements with PEA for Songkhla Biomass Power Plant and Songkhla Bio-Power Projects as a very small power producer (VSPP) with a capacity not exceeding 10 megawatts from non-firm biomass energy. PEA has set a policy to purchase electricity from renewable energy in the form of Feed-in Tariff, which is a measure to promote the purchase of electricity from renewable energy to attract private entrepreneurs to make an investment.

Since electricity generation from bioenergy, including biomass, biogas, and waste, is vulnerable to fluctuations in fuel supply costs, the determination on the appropriate FiT (Feed-in Tariff) purchase rate can be divided into two main parts as follows:

1. FiT fixed: FiTF is based on the cost of power plant construction and operation and maintenance costs throughout its service life. It is used for all types of renewable energy.
2. FiT variable (FiTV) is based on the cost of raw materials used to generate electricity, which changes over time. It will increase according to the average core inflation value of the previous year. It is used for biofuel renewable energy group.

Besides, the FiT Premium rate has been set in addition to the normal FiT purchase rate for some technologies to incentivize investment in projects according to the government policy, such as waste, biomass, and biogas, and projects in the southern border provinces to strengthen energy security in the area.

PPP operating biomass power plant business has the following FiT purchase rates:

**The FiT purchase rate announced in 2015 for VSPP projects in the bioenergy group**

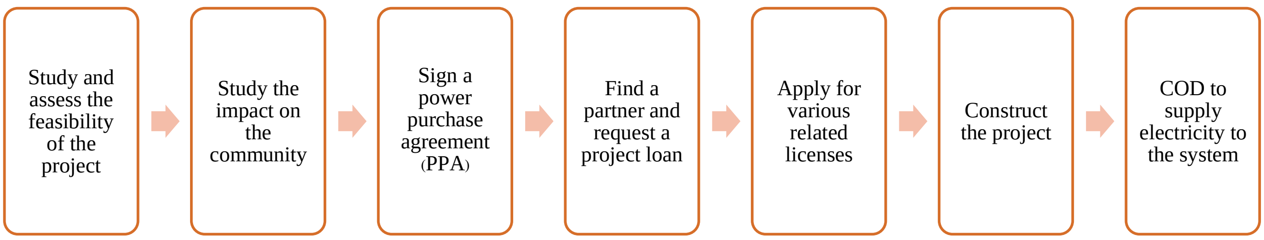
| Generation Capacity | FiT (Baht/Unit) | | | Duration of Support (Year) | FiT Premium[2] (Baht/Unit) | FiT Premium (Baht/Unit) |
|---|---|---|---|---|---|---|
| | $FiT_F$ | $FiT_{V, 2560}$[1] | FiT | | For Biofuel Project (First 8 Years) | Biomass in 3 southern border provinces and 4 districts in Songkhla (throughout the life of the project) |
| Biomass | | | | | | |
| Installed Generation Capacity > 3 MW | 2.39 | 1.85 | 4.24 | 20 Years | 0.30 | 0.50 |

1. The $FiT_V$ rate will continue to increase based on core inflation.
2. The FiT Premium rate for SKB and SBP biofuel group projects will expire in 2023 and 2026, respectively.

**(3) Provision of Products and Services**

PPP starts the investment process in the power plant from the study on the feasibility of the project before deciding to develop and invest in the project until the completion of the project construction.

The study and development process until the electricity production and distribution in overall can be shown in the diagram as follows:



Study Feasibility and Evaluation on the Project

PPP will conduct a feasibility study of the project based on the main factors affecting the project before deciding to develop and invest in each project as follows:

Supply of Fuel Sources

Since fuel adequacy is one of the key factors affecting the ongoing operation of biomass power plants, PPP prioritizes fuel source management and focuses on building good relationships with several fuel source owners to ensure adequate fuel supply to the power plants in the long run.

For SKB and SBP, electricity generation uses stumps, roots, wings, and wood chips from rubber trees as the main combustion fuel.

Before developing the biomass power plant projects of SKB and SBP, a fuel survey is conducted in a distance that the fuel can be transported to the power plants. The survey covers four provinces and it was found that the main fuel from stumps, roots, wings, and wood chips from the rubber trees are sufficient to meet the needs of the biomass power plant.

Rubber trees, which are the main fuel for biomass power plants, are the economic crops of  Thailand. Most of them are cultivated in the southern region. Generally, rubber trees are 25–30 years old, and then the amount and quality of latex will be reduced. Next, farmers will cut down rubber trees to grow new trees. The fallen rubber trees will be used for other uses. The parts of the trunk will be used to make furniture, and the rest from the processing will be used as the main fuel for electricity production. The rubber harvest in the province mentioned above can be summarized as follows:

| | Rubber Harvest Area (*Rai*) | | |
|---|---|---|---|
| | 2018 | 2019 | 2020 |
| Songkhla | 1,677,456 | 1,816,227 | 1,872,299 |
| Pattani | 343,262 | 351,863 | 353,953 |
| Yala | 1,103,918 | 1,076,871 | 1,084,003 |
| Narathiwat | 851,558 | 832,961 | 833,775 |
| **Total** | **3,976,194** | **4,077,922** | **4,144,030** |

Source: Office of Agricultural Economics

Study on Community Impact

Since biomass power plants have to stay with the surrounding communities for a long period of time, PPP prioritizes communities around the power plant by establishing policies for conducting power plant projects related to the community according to the following principles:

- Environment and Pollution: The power plant is planned to be equipped with equipment to prevent noise, air, and water pollution from affecting surrounding communities.
- Economy: It emphasizes the employment of personnel in the area, along with giving the community to hold shares to participate in the management and increase income for the community, such as the SBP power plant, held by Assiddeek Savings Cooperative and Khun Tad Wai Community Co., Ltd.

Finding a Venture Capitalist and Applying for a Project Loan

The investment for a biomass power plant project with an installed power generation capacity of approximately 10 MW will be approximately 800–850 million baht. The source of funds is from loans and shareholders' equity. For SKB's power plant project, which is the first biomass power plant project of the Group, PPP has decided to jointly invest with Ratchaburi Energy Co., Ltd. and Assiddeek Savings Cooperative. For SBP's power plant project, PPP has jointly invested with Assiddeek Savings Cooperative. After the process of finding a joint venture, PPP will negotiate with financial institutions to obtain appropriate conditions.

Applying for Related Licenses

- File an Application for a Building Construction, Modification, or Relocation Permit (Aor.1) to the municipality or district administration organization.
- File an Application for a Building Construction Certificate (Aor.6) to the Energy Regulatory Commission (ECB) to obtain a permit to operate a power plant.
- Prepare public participation around the power plant area and seek approval from the Subdistrict Administration Council for the operation of the power plant in the area, including preparation of the environmental and safety impact assessment report.
- File an Application for a Factory Operation Permit to the Provincial Industrial Office (Application Form Ror. Ngor.3), including the environmental and safety impact assessment report from the Department of Factory, Ministry of Industry after receiving approval from the Municipal Council or Subdistrict Administration Organization.
- The Office of the Energy Regulatory Commission will consider issuing a Factory Operation Permit.

Project Construction

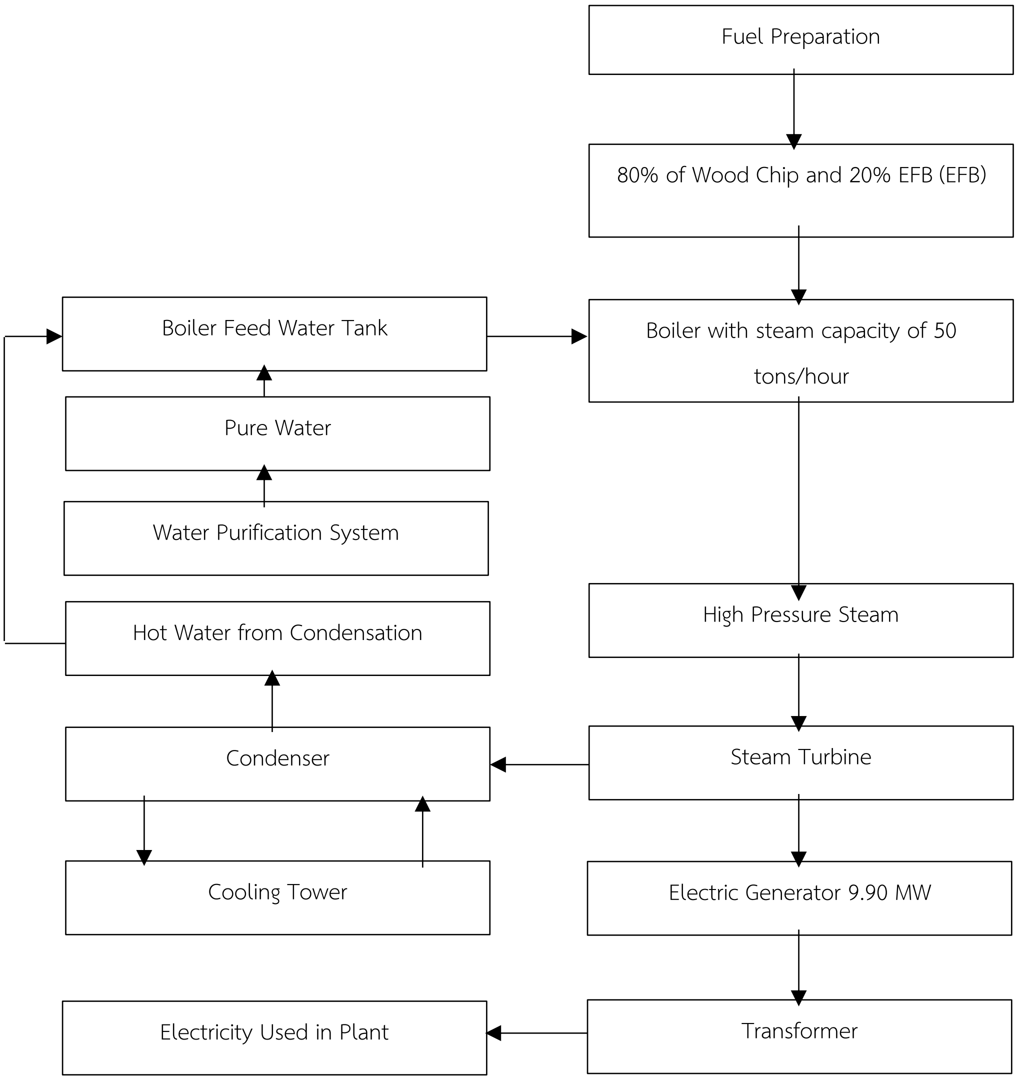
PPP has selected construction contractors through bidding and selection of biomass power plant machinery and equipment as follows:

- Reputable, reliable, and financially stable machine manufacturers
- High-efficiency machinery that can reduce the amount of fuel used in production in order to reduce the project cost.

**At present, the biomass power plant project has the following main equipment summary:**

| Equipment | Operation Description |
|---|---|
| Combustion Chamber | The fuel is fed into the combustion chamber by a hydraulic thrust unit into the stepped combustion chamber, which the speed of movement can be adjusted. When the fuel flips down from each step, there is a reversal, causing the bottom of the fuel piece that is in contact with the grate and has not yet been burned to be reversed upwards. This causes complete combustion. Having an additional combustion chamber at the back will allow incomplete combustion of the fuel. The complete combustion in this combustion chamber will improve combustion efficiency. |
| Steam Boilers | The hot air coming out of the combustion chamber is sent into the steam generator to boil the water and turn it into hot steam. It is then sent along the steam pipe to spin the steam turbine. |
| Steam Turbine | The hot steam from the steam generator is then fed to spin the steam turbine. The steam is condensed in the distillation tower by means of cold water from the water tank and cooling tower. These waters are then sent back to the boiler for re-boiling. |
| Electric Generators | The generator is driven by a steam turbine through a series of gears and generates about11,000 volts of electricity. Then, it is fed into the transformer to convert the voltage to 33,000 volts for further distribution to the Electricity Authority. |

Power Generation Procedures




**(4) Important Regulations Relating to the Conduct of Business**

PPP must conduct the hearing and understanding with the public and stakeholders before the start of the project and during the construction, environmental assessment, preparation of operating principles, and application for permits, such as Aor.1, Ror.Ngor.4, Electricity Generation Permit, and Control Power Generation Permit, or others as required by law.

There are three major types of important permits and contracts for operating a biomass power plant: Factory Operation Permit (Form Ror. Ngor. 4), Power Purchase Agreement (PPA), and Electricity and Control Power Generation Permit. Significant variables consist of the completeness and accuracy of the documents presented, the procedures and internal protocols of the relevant government agencies for approval, which may affect the approval period.

Factory Operation Permit (Form Ror. Ngor. 4)

- File an Application for a Building Construction, Modification, or Relocation Permit (Aor.1) to the municipality or the Energy Regulatory Commission.
- Prepare public participation around the power plant area and seek approval from the Subdistrict Administration Organization Council, including preparation of the environmental and safety impact assessment report.

- File an Application for a Factory Operation Permit to the Provincial Industrial Office, including the environmental and safety impact assessment report to request for a Factory Operation Permit from the Department of Factory, Ministry of Industry after receiving approval from the Municipal Council.
- File an Application for a Building Construction Certificate (Aor.6) to the Energy Regulatory Commission (ECB) to obtain a permit to operate a power plant.
- The Office of the Energy Regulatory Commission will consider issuing a Factory Operation Permit.

<u>Power Purchase Agreement (PPA)</u>

- Prepare supporting documents for the request for a power purchase agreement with the Provincial Electricity Authority.
- Prepare supporting documents for signing the power purchase agreement with the Provincial Electricity Authority.

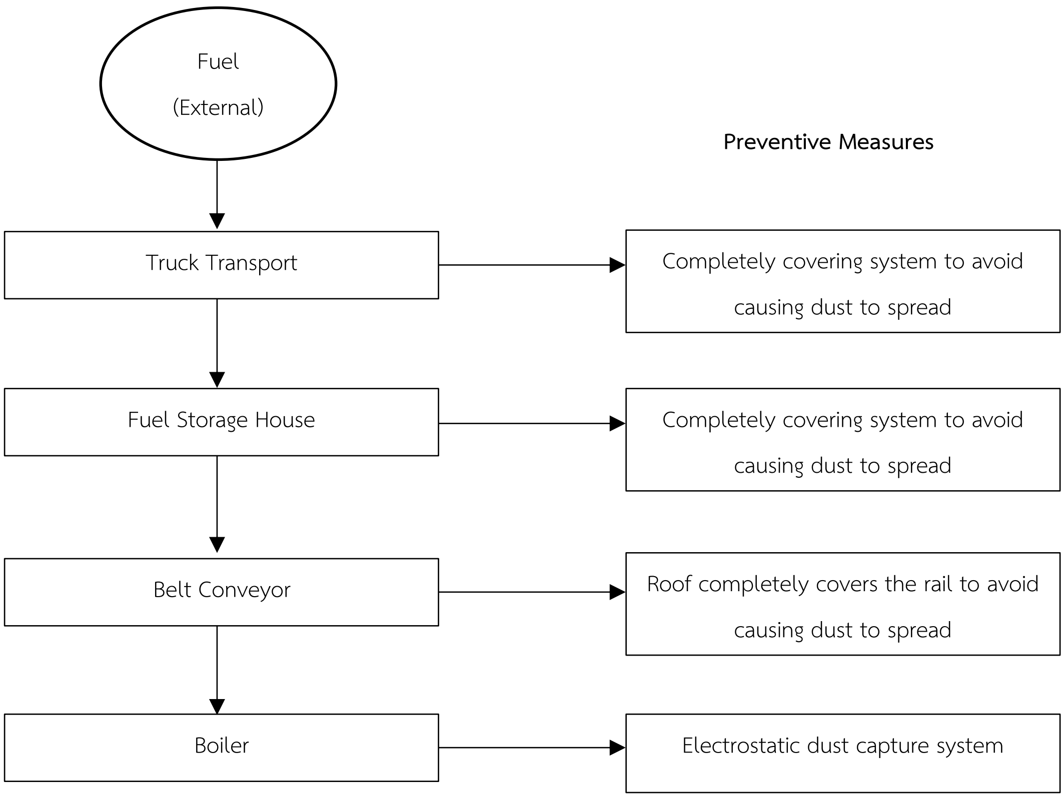
<u>Electricity and Control Power Generation Permit</u>

- Prepare and apply for a permit to produce electricity and control energy to the Office of the Energy Regulatory Commission to obtain a permit to operate electricity business and a permit to produce control energy.

**(5) Environmental Impact**

PPP strictly complies with the relevant environmental laws in order to apply for a permit to construct and operate the power plant project, as well as having the environmental impact control plan as follows:

<u>Air Quality Action Plan</u>




In order to prevent and reduce the potential air quality impacts of project operations, PPP has established the following chimney mass emission control measures:

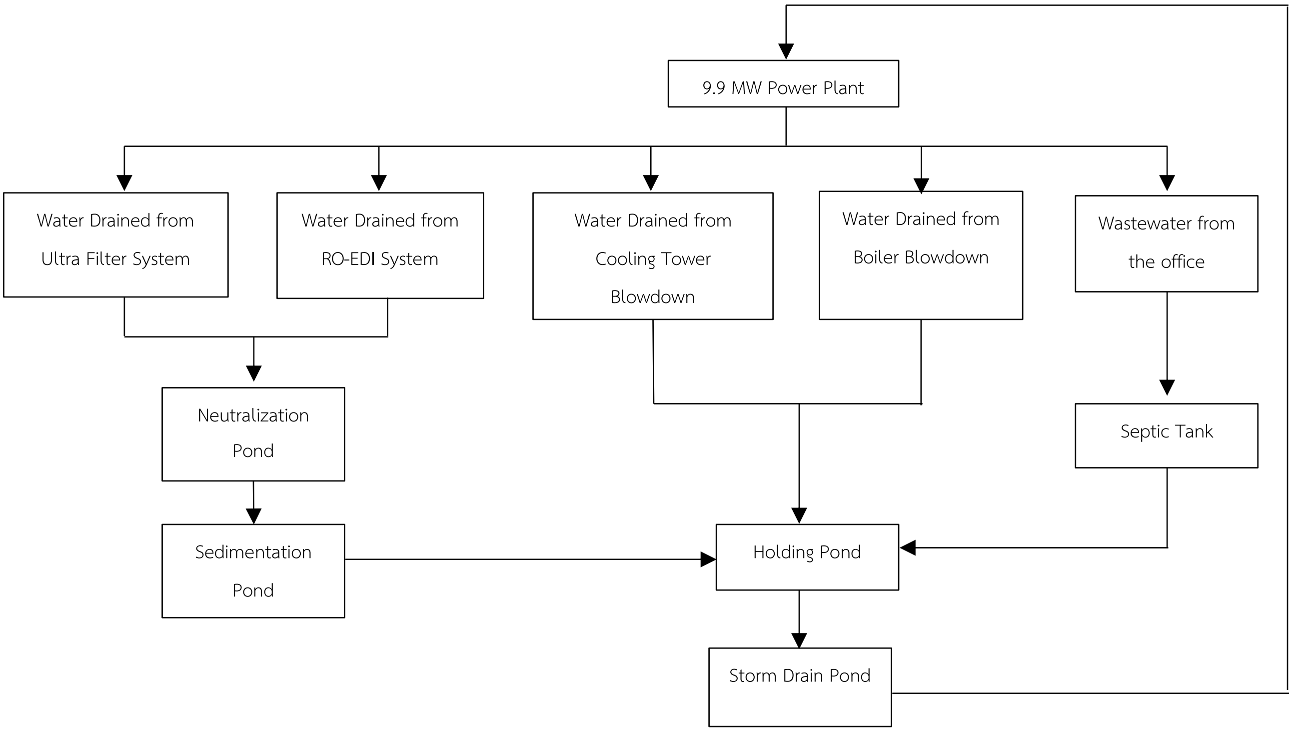
- Prepare spare equipment and corrective measures when the mass discharge rate exceeds the standard value. In case of an abnormal production process and failure to fix or repair it within the specified period, the relevant production process must be stopped immediately.
- Provide employees who are skilled in equipment control/maintenance and employees who are skilled in control/maintenance of various mass control equipment.
- Record the operation/performance of the mass control equipment.
- Provide a green area around the fence line of the biomass power plant by planting tall trees around the power plant and open space, which has been prepared as a green area of 5 rai to be a line to prevent dust, planting in three layers stacked in alternating zigzags to capture dust in the air.

Noise Quality Action Plan

In order to prevent and reduce the potential noise effects of project operations, PPP has established the following noise environmental impact prevention and remediation measures:

- Build sound barrier walls for buildings equipped with relatively noisy production machines, as well as the installation of noise dumper devices for air intake pipes and noise hoods around noisy machines, especially buildings equipped with steam turbines and power generating units.
- Equipped with sound absorbing equipment for high noisy blow down valves and steam circulation system during power failure to avoid steam going out on the emergency shut-off valve.
- Regularly inspect, repair, and maintain machinery and equipment in the production process in good condition to prevent abnormal noise caused by damage or wear of machinery parts.
- Make noise measurements to not exceed 85 decibels at a distance of 1 meter from the machine.
- Arrange for regular audiometry every 6 months.
- Plant trees, such as Asoke India trees, pine trees, or fruit trees in the area around the plant fence as the line to protect natural sounds. This will not only reduce the noise from the plant operation to reach the nearby houses, but will also help prevent dust that may fly outside the plant area.

Water Resource Quality Action Plan




The Company's power plant has no shortage of water resources. However, to prevent the problem of water usurpation and its impact on the utilization of public water sources, the Company has established preventive and corrective measures for the impact on the aquatic environment as follows:

- Reserve adequate water reserves throughout the dry season. There is a reservoir with a capacity of approximately 180,000 cubic meters to collect natural water.
- Provide a drainage ditch to support surface water before draining into the cesspool of the project. The ditch is maintained to be in good working condition without waste, and debris of materials and soil into the drainage ditch and through the treatment system.
- Monitor and prevent material debris from obstructing the drainage trough. Remove fuel waste from the drainage ditch around the storage facility for producing fuel and the curbed drain inlet grating before draining the wastewater into the treatment pond.
- Provide cesspools and water and oil separation system. The collected oil will be sent to the industrial waste disposal agency licensed by the Department of Industrial Works to be disposed of in accordance with the standards in the Announcement of the Ministry of Industry on the Disposal of Sewage or Unused Materials B.E. 2548 (2005).

### 1.2.3 Other Businesses of the Company

**1.2.3.1 Precise Digital Economy Company Limited, a subsidiary in the business line of design and sales of management systems for software, platforms, and information systems for organizations and other related industrial automation systems (Digital Economy)**

PDE aims to be a business operator of designing and developing management systems for software and information systems for use in organizations, including a smart factory system (Factory 4.0) to be used in the Group to increase productivity and performance with less time or integrate with smart electricity business and other businesses in the Group in order to create value for existing products and services and to offer to external customers, covering and supporting the digital economy in the future.

**Product Characteristics**

PDE's business operations can be divided into three types:

1. Enterprise software business, which is the design and development of software systems used in organizations with complex functions to define business processes throughout the organization, resulting in better organizational efficiency, such as computer software for corporate electronic mail system (PEA e-Mail).

2. Software for Factory 4.0 business, which is the design and development, information process and automation systems. Factory 4.0 supports the development of interconnections between machines and management systems.

3. IT Solution and System Integrator business, which provides services of design, procurement, development and installation of computer systems and information networks as well as after-sales services, for instance, a user management system design project for database of users of the server computer and customers (IT Service Management: ITSM).

**1.2.3.2 Precise Smart Life Company Limited, a subsidiary in the business line of Bio-Circular-Green Economy (BCG) for continuous energy and productivity in other biological base materials.**

PSL conducts business in accordance with the Bio-Circular-Green Economy, which consists of agriculture, industry, and commerce through distribution of income to the community along with creating a balance of environment and society (Sustainable Development) under the operations adhering to the principles of good governance. Currently, PSL has been certified as an agency participating in the Cannabis/Hemp Planting for Medical Benefit Project by the Government Pharmaceutical Organization since January 2022. In addition, the company has a project to grow bamboo for biomass fuel for power plants. The project includes the production of bamboo seedlings and chemical-free packaging products from bamboo pulp.

**Product Characteristics**

- Service business services in engineering design, machinery and equipment supply, and renewable energy construction.
- Woodchip business operated by PSL for companies in the Group, namely SBP and PPP.



It has a production capacity of 165,000 tons per year or 500 tons per day. The raw materials used in the production include wood logs, wings and roots of rubberwood. The wood obtained from chopping is used as fuel for biomass power plants.

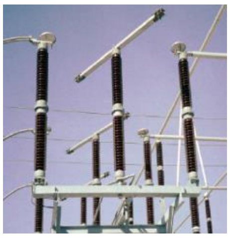
**1.2.3.3 Pacific Prosperity Development Company Limited, a subsidiary in the business line of import and export of electrical and mechanical equipment, and project sales (International Business)**

PPD operates the business of importing electrical and mechanical equipment and project sales and exporting the equipment of the Group to Laos, Cambodia, and the Philippines. In addition, PPD bids for the sale of products and equipment in the electrical industry with the government sector as a small and medium-sized enterprise.

**Product Characteristics**

Products imported from overseas to be sold in the country

69, 115, 230, 500 kV Double Side Break Disconnector



69, 115kV Load Break Switch

Belt Conveyor for Coal Mine and Coal Power Plant

115, 230, 500 kV Post Insulator, Suspension Insulator

22, 33 kV Double Side Break Disconnector

Anomalous Gas Detector Built in Transformers

Products purchased from affiliated companies for international distribution

- MV & LV Surge Arrester
- Drop out fuse and Fuselink
- Distribution Transformers
- MV & LV Switchgear
- Current Transformer and Voltage Transformer
- LED Street Lighting
- Power Capacitor

Projects that have not been delivered yet.

| Customer | Project Name | Type | Year of Receipt of Work | Net Contract Value (Million Baht) | Scope of Responsibility | Project Duration | Remark |
|---|---|---|---|---|---|---|---|
| EGAT | Contracting to improve the coal pulverization system, Mae Moh Power Plant | Changing machinery and equipment and improving the system | 2021 | 266.2 | Main Contractor | 2021–2024 | Start the delivery in the 4th quarter of 2022 |

Remark: PPD is the supplier of labor and materials, tools, utensils, and equipment for employment under such contract.

## 1.2.4 Property Used for Business Operations

### 1.2.4.1 Fixed assets used in business operations

As of December 31, 2022, fixed assets used in the Group's business operations had a net book value after deducting cumulative depreciation and impairment reserves as shown in the Company's consolidated financial statements equal to 2,283.61 million baht. The details are as follows:

| No. | List of Asset | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|
| 1 | Land | 674.61 |
| 2 | Buildings and Structures | 691.66 |
| 3 | Machinery and Equipment | 671.18 |
| 4 | Furnishings and Office Supplies | 25.81 |
| 5 | Vehicles | 0.68 |
| 6 | Mold | 3.77 |
| 7 | Assets in the Process of Installation and Construction | 215.90 |
| **Total** | | **2,283.61** |

The list of fixed assets of the Group as shown above can show details classified by asset type and by company as follows:

Land

| Proprietorship Company | Asset Location | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) | Land Area (Square *Wah*) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | *Rai* | *Ngan* | Sq. *Wah* | Total Sq. *Wah* |
| PCC | Wongsawang Subdistrict, Bang Sue District, Bangkok | To be used as an office location | Owner | None | 29.50 | - | 2 | 88.00 | 288.00 |
| PCC | Phron Subdistrict and Kosit Subdistrict, Tak Bai District, Narathiwat Province | To support future power plants | Owner | None | 26.49 | 285 | 3 | - | 114,300.00 |
| PCC | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To support future power plants | Owner | To guarantee a loan agreement | 44.47 | 104 | 1 | 0.50 | 41,700.50 |
| PCC | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To support future power plants | Owner | None | 12.22 | 19 | 1 | 85.80 | 7,785.80 |
| PCC | Nong Yang Thoi Subdistrict and Si Thep Subdistrict, Si Thep District, Phetchabun Province | To grow bamboo and energy crops | Owner | None | 72.51 | 729 | 1 | 20.60 | 291,720.60 |
| PCC | Nong Yang Thoi Subdistrict and Si Thep Subdistrict, Si Thep District, Phetchabun Province | To grow bamboo and energy crops | Owner | Guaranteed a loan agreement | 183.23 | 2,832 | - | 82.00 | 1,132,882.00 |
| PCC | Bang Phut Subdistrict, Pak Kret District, Nonthaburi Province | To be used in operations | Owner | None | 12.60 | - | 2 | 7.00 | 207.00 |
| PEM | Bang Phut Subdistrict, Pak Kret District, Nonthaburi Province | To be used as a plant/office location | Owner | Mortgaged | 4.23 | - | 2 | 96.00 | 296.00 |
| PEM | Ban Mai Subdistrict, Mueang Pathum Thani District, Pathum Thani Province | To be used as a plant/office location | Owner | Guaranteed a loan agreement | 135.07 | 33 | 1 | 225.20 | 13,525.20 |
| PSP | Bang Phut Subdistrict, Pak Kret District, Nonthaburi Province | To be used as an office location | Owner | Mortgaged | 10.36 | - | - | 296.00 | 296.00 |
| PSP | Bang Phut Subdistrict, Pak Kret District, Nonthaburi Province | To be used as a plant location | Owner | Mortgaged | 13.85 | - | - | 314.00 | 314.00 |

| Proprietorship Company | Asset Location | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) | Land Area (Square *Wah*) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | *Rai* | *Ngan* | Sq. *Wah* | Total Sq. *Wah* |
| PSP | Bang Phut Subdistrict, Pak Kret District, Nonthaburi Province | To be used as a plant location | Owner | Mortgaged | 52.46 | 3 | - | 137.00 | 1,337.00 |
| PDE | Bang Phut Subdistrict, Pak Kret District, Nonthaburi Province | To be used as a plant location | Owner | Mortgaged | 18.89 | 1 | - | 34.50 | 434.50 |
| PSL | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To be used as a woodchip factory location | Owner | Guaranteed a loan agreement | 11.19 | 10 | 3 | 36.10 | 4,336.10 |
| PSL | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To be used as an office location | Owner | Guaranteed a loan agreement | 2.02 | 1 | 2 | 10.30 | 610.30 |
| SBP | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To be used as a power plant location | Owner | Guaranteed a loan agreement | 45.52 | 31 | 1 | 9.80 | 12,509.80 |
| Total | | | | | 674.61 | 4,056 | 1 | 42.80 | 1,622,542.80 |

Buildings and Structures

| Proprietorship Company | Asset Location | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| PCC | Wongsawang Office Building, Wong Sawang Subdistrict, Bang Sue District, Bangkok | To be used as an office location | Owner | Guaranteed a loan agreement | 10.35 |
| PCC | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To support business operations | Owner | Guaranteed a loan agreement | 2.54 |
| PCC | Nong Yang Thoi Subdistrict and Si Thep Subdistrict, Si Thep District, Phetchabun Province | To support business operations | Owner | Guaranteed a loan agreement | 4.67 |
| PEM | Power Plant Building and Office Building in Pathum Thani Province | To be used as a plant/office location | Owner | Guaranteed a loan agreement | 296.23 |
| PEM | Power Plant Building and Office Building in Pathum Thani Province | To be used as an office location | Owner | None | 0.77 |

| Proprietorship Company | Asset Location | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| PSP | Pak Kret Office Building, Nonthaburi Province | To be used as an office location | Owner | Mortgaged | 58.55 |
| PSP | 4-story Plant Building, Pak Kret, Nonthaburi | To be used as a plant building | Owner | Mortgaged | 136.08 |
| PSP | 3-story Plant Building, Pak Kret, Nonthaburi | To be used as a plant building | Owner | Mortgaged | 14.46 |
| SBP | Plant building and office building in Songkhla province | To be used as a plant/office location | Owner | Guaranteed a loan agreement | 134.30 |
| SBP | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | To be used in business operations | Owner | None | 2.00 |
| PDE | Warehouse | To be used as a plant location | Owner | Mortgaged | 3.09 |
| PSL | Plant building and office building in Songkhla province | To be used as an office location | Owner | Guaranteed a loan agreement | 28.50 |
| Group of Companies | Others | | | | 0.12 |
| Total | | | 691.66 | | |

Machinery and Equipment

| Proprietorship Company | Asset | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| PC | Automotive for Production | To be used in business operations | Owner | None | 2.37 |
| PEM | Machinery and Equipment | To be used in production | Owner | Guaranteed a loan agreement | 94.20 |
| PEM | Machinery and Equipment | To be used in production | Owner | None | 36.53 |
| PMW | Mechanic tools and equipment | To be used in production | Owner | None | 20.82 |
| PSP | Tools and Equipment | To be used in production | Owner | None | 11.33 |

| Proprietorship Company | Asset | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| PDE | Machinery and Equipment | To be used in production | Owner | None | 0.28 |
| PSL | Tools and Equipment | To be used in production | Owner | Guaranteed a loan agreement | 5.84 |
| PSL | Tools and Equipment | To be used in production | Owner | None | 0.36 |
| PSL | Tools and Equipment | To be used in business operations | Owner | None | 0.28 |
| PSL | Machinery and Equipment | To be used in production | Owner | Guaranteed a loan agreement | 10.57 |
| PSL | Machinery and Equipment | To be used in production | Owner | None | 4.07 |
| PSL | Automotive for Production | To be used in production | Owner | None | 1.96 |
| SBP | Machinery and Equipment | To be used in production | Owner | Guaranteed a loan agreement | 410.87 |
| SBP | Machinery and Equipment | To be used in production | Owner | None | 11.14 |
| SBP | Machinery and Equipment | To be used in production | Owner | None | 0.47 |
| SBP | Automotive for Production | To be used in production | Owner | None | 1.79 |
| CEP | Tools and Equipment | To be used in business operations | Owner | None | 0.06 |
| PPD | Tools and Equipment | To be used in business operations | Owner | None | 0.68 |
| Total (Million Baht) | | | | | 671.18 |

Assets during Installation and Construction

| Proprietorship Company | Asset | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| PCC | Asset under Construction | To support business operations | Owner | Guaranteed a loan agreement | 15.74 |
| PEM | Asset under Production | To support business operations | Owner | Guaranteed a loan agreement | 103.30 |
| PMW | Asset under Production | To support business operations | Owner | Guaranteed a loan agreement | 7.84 |
| PMW | Asset under Production | To support business operations | Owner | None | 0.15 |
| PEMC | Asset under Construction | To support business operations | Owner | None | 74.97 |
| PPP | Asset under Construction | To support business operations | Owner | Guaranteed a loan agreement | 2.19 |
| PSP | Asset under Construction | To support business operations | Owner | Guaranteed a loan agreement | 5.10 |
| PSP | Asset under Production | To support business operations | Owner | None | 0.58 |
| PSL | Asset under Construction | To support business operations | Owner | Guaranteed a loan agreement | 4.00 |
| PSL | Asset under Production | To support business operations | Owner | None | 2.03 |
| **Total (Million Baht)** | | | | | **215.90** |

Other Fixed Assets

| No. | Asset | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| 1 | Office Supplies and Furnishings | To support business operations | Owner | None | 25.81 |
| 2 | Vehicles | To support business operations | Owner | None | 0.68 |
| 3 | Molds | To be used in production | Owner | None | 3.77 |
| **Total (Million Baht)** | | | | **30.26** | |

### 1.2.4.2 Intangible Assets

As of December 31, 2022, the net book value of most of the intangible assets according to the Company's consolidated financial statements has the following details:

| No. | Asset | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|
| 1 | Patents and Copyrights | Owner | None | 1.84 |
| 2 | Computer Software | Owner | None | 46.42 |
| 3 | Type Test Fee | Owner | None | 35.86 |
| 4 | Privileges for Use of Transmission Line – PEA | Receipt of Right of Use | None | 2.84 |
| 5 | Golf Course Membership | Receipt of Right of Use | None | 4.68 |
| 6 | Intangible Assets during Installation | Owner | None | 6.54 |
| 7 | Others | Owner | None | 0.60 |
| **Total (Million Baht)** | | 98.78 | | |

Note: The type test fee is the result of testing the product with an accredited testing institution because it has been requested by a government agency for bidding documents.

### 1.2.4.3 Land for Rent

| Proprietorship Company | Asset Location | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) | Land Area (Square *Wah*) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | *Rai* | *Ngan* | Sq. *Wah* | Total Sq. *Wah* |
| PCC | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | For rent | Owner | None | 1.76 | 4 | 1 | 56.1 | 1,756.10 |
| PCC | Khun Tat Wai Subdistrict, Chana District, Songkhla Province | For rent | Owner | Mortgaged | 5.78 | 14 | 1 | 11.5 | 5,711.50 |
| **Total** | | | 7.54 | | | 18 | 2 | 68 | 7,468 |

Remark: The land for rent is rented by a non-connected person, namely Khun Tat Wai Community Co., Ltd. for agricultural lease.

Building for Rent

| Proprietorship Company | Asset Location | Holding Purpose | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) |
|---|---|---|---|---|---|
| PEM | Plant and Office Buildings in Pathum Thani Province | To be used as a plant/office location | Owner | Mortgaged | 0.57 |
| Total | | | 0.57 | | |

Remark: The building for rent is rented by a related company, Koeme International Co., Ltd. for its business operations.

1.2.4.4 Right-of-Use Asset

| No. | Asset | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) | Type of Asset |
|---|---|---|---|---|---|
| 1 | Land | Receipt of Right of Use | Lease Agreement | 13.81 | PEMC leases land in Cambodia. |
| 2 | Buildings and Structures | Receipt of Right of Use | Lease Agreement | 0.63 | PSP rents a parking lot at Pak Kret. |
| 3 | Buildings and Structures | Receipt of Right of Use | Financial Lease Agreement | 9.10 | PEM leases a plant building in Pathum Thani. |
| 4 | Machinery and Equipment | Receipt of Right of Use | Rental Agreement | 30.45 | PEM and PMW rent forklifts. |
| 5 | Machinery and Equipment | Receipt of Right of Use | Financial Lease Agreement | 35.07 | PC, PSL rent machine at Sri Thep (Rollers, excavators, trucks), and PEM hire purchase machinery at the Pathum Thani plant. |
| 6 | Furnishings and Office Supplies | Receipt of Right of Use | Rental Agreement | 8.80 | Photocopier Rental Agreement |
| 7 | Vehicles | Receipt of Right of Use | Rental Agreement | 26.32 | Vehicle rental agreements of the Group |
| 8 | Vehicles | Receipt of Right of Use | Financial Lease Agreement | 7.18 | PEM, CEP, PSL, and PPP make car rental contracts (pickup). |

| No. | Asset | Ownership Characteristics | Obligations | Net Book Value as of December 31, 2022 (Million Baht) | Type of Asset |
|---|---|---|---|---|---|
| 9 | Assets under Installation and Construction | Receipt of Right of Use | Financial Lease Agreement | 8.87 | PEM rents the machine. |
| 10 | Computer Software | Receipt of Right of Use | Financial Lease Agreement | 1.04 | PEM and PMW rent computer equipment. |
| Total (Million Baht) | | | | 141.27 | |

#### 1.2.4.5 Business and Property Insurance

The Group has a policy to enter into insurance at an appropriate level and in line with industry practices to prevent damage that may occur to the main assets of the Group. Most insurance policies have a 1-year contract period. The Group has a policy to renew various insurance policies at the end of the policy period.

The details of the important insurance are as follows:

| Company | Insured Item | Coverage value as of 31 December 2022 (million baht) |
|---|---|---|
| PCC | Building (excluding foundations), including additions to the building, utilities, such as electrical systems, water supply systems, telephone systems, fire extinguishing systems, furniture, furnishings, fixtures, appliances and electrical equipment, appliances and equipment, computers with components, air conditioners, and elevators. | 45.61 |
| PCC | Loss or damage to hydraulic excavators, crushers, and trucks caused by accidents or unexpected incidents while the property is located within the area specified in the policy; damage, loss, fire, loss or damage to equipment, furnishings of a dump truck. | 15.51 |
| PEM | Buildings (excluding foundation) of the factory located in Pathum Thani Province, Building 1 to Building 7, including building improvements, public utilities systems, electrical systems, water supply systems, telephone systems, gates, guardhouses, fences, walls. | 519.91 |
| PEM | Furniture, fixtures and fixtures office supplies with computers and related equipment | 42.83 |
| PEM | All machinery and equipment used in the manufacturing process, including spare parts and components, along with crane, forklift, etc., used within the insured premises. | 159.70 |
| PEM | Stock of raw materials, stock during production, stock of finished products, stock of packaging products while waiting for delivery, and assets belonging to the insured, including assets under the care of the insured as a trustee. | 319.02 |
| PMW | Furniture, decorations, fixtures, office supplies with computers and related equipment. | 3.10 |
| PMW | All machinery and equipment used in the manufacturing process, including spare parts and components, along with cranes, forklifts, and elevators used in the insured premises. | 81.67 |
| PMW | Stock of raw materials, in-production stock, finished product stock, packaging stock, goods pending delivery, and assets belonging to the insured, including assets under the care of the insured as a trustee. | 192.92 |

| Company | Insured Item | Coverage value as of 31 December 2022 (million baht) |
|---|---|---|
| PSP | Buildings (excluding foundations), including renovations, additions to buildings, permanent fixtures, fences, walls, gates, guards, roads, trees, shrines, royal courts, recreation parks, seminar venues, elevators | 131.00 |
| PSP | Furnishings, furnishings, facilities, all kinds of office equipment and computers with other assets inside and outside the building, including air conditioning and electrical systems, plumbing systems, communication systems, public utilities. | 32.86 |
| PSP | Stock of all kinds of products, such as stock during production, finished goods stock, packaging stock, goods on the way, waiting for delivery, and all kinds of assets belonging to the insured, including assets under the care of the insured as a trustee. | 223.92 |
| SBP | Damage to property, machinery, radiators, and damage to business interruption | 828.26 |
| PPP | Damage to the truck body and lost/fire | 3.39 |
| PDE | Buildings (excluding foundations), including renovations, additions, building and stock of raw materials, finished goods, packaging materials and packaging. | 6.00 |
| PDE | Damage to pick up and truck body and lost/burned vehicles | 0.77 |
| PSL | Buildings (including foundations), furniture, furnishings, fixtures, additions, renovations, office supplies, computers, electronic appliances, antennas, lightning rod, satellite dishes, ceilings, flooring, landscaping, or other properties that come with buildings, works, systems, machinery and equipment, components including forklifts, cranes, forklifts and others. | 48.73 |

### 1.2.5 Future Projects

The Group has a policy to invest in future projects as follows:

1. Group Integration Sale &Marketing Center

The Group has a project to construct a Group Integration Sale & Marketing Center to drive sales of the Group. It will be the sales office, office building for sales and marketing staff, and exhibition center of the Group. The construction of such a sales and marketing center is considered one of the Group's promotional plans, as it will allow employees of each affiliate to share customer databases, product information, learn and practice to have expertise in the products of the whole Group. The Company sees that the products and services of the Group are diverse, which will be able to increase sales by centralizing sales and marketing, selling products or services related to core products (Cross Selling), and selling products and services of various types of bundles.

The budget of the project will be approximately 300 million baht using the money from the offering of ordinary shares to increase capital to 6-story buildings with an area of approximately 6,700 square meters. It will be the Smart Building, which is equipped with various automation systems, wireless technology, storage and data analysis systems, energy measurement systems that use various facilities that respond to the lifestyle of modern people. The project is currently under design and permission from relevant government agencies has been requested. The sales and marketing center is expected to begin construction within 2024 and be completed in 2026.

2. Project to increase the production capacity of distribution transformers

PEM is in the process of increasing the production capacity of distribution transformers to about three times for small transformers or about 1,080 MVA per year by 2024 by improving and rearranging production lines as well as changing production machinery into high-efficiency automatic machines to use the same number of employees or less, but to achieve increased productivity. In addition, PEM plans to invest in manufacturing facilities, for example, jig fixture, material handling, and automatic measurement to help with operations.

The investment in the project will increase production capacity by reducing direct labor costs and production costs of distribution transformers, as well as reducing the overall production time, enabling faster delivery of goods. The increased output from the project will focus on selling in the private market as well as district electricity and foreign customers.

The investment for this project will be approximately 125 million baht. PEM has started its investment in the project since 2021 and will continue the investment until 2023. The source of funding for the project comes from the Company's own internal funds and loans of financial institutions. In this regard, there is no need to use the offering of ordinary shares to increase capital to the public.

3. Project to increase the production capacity of transformer body and metal cabinets for switchgear cabinets, switchboard cabinets and other control equipment cabinets

PMW is in the process of improving the production line to increase the production capacity of the transformer body from about 2,000 drums per year to about 7,500 drums per year and increase the production capacity of metal cabinets for switchgear cabinets and switchboard cabinets is increased from about 2,000 containers per year to about 3,200 containers per year to support the production of equipment in the group and to sell to various private customers. Autonomous robot system will be added and the transformer body and metal cabinet painting system will be developed to reduce direct labor costs and then the cost of production will be reduced. The production time will be able to shorten and the delivery will be faster as well.

Moreover, PMW plans to develop the steel sheet processing process by cutting steel according to the size of use to reduce scrap loss. This can reduce the cost of raw materials, reduce the process of processing and storage and reduce the cost of transportation from the seller. After the project is completed, PMW will be able to produce metal bodies and cabinets from coiled steel. Normally, the seller must order the processing from coiled steel to sheet steel before production, thus reducing the cost of production in the long run.

The investment for the project will be approximately 215 million baht. PMW has started the investment since 2021 and will continue until 2024. The source of funding for the project comes from the Company's own internal funds and loans of financial institutions. There is no need to use the offering of ordinary shares to increase capital to the public.

4. Manufacturing Plant in Cambodia

PEMC plans to build a plant to produce transformers, instrument transformers, and various types of electrical control cabinets using manufacturing technology of PEM, which is a company established in Cambodia. As a result, the Group can sell products to the Cambodian Electricity Authority (Electricite du Cambodge: EDC), increasing the benefits of being a manufacturer located in Cambodia.

The investment in building a plant in Cambodia is also considered an increase in the Group's production capacity and a decrease in labor costs and other expenses. It also helps reduce export taxes and transportation costs from Thailand as well.

The investment for the project will be approximately 110 million baht (or about 3 million USD) and the investment will be made in early 2022 and equipment will be produced and sold in early 2023. The funding source of the project comes from the Company's own internal funds and loans of financial institutions without the need to use the public offering of ordinary shares.

5. Factory Energy Management Project

PEM has a project to install PEMs (Precise Energy Management System) to control energy consumption according to the production units and buildings. The software system is a system that the Group has developed itself. In addition, PEM is in the process of installing solar rooftop systems on the roofs of buildings of the Group to compensate for the use of energy from electricity during the daytime and install an energy storage system (Energy Storage System) for storing electricity at any one time to meet the energy needs at another time, such as storing electricity during the daytime to compensate for the high energy consumption of the operating machinery during the evening. This energy storage system will help to enhance the energy management of the Group.

The project will reduce the purchase of electricity, reduce greenhouse gas emissions and improve the electricity efficiency of the Group. The investment will be approximately 65 million baht, which is expected to be completed by 2023. The project's funding source comes from the Company's own internal funds and financial institutions' loans, without the need to use the public offering of ordinary shares.

The project is also classified as a pilot project for customers who are interested in visiting the system in order to expand their sales opportunities in the future. The Group's target customers will be customers who are major lighting users who have space to install solar rooftop and need to control electricity efficiency.

6. Hemp Planting Business Project in Closed System, Srithep District, Phetchabun Province

The Group has a project to grow CBD strains under a modern indoor cultivation method that can control the appropriate environment in each growth period to help produce inflorescences with both quantity and high quality according to medical standards (Medical Grade) and produce throughout the year to sell dried inflorescences to Government Pharmaceutical Organization. At present, Precise Smart Life Co., Ltd. has been certified as a joint agency in the cannabis/hemp cultivation project for medical benefits from GPO already in January 2022.

In Phase 1 of the closed system hemp plantation business, the project will last for 10 years. The project area has been increased from 800 square meters to 950 square meters to accommodate Phase 2 and Phase 3 plans. The plantation area of 200 square meters is expected to produce approximately 400 kilograms of dried inflorescences per year. Commercial income is expected to be realized by the end of 2023. The capital source of this project comes from the money from the offering of ordinary shares to the public.

7. Bamboo Business Project, Srithep District, Phetchabun Province

The Group has a project to grow bamboo for use as biomass fuel for power plants, including using it as a raw material for processing products made from bamboo that will include the following projects:

- Bamboo Plant Factory-Tissue Culture, aiming to develop bamboo seedlings, breeding, and bamboo seedling nurseries. The first phase will produce 0.5 million seedlings per year and will be able to expand the maximum production capacity to 2 million seedlings per year. For investment in the first phase will be around 30 million baht and will be able to realize commercial income by the end of 2024.
- Chemical-free Bamboo Packaging for distribution to restaurants and caterers, as well as e-commerce platform sales. In the pilot plant phase, the total production capacity will be 125 tons per year. With mechanical pulping methods used to produce packaging that is free of chemicals, safe to contact with food and has no impact on the environment, the investment will be approximately 39 million baht. The investment is expected to take place in late 2023 and commercial income will be realized by the end of 2023. This project is jointly funded by the Program Management Unit for Competitiveness and from the offering of newly issued ordinary shares to the public.

## 1.3 Shareholding Structure

### 1.3.1 Shareholding Structure

The corporate structure as of 31 December 2022 was as follows:

**Precise Corporation Public Company Limited –** Holding Company

Registered Capital 1,226.62 million baht

Paid-up Capital 1,226.62 million baht

**Main Businesses (Smart Grid)**

| Power Distribution & Energy Management Business | Intelligent Grid Business | Renewable Energy Business |
|---|---|---|
| *Main Company: Precise Electric Manufacturing Co., Ltd.* (PEM) | *Main Company: Precise System and Project Co., Ltd.* (PSP) | *Main Company: Precise Power Producer Co., Ltd.* (PPP) |
| **PCC held shares of** 99.9% | **PCC held shares of** 99.9% | **PCC held shares of** 99.9% |
| **Paid-up registered capital was** 462.50 million baht. | **Paid-up registered capital was** 230.00 million baht. | **Paid-up registered capital was** 390.00 million baht. |
| Subsidiaries under PEM (share holding 99.9% )<br>Precise Electro-Mechanical Works Co., Ltd. (PMW)<br>Joint Venture of PEM (share holding 60%)<br>Coelme International Co., Ltd. (CI)[1]<br>Subsidiaries held by PEM (share holding 99.9% )<br>Precise Electric Manufacturing (Cambodia) Co., Ltd. (PEMC) | | Subsidiaries held by PPP<br>Songkhla Biopower Co., Ltd. (SBP) (76%)[2]<br>Clean Energy Producer Co., Ltd. (CEP) (99.9%)<br>Takbai Biopower Co., Ltd. (TBP) (99.9%)<br>Phrukabdaeng Biopower (PKB) (99.9%)<br>Joint Venture of PPP<br>Songkhla Biomass Co., Ltd. (SKB) (40%)[3]<br>Songkhla Biofuel Co., Ltd. (SBF) (40%)[4]<br>Namsor Hydropower Co., Ltd. (NSPC) (39.43%)[5] |

**Other Businesses**

| Digital Economy Business | Cleantech & Bio Economy Business | International Business |
|---|---|---|
| Precise Digital Economy Co., Ltd. (PDE) | Precise Smart Life Co., Ltd. (PSL) | Pacific Prosperity Development Co., Ltd. (PPD) |
| **PCC held shares of** 99.9% | **PCC held shares of** 99.9% | **PCC held shares of** 99.9% |
| **Paid-up registered capital was** 98.20 million baht | **Paid-up registered capital was** 140.00 million baht. | **Paid-up registered capital was** 30.00 million baht. |
| | | Subsidiaries held by PPD<br>Precise Smart Grid Products and Services Co., Ltd. (PPS) (99.9%)<br>Precise BCG Total Solution and Service Co., Ltd. (PTS) (99.9%) |

Note

[1] The remaining proportion of 40% was held by COELME Costruzioni Elettromeccaniche SPA

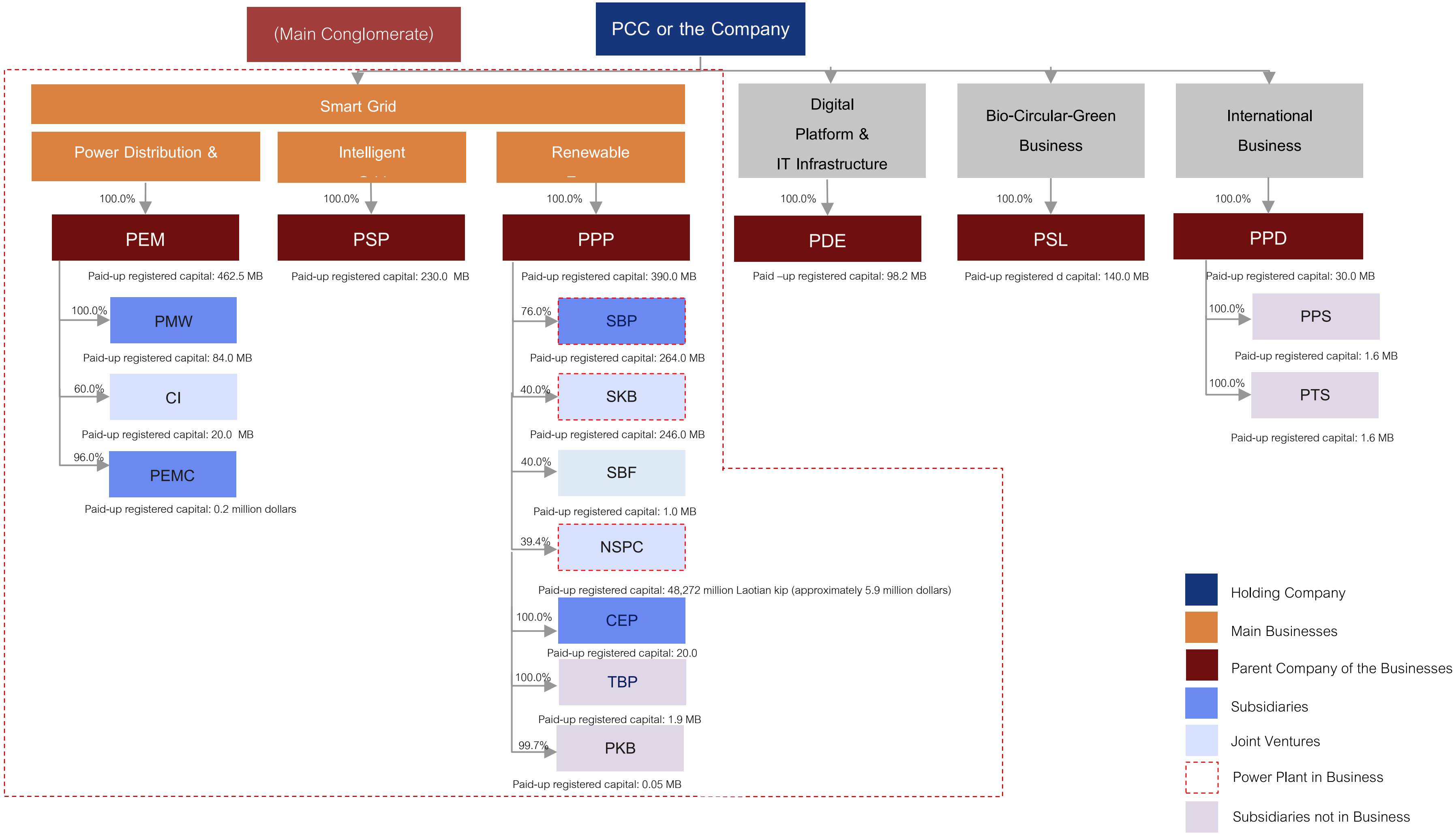
[2] 19% of shares were held by Assiddeek Savings Cooperative Ltd. and 5% was held by Chumchon Khoontadwai Co., Ltd.

[3] 40% of shares were held by Ratchaburi Energy Co., Ltd. and 20% was held by Assiddeek Savings Cooperative Ltd.

[4] 40% of shares were held by Ratchaburi Energy Co., Ltd. and 20% was held by Assiddeek Savings Cooperative Ltd.

[5] 39.43% of shares were held by Communication and System Solution Public Company Limited (“CSS”). 17.62% was held by Vientiane Techno Construction Co., Ltd. (“VTC”) and 3.52% was held by V.Hydro Co., Ltd. (“VHYDRO”)

1.3.2 Conglomerate Structure



### 1.3.3 The Company and Subsidiaries of the Conglomerate at Present

Presently, the Company runs the business as a holding company which invested in companies as follows:

(1) Subsidiaries with Main Business in Smart Grid

| Company Name | Business Details | Paid-up Registered Capital as of June 30, 2022 (MB) | Direct and Indirect Shareholding Proportion (%) |
|---|---|---|---|
| Precise Electric Manufacturing Co., Ltd (PEM) | PEM produces and distributes electrical equipment Design and manage project, construction and installation of underground system and substation of 69–115 kV, including managing and maintenance of full service of electricity system and electrical equipment. | 462.50 | 99.9 |
| Precise Electro-Mechanical Works Co., Ltd. (PMW) | PMW runs the business about designing, developing, producing, distributing, testing, examining, and maintaining the switchboard, switchgear, and load break switch which are verified by the acceptable well-known testing lab. Moreover, PMW also produces and distributes metals to the conglomerate. | 84.00 | 99.9 |
| Coelme International Co., Ltd. (CI)[1] | CI produces and distributes the disconnecting switch for both medium-voltage and high-voltage which perform to cut off electrical circuit | 20.00 | 60.0 |
| Precise Electric Manufacturing (Cambodia) Co., Ltd. (PEMC) | PEMC produces and distributes electrical equipment for the distribution system. | 27.01 (0.75 million US dollars) | 99.9 |
| Precise System and Project Co., Ltd. (PSP) | PSP runs the business of a transmission and distributing along with networking (two way communication system) in order to develop the smart electrical system covering the designing of Engineering Procurement and Construction (EPC), producing, and distributing of equipment and services for the high-voltage substation and transmission line. | 230.00 | 99.9 |
| Precise Power Producer Co., Ltd. (PPP) | PPP invests in the subsidiaries and joint ventures to construct power plant to produce renewable energy and distributes the electricity by focusing on investing and developing the full-range renewable energy business in the Suvarnabhumi area, including Cambodia, Laos, Myanmar, and Thailand. Also, PPP produces and distributes woodchips. | 390.00 | 99.9 |
| Songkhla Biopower Co., Ltd. (SBP) | SBP produces and distributes electricity from renewable energy. | 264.00 | 76.0 |

| Company Name | Business Details | Paid-up Registered Capital as of June 30, 2022 (MB) | Direct and Indirect Shareholding Proportion (%) |
|---|---|---|---|
| Clean Energy Producer Co., Ltd. (CEP) | CEP designs, services, manage the projects, and gives advice about operating the machines and maintaining the biomass power plant (O&M), as well as repairing and sourcing spare parts of machines. | 20.00 | 99.9 |

Note [1] On April 1, 2022, PEM signed the joint venture contract of CI to change some conditions in the contract, which related to the significant activities of CI, which affected PEM. Moreover, a group of shareholders had the power to control CI together without the change of shareholding proportion; therefore, PEM changed the type of capital of CI from subsidiaries to joint ventures since the date of signing the contract.

(2) Subsidiaries Running Other Related Businesses

| Company Name | Business Details | Paid Authorized Capital as of June 30, 2022 (MB) | Direct and Indirect Shareholding Porportion (%) |
|---|---|---|---|
| Precise Digital Economy Co., Ltd. (PDE) | PDE runs the business about managing the projects, developing the systems, maintaining and distributing the information technology, digital communication system, and factory 4.0 system. In addition, PDE produces energy-saving equipment. | 98.20 | 99.9 |
| Precise Smart Life Co., Ltd. (PSL) | PSL runs the business under the principles of Bio-Circular-Green Economy, which includes agriculture, industry, and commerce, through distributing the income throughout the community, together with creating balance of the environment and society (Sustainable Development) | 140.00 | 99.9 |
| Pacific Prosperity Development (PPD) | PPD imports electricial equipment, engine, and project sales, and exports the equipment of the conglomerate to Laos, Cambodia, and Myanmar. | 30.00 | 99.9 |

(3) Subsidiaries without Significant Business

| Company Name | Business Details | Paid Authorized Capital as of June 30, 2022 (MB) | Direct and Indirect Shareholding Proportion (%) |
|---|---|---|---|
| Takbai Biopower Co., Ltd. (TBP) | TBP produces and distributes the electricity generated from renewable energy. | 1.9 | 99.9 |

| Company Name | Business Details | Paid Authorized Capital as of June 30, 2022 (MB) | Direct and Indirect Shareholding Proportion (%) |
|---|---|---|---|
| Phrukabdaeng Biopower Co., Ltd. (PKB) | PKB produces and distributes the electricity generated from renewable energy. | 0.05 | 99.9 |
| Precise Smart Grid Products and Service Co., Ltd. (PPS) | PPS is founded to support the auction for projects in the future. | 1.6 | 99.9 |
| Precise BCG Total Solution and Service Co., Ltd. (PTS) | PTS is founded to support the auction for projects in the future. | 1.6 | 99.9 |

### 1.3.4 Relationship with Major Shareholders

-None-

### 1.3.5 Major Shareholders

The structure of shareholders of the Company as of December 30, 2022 could be concluded as follows:

**Shareholders**

(1) First Ten Shareholders

| No. | Shareholder | Number of Shares | Proportion (%) |
|---|---|---|---|
| 1 | Mrs. Sununtha Sumrit | 170,846,000 | 13.928 |
| 2 | Precise Employee Association | 88,820,200 | 7.241 |
| 3 | Mr. Kitti Nutchayangkul | 64,886,900 | 5.290 |
| 4 | Mrs. Kannakorn Saeneemanomai | 58,507,200 | 4.770 |
| 5 | Mr. Harnjate Likitsinsopon | 57,354,400 | 4.676 |
| 6 | Mr. Suthee Chulanutrakul | 54,785,700 | 4.466 |
| 7 | Ms. Kanokporn Mavai | 47,400,000 | 3.864 |
| 8 | Mr. Kitti Sumrit | 46,124,400 | 3.760 |
| 9 | Ms. Sunthareeluk Sumrit | 24,715,800 | 2.015 |
| 10 | Ms. Nicha Nutchayangkul | 23,028,500 | 1.877 |

(2) Major Shareholders (as of December 30, 2022)

| No. | Shareholders | Number of Shares | Proportion (%) |
|---|---|---|---|
| 1 | Mrs. Sununtha Sumrit | 170,846,000 | 13.928 |
| 2 | Mr. Kitti Sumrit | 46,124,400 | 3.760 |

**Shareholding Agreement among Major Shareholders**

-None-

## 1.4 Authorized Capital and Paid Authorized Capital

**1.6.1 Authorized capital of the company accounted for 1,226,619,100 baht. The amount paid was 1,226,619,100 baht, which includes 1,226,619,100 paid-up common stocks, which accounted for 1.00 baht each.**

### 1.6.2 Preferred Shares

-None-

### 1.6.3 Shares or Convertible Securities of the Company as Reference Securities for Issuing the Unit Trust of Mutual Fund for Foreign Investors

-None-

## 1.5 Other Assets Issuing

-None-

## 1.6 Dividend Policy

### 1.6.1 Dividend Policy of the Company

Dividend was indicated to be paid at the rate of not less than 40% of the net profit based on the separate financial statements of the Company, after deducting the annual corporate income tax and legal reserves. The dividend payment might be changed from the indicated rate, depending on the operation results, financial status, liquidity, essence for investment and expansion in the future, structure and financial obligations, investment, necessities, and other suitability which would be approved by the board of directors.

### 1.6.2 Dividend Policy of Subsidiaries

Dividend was indicated to be paid from the net profit based on the separated financial statements of the Company after deducting the corporate income tax and all legal reserves. The dividend payment might be changed from the indicated rate, depending on the essences for expansion in the future, operation results, structure and financial obligations, investment, necessities, and other suitability which would be approved by the board of directors.

# 2. Risk Management

## 2.1 Policies and Risk Management

The Company realizes the importance of risk management that it is a significant process that will support the Company and subsidiaries to achieve both strategic and operational goals under the present changing social circumstances from both internal and external factors in responding to the needs of all stakeholders properly. The Company has established the policies and risk management framework, while communicating to all departments for acknowledgment, understanding, and support in realizing of risk management throughout the organization.

The Company and subsidiaries have applied the ERM (Enterprise Risk Management) to manage organizational risks based on the standard of COSO (The Committee of the Sponsoring Organizations of the Treadway Commission). It is an international standard for future sustainable management. Furthermore, the Company has established a unit for risk, compliance, remediation, and resiliency management, as well as an internal audit unit to monitor, follow, and support the risk management for other units in the organization.

The risk management includes five processes as follows:


(1) Objective Setting

To be in compliance with acceptable risks and operational goals indicated by the Board of Directors, which are reviewed regularly every year.

(2) Risk Identification

To analyze potential situations likely affecting the Company to achieve objectives/goals, which may derive from both internal and external factors, such as readiness of employees, process/method indication, change on customer needs, economy/politics, laws/regulations, and technology.

(3) Risk Assessment

To assess the significant level of risks which would affect the achievement of objectives/goals of the Company by considering two factors: impact and likelihood.

(4) Risk Response

To select a way to manage, either one way or an integrated way, depending on the significance of risks, costs, and benefits for operation.

(5) Monitoring and Reporting

To ensure that the risk management is proper and sufficient, or it should be adjusted if unable to control the risk up to an acceptable level. There must be reports to the Board of Directors at least twice a year.

## 2.2 Risk Factors for the Company's Business Operations

### 2.2.1 Risks for Business Operations of the Company or the Group

The Company assessed and analyzed its risks which covered the following issues:

- Strategic Risk
  - Risks of dependence on small number of key customers

The Group's nature business depends on state enterprises, namely Electricity Generating Authority of Thailand (EGAT), Provincial Electricity Authority (PEA), and Metropolitan Electricity Authority (MEA) as key customers. This could lead to a risk on the continuity of future income if not selected by them for products and services due to competitive prices and quality, which will affect the Company's income.

However, from the experience of distributing products and services to those customers for more than 30 years, the Company understands customers' needs so well in terms of both quality and prices. In addition, the Company has developed products and services with standards to serve customers' needs and higher future demands. The Company has also focused on expanding customer base to other groups, such as more private sector group and foreign customers.

- **Risk of investment in new businesses**

As the Company's subsidiaries have invested in the establishment of companies and factories in Cambodia, which might lead to several risks on customers, financial problems, and legal compliance in Cambodia. The Company then begins to focus on state enterprise customers and distributors in Cambodia, with reliability and financial stability. For financial risk management, the Company has chosen stable commercial banks in Cambodia, while comparing products and financial tools to reduce any risks and expenses. The Company has also hired a reliable legal consulting firm in Cambodia to provide consultation on legal compliance and related regulations, as well as regular advice and suggestions before starting any business operations.

Moreover, the Company always invests in new businesses, leading to a risk on investment returns that may not be in compliance with the expected goals. Also, project operations may be delayed from the plans, or the budget could be higher than estimated. Therefore, the Company has to specify on consideration processes, together with reliable persons in charge for feasibility studies and risk assessment by a team of risk analysts, such as executives, lawyers, financial staff, and those expertise certain businesses for consultation. All teams must consider, analyze, and evaluate the risks together before proposing to the Board of Directors for investment approval towards confidence and rationale in risk management as appropriate and at an acceptable level.

- Financial Risk

- **Risk from fluctuation of exchange rate**

As the sale of products and purchase of raw materials in production processes and services of the Group, including the investment in renewable energy overseas, mostly depend on foreign currencies, namely USD, EUR, CNY, and JPY. Therefore, if the exchange rate is highly fluctuated, it might affect the profit and loss from the fair value in financial statements of the Group.

However, to reduce the effects of fluctuation, the Group has set guidelines for risk management by reducing the proportion of USD and increasing the use of CNY towards lower risks from the fluctuation of USD. Moreover, there is also a management of income and expenses in foreign currencies to be consistent by using natural hedges, forward contract, and foreign currency deposit in accordance with the cash flow in each period of operation to handle such risks.

- Operational Risk

- **Risk of dependence on employees**

For the business of production and distribution of electric equipment, engineering system design, contracting for construction, power plant business, and others of the Group, it is required to have knowledge, capability, expertise, and experience of employees and executives. If the Company cannot retain important employees or recruit qualified personnel for replacement of those who resign or unable to do their jobs well, this may affect the continuity in management and operations of the Company.

Nevertheless, the Group focuses on the importance of employees by setting proper remuneration and welfare when compared with other companies of the same industry for long-term encouragement to employees. Furthermore, to prevent such risks in big projects, the operations will be divided into several parts which are responsible by different engineers to avoid a risk of discontinuity due to the resignation or inability of employees to proceed their duties. Additionally, employees are regularly rotated so that they can have various knowledge and work in place of each other. Moreover, the

Group also develops the automated machines system to reduce using employees in the production process, while increasing production efficiency.

- **Risks of personnel development to support business growth**

Due to business expansion of the Group both domestically and internationally, including new businesses, may cause a risk of personnel management in terms of number, knowledge, capabilities, and skills, which can affect business operations and the achievement of future goals. However, to support its operations in consistent with business growth, the Group has set manpower planning to meet the future needs, while establishing personnel development plans in each field towards their expertise and career growth with higher positions and replacement of previous employees in a timely manner. Moreover, there is an internal recruitment of personnel who have special skills for the continual business operations amidst the changes and more potential of new business growth according to the goals in the near future.

- Risk of compliance with regulations and rules
    - **Risk from changes in policies, regulations, and rules of the government and regulatory units**

The Group's operations need to be governed by various laws and regulations. The Company also expands its business to Cambodia, in which the laws and regulations are different from Thailand. This can be a new risk for the Company to manage. Presently, the Company has hired a law office in Cambodia to give consultation on laws and regulations related to its business operations.

- Risk of Human Rights
    - **Risks from human rights violation of employees in the organization**

Expectations of the global society regarding business operations with responsibilities towards human rights are becoming controversial at present. The Group realizes and respect the importance of personal dignity, privacy, and human rights of all individuals who have relationships with each other during their duties, as well as supports them to understand the actions that can violate human rights. Therefore, the Group has clearly established the guidelines in the corporate governance policies, with communication to employees in the organization, such as equality in recruitment regardless of nationality, skin color, gender, sexual orientation, age, religion, illegal politic comments, priorities, privileges, and welfare according to their rights. Meanwhile, the Group has provided channels for whistle-blowing as stated in the whistle-blowing policy to reduce possible incidents and relieve the severity in timely manner.

- Risk of governance
    - **Governance of subsidiaries' business operations**

As a holding company with main investment in subsidiaries and no business of its own to generate significant income, the operational results and dividend payment thus depend on the performance of subsidiaries and joint ventures. Also, the governance of business operations is important to reduce the risk of non-compliance with the laws, regulations, and rules. Nevertheless, to establish measures both directly and indirectly for the governance of business operations among subsidiaries, while maintaining investment benefits with efficiency, the Company has importantly set central policies as enforcement throughout the Group, such as Good Governance Policy, Code of Conduct, Information Technology Policy, and Human Resource Management Policy for all personnel in the Group with compliance and in the same direction.

Additionally, there are obligations and delegation of authority for subsidiaries, executives, and the Board of Directors towards good governance. Any transactions which significantly affect the financial status and operations must be approved (depending on each case) by the Board of Directors or shareholders.

- Emerging Risks
    - **Risk from cyber threat**

Presently, the Group focuses on increasing the organizational capacity by utilizing information technology to support its business operations for more competitiveness. Thus, there is an adjustment on working processes to rely more on technology. Meanwhile, the cyber threats tend to increase and cause several risks, such as DDoS attack, malicious malware, phishing, etc. The victims can be both internal employees and customers of the Group.

However, the Group adheres to reducing such risk by providing proper network security system, covering three aspects as follows:

(1) Employee: Provide knowledge and realization on information technology regularly.
(2) Process: Announce the information technology policy by setting operational guidelines, clear duties on the security of information technology system of the Group, rules, regulations, and prohibitions for employees in the organization to reduce a risk of being victims from such threats.
(3) Technology: Confirm the identity verification before entering the system, with the installation of power protection system, confidentiality prioritization, encryption for important data, data backup and recovery, etc.

### 2.2.2 Risk of investment from Asset Holders

- Risk from the fluctuation of stock price

The price of the Company's common stocks may fluctuate due to several factors, especially for external factors, which are out of control, such as economic and social conditions, investment in the stock market, attitudes of investors towards energy and public utility business, advice and opinions of analysts, related laws, epidemic, and internal factors that may significantly affect business operations. Nonetheless, the Company cannot avoid those factors and the fluctuation of stock prices remain unchangeable, which may cause investors not to receive their expected returns.

### 2.2.3 Risk of investment in foreign securities

None.

# 3. Driving Business for Sustainability

## 3.1 Policies and Goals for Sustainability Management

The Group has a policy to operate business under ethics and good management with transparency and accountability, by focusing on creating the culture of corporate governance and responsibility for society, the environment, and stakeholders in the business value chain. Additionally, the Group adheres to the Code of Conduct and Business Ethics in its operations by focusing on promoting the development of education, health and safety, and society. The Group aims to contribute to the sustainable development of the business and create long-term returns for its shareholders by taking into account the impact on all stakeholders involved in the Group in all aspects.

Moreover, the Group places importance on driving economic, social, respect for human rights, the environment and stakeholders in the value chain of the business along with developing business operations to grow with quality and sustainability. The Company has promoted and supported community and social activities as well as emphasizing on the conservation and care for the environment continuously in order to build good relationships with stakeholders.

## 3.2 Managing Impact on Stakeholders in the Business Value Chain

### 3.2.1 Business Value Chain

The Group considers stakeholders and prioritizes the sustainability management of activities throughout the business value chain, which include raw material sourcing, quality and environmentally friendly production process, testing and quality control based on the specified standards, storage and delivery of goods, distribution of products and services in response to the needs and expectations of all stakeholders.

| Main Activity | Details |
|---|---|
| 1. Raw Material Sourcing | - Manage with suppliers to deliver raw materials based on the stated standards.<br>- Purchase quality raw materials, which are up to the standard and in reasonable price. |
| 2. Production | - Design the production process and procedures that is conducive to production with modernand environmental-friendly technology.<br>- Realize human rights, safety, and occupational health and ensure fairness to workers.. |
| 3. Testing and Quality Control | - Control the product quality under the standard of ISO 9001:2015 and test under the standard of ISO/IEC 17025:2017 and Green Label.<br>- AC power meter industry standard based on the AC power Standard: specific requirements for Electronic Meter for electrical power applications (Class 0.2 S and Class 0.5 S), Standard No TIS 2001-2015 and AC Power Meter Industry Standard: Specific Requirements for Electronic Power Meter (Class 1 and Class 2) Standard No. TIS 2000-2012. |
| 4. Storage and Shipping | - Store the products in an appropriate place without negatively impacting the quality of the products and the environment. |
| 5. Marketing and Distribution | - Manage the customer relationships.<br>- Deliver the standardized products on time. |
| 6. Customer Services | - Follow up and evaluate customer satisfaction to improve the products.<br>- Provide fast and effective after-sale services. |

### 3.2.2 Analysis of Stakeholders in the Business Value Chain

The Group has grouped stakeholders both inside and outside the Company, which are related to the business value chain and set guidelines for meeting the expectations of stakeholders as follows:

| Stakeholder Group | Stakeholders' Expectations | Channels and Guidelines for the Company Engagement |
|---|---|---|
| - Shareholders | - Shareholder meetings<br>- Statement of quarterly operational results<br>- Meetings of financial analysts<br>- Dividend payment as stated.<br>- Good corporate governance<br>- Anti- corruption.<br>- Disclosure of complete, accurate, and up-to-date information. | - Hold the shareholder meetings.<br>- Give the opportunity for shareholders to propose the meeting agenda in advance.<br>- Conduct corporate governance in transparent, fair, and verifiable manner.<br>- Pay dividends appropriately.<br>- Develop a business strategic plan.<br>- Manage the risks carefully.<br>- Provide the anti-corruption policy. |
| - Customers | - Standard quality products<br>- Reasonable prices for products and services<br>- Fair compliance with the agreements and contracts<br>- Warranty and after-sale services.<br>- Rapidity of service and customer support | - Pay attention to the development of products and services to be standardized and consistent with customers' needs.<br>- Provide the anti-corruption policy.<br>- Deliver the products rapidly within the specified time.<br>- Follow up and evaluate customer satisfaction to improve the products and services. |
| - Partners | - Compliance with the fair payment terms and conditions.<br>- Fair procurement and agreement or contract conditions<br>- Cooperation for business growth | - There is a process of selection and evaluation of the performance of partners continually and sustainably without discrimination.<br>- Comply with the procurement process and contract conditions fairly.<br>- Hold meetings, training, and seminars with business alliance and partners. |
| - Employees | - Wage and salary increase and appropriate welfare arrangements<br>- There is equality and opportunities for advancement | - Comply with human resource management and development policy and labor laws and regulations |

| Stakeholder Group | Stakeholders' Expectations | Channels and Guidelines for the Company Engagement |
|---|---|---|
| | - Communication of related information via communication channels with appropriate frequency<br>- Employee satisfaction evaluation<br>- Listening to ideas and suggestions via several channels of the Company | - Provide good remuneration and opportunities for advancement in their job and the company is stable.<br>- Provident fund<br>- Arrange appropriate working environment and areas equipped and in good working order, including the safety and security of the operation. |
| - Society and Community | - Run the business with consideration of potential impact on society and community, and social responsibility to neighboring communities.<br>- Activities with the community/society<br>- Listening to ideas and suggestions from several channels of the Company. | - Create volunteer employees to join in public activities.<br>- Reduce the impact on the environment, society, and neighboring communities.<br>- Ensure safety in production based on the stated safety standard.<br>- Contribute to community development, career creation and income to create stability for surrounding communities. |
| - Related Government Agencies | - Conduct business under related laws. | - Follow up and assess the consistency of the law and have a process to manage the Company to comply with the law. |

The Company has the evaluation guidelines by conducting the satisfaction evaluation surveys for the stakeholders, providing channels to receive complaints from stakeholders via the Company's website to use the information to develop business operations to meet the expectations of stakeholders, and organizing the meetings and seminar with stakeholders to evaluate the results of the Company's participation.

Moreover, the Company and its subsidiaries have established the welfare committee of each company, and this committee comes from the elections and meets monthly to discuss employee welfare improvement.

## 3.3 Sustainability Management in the Environmental Dimension

### 3.3.1 Environmental Policies and Practices

The Group promotes and supports the awareness of all employees to realize their responsibility to preserve the environment in accordance with relevant laws, regulations, and international standards. It has operated and passed the certification of the Environmental Management Standard (ISO 14001) and the certification of being a Green Industry from the Ministry of Industry.

The Group has cooperated with the public sector, private sector, related agencies, and communities, in which the Company is located, to support and continuously enhance the quality of the environment, as well as to respond rapidly and effectively to incidents affecting the environment and communities due to business operations of the Company. In addition, the Group also supports the purchase of products or services that consider safety, environmental and energy conservation, and promotes the conservation of natural resources and the environment in a manner that enhances the use of resources in a cost-effective manner, such as water, electricity, paper, etc. and give employees an accurate understanding of environmental conservation.

### 3.3.2 Environmental Performance

The Group realizes the responsibility towards the environment and has managed the waste generated by the production process by handling and disposing of waste materials with environmental responsibility, including requiring employees to strictly comply with applicable laws and regulations.

(1) Disposal of production waste

The Group provides systematic disposal of waste and is required by law through a licensed industrial waste disposal center. Hazardous waste is disposed in accordance with related announcements of the Ministry of Industry to ensure that waste disposal of the Group will not generate any pollutions or environmentally effect on the environment in the communities nearby the factory.

(2) Inspection of wastewater quality from production process

The Group has a wastewater treatment system that arises from the production process. It is an activated sludge treatment system. Furthermore, the water quality is measured after treatment from the wastewater treatment system to release to the public track to ensure that the quality meets the specified standards. There will be no water discharge after treatment out of the factory, but the water from the treatment will be recycled for use in the factory. A green space is created to be a loop system, so there is no drainage outside the area.

The Group provides external inspectors to inspect the quality of wastewater from the production process every month by monitoring various indicators, including acidity and alkalinity (pH), BOD, COD, suspensions (SS), hydrogen sulfide (HS), and oil & grease.

(3) Inspection of the air quality released from the factory to reduce greenhouse gas problems

The Group provides external inspectors to inspect the quality of air discharged from the factory every twelve months by checking the quality and quantity of air discharged from the factory. Several indicators are monitored, namely dust content (TSP), sulfur dioxide (SO2), nitrogen oxide (NOx as NO2), carbon monoxide (Co), black smoke value (opacity), and oxygen content (O2). In addition, there is a maintenance schedule for inspection of the air filter every four months to maintain it in a ready condition at all the times to filter the air from the soldering process before releasing the air to the outside.

The Group is aware of the problem of climate change and global warming. At present, the Group is in the process of establishing policies and operational plans for the preparation of information and disclosure of greenhouse gas emissions in accordance with international standards or equivalent, as well as striving to reduce the environmental impacts and greenhouse gas emissions.

In 2022, the Group has direct greenhouse gas emissions of 1,724.80 tons of carbon dioxide equivalent and indirect greenhouse gas emissions of 2,341.64 tons of carbon dioxide equivalent, a total of 4,066.44 tons of carbon dioxide equivalent. The Group began collecting data for the first year, so it used the data in 2022 as a basis to compare with the data for the next year. The auditor is EY Office Limited, which is the auditor that the Company considers to have widely accepted work internationally. The Group has collected the Company's greenhouse gas emissions data every month to prepare an annual greenhouse gas emission assessment report.

Furthermore, the Group has operated in response to the reduction of greenhouse gas problem. The Group has the project to install a 530 kWp solar rooftop on the factory building of Precise Electric Manufacturing Co., Ltd. and Precise Electromechanical Works Co., Ltd. This project will allow the Company to reduce its annual electricity consumption by 604,275 kWh, accounted for approximately 2,500,000 baht per year. It will also use renewable energy, which is clean energy that could help reduce greenhouse gas emissions by 300 tons of carbon dioxide equivalent (or kilograms) per year.

Power Distribution and Energy Management (PDEM) Business Line, consisting of Precise Electric Manufacturing Co., Ltd. (PEM), Precise Electro-Mechanical Works Co., Ltd. (PMW), and Coelme International Co., Ltd. (CI), has conducted the "Precise Care the Environment" Project for employees at all levels to participate in social contribution activities by donating various types of plastic bottles to Wat Jak Daeng, Songkanong Sub-District, Phra Pradaeng District, Samut Prakarn Province. Those plastic bottles will be processed into several items, such as monk robes, funeral robes, or PPE suits to be used and donated for those in need, or organizations that need to use these items and make money for the community.


Precise Smart Life Co., Ltd. (PSL), in the business line of Bioeconomy, Circular Economy, Green Economy, has sent food contact packaging products that are free from chemicals from bamboo pulp to enter the contest in the activity "Creative DIPROM in Circular Economy" and received the second runner-up award in the innovation category on September 26, 2022. Such products are environmentally friendly and made from natural materials.


Note: Since Songkhla Biopower Co., Ltd. a subsidiary company, generated electricity by using renewable energy fuels. Therefore, in the year 2022, the company had created greenhouse gases from using of biofuels/biomass (Biogenic emissions) equal to 126,563.86 tons of carbon dioxide equivalent (tCO2e), which must be reported separately from scope 1 in accordance with international reporting standards.

## 3.4 Sustainability Management in the Social Dimension

### 3.4.1. Fair Business Practice Policy

The Group has the intention of operating business in accordance with the corporate governance policy and is determined to promote the Group to be an effective organization by adhering to the operations with transparency, morality, responsibility to shareholders and other related stakeholders as follows.

1) The Group establishes a Code of Business Conduct and encourages its employees to fully comply with it.
2) The Group promotes fair trade competition as follows:
   - Promote activities in accordance with the trade competition law and the Group's business ethics.
   - Encourage employees to realize the importance of complying with the guidelines of fair competition.
   - Support the anti-monopoly and dumping, as well as other public policies supporting fair competition.

**Respect for Human Rights and Fair Treatment of Labors**

1) The Group provides fair employment practices without discrimination.
2) The Group does not use and opposes the use of forced labors and child labors.
3) The Group has established channels to listen to problems and complaints of employees.
4) The Group places emphasis on lifelong learning, training, and promoting the creative learning of its employees.
5) The Group supports, promotes and manages the safety and occupational health of employees. For employees to have good health and safe to work as follows:
   - The Group supports, promotes, and manages the safety and occupational health of its employees in order to ensure the health and safety of its employees in the following ways: The Group limits and controls the risks of unsafe operations.
   - The Group has implemented appropriate protective measures and equipment to prevent for dangers during the operations
   - The Group encourages training to prevent and solve accidents, emergencies, and hazards for employees regularly.
   - The Group has set up the Safety, Occupational Health and Environment Committee and formulated an appropriate action plan and follow-up evaluation.

**Customer Responsibility**

1) The Group conducts its business ethically, disseminates news and information necessary to make informed decisions to customers, and listens to complaints and suggestions in an ethical manner.
2) The Group manages the relationship with customers both before and after the sale as well and keeps the customer's information safe.
3) Focusing on developing quality products and complete services, delivering products and services with fast and high quality to meet the needs of customers and consumers with reasonable prices.

**Corporate Social Responsibility**

1) The Group places great importance on social responsibility. The Group will contribute to the development of community and society in order to develop and promote economic strength as well as social and cultural rehabilitation.
2) The Group encourages its employees to participate in various activities to develop community and society, as well as to create community participation in various activities.
3) Cultivate awareness of social and environmental responsibility as well as local traditions that the organization is located to occur among employees at all levels seriously and continuously.
4) The Group prioritizes participation and builds good relationships between the communities, in which the organization is located, both in the operation itself and in cooperation with the government and the community on a regular basis.

### 3.4.2 Social Performance

The Group has continued its social activities and hopes for sustainable community and society growth along with the Company’s growth. The Group participated in activities to help and develop the society as follows:

**(1) Community and Social Development**

- “Precise Sarnsaiyai Su Chumchon” Project provided drinking water the staff and service users of the government agencies, such as hospitals, field hospitals, police stations and municipal offices. It also provided encouragement to agencies in performing their duties of public service during the COVID-19 pandemic.

February 18, 2022: Thum Dee Foundation, Bangkhen District, Bangkok

February 18, 2022: Bhumibol Adulyadej Hospital, Directorate of Air Medical Services, Saimai District, Bangkok

- “Precise Bang Pung” Project donated drinking water to support Pathumthani University in visiting and studying mangrove planting at Phetchaburi Province on April 26, 2022.

- Banmai Municipal Office, Mueang District, Pathumthani Province cooperated with Siriraj Hospital to organize the blood donation activity to pay tribute to His Majesty the King Rama 10. The Power Distribution and Energy Management (PDEM) Business Line employees participated in this activity on an ongoing basis.

May 25, 2022: Blood donation at Thian Tawai Temple, Banmai Subdistrict, Mueang District, Pathumthani Province

August 26, 2022: Blood donation at Banmai Municipal Office, Banmai Sub-District, Mueang District, Pathumthani Province

- Power Distribution and Energy Management (PDEM) Business participated in offering of candles to Thian Tawai Temple, Banmai Subdistrict, Mueang District, Pathumthani Province to continue the tradition and preserve Buddhism for year 2022.

- Power Distribution and Energy Management (PDEM) Business assisted communities in flood prevention by sending volunteer employees to join government agencies and villagers in Banmai Community, Banmai Subdistrict, Mueang District, Pathumthani Province to fill sandbags to form a barrier on the banks of the Chao Phraya River to sprevent flood.

October 5, 2022: The first sandbag filling

October 7, 2022: The second sandbag filling

- "Precise Sarnsaiyai Su Chumchon Project" donated money to the Construction and Management Project of the Provincial Electricity Authority, Region 1 (Northeastern Region), Udon Thani Province at the Kathin Robe Ceremony at Phrathat Bangphuan Temple, Nongkhai Province. Donated money to the Pathum Thani Provincial Industrial Office at the Kathin Robe Ceremony at Chin Wararam Temple, Mueang District, Pathum Thani Province, donated money to the Office of Labor Protection and Welfare, Pathum Thani Province at the Kathin Robe Ceremony at Khok Saman Khun Temple , Phra Aram Luang, Hat Yai Sub-District, Hat Yai District, Songkhla Province to continue the good traditions of Buddhism in 2022.

- The Group supported the budget to implement the waste exchange project for the fiscal year 2022 to the Khun Tat Wai Subdistrict Administrative Organization on March 15, 2022.

- The Group places importance on religious activities of all religions in order to continue the tradition and culture in the community in Khun Tat Wai Sub-District and Tha Mo Sai Sub-District by continuing to support religious activities up till the present, such as giving rice and funeral financial assistance to local villagers, and supporting funds to temples in the area for Tod Pha Pa Samakkee and Kathin Ceremony.

Providing rice and funeral financial assistance to villagers in the area on an ongoing basis

May 24, 2022: Supporting money for organizing the activity “Turning Waste into Merit Piles” by giving the recycled garbage in the Khun Tat Wai Power Plant to Ban Phrong Jorakhe Mosque.

June 2, 2022: Supporting the budget for Tod Pha Pa Samakkee ceremony and 50 dozens of drinking water at Khun Tat Wai Temple.

October 5-6, 2022: Giving drinking water to 6 mosques for Maulid Ceremony

- The Group joined the activity of planting the tongurai flowers under the “Tanon Sua Prajam Thongthin Project”, which was organized by the Khun Tat Wai Subdistrict Administrative Organization, which was cooperated by several sectors on August 9, 2022 and financed the purchase of the tongurai flowers.

- The Group provided financial support for organizing the activity “ Khon Dee of Mueang Chana” for the year 2022 at  Khun Tat Wai Subdistrict Administrative Organization and Tha Mor Sai Subdistrict Administrative Organization and participated in the parade.


- The Group organized a project to promote the health of communities around the power plant to be far away from drugs by organizing a special football match between employees of Songkhla Biopower Co., Ltd. (SBP) and villager of Moo 7, Khun Tat Wai Subdistrict on August 19, 2022.

- The Group organized the PRECISE DAY 2022 activity to paint and clean the mosque in Moo 7, of Tha Mor Sai Subdistrict on September 30, 2022.

**(2) Development in Quality of Life**

The Group provided scholarships to children and young people, including educational equipment for education under the project "Precise Sarnsaiyai Su Chumchon" as under:

- The Group established a project to give scholarships in the area of Khun Tat Wai Subdistrict, Chana District, Songkhla Province, which is in the area where the Group has invested in two biomass power plants. This project will create opportunities and support education for youth people, so that they can bring their knowledge gained from this scholarship program to develop their hometown community for sustainable prosperity. From 2015 to the present, the Group has provided seventeen scholarships to students to study at Chana Technical College in various fields. The details are as follows:.
  - 66,000 baht per person per year covering tuition fee and allowances for two years.
  - Once the scholarship recipient has graduated from the College, the recipient must work with the Group for at least two years. If not, it shall be deemed to be a breach of contract and the recipient must pay back the scholarships to the Company in the full amount.

- For the "Precise Bang Pung" Project, the Group delivered pharmaceuticals to the Chiang Mai Forest Fire Volunteer Group – the people's sector, with a concern for the safety and health of the volunteers, staff, and people in the area. This project also supported and paid attention to the pollution problems and encouraged the volunteers for their sacrifice in extinguishing forest fires at dangerous operational points and affecting the surrounding climate to be taken care of and able to help people who may be affected in the future.


- The Group, as a member of the Thai Electrical Electronics and Telecommunication Industries Association, has prepared the project "Coming Together To Do Good Deeds for the Father to Fight Against COVID-19" to dedicate merit to His Majesty the King Rama 9 and Rama 10 by donating money to help COVID-19 patients who need to be quarantined in quarantine to the Thai Red Cross Society, which is accepting donation of money, useful things, and medical equipment, under the "99-Baht Moral Support to Get Through COVID-19 Pandemic" Project to provide survival kits for quarantined people and the helpless elderly to reduce the risks, prevent, and heal in the situation of the COVID-19 pandemic though the operation of the Relief and Public Health Bureau, Thai Red Cross Chapters Administration, Red Cross District Branch and Country Branch.

- The Group donated 62 PPE suits for the Khun Tat Wai Subdistrict Administrative Organization for supporting the COVID-19 patients on January 1, 2022.

- The Group donated survival bags and drinking water, under the Power Plant Care for COVID-19 Patients (Home Isolation) Project, to 144 households of COVID-19 patients in Khun Tat Wai Subdistrict.

- The Group sponsored sportswear and drinking water for schools in Khun Tat Wai Subdistrict and Tha Mor Sai Subdistrict to hold the 2022 internal sports competition.

- For the "Precise Sarnsaiyai Su Chumchon" Project, the Group donated equipment for electrical education to the Department of Electric Power, Phra Nakhon Si Ayutthaya Technical College, on May 27, 2022.


- The Group gave financial support for the concrete road pouring project to Wat Khun Tat Wai School on August 29, 2022.


- The Group gave scholarships to be the rewards for students who participated in the design competition for chemical-free food contact packaging made from bamboo pulp as a "single package" or "set package" under the PRE-cycle 2022 Project by the Faculty of Architecture, Kasetsart University.



- The Group provided academic financial support for creating media presentation of the intelligent energy management system through 3D virtual innovation (PRECISE 3D VIRTUAL ENERGY MANAGEMENT SHOWROOM) to the Faculty of Engineering, Bangkok University, on November 18, 2022.

# 4. Analysis and Explanation of the Management

The following was an explanation from the management of the Company regarding financial status, operational results, and cash flow based on the Standard of Financial Statements and Accounting Practice announced by the Federation of Accounting Professions for the year ending December 31, 2020, 2021, and 2022

Investors should acknowledge that the contents were forward-looking information of risks and uncertainties. The real operational results might be significantly different from what expected due to several factors, including those in "2.2 Risk Factors for the Company's Business Operations".

## 4.1 Operations and Financial Status

### 4.1.1 Overview of Operations

For the overview of operational results in 2022, the Company had total income of 4,859.99 million baht, which was increased by 33.6% from the previous year, accounting for 3,638.63 million baht. The net profit of shareholders was 283.79 million baht, or an increase of 40.0% from 202.68 million baht in the previous year.

The total income of 2022 was increased by 1,221.36 million baht, or 33.6% from 2021 due to the sales of 1) electric transformers, 2) pressure adjustment products, over-pressure and over-current prevention products, and cut-off switch, and 3) other products and services, such as metal work, services, repair, maintenance, and other equipment for private customers. The income from services and construction projects were increased by 1) controlling system for smart grid, 2) income from production and distribution of equipment, and 3) procurement and installation of high-voltage electric equipment.

In 2023, the Company had an opportunity for growth from the project of Provincial Electricity Authority for changing the mechanical watt-hour meters to smart meters. PEA plans to change 18 million meters within seven years during 2022-2028, which is expected to open for auction in 2023 for two million meters. The Company is ready for the auction to strengthen the growth. Moreover, there is an expansion of the production power for electric transformers and electrical control cabinets in Cambodia, starting on February 26, 2023. It is expected to produce and distribute the products in the first quarter of 2023 to support more income of the Company.

The business plan of the Group for the next three years (2023-2025) can support the works from public sectors for investment promotion in Smart Grid System, leading to more investment from both public and private organizations. The Company also has the plan to increase the production power of electric transformers (PEM) and change the machines for production to highly effective automated ones.

### 4.1.2 Operational Results and Capability to Generate Profits

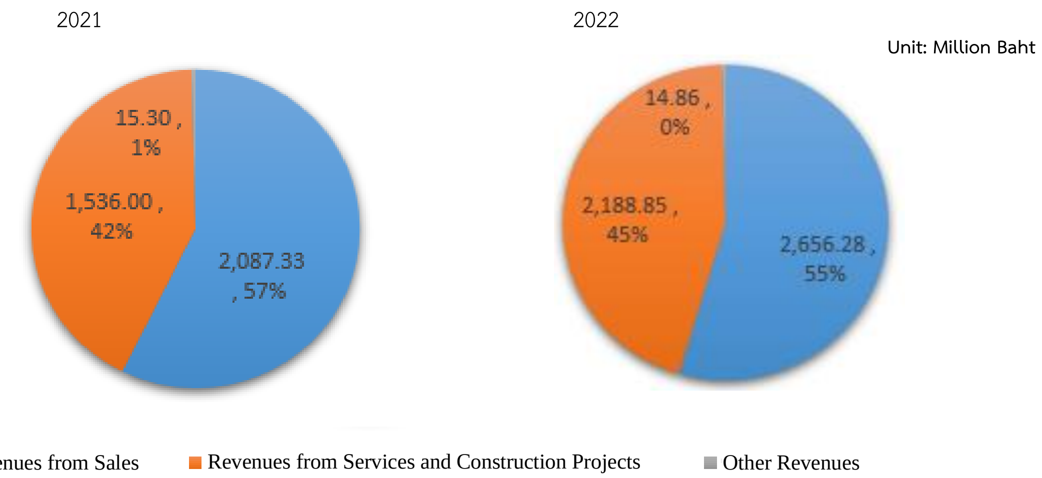
<u>Revenues</u>

For the accounting year ending December 31, 2021 and 2022, the total income of the Group accounted for 3,638.63 million baht and 4,859.99 baht, respectively, as:

| Income Structure | Consolidated Financial Statements | | | |
|---|---|---|---|---|
| | 2021 | | 2022 | |
| | MB | Percentage | MB | Percentage |
| Revenues from Sales | 2,087.33 | 57.4 | 2,656.28 | 54.7 |
| Revenues from Services and Construction Projects | 1,536.00 | 42.2 | 2,188.85 | 45.0 |
| **Revenues from Sales and Services** | **3,623.33** | **99.6** | **4,845.13** | **99.7** |
| Dividend Revenues | 0.13 | 0.0 | 0.13 | 0.0 |
| Other Revenues | 15.30 | 0.4 | 14.86 | 0.3 |
| **Total Revenues** | **3,638.63** | **100.0** | **4,859.99** | **100.0** |

**Revenues Structure Categorized by Types of Revenues**

The revenue proportion of the Company, categorized by types of revenues for 2021 and 2022 was as follows:




The revenue structure of the Company for 2021 and 2022 was from sales of 57.4% and 54.7%, as well as services and construction projects for 42.2% and 45.0% of the total revenues, respectively.

The total revenues of 2022 were increased by 1,221.36 million baht from 2021, resulting from the sales of electric transformers, pressure regulator products, over-pressure and over-current prevention products, cut-off switch, insulating equipment, and LED lamps for public customers, as well as the procurement and installation of hardware and software for the electricity controlling center and the contract for procurement and installation of Feeder Device Interface (FDI) and radio communication.

**The analysis of increasing (decreasing) revenues categorized by types of revenues was as follows:**

(1) Revenue from Sales

The revenues from sales of 2021 and 2022 were 2,087.33 million baht and 2,656.28 million baht, accounting for 57.4% and 54.7% of the total revenue, respectively.

The revenues from the sales of 2021 and 2022 increased by 568.95 million baht, accounting for 27.3%. Main factors for increasing sales revenues were from electric transformers, pressure regulator products, over-pressure and over-current prevention products, cut-off switch, insulating products in the distribution system, and LED lamps, which increased from the distribution to private customers who were main subcontractors of the power stations.

**(2) Revenue from Services and Construction Projects**

The Group acknowledged the revenues from services based on the long-term construction contract from the percentage of completion method by considering the ratio of completed tasks, calculated by comparing the real construction costs until the end of period and expected costs for overall construction, which would be considered together with the evaluation by project engineers.

The Revenues from services and construction projects of 2021 and 2022 were 1,536.00 million baht and 2,188.85 million baht, accounting for 42.2% and 45.0% of the total revenue, respectively, an increase of 652.85 million baht or 42.5%. Main factors for the increase of revenues from construction services included (1) the project of procurement and installation of hardware and software for the electricity controlling center and contract for procurement and installation of feeder device interface and radio communications, (2) the power stations, and (3) the quality improvement of coal grinders in power plants.

<u>Revenue Categorized by Types of Business</u>

| Revenues Categorized by Types of Business (MB) | 2021 | 2022 |
|---|---|---|
| Production and Distribution of electricity distribution system, project management, services, high-voltage and low-voltage electric system maintenance, and power distribution & energy management system | 1,457.35 | 1,906.98 |
| Contracting for construction of high-voltage power stations and high-voltage electric wire, production and installation of a controlling system for smart grid and production of intelligent grid meters | 1,619.56 | 2,206.68 |
| Investment in production and distribution of electricity from renewable energy, production of fuel from energy plants and other businesses relating to renewable energy | 391.00 | 394.14 |
| Other businesses | 155.42 | 337.33 |
| **Total Revenue from Sales and Services** | **3,623.33** | **4,845.13** |

**(1) Production and Distribution of Equipment in Electricity Distribution System, Project Management, Services, High-Voltage and Low-Voltage Electric System Maintenance, and Power Distribution & Energy Management System**

For the accounting year ending December 31, 2021 and 2022, the revenues from sales of PEM were 1,457.35 million baht and 1,906.98 million baht, respectively. PEM's revenues increased from the sales of electric transformers, pressure regulator products, over-pressure and over-current prevention products, cut-off switch, insulating products in the distribution system, and LED lamps sold to private customers who were main subcontractors of the power stations.

**(2) Contracting for Construction of High-Voltage Power Stations and High-Voltage Wire, and Productin and Installation of Smart Grid Controlling System and Intelligent Grid Meter**

The revenues from intelligent grid for the accounting year ending December 31, 2021, and 2022 were 1,619.56 million baht and 2,206.68 million baht respectively. PSP's revenues increased from the increase of the projects installing SCADA / TDMS and FDI, and construction of power stations.

**(3) Investment in Production and Distribution of Electricity from Renewable Energy, Production of Fuel from Energy Plant, and Other Businesses Relating to Renewable Energy**

The revenues from renewable energy for the accounting year ending December 31, 2021 and 2022 were 391.00 million baht and 394.14 million baht, respectively, or an increase of 3.14 million baht due to more electricity sales by SBP from electricity production effectiveness control.

Cost of Sales and Gross Profit

Cost of sales and gross profit could be categorized based on types of revenues from sales and services as follows:

| Cost of Sales and Gross Profit | 2021 | 2022 |
|---|---|---|
| Gross Profit from Sales (Percentage) | 35.35 | 34.17 |
| Gross Profit from Services and Construction Projects (Percentage) | 15.17 | 11.85 |

(1) Cost of Sales

For the accounting year ending December 31, 2021 and 2022, the cost of sales of the Company were 1,349.45 million baht and 1,748.52 million baht, respectively. The gross profit accounted for 35.4% and 34.2% of revenues from sales, respectively. The gross profit from sales of 2022 was slightly decreased as the main revenues from sales came from the electric transformers with less gross profit than pressure regulators and over-pressure and over-current prevention products with higher gross profit during the same period of the previous year.

(2) Cost of Services and Construction Projects

For the accounting year ending December 31, 2021 and 2022, the cost of services and construction projects were 1,302.99 million baht and 1,929.55 million baht, respectively. The gross profit accounted for 15.2% and 11.9% of the revenues from services and construction projects, respectively. The main reason of decreased gross profit was that the new project of 2022 had a lower gross profit, which affected the overview of gross profit to slightly decrease.

Expenses for Sales and Distribution

For the accounting year ending December 31, 2021 and 2022, the expenses for sales and distribution of the Company were 105.22 million baht and 149,73 million baht, accounting for 2.9% and 3.1% of the total revenues, respectively. The main reasons for an increase of expenses for sales and distribution were higher warranty reserves, salary, employees' welfare, and bonuses.

Most expenses included:

| Expenses for Sales and Distribution | 2021 | 2022 |
|---|---|---|
| Expenses for Sales and Services Relating to Employees | 71.98 | 92.95 |
| Shipping Fee | 13.32 | 13.14 |
| Warranty Reserves | (3.00) | 19.14 |
| Banking Fee and Letter of Guarantee | 5.86 | 5.54 |
| Others | 17.06 | 18.96 |
| **Total** | **105.22** | **149.73** |

Expenses for Management

For the accounting year ending December 31, 2021 and 2022, the expenses for management of the Company were 549.66 million baht and 609.62 million baht, accounting for 15.1% and 12.5% of the total revenues, respectively. Main reasons for an increase of expenses in management were employees' expenses including annual salary adjustment and operational results of the Company.

Most expenses include:

| Expenses for Management | 2021 | 2022 |
|---|---|---|
| Salary, Wages, and Other Benefits of Employees | 279.07 | 332.17 |
| Depreciation and Amortization | 72.52 | 76.52 |
| Utility Bills | 14.86 | 16.04 |
| Hiring Fee and Services Fee | 40.18 | 33.88 |
| Professions Fee | 28.88 | 30.74 |
| Others | 114.14 | 120.27 |
| **Total** | **549.66** | **609.62** |

Share of Loss from Investment in Joint Ventures

The Group by PPP holds 39.43% shares in Namsor Hydropower Co., Ltd. (NSPC) in Laos. The share of loss from investment in joint ventures of 2021 and 2022 were 18.26 million baht and 24.11 million baht, respectively. The main reason for loss was on the exchange rate from long-term loans in USD currency.

Share of Profit from Investment in Joint Ventures

The Group by PPP holds 40% shares in Songkhla Biomass Co., Ltd. The share of profit from investment in joint ventures of 2021 and 2022 were 30.0 million baht and 36.8 million baht, respectively. The main reason was on the change of investment type in CI from subsidiaries to joint ventures by having PEM hold 60% shares.

Net Profit of Shareholders

For the accounting year ending December 31, 2021 and 2022, the net profit for shareholders of the Company were 202.68 million baht and 283.79 million baht, respectively. For 2022, main reasons for an increase net profit to shareholders were the higher revenues and gross profits from services and construction projects, while the gross profits from sales were decreased.

### 4.1.3 Financial Status Analysis

Assets

The assets of the Company at the end of 2021 and 2022 were 5,579.93 million baht and 6,839.79 million baht, accounting for 3.4% and 22.6%, respectively for growth rate. The main reasons for changing in assets of 2021 were (1) the increase of unpaid revenues from contracting for construction projects of PSP, (2) the increase of trade receivables and other receivables from project handover, as well as inventories from raw material order to prepare for production in process, and (3) the increase of land, buildings, and equipment.

For the change of 2022, main reasons were (1) the increase of trade receivables and other receivables due to electricity station project handover, (2) the unpaid items of SCADA/TDMS equipment installation project and power station construction, (3) the increase of inventories to prepare for the production and projects, (4) the increase of land, buildings, and equipment.

### Current Assets

The current assets of the Company at the end of 2021 and 2022 were 2,812.63 million baht and 3,903,26 million baht respectively, accounting for 50.4% and 57.1% of the total assets, respectively. The current assets include the following significant assets.

#### (1) Cash and Cash Equivalents

The cash and cash equivalents of the Company at the end of 2021 and 2022 were 245.64 million baht and 888.13 million baht, accounting for 4.4% and 13.0% of total assets, respectively. In 2022, the main reasons for the change of cash and cash equivalents were cash inflow from net cash of financing activities and operating activities.

#### (2) Trade Receivables and Other Receivables

Trade receivables and other receivables of the Company at the end of 2021 and 2022 were 613.20 million baht and 995.85 million baht, respectively, which mostly include (1) Provincial Electricity Authority, (2) Metropolitan Electricity Authority, and (3) Electricity Generating Authority of Thailand, accounting for 11.0% and 14.6% of total assets, respectively. In 2022, the main reason for changing of trade receivables and other receivables was an invoice after handover of power stations and smart meter.

#### (3) Accrued Revenues

Accrued revenues were the revenues from construction in the proportion of finished construction, but not invoicing yet. The accrued revenues at the end of 2021 and 2022 were 632.08 million baht and 927.71 million baht, accounting for 11.3% and 13.6% of total assets, respectively. In 2022, the main reason for an increase of accrued revenues was the equipment handover for power station project, transmission line project, smart grid controlling system project, and the quality improvement project of coal grinder for power plants.

#### (4) Inventories

The inventories at the end of 2021 and 2022 were 717.14 million baht and 802.45 million baht, accounting for 12.9% and 11.7% of total assets, respectively. In 2022, the main reason for an increase of inventories included more raw materials and work in process that the Company produced to prepare for product delivery and projects.

#### (5) Retention Receivables

The total retention receivables at the end of 2021 and 2022 were 444.77 million baht and 163.36 million baht, accounting for 8.0% and 2.4% of total assets, respectively. In 2022, the main reason for a decrease of retention receivables comprised the invoicing of retention of transmission line project and power station project from the maturity of warranty period.

#### (6) Advanced Payment for Products and Construction

Advanced payment for products and construction of the Company at the end of 2021 and 2022 were 104.25 million baht and 47.52 million baht, accounting for 1.9% and 0.7% of total assets, respectively. In 2022, the main reason for a decrease of advanced payment for products and construction was that the Company obtained the products from the manufacturers of PSP.

#### (7) Other Current Assets

Other current assets of the Company at the end of 2021 and 2022 were 52.18 million baht and 74.52 million baht, accounting for 0.9% and 1.1% of total assets, respectively. In 2022, the main reason for an increase of other current assets was higher receivables of the Revenue Department.

**Non-Current Assets**

Non-current assets of the Company at the end of 2021 and 2022 were 2,767.30 million baht and 2,936.53 million baht, accounting for 49.6% and 42.9% of total assets, respectively. The significant non-current assets were in the following details.

**(1) Bank Deposits with Drawdown Restrictions**

The total bank deposits with drawdown restrictions of the Company at the end of 2021 and 2022 were 76.26 million baht and 77.84 million baht, accounting for 1.4% and 1.1% of total assets, respectively. In 2022, the main reason for an increase of bank deposits with drawdown restrictions was higher loan collaterals based on the loan agreement conditions.

**(2) Investments in Associates**

The total investments in associates at the end of 2021 and 2022 were 28.51 million baht and 0.00 million baht, accounting for 0.5% and 0.0% of total assets, respectively. In 2022, the main reason for a decrease of investments in associates was the acknowledgement of loss from hydroelectric power plant.

**(3) Investments in Joint Ventures**

The total investments in joint ventures of the Company at the end of 2021 and 2022 were 179.10 million baht and 222.33 million baht, accounting for 3.2% and 3.3% of total assets, respectively. In 2022, the main reasons for an increase of investments in joint ventures were the acknowledgement of profits from biomass power plant and the change of investment in CI from subsidiary to joint venture with PEM holding of 60% shares.

**(4) Land, Buildings, and Equipment**

As of December 31, 2021 and 2022, the value of land, buildings and equipment of the Company was 2,108.96 million baht and 2,283.61 million baht, accounting for 37.8% and 33.4% of total assets, respectively. In 2022, the main reasons for an increase of land value, buildings, and equipment were (1) building renovation, (2) land purchase, (3) purchase of machines for installation based on the investment promotion plan of BOI and Factory 4.0 for robot system of welding the electric transformers, (4) PEMC factory building in Cambodia.

**(5) Right-of-Use Assets**

The right-of-use assets of the Company at the end of 2021 and 2022 were 173.27 million baht and 141.27 million baht, accounting for 3.1% and 2.1% of total assets, respectively. Main items included (1) land rental contract, (2) car rental contract, (3) machine and office supply rental contract. The right-of-use assets were decreased due to contract payment.

**(6) Intangible Assets**

Intangible assets of the Company at the end of 2021 and 2022 were 88.76 million baht and 98.78 million baht, accounting for 1.6% and 1.4% of total assets, respectively. In 2022, the main reason for an increase of intangible assets was the higher software copyrights.

**(7) Other Non-Current Assets**

Other non-current assets of the Company at the end of 2021 and 2022 were 64.95 million baht and 62.35 million baht, accounting for 1.2% and 0.9% of total assets, respectively. In 2022, the main reason for a decrease of other non-current assets was deposits of asset purchase.

## Analysis of Source of Funds

### Liabilities

The total liabilities of the Company at the end of 2021 and 2022 were 3,390.87 million baht and 3,662.51 million baht, respectively, which increased by 0.7% and 8.0% accordingly.

### Current Liabilities

Current liabilities of the Company at the end of 2021 and 2022 were 2,622.72 million baht and 3,038.36 million baht, accounting for 47.0% and 44.4% of total liabilities and shareholders' equity, respectively. Significant current liabilities were in the following details:

**(1) Bank Overdraft and Short-Term Loans from Financial Institutes**

The band overdraft and short-term loans from financial institutes at the end of 2021 and 2022 were 855.46 million baht and 1,135.19 million baht, accounting for 15.3% and 16.6% of total liabilities and shareholders' equity, respectively. In 2022, the bank overdraft and short-term loans from financial institutes were increased due to trust receipt payables and promissory notes in the business.

**(2) Trade Payables and other Payables**

Trade payables and other payables of the Company have a maturity date of not more than 180 days, depending on the types of trade payable. For government organizations and state enterprise payables, the maturity is 30 days. For private organization payables, the maturity is not more than 180 days. Trade payables and other payables of the Company as of December 31, 2021 and 2022 were 966.38 million baht and 1,146.91 million baht, accounting for 17.3% and 16.8% of total liabilities and shareholders' equity, respectively. In 2022, trade payables and other payables were increased due to the purchase of raw materials and the order of hardware and software equipment for equipment installation project of power distribution center system (SCADA/TDMS) and FDI equipment.

**(3) Deferred Income from Customers**

Deferred income from customers of the Company at the end of 2021 and 2022 were 323.34 million baht and 303.79 million baht, accounting for 5.8% and 4.4% of total liabilities and shareholders' equity, respectively. In 2022, the deferred income from customers was decreased due to the handover of transmission line project, power station project, and equipment installation for power distribution center system project (SCADA/TDMS) and FDI equipment.

**(4) Retention Payables**

Retention payables of the Company at the end of 2021 and 2022 were 143.66 million baht and 174.14 million baht, accounting for 2.6% and 2.6% of total liabilities and shareholders' equity, respectively. In 2022, the retention payables were increased due to the retention for transmission line project and power station project.

**(5) Other Current Payables**

Other current payables of the Company at the end of 2021 and 2022 were 36.27 million baht and 63.31 million baht, accounting for 0.7% and 0.9% of total liabilities and shareholders' equity, respectively. In 2022, the main reason for an increase of other payables was the Revenue Department Payable.

**Non-Current Liabilities**

Non-current liabilities at the end of 2021 and 2022 were 768.15 million baht and 624.15 million baht, accounting for 13.8% and 9.1% of total liabilities and shareholders' equity, respectively. The non-current liabilities included the following details:

**(1) Long-Term Loans from Financial Institutes**

As of December 31, 2021 and 2022, long-term loans from financial institutes of the Company were 742.15 million baht and 565.94 million baht, accounting for 13.3% and 8.3% of total liabilities and shareholders' equity, respectively. In 2022, the main reason for a decrease of long-term loans from financial institutes was the payback of bank loans during the year.

**(2) Lease Liabilities**

Lease liabilities of the Company at the end of 2021 and 2022 were 148.40 million baht and 101.91 million baht, accounting for 2.7% and 1.5% of total liabilities and shareholders' equity, respectively. In 2022, lease liabilities were decreased due to the payback of lease liabilities.

Main items of lease liabilities included (1) land rental contract, (2) car rental contract, (3) machines and office supply rental contract.

**(3) Provision for Long-Term Employee Benefits**

Provision for long-term employee benefits of the Company at the end of 2021 and 2022 were 136.18 million baht and 135.28 million baht, accounting for 2.4% and 2.0% of total liabilities and shareholders' equity, respectively. In 2022, the main reason for a decrease of long-term employee benefits was the payment of benefits for retired employees.

**Shareholders' Equity**

As of December 31, 2021 and 2022, the shareholders' equity of the Company were 2,189.06 and 3,177.28 million baht, accounting for 39.2% and 46.5% of total liabilities and shareholders' equity, respectively. The main reason was the payment of right offerings and a decrease of accumulated profits before dividend payment.

### 4.1.4 Liquidity and Sufficiency of the Company's Capital

The cash flow of the Company was as follows:

| Statement of Cash Flow | Consolidated Financial Statement | |
|---|---|---|
| | For the Accounting Year Ending 31 Dec | |
| | 2021 | 2022 |
| | Value (MB) | Value (MB) |
| Profits from operations before the change of assets and operational liabilities | 506.03 | 638.35 |
| Change of assets and operational liabilities | (636.60) | (424.93) |
| Net cash from (used in) operating activities | (130.57) | 213.42 |
| Net cash from (used in) investing activities | (236.44) | (279.30) |
| Net cash from financing activities | 18.38 | 709.77 |
| **Difference from conversion of financial statements** | 0.59 | (1.40) |
| **Net increased (decreased) cash and cash equivalent** | **(348.04)** | **642.49** |
| Cash and cash equivalent at the beginning of the year | 593.68 | 245.64 |
| **Cash and cash equivalent at the end of the year** | **245.64** | **888.13** |

**(1) Cash Flow from Operating Activities**

For the accounting year ending December 31, 2021 and 2022, the cash flow from (used in) operating activities of the Company were (130.57) million baht and 213.42 million baht, respectively.

For the accounting year ending December 31, 2022, the profit (loss) from the operations before the change of assets and operational liabilities was 638.35 million baht due to (1) the profit before income tax of 365.99 million baht, (2) depreciation and amortization of 178.87 million baht, (3) interest expense of 70.46 million baht. However, the used cash flow from change of assets and operational liabilities for (424.93) million baht because of an increase of trade receivables and other receivables, accrued revenues, trade payables and other payables, which affected the net cash flow from operating activities of 213.42 million baht.

**(2) Cash Flow from Investing Activities**

For the accounting year ending December 31, 2021, and 2022, the net cash flow used in investment activities of the Company accounted for 236.44 million baht and 279.30 million baht, respectively.

For the accounting year ending December 31, 2022, the net cash flow used in investing activities was 279.30 million baht, which derived from cash paid for land, buildings, and equipment of 280.55 million baht, mostly for an increase of the production power for PEM and PMW, as well as the building of factory in Cambodia.

**(3) Cash Flow from Financing Activities**

For the accounting year ending December 31, 2021, and 2022, net cash flow from financing activities of the Company were 18.38 million baht and 709.77 million baht respectively.

For the accounting year ending December 31, 2022, the net cash flow from financing activities was 709.77 million baht, which derived from cash inflow from issuing the right offering and decreasing dividend payment.

### 4.1.5 Analysis of Significant Financial Ratio

For calculating the significant financial ratio, if it is not stated any other ways, the Company shall use the formula of financial ratio for industrial and servicing companies, following the one report 56-1 and 69-1 prepared by the Securities and Exchange Commission and the Stock Exchange of Thailand.

**(1) Liquidity Ratios**

| | Consolidated Financial Statements | |
|---|---|---|
| | For the accounting year ending 31 Dec | |
| | 2021 | 2022 |
| Liquidity Ratio (time) | 1.07 | 1.28 |
| Average Collection Period[1] (Day) | 50 | 52 |
| Payback Period[2] (Day) | 112 | 82 |

Note: [1] Calculated by the formula: 360 / (net sales / average trade receivables), [2] Calculated by the formula: 360 / (cost of sales / average trade receivables)

For the accounting year ending December 31, 2021, and 2022, the liquidity ratio of the Company was 1.07 times and 1.28 times, respectively. In 2022, the liquidity ratio was better due to an increase of cash and cash equivalents, trade receivables, and other receivables.

For the accounting year ending December 31, 2021, and 2022, the average collection period were 50 days and 52 days respectively. The collection period was a little slower.

For the accounting year ending December 31, 2021, and 2022, the average payback period was 112 days and 82 days, respectively. In 2022, the payback period was faster due to most trade payables of the year which included foreign trade with shorter credit terms than domestic trade payables.

(2) Profitability Ratios

| | Consolidated Financial Statements | |
|---|---|---|
| | For the year ending 31 Dec | |
| | 2021 | 2022 |
| Gross Profit Margin (Percentage) | 26.80 | 24.09 |
| Net Profit Margin (Percentage) | 6.28 | 6.37 |
| Return on Equity (Percentage) | 10.15 | 11.03 |

For the accounting year ending December 31, 2021, and 2022, the gross profit margins of the Company were 26.80% and 24.09%, respectively. In 2022, the gross profit margin was decreased due to (1) lower gross profit margin from the sales of distribution electric transformers with less gross profit margin than the products of pressure adjustment and over-pressure and over-current prevention group with higher profit margin during the same period of last year, (2) lower gross profit margin of services and construction project from 15.2% to 11.9% because of the income acknowledgment of new projects in 2022 had a lower gross profit margin, causing the overview of gross profit margin to be slightly lower.

For the accounting year ending December 31, 2021, and 2022, the net profit margin was 6.28% and 6.37%, respectively. In 2022, the net profit margin of the Company increased from the previous year as the overall revenues increased and sales and administrative expenses decreased, compared with the total revenue.

For the accounting year ending December 31, 2021, and 2022, ROE of the Company was 10.15% and 11.03% respectively. In 2022, the ROE was increased due to higher net profit.

(3) Efficiency Ratios

| | Consolidated Financial Statement | |
|---|---|---|
| | For the year ending 31 Dec | |
| | 2021 | 2022 |
| Return on Assets (Percentage) | 6.08 | 7.02 |
| Return on Fixed Assets (Percentage) | 17.25 | 19.51 |

For the accounting year ending December 31, 2021, and 2022, the return on assets of the Company was 6.08% and 7.02%, while the return on fixed asset was 17.25% and 19.51%, respectively. In 2022, the efficiency ratios were increased due to higher profits from better operational results.

(4) Monetary Policy Ratio

| | Consolidated Financial Statements | |
|---|---|---|
| | For the year ending 31 Dec | |
| | 2021 | 2022 |
| Debt to Equity Ratio (time) | 1.56 | 1.15 |
| Interest Coverage Ratio (time) | 8.16 | 8.64 |
| Dividend Payout (Percentage) | 27.22 | 168.28 |

For the accounting year ending December 31, 2021 and 2022, the debt to equity ratio was 1.56 times and 1.15 times, respectively. In 2022, the debt to equity ratio of the Company was decreased due to an increase of the shareholders' equity from issuing the right offerings.

For the accounting year ending December 31, 2021, and 2022, the interest coverage ratio was 8.16 times and 8.64 times, respectively. In 2022, the interest coverage ratio of the Company was increased due to better operational results and no significant change of financial costs.

For the accounting year ending December 31, 2021, and 2022, the dividend payout of the Company was 55.18 million baht and 477.56 million baht, accounting for 27.22% and 168.28% of the net profit in the part of shareholders' equity, respectively.

## 4.2 Potential Factors Affecting Future Financial Status or Operations

The Company focused on long-term business growth to maintain competitiveness. Moreover, the Company focused on the risk management from both internal and external situations, which might affect financial status and future operations, under the good business governance, together with the operations with social responsibilities, so that the Company can move forward to a sustainable growth even in the crisis.

## 4.3 Significant Financial Information

### 4.3.1 Summary of Financial Audit

| Year | Auditor | Auditor's Comments |
|---|---|---|
| 2020 | Miss Summana Phanphongsanon<br>Certified Public Accountant<br>Registration No. 5872<br>EY Company Limited. | The financial statements were correct and complete, in accordance with Thai Financial Reporting Standards. |
| 2021 | Miss Summana Phanphongsanon<br>Certified Public Accountant<br>Registration No. 5872<br>EY Company Limited. | The financial statements were correct and complete, in accordance with Thai Financial Reporting Standards. |
| 2022 | Miss Summana Phanphongsanon<br>Certified Public Accountant<br>Registration No. 5872<br>EY Company Limited. | The financial statements were correct and complete, in accordance with Thai Financial Reporting Standards. |

### 4.3.2 Summary of Financial Statements

Statement of Financial Position

| Statement of Financial Position | For the year ending 31 Dec | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | |
| | MB | % | MB | % | MB | % |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 593.68 | 11.00 | 245.64 | 4.40 | 888.13 | 12.98 |
| Trade receivables and other receivables | 527.52 | 9.78 | 613.20 | 10.99 | 995.85 | 14.56 |
| Accrued revenues | 440.98 | 8.17 | 632.08 | 11.33 | 927.71 | 13.56 |
| Inventories | 568.76 | 10.54 | 717.14 | 12.85 | 802.45 | 11.73 |
| Retention receivables | 472.78 | 8.76 | 444.77 | 7.97 | 163.36 | 2.39 |
| Prepaid for products and construction | 120.30 | 2.23 | 104.25 | 1.87 | 47.52 | 0.69 |
| Other financial current assets | 2.91 | 0.05 | 3.37 | 0.06 | 3.72 | 0.05 |
| Other current assets | 42.81 | 0.79 | 52.18 | 0.94 | 74.52 | 1.11 |
| **Total current assets** | **2,769.74** | **51.32** | **2,812.63** | **50.41** | **3,903.26** | **57.07** |
| Non-current assets | | | | | | |
| Bank deposits with drawdown restrictions | 84.43 | 1.57 | 76.26 | 1.37 | 77.84 | 1.14 |
| Other financial non-current assets | 2.65 | 0.05 | 2.65 | 0.05 | 2.65 | 0.04 |
| Investments in associates | 36.82 | 0.68 | 28.52 | 0.51 | - | - |
| Investments in joint ventures | 173.05 | 3.21 | 179.10 | 3.21 | 222.33 | 3.25 |
| Real estate for investment | 15.33 | 0.28 | 7.54 | 0.14 | 8.11 | 0.12 |
| Land, building, and equipment | 1,965.92 | 36.44 | 2,108.96 | 37.80 | 2,283.61 | 33.39 |
| Right-of-use assets | 178.73 | 3.31 | 173.27 | 3.11 | 141.27 | 2.07 |
| Intangible assets | 74.58 | 1.38 | 88.76 | 1.59 | 98.78 | 1.44 |
| Deferred tax assets | 43.38 | 0.80 | 37.29 | 0.67 | 39.59 | 0.58 |
| Other non-current assets | 50.25 | 0.93 | 64.95 | 1.16 | 62.35 | 0.90 |
| **Total non-current assets** | **2,625.14** | **48.65** | **2,767.30** | **49.61** | **2,936.53** | **42.93** |
| **Total assets** | **5,394.88** | **100.00** | **5,579.93** | **100.00** | **6,839.79** | **100.00** |

| Statement of Financial Position | For the year ending 31 Dec | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | |
| | MC | % | MB | % | MB | % |
| Liabilities and Shareholders' Equity | | | | | | |
| Current Liabilities | | | | | | |
| Bank overdrafts and short-term loans from financial institutes | 662.65 | 12.28 | 855.46 | 15.33 | 1,135.19 | 16.60 |
| Trade payables and other payables | 1,049.27 | 19.45 | 966.38 | 17.32 | 1,146.91 | 16.77 |
| Deferred income | 334.91 | 6.21 | 323.34 | 5.79 | 303.79 | 4.44 |
| Long-term loans with maturity within one year | | | | | | |
| - Long-term loans from financial institutes | 192.57 | 3.57 | 237.94 | 4.26 | 164.87 | 2.41 |
| - Lease liabilities | 48.69 | 0.90 | 50.74 | 0.91 | 44.18 | 0.65 |
| Income tax payables | 14.72 | 0.27 | 8.93 | 0.16 | 5.97 | 0.09 |
| Retention payables | 197.50 | 3.66 | 143.66 | 2.57 | 174.14 | 2.55 |
| Other current liabilities | 34.97 | 0.65 | 36.27 | 0.65 | 63.31 | 0.91 |
| **Total current liabilities** | **2,535.28** | **46.99** | **2,622.72** | **46.99** | **3,038.36** | **44.42** |
| Non-Current Liabilities | | | | | | |
| Long-term liabilities – net from maturity within one year | | | | | | |
| - Long-term loans from financial institutes | 544.72 | 10.10 | 504.21 | 9.04 | 401.07 | 5.86 |
| - Lease liabilities | 109.09 | 2.02 | 97.66 | 1.75 | 57.73 | 0.84 |
| Provision for long-term employee benefits | 137.65 | 2.55 | 136.18 | 2.44 | 135.28 | 1.98 |
| Estimation of long-term liabilities | 40.90 | 0.76 | 30.10 | 0.54 | 30.07 | 0.45 |
| **Total non-current liabilities** | **832.36** | **15.43** | **768.15** | **13.77** | **624.15** | **9.13** |
| **Total liabilities** | **3,367.64** | **62.42** | **3,390.87** | **60.77** | **3,662.51** | **53.55** |

| Statement of Financial Position | For the year ending 31 Dec | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | |
| | MB | % | MB | % | MB | % |
| <u>Share Capital of Shareholders' Equity</u> | | | | | | |
| Authorized capital<br>1,226,619,100 common stocks, with par value of 1 baht per share | 1,226.62 | 22.74 | 1,226.62 | 21.98 | 1,226.62 | 17.93 |
| Issued and paid-up capital<br>1,226,619,100 common stocks, with par value of 1 baht per share<br>(2021: 919,619,100 common stocks, with par value of 1 baht per share) | 919.62 | 17.05 | 919.62 | 16.48 | 1,226.62 | 17.93 |
| Share premium account – Ordinary shares | 123.09 | 2.28 | 123.09 | 2.21 | 1,016.64 | 14.86 |
| Cost discount from acquisition within the same business | (25.36) | (0.47) | (25.36) | (0.45) | (25.36) | (0.37) |
| Cost premium from changing the investment proportion | 19.69 | 0.36 | 19.69 | 0.35 | 19.69 | 0.29 |
| Costs paid by using the stocks as criteria | 3.00 | 0.06 | 3.00 | 0.05 | 3.00 | 0.04 |
| Accumulated profits | | | | | | |
| Allocated – Legal reserves | 41.57 | 0.77 | 45.89 | 0.82 | 55.21 | 0.81 |
| Unallocated | 850.23 | 15.76 | 993.42 | 17.80 | 790.33 | 11.55 |
| Other elements of shareholders' equity | (7.88) | (0.15) | (8.01) | (0.14) | (10.73) | (0.16) |
| Shareholders' equity of the Company | 1,923.96 | 35.66 | 2,071.34 | 37.12 | 3,075.40 | 44.95 |
| Shareholders' equity who has no control of the subsidiaries | 103.28 | 1.91 | 117.72 | 2.11 | 101.88 | 1.48 |
| **Total shareholders' equity** | **2,027.24** | **37.57** | **2,189.06** | **39.23** | **3,177.28** | **46.45** |
| **Total liabilities and shareholders' equity** | **5,394.88** | **100.00** | **5,579.93** | **100.00** | **6,839.79** | **100.00** |

Profit and Loss Statement

| Profit and Loss Statement | Consolidated Financial Statements | | | | | |
|---|---|---|---|---|---|---|
| | For the year ending 31 Dec | | | | | |
| | 2020 | | 2021 | | 2022 | |
| | MB | % | MB | % | MB | % |
| Revenues | | | | | | |
| Revenues from sales | 2,553.75 | 62.98 | 2,087.33 | 57.37 | 2,656.28 | 54.66 |
| Revenues from services and construction projects | 1,493.19 | 36.82 | 1,536.00 | 42.21 | 2,188.85 | 45.04 |
| Revenues from dividends | 0.02 | - | 0.13 | - | 0.13 | 0.00 |
| Other revenues | 7.93 | 0.20 | 15.17 | 0.42 | 14.73 | 0.30 |
| **Total revenues** | **4,054.89** | **100.00** | **3,638.63** | **100.00** | **4,859.99** | **100.00** |
| Costs | | | | | | |
| Costs of sales | (1,626.22) | (40.11) | (1,349.45) | (37.09) | (1,748.52) | (35.98) |
| Costs of services and construction projects | (1,228.84) | (30.31) | (1,302.99) | (35.81) | (1,929.55) | (39.70) |
| **Total costs** | **(2,855.06)** | **(70.42)** | **(2,652.44)** | **(72.90)** | **(3,678.07)** | **(75.68)** |
| **Gross profit** | **1,191.88** | **29.39** | **970.89** | **26.68** | **1,167.06** | **24.01** |
| Expenses for sales and distribution | (134.20) | (3.31) | (105.22) | (2.89) | (149.73) | (3.08) |
| Expenses for administration | (665.76) | (16.42) | (549.66) | (15.11) | (609.62) | (12.54) |
| Other expenses | (16.26) | (0.40) | (9.57) | (0.26) | 0.00 | 0.00 |
| Loss from investment in associates | (13.25) | (0.33) | (18.26) | (0.50) | (24.11) | (0.50) |
| Profit from investment in joint ventures | 40.56 | 1.00 | 30.04 | 0.83 | 36.78 | 0.76 |
| Financial revenues | 0.62 | 0.02 | 0.30 | 0.01 | 0.90 | 0.02 |
| **Profit before financial costs and income tax** | **411.54** | **10.15** | **333.82** | **9.18** | **436.14** | **8.97** |
| Financial costs | (75.06) | (1.85) | (61.72) | (1.70) | (70.14) | (1.44) |
| **Profit before incomes tax** | **336.48** | **8.30** | **272.10** | **7.47** | **366.00** | **7.53** |
| Income tax | (56.52) | (1.39) | (43.78) | (1.20) | (56.54) | (1.16) |
| **Profit of the year** | **279.96** | **6.91** | **228.32** | **6.28** | **309.46** | **6.37** |
| **Other profit and loss** | | | | | | |
| **Items that will be recorded in profit and loss afterwards** | | | | | | |
| Other profit and loss in associates | (2.09) | (0.05) | (0.82) | (0.02) | (4.41) | (0.09) |
| Difference of exchange rate for conversion into foreign currency | (0.82) | (0.02) | 0.70 | 0.02 | 1.69 | 0.03 |
| Profit (loss) from the valuation of investment in assets held as available for sales. | - | - | - | - | - | - |
| Deduct: Effects from income tax | - | - | - | - | - | - |
| Items to be recorded in profit or loss afterwards – net from income tax | (2.91) | (0.07) | (0.12) | (0.00) | (2.72) | (0.06) |
| **Items not to be recorded in profit or loss afterwards** | | | | | | |
| Loss from estimation based on the principles of actuarial science | (25.66) | (0.63) | - | - | - | - |
| Deduct: Effects from income tax | 3.72 | 0.09 | - | - | - | - |
| Items not to be recorded in profit or loss afterwards - Net from income tax | (21.94) | (0.54) | - | - | - | - |

| Profit and Loss Statement | Consolidated Financial Statements | | | | | |
|---|---|---|---|---|---|---|
| | For the year ending 31 Dec | | | | | |
| | 2020 | | 2021 | | 2022 | |
| | MB | % | MB | % | MB | % |
| Other profit and loss for the year | (24.85) | (0.61) | (0.12) | (0.00) | (2.72) | (0.06) |
| **Total profit and loss for the year** | **255.11** | **6.29** | **228.20** | **6.27** | **306.74** | **6.31** |
| Profit Allocation | | | | | | |
| Shareholders' equity | 253.82 | 6.26 | 202.68 | 5.57 | 283.79 | 5.84 |
| Equity of stakeholders who have no controlling power of subsidiaries | 26.14 | 0.64 | 25.64 | 0.70 | 25.67 | 0.53 |
| _ | **279.96** | **6.90** | **228.32** | **6.27** | **309.46** | **6.37** |
| Total profit and loss allocation | | | | | | |
| Shareholders' equity | 229.53 | 5.66 | 202.56 | 5.57 | 281.07 | 5.78 |
| Equity of stakeholders who have no controlling power of subsidiaries | 25.58 | 0.63 | 25.64 | 0.70 | 25.67 | 0.53 |
| | **255.11** | **6.29** | **228.20** | **6.27** | **306.74** | **6.31** |
| Profit per share (baht) | | | | | | |
| Profits of shareholders of the Company | | 0.276 | | 0.220 | | 0.289 |

Statement of Cash Flow

| Items | Consolidated Financial Statement | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| | MB | MB | MB |
| Cash flow from operating activities | | | |
| Profit before tax | 336.48 | 272.11 | 365.99 |
| **Profit reconciliation before tax as cash inflow (outflow) from operating activities** | | | |
| Credit loss expected to happen (transfer back) | (1.43) | 1.85 | 7.01 |
| Credit loss expected to happen as loans to related businesses | - | - | 2.29 |
| Depreciation and amortization | 168.02 | 169.55 | 178.87 |
| Inventories adjustment to the net value to obtain (transfer back) | 5.50 | (2.05) | (6.17) |
| Impairment loss of real estates for investment (transfer back) | (0.57) | (1.09) | - |
| Impairment loss of intangible assets | 4.45 | - | - |
| Profit from the sales of buildings, building renovation, machines, and equipment | (1.43) | (0.76) | (1.16) |
| Profit from the sales of intangible assets | (0.09) | - | - |
| Loss from the amortization of buildings, machines, and equipment | 0.42 | 3.16 | 1.06 |
| Loss from the amortization of intangible assets | - | 0.16 | 0.06 |
| Loss from the amortization of withholding tax | 19.09 | 0.91 | 4.24 |
| Loss from the amortization of VAT refundable | 0.69 | - | - |
| Profit (loss) from value adjustment of other current financial assets | 0.16 | (0.45) | 0.03 |
| Profit from the sales of other current financial assets | (0.01) | - | (0.17) |
| Profit (loss) from the adjustment of loan agreement conditions | (0.05) | 0.37 | (0.32) |
| Profit from the adjustment of lease contract | (0.02) | (0.19) | (0.09) |
| Loss from investment in associates | 13.25 | 18.26 | 24.11 |
| Profit from investment in joint ventures | (40.56) | (30.04) | (36.78) |
| Product warranty expenses (transfer back) | 10.62 | (1.14) | 19.71 |
| Long-term employee benefits | 10.10 | 13.77 | 13.05 |
| Loss (profit) from valuation of fair value of sales contract liabilities Advanced foreign cash | 0.48 | (0.74) | 4.61 |
| Loss (profit) from exchange rate, which is not happened yet | 2.30 | 1.43 | (7.22) |
| Profit from conversion of real financial statements from closing the foreign subsidiaries | - | - | (0.20) |
| Dividend revenue | (0.02) | (0.12) | (0.13) |
| Financial revenue | (0.60) | (0.31) | (0.90) |
| Financial cost | 75.11 | 61.35 | 70.46 |
| **Profit (loss) from operations before the change of assets and operational liabilities** | **601.89** | **506.03** | **638.35** |
| **Increased (decreased) operational liabilities** | | | |
| Trade receivables and other receivables | 52.76 | (87.20) | (442.71) |
| Accrued revenue | (186.91) | (191.10) | (295.63) |
| Inventories | 109.96 | (146.33) | (133.85) |
| Retention receivables | 207.01 | 28.01 | 280.05 |
| Prepaid for products and construction | (80.02) | 16.05 | 56.74 |
| Other current assets | 32.59 | (9.59) | (25.57) |
| Other non-current assets | (20.07) | (14.96) | 0.25 |
| **Increased (decreased) operational liabilities** | | | |
| Trade payables and other payables | 147.81 | (98.75) | 192.69 |
| Deferred income | 3.48 | (11.56) | (17.46) |
| Retention payables | 1.60 | (54.38) | 30.59 |

| Items | Consolidated Financial Statement | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| | MB | MB | MB |
| Other current liabilities | (2.21) | 1.59 | 21.87 |
| Cash for long-term employee benefits | (6.36) | (15.25) | (11.84) |
| Cash for estimation of long-term liabilities | (9.03) | (9.65) | (19.30) |
| Cash from (used in) operating activities | 852.50 | (87.09) | 274.18 |
| Cash inflow from guarantee fee | - | - | 0.10 |
| Income tax | (74.95) | (43.48) | (60.86) |
| **Net cash from (used in) investing activities** | **777.55** | **(130.57)** | **213.42** |
| Cash flow from investing activities | | | |
| Decreased (increased) bank deposits with drawdown restrictions | (1.47) | 8.17 | (1.57) |
| Cash outflow from loans to related businesses | - | - | (2.29) |
| Other decreased (increased) financial current assets | (0.13) | (0.01) | 0.01 |
| Cash paid for right offerings in subsidiaries | - | (10.78) | - |
| Cash paid for real estates for investment | (22.76) | - | - |
| Cash paid for land, buildings, and equipment | (79.48) | (234.05) | (280.55) |
| Cash paid for right-of-use assets | - | (0.14) | - |
| Cash paid for intangible assets | (21.54) | (24.86) | (24.80) |
| Cash inflow from the sales of real estates for investment | - | - | - |
| Cash inflow from the sales of land, buildings, and equipment | 1.77 | 0.77 | 1.98 |
| Cash inflow from the sales of intangible assets | 0.65 | - | - |
| Cash inflow from dividends | 28.02 | 24.12 | 27.13 |
| Cash inflow from interests | 0.61 | 0.34 | 0.79 |
| **Net cash from (used in) investing activities** | **(94.33)** | **(236.44)** | **(279.30)** |
| Cash flow from financing activities | | | |
| Increased (decreased) bank overdraft and short-term loans from financial institutes | (140.53) | 193.25 | 304.38 |
| Cash inflow from long-term loans from financial institutes | 73.07 | 191.75 | 145.07 |
| Cash paid for short-term loans from related businesses | (60.00) | - | - |
| Cash paid for long-term loans from financial institutes | (180.50) | (189.32) | (318.53) |
| Cash paid for lease liabilities | (50.24) | (50.30) | (52.03) |
| Cash paid for financial fee | (1.68) | (2.77) | (2.44) |
| Cash inflow from issuing the right offerings | - | - | 1,200.55 |
| Subsidiaries paid the dividends for stakeholders who have no controlling power. | (9.60) | (11.20) | (19.20) |
| Dividend payment | (55.18) | (55.18) | (477.56) |
| Interest payment | (71.31) | (57.86) | (70.47) |
| **Net cash from (used in) financing activities** | **(495.97)** | **18.37** | **709.77** |
| Increased (decreased) difference of conversion of financial statements | (0.82) | 0.59 | (1.40) |
| **Net increased (decreased) cash and cash equivalents** | **186.43** | **(348.04)** | **642.49** |
| Cash and cash equivalents at the beginning of the year | 407.25 | 593.68 | 245.64 |
| **Cash and cash equivalents at the end of the year** | **593.68** | **245.64** | **888.13** |

Significant Financial Ratios

| Financial Ratio | For the year ending 31 Dec | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| <u>Liquidity Ratios</u> | | | |
| Liquidity Ratio (time) | 1.09 | 1.07 | 1.28 |
| Quick Ratio (time) | 0.41 | 0.30 | 0.58 |
| Cash Flow Liquidity Ratio (time) | 0.30 | (0.05) | 0.08 |
| Account Receivable Turnover (time) | 8.40 | 7.24 | 6.86 |
| Average Collection Period 2 (day) | 42.87 | 49.71 | 52.49 |
| Inventory Turnover 3 (time) | 19.11 | 21.26 | 34.52 |
| Average Inventory Period 2 (day) | 18.84 | 16.93 | 10.43 |
| Account Payable Turnover 4 (time) | 3.36 | 3.20 | 4.37 |
| Repayment Period 2 (day) | 107.15 | 112.37 | 82.44 |
| Cash Cycle (day) | (45.45) | (45.73) | (19.52) |
| <u>Profitability Ratios</u> | | | |
| Gross Profit Margin (percentage) | 29.45 | 26.80 | 24.09 |
| Operating Profit Margin (percentage) | 9.46 | 8.84 | 8.69 |
| Profit Margin before interests, tax, depreciation, and amortization (percentage) | 14.29 | 13.83 | 12.46 |
| Other profit margin (percentage) | 0.69 | 0.33 | 0.28 |
| Cash to profitability (percentage) | 202.69 | (40.58) | 50.51 |
| Net profit margin (percentage) | 6.90 | 6.28 | 6.37 |
| Return on Common Equity | 13.81 | 10.15 | 11.03 |
| <u>Operating Efficiency Ratios</u> | | | |
| Return on Assets (percentage) | 7.71 | 6.08 | 7.02 |
| Return on Fixed Assets (percentage) | 20.35 | 17.25 | 19.51 |
| Asset Turnover (time) | 0.76 | 0.66 | 0.78 |
| Financial Analysis Ratios | | | |
| Liability to Shareholders' Equity (time) | 1.66 | 1.55 | 1.15 |
| Interest Coverage Ratio (time) | 7.72 | 8.16 | 8.64 |
| Obligation Coverage Ratio (time) | 1.43 | (0.21) | 0.17 |
| Dividend Payment (percentage) | 21.74 | 27.22 | 168.28 |

Note: [1] Calculated by annualized

[2] Calculated as one year equals to 360 days.

[3] Cost of sales / Average inventories of only finished products, excluded products in process.

[4] Total costs / Average trade payables

# 5. General information and other important information

## 5.1 General information

| | |
|---|---|
| Name | Precise Corporation Public Company Limited |
| Abbreviation | PCC (Listed on the Stock Exchange of Thailand) |
| Company registration no. | 0107561000161 |
| Type of business | Holding Company |
| Website | www.precise.co.th |
| Year of establishment | 1983 |
| Initial public offering | 21 October 2022 |
| Head office located at | No. 1842 Krungthep-Nonthaburi Rd., Wong Sawang Subdistrict, Bang Sue District, Bangkok 10800 |
| Telephone | +66 (0) 2910 9700-12 |
| Fax | +66 (0) 2910 9713 |
| Registered capital | 1,226,619,100 baht |
| Par value | Common share of 1 baht per share |
| Preferred stock | None |
| Accounting period | 1 January – 31 December |

## References

| | |
|---|---|
| Securities Registrar | Thailand Securities Depository Co., Ltd. |
| | 12th Floor, Tonson Building |
| | 93 Rachadapisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400 |
| | Telephone: +66(0) 2009 9000 Fax: +66(0) 2009 9991 |
| | SET Contact Center: +66(0) 2009 9999 |
| | Email: SETContactCenter@set.or.th |
| | Website: http://www.set.or.th/tsd |
| Auditor | EY Office Company Limited |
| | 33rd Floor, Lake Rajada Office Complex |
| | 193/136-137 Rajadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 |
| | Telephone: +66(0) 2264 9090 Fax: +66(0) 2264 0789-90 |
| | Email: EY.Thailand@th.ey.com |
| | Website: http://www.ey.com/th |
| Legal Advisor | Dherakupt International Law Office Co., Ltd. |
| Location | 12th Floor, Tonson Building |
| | No. 900 Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330 |
| | Telephone: +66(0) 2252 1588 Fax: +66(0) 2257 0440 |
| | Website: http://www.drkilaw.com |

## 5.2 Other Important Information

### 5.2.1 Details of important contracts of power plant projects

Currently, PPP's subsidiaries and associates/joint ventures have invested in 3 power plant projects, all of which are in commercial operation, with electricity capacity offered for sale under contract of 23.2 megawatts, while entering into other important contract operations as follows:

#### 5.2.1.1 Power Purchase Agreement with Provincial Electricity Authority

SKB and SBP currently have entered into 2 power purchase agreements with PEA as follows:

**Songkhla Biomass Power Plant Project of SKB**

| Contract Topic | Significant Details |
|---|---|
| Project | Songkhla Biomass Power Plant |
| Location | Khuntadwai Subdistrict, Jana District, Songkhla |
| Seller | SKB |
| Purchaser | PEA |
| Date of signing the contract | July 18, 2012 |
| Period of contract | 20 years |
| Schedule Commercial Operation Date ("SCOD") | September 30, 2015 |
| Duration of contract | The contract is effective from the date of signing and will end when the project expires according to the terms and support period as stated in the Announcement of the Energy Regulatory Commission on the Power Purchase from Renewable Energy (Excluding Solar Power) during the transition from Adder to Feed-in Tariff (FiT), unless the termination of contract due to the events specified in the contract. |
| Power generation capacity as in the Contract | PEA agrees for power purchase of 9.1 megawatts at the voltage level of 33 kV. |
| Rate of tariff | It is based on the Feed-in Tariff (FiT) for very small power producers (VSPP). |
| Location of purchase | The electricity meter is located at SKB's power plant in Khutadwai Subdistrict, Jana District, Songkhla. |
| Contract termination | 1. SKB submits a letter in writing to PEA for its intention to terminate power purchase by canceling the contract.<br>2. If one party fails to comply with any of the terms in the contract, the other party can send a written notice for correction and holds the right to terminate the contract unless no actions.<br>3. It is upon the project expiration according to the support period as stated in Announcement of the Energy Regulatory Commission on the Power Purchase from Renewable Energy (Excluding Solar Power) during the transition from Adder to Feed-in Tariff (FiT).<br>4. Unless no power purchase commencement within 12 months from SCOD as stated in the contract, the power purchase agreement is terminated. |
| Applicable law | This contract is governed by the Law of the Kingdom of Thailand. |

Biomass Power Plant Project of SBP

| Contract Topic | Significant Details |
|---|---|
| Project | Songkhla Biopower Biomass Power Plant |
| Location | Khutadwai Subdistrict, Jana District, Songkhla |
| Seller | SBP |
| Purchaser | PEA |
| Date of signing the contract | January 13, 2015 |
| Period of contract | 20 years |
| Schedule Commercial Operation Date ("SCOD") | December 29, 2018 |
| Duration of contract | The contract is effective from the date of signing and will end when the project expires according to the terms and support period as stated in the Announcement of the Energy Regulatory Commission on the Power Purchase from Renewable Energy (Excluding Solar Power) during the transition from Adder to Feed-in Tariff (FiT), unless the termination of contract due to the events specified in the contract. |
| Power generation capacity as in the Contract | PEA agrees for power purchase of 9.1 megawatts at the voltage level of 33 kV. |
| Rate of tariff | It is based on the Feed-in Tariff (FiT) for very small power producers (VSPP). |
| Location of purchase | The electricity meter is located at SKB's power plant in Khutadwai Subdistrict, Jana District, Songkhla. |
| Contract termination | 1. SKB submits a letter in writing to PEA for its intention to terminate power purchase by canceling the contract.<br>2. If one party fails to comply with any of the terms in the contract, the other party can send a written notice for correction and holds the right to terminate the contract unless no actions.<br>3. It is upon the project expiration according to the support period as stated in the Announcement of the Energy Regulatory Commission on the Power Purchase from Renewable Energy (Excluding Solar Power) during the transition from Adder to Feed-in Tariff (FiT).<br>4. Unless no power purchase commencement within 12 months from SCOD as stated in the contract, the power purchase agreement is terminated. |
| Applicable law | This contract is governed by the Law of the Kingdom of Thailand. |

### 5.2.1.2 Electricity Trading with Electricite du Laos

Presently, NSPC has signed a contract for power purchase with Electricite du Laos as follows:

| Contract Topic | Significant Details |
|---|---|
| Seller | NSPC |
| Purchaser | Electricite du Laos ("EDL") |
| Date of signing the contract | November 11, 2014 |

| Contract Topic | Significant Details |
|---|---|
| Commercial Operation Date ("COD") | December 2018 |
| Duration of contract | 25 years |
| Installation capacity / Production capacity according to the concession contract | 6.0 megawatt / 5.0 megawatt |
| Contract objective | Purchase of power from NSPC |
| Location | Wiengthong City, Bolikamsai Subdistrict, Laos |
| Duties of NSPC | Delivery of 22 kV power from the project to grid system of purchaser and install the equipment for technical connection |
| Compensation | 0.064 USD / kV-hours of the first year until the 25th year |
| System connection | NSPC is responsible for designing and constructing the power network connection system to the system of EDL. |
| Minimum volume of power | If the real production volume of one year is lower than half of the estimated annual production power, the seller must be responsible for a maximum of 200,000 USD per year. |
| Currency of payment | ▪ 1st – 10th year: 70% of total amount will be paid in USD and the remaining 30% will be paid in LAK.<br>▪ 11th – 25th year: 10% of total amount will be paid in USD and the remaining 90% will be paid in LAK. |
| Contract termination | If one party significantly breaches the contract and does not do the correction within 60 days from the date on which the other party sends a written notice. The notifying party can exercise the right to terminate the contract. However, the breach of contract includes the following cases:<br>▪ NSPC does not obtain related licenses within 6 months from the date of signing power purchase contract.<br>▪ NSPC cannot operate commercially within 48 months from the date of signing power purchase contract.<br>▪ NSPC does not construct, as well as abandon or cancel the construction of power plants within 48 months from the date of signing power purchase contract.<br>▪ NSPC cannot build the transmission wire system during the first phase of synchronizing system or operations. |

| Contract Topic | Significant Details |
|---|---|
| | ▪ NSPC is unable to deliver the power as expected for 3 consecutive months, which will be considered as breach of contract.<br>▪ Either party fails to comply with the payment for a period of more than 60 days after the due date, unless the dispute is under process.<br>▪ Either party does not comply with the terms in this contract. |
| Dispute resolution | In case of a dispute, both parties will authorize their representatives to negotiate and resolve the dispute in good faith within 30 days. If the dispute cannot be resolved within the stated timeframe, the other party can refer such dispute to the arbitrator in accordance with the regulations of Economic Arbitration Organization of Lao PDR (EAO) under the Laotian Law. The arbitrator's decisions shall be final. |

### 5.2.1.3 Concession Contract of NSPC

Presently, NSPC has entered into a concession contract with the Bolikamsai Subdistrict Administration as follows:

| | |
|---|---|
| General information | The concession of Namsor Hydropower Plant Project was issued by the authority of Bolikamsai Subdistrict, acting on behalf of the Planning and Investment Bureau, which has permitted the concession contract to be concluded on May 4, 2018. The concession contract covered Namsor Hydropower Plant Project. |
| Duration of contract | The concession period is 50 years from the date of signing the contract. The duration can be extended based on the agreement of both parties. |
| Rights of concession | The concession rights included:<br>(1) To design, construct, and operate to complete the project facilities.<br>(2) To own, operate, and maintain the project facilities.<br>(3) To utilize, benefit, and develop the land in the project.<br>(4) To divert and use water from the specified rivers for lands in the project.<br>(5) To sell and deliver the power generation from the project facilities to EDL. |
| Rights for land use in the project | The Laotian government allows the rights for land use in the project by paying the annual rental rate of 1,351 USD per year, with a 5% increase every 5 years. |
| Royalties | The concessionaire is responsible for payment of royalties. |
| Provincial Rural Electricity Development Fund | The concessionaire is responsible for donating to the Provincial Rural Electricity Development Fund in the amount of 3,000 USD per year. |
| Inspection fee of mining power project | The concessionaire is responsible for paying the inspection fee mining power project in the amount of 5,000 USD per year. |
| Duties of concessionaire | To design, operate, and maintain the project facilities during the concession period, as well as transfer the project facilities and lands in the project to the Laotian government or persons nominated by the Laotian government, without any compensations paid on the due date of concession. |
| Taxes | The concessionaire is responsible for paying taxes as follows:<br>(1) During the first 10 years of commercial power sales: 0% income tax<br>(2) From the 11th year of commercial power sales onwards: 24.0% of net taxable income |

### 5.2.2 Significant Details of Contracting for Construction of High-Voltage Power Plant and Transmission Wire

| **(1) Construction Contract:** Supply and Construction of Transmission Lines 500 kV Thung Song – Songkhla 3 (from KM. 105 to Songkhla 3) and Sectionalizing 230 kV Hat Yai 2 – Khlong Ngae to Songkhla 3 Substation | |
|---|---|
| Contract party | Electricity Generating Authority of Thailand |
| Duration of contract | May 30, 2022 – September 30, 2024 |
| Period of Contract | There are 3 phases of working duration as divided in the contract, starting from the date of area delivery in the following:<br>1st Phase: Delivery date of July 30, 2024<br>2nd Phase: Delivery date of July 30, 2024<br>3rd Phase: Delivery date of September 30, 2024 |
| Scope of work | Part 1: Construction of the high-voltage transmission wire of 500 kV from Thung Song high-voltage power plant to Songkhla 3 high-voltage power plant, starting from 105th kilometer to Songkhla 3 high-voltage power plant<br>Part 2: Construction of the high-voltage transmission wire and connection of 230 kV from Hat Yai 2 high-voltage power plant to Khlong Ngae high-voltage power plant until Songkhla 3 high-voltage power plant<br>Part 3: Demolition of the temporary transmission wire of 230 kV from Hat Yai 2 high-voltage power plant to Khlong Ngae high-voltage power plant |
| Payment terms | The construction contract between the Company and EGAT includes the payment terms as follows:<br>• The payment will be collected according to the actual work done. The Company will invoice as per the amount of completed construction work. |
| Other important terms | • EGAT will pay the Company in advance for 10.00% of the contract value, while gradually deducting such advanced payment of each time installment of wages paid to the Company throughout the contract period. Meanwhile, the Company must issue a letter of guarantee of an advanced bond upon the receipt of payment.<br>• The Company must issue a letter of guarantee or a performance bond for 10.00% of the contract value.<br>• EGAT will deduct 10.00% from each installment of wages paid to the Company throughout the contract period as a guarantee for work. This deducted amount will be returned to the Company upon the handover of the building and the retention bond to EGAT.<br>• The Company must guarantee the **construction** according to the duration agreed with EGAT. Each scope of work might be subject to different warranty periods. |

| | |
|---|---|
| | • Either EGAT or the Company (based on the conditions of each contract) must have insurance for all risks (Contractor All Risk), with the sum insured covering the total value of work. Also, the warranty period must cover the project duration until the handover date. In addition, the Company must be responsible for the first part of damage fees based on the conditions in the insurance policy and other damages that the insurance policy does not cover.<br>• The Company can hire subcontractors to work on behalf of the Company, but consent is required from EGAT. The Company is still responsible for the work done by the subcontractors.<br>• EGAT is subject to the rights to increase or decrease the amount of work, or change or modify construction drawings, with the references of the increased or decreased work as stated in BOQ or as agreed by both parties.<br>• If the Company cannot complete the construction within the agreed timeframe, the Company must pay **a** fine of 0.10% of the contract value per day, based on the total number of delays.<br>• The contract is a joint venture of Precise System and Project Co., Ltd., Kalpataru Power Transmission Co., Ltd. (Headquarter), and TSEC (Thailand) Co., Ltd. The responsibilities are divided as follows:<br>o Kalpataru Power Transmission Co., Ltd. (Headquarter) is responsible for constructing the foundation and installing the steel structure for a distance of 54 kilometers, including 138 steel poles, starting from 105th kilometer (Thung Song high-voltage power plant) to 159th kilometer (Rattaphum District, Songkhla).<br>o Precise System and Project Co., Ltd. is responsible for constructing the foundation and installing the steel structure for 52 kilometers, including 137 steel poles, starting from 159th kilometer (Rattaphum District, Songkhla) to Songkhla 3 high-voltage power plant in Songkhla.<br>o TSEC (Thailand) Co., Ltd. is responsible for wiring and installing the equipment for high-voltage posts. |
| Conditions for contract termination | EGAT may notify the contractor in writing anytime to suspend all or some parts of the work under this contract when receiving approval from the contractor.<br><br>The request in writing and compensation to the contractor for such suspension will be allowed for only direct expenses at the construction site. The compensation will be based on the truth during the suspension period that the contractor cannot operate any work under this contract and must be unemployed or have a minimum amount of work. The total compensation will not be over 20**%** of the expenses for such part of suspended works by EGAT despite any disagreements as stated. For dispute resolution, if the contractor is not satisfied with the compensation paid by EGAT, the contractor may submit a request to a person with the highest authority of EGAT for consideration. The decision from the one with the highest authority of EGAT will be final and result in binding. |

| | |
|---|---|
| | If the suspension of work derives from the mistakes or negligence of the contractor, subcontractor, or force majeure, EGAT will not have to pay for the additional compensation and the contractor cannot claim for it.<br><br>EGAT is solely subject to the right for termination of all or some parts of the contract in any of the following cases:<br><br>a. If EGAT views that the contractor cannot complete all or some parts of the work within the agreed or extended timeframe under the contract due to any reasons from the contractor, or<br>b. Without any reasonable causes, the contractor cannot begin the work within the agreed timeframe as stated in the contract, or<br>c. The contractor does not comply with the orders and/or instructions of EGAT, while neglecting the conditions in the contract continually and obviously, or<br>d. The contractor acts unlawfully in the contract or becomes bankrupt.<br>If EGAT terminates or cancels all or some parts of the contract, EGAT may inform in writing of fourteen (14) days in advance and the contractor must not obstruct the action of EGAT.<br><br>In case that EGAT enters of forces the contractor to withdraw from work according to this contract, EGAT shall not be responsible for potential expenses to the contractor until the work is completed, as well as the costs incurred for completion of work, charges of damage for the delay and other expenses under EGAT's liabilities.<br><br>The contractor must make payment to EGAT for the amount requested by EGAT or other contractors for additional expenses in the installation and management. |

| **(1)** Contract of Shareholders | |
|---|---|
| Joint Venture Company | Songkhla Biomass Co., Ltd. ("**SKB**") |
| Contract Parties | Precise Power Producer Co., Ltd. ("**PPP**") |
| | Ratch Group PCL ("**RATCH**") |
| | Assiddeek Saving Cooperative Limited ("**Cooperative**") |
| | (collectively referred to as the "**Parties**") |
| Date of signing the contract | September 7, 2011 (additionally amended to the contract of shareholders, dated November 7, 2011, amendment to contract of shareholders no.2, dated May 3, 2016) |
| Duration of contract | This contract is enforced on September 7, 2011. |
| Objective | SKB aims to operate the business of producing and distributing power from biomass energy. |
| Rights and duties of contract parties | (1) The Parties are responsible for investing and procuring for investment in the Company based on shareholding proportion.<br>(2) The Parties agree to fully help and support the business operations of the Company, including financial, public relations, and others.<br>(3) The Parties shall separate their assigned duties based on the organizational structure as stated in the attachment of this contract. |

| | |
|---|---|
| | (4) The Parties must provide the collaterals based on the shareholding proportion of each party, in case the financial institutes request the Company to provide any collaterals as a guarantee. |
| Duties and Responsibilities of the Company's Board of Directors | (1) Unless the Parties agree otherwise, the Board of Directors shall have no more than 5 directors. PPP and RATCH are subject to the right to nominate 2 directors each. The Cooperatives have the right to nominate 1 director.<br>(2) The Chairman of the Board of Directors and Managing Director of SKB will be appointed from directors nominated by PPP and RATCH alternatively for a term of 3 years each in the agenda which the Chairman of the Board of Directors is nominated by PPP, the directors nominated by RATCH will be appointed as Managing Director.<br>(3) The meeting quorum of the Board must consist of at least two-thirds of the total number of the Company's directors. It must include the directors from PPP and RATCH (the "**Associates**").<br>(4) Any resolutions of the Board of Directors must be the majority votes of the directors attending the meeting. Those resolutions must comprise the votes from the directors nominated by PPP and RATCH for at least 1 vote each.<br>(5) The following businesses must be approved by special resolutions, with at least 80% votes from the directors attending the meeting.<br>(1) Amendment to the Memorandum of Association or the Company's Articles of Association<br>(2) Merger of enterprise, dissolution of the company, or establishment of subsidiaries<br>(3) Increasing the capital or decreasing the registered capital<br>(4) Expanding or investing in other enterprises<br>(5) Changing the scope of business of the Company<br>(6) Entering, amending, or terminating any contracts in the amount of over 2,000,000 baht (two million baht)<br>(7) Transfer of shares or assets, either in whole or in part, which is significant to the main business of the Company<br>(8) Setting business plans, annual reports, and the Company's budget<br>(9) Appointment or removal of the directors or change of the authorized directors to sign<br>(10) Change in the structure or management of the Company<br>(11) Proposal for dividend payment<br>(6) In case the votes are equal, the Chairman does not have the right to make a decisive vote.<br>(7) The directors authorized to sign for binding the Company shall comprise 2 directors, each nominated from PPP and RATCH. |
| Limitation of Share Transfer | (1) Transfer of shares or pledgee or any actions to create binding to the shares of the Company can be made only when receiving consent from the Board of Directors by a special resolution with the vote of not less than 80% of the directors attending the meeting.<br>(2) In case one party would like to sell its shares in SKB, that party shall offer such sales to all other parties in order to purchase in proportion to their shareholding. However, this would be subject to the terms and conditions of the contract. |

| | |
|---|---|
| **Termination of contract** | (1) This contract will be immediately terminated in case of the following cases:<br>(1) All Parties agree to terminate the contract.<br>(2) SKB cannot complete the project within 3 years from the date of signing this contract or any other timeframe as agreed by the Parties.<br>(3) The Parties sign a new shareholders agreement.<br>(4) The Company has a special resolution to dissolve the business or liquidate it.<br>(5) There is an incident of fraud. |
| **Enforced law** | Thai Law |
| **Dispute resolution** | (1) If any businesses of the Company require approval from the meeting of the Board of Directors or shareholders, but no approval from the Parties as stated or the quorum is not completed as specified, each party or the Board of Directors shall make a notification letter in writing to each party to take the following actions:<br>(1) If the Parties can agree on a solution or cancellation of such matter, each party must prepare a letter in writing according to the terms of contract.<br>(2) If the Parties cannot reach an agreement within the timeframe stated in the terms of contract, either party may offer the other party to sell or purchase the shares, based on the terms of contract. |

5.2.3 Long-Term Loans Contract – Financial Institutes

| Borrower | Loan Limit (MB) | Loan Objectives | Used Loans as of December 31, 2022 (MB) | Significant Conditions in the Contract |
|---|---|---|---|---|
| SBP | 209 | To build the power plant. | 209 | 1. The debt-to-equity ratio (D/E) is not over 2.33:1.<br>2. The debt service coverage ratio (DSCR) is not less than 1.20 times.<br>3. The Company, as a surety, must maintain the Net EBITDA after the debt service as follows:<br>- For the fiscal year ending 2016, the ratio must not be less than 10,000,000 baht.<br>- For the fiscal year ending 2017 onwards, the ratio must not be less than 50,000,000 baht.<br>4. MLR interest rate – discount rate |
| SBP | 410 | To build the power plant. | 410 | 1. The debt-to-equity ratio (D/E) is not over 2.33:1.<br>2. The debt service coverage ratio (DSCR) is not less than 1.20 times.<br>3. The Company, as a surety, must maintain the Net EBITDA after the debt service as follows:<br>- For the fiscal year ending 2016, the ratio must not be less than 10,000,000 baht.<br>- For the fiscal year ending 2017 onwards, the ratio must not be less than 50,000,000 baht.<br>4. Fixed interest rate |
| PSL | 38 | To build the woodchip factory, utilities, transformers, and equipment for the controlling board and weighing machine. | 38 | 1. The debt-to-equity ratio (D/E) of the borrower in 2017 must not be over 2.50:1 and in 2018 to 2023 must not be over 2.00:1.<br>2. The debt service coverage ratio (DSCR) in 2018 to 2023 must be not less than 1.50 times.<br>3. MLR interest rate – discount rate |

| Borrower | Loan Limit (MB) | Loan Objectives | Used Loans as of December 31, 2022 (MB) | Significant Conditions in the Contract |
|---|---|---|---|---|
| PSL | 17 | To purchase machinery. | 17 | 1. The debt-to-equity ratio (D/E) of the borrower in 2017 must not be over 2.50:1 and in 2018 to 2023 must not be over 2.00:1.<br>2. The debt service coverage ratio (DSCR) in 2018 to 2023 must be not less than 1.50 times.<br>3. MLR interest rate – discount rate |
| PMW | 31 | To support the purchase of machinery (Transformer Welding and Assembly Robot Project). | 31 | 1. The interest-bearing-debt-to-equity ratio (IBD/E) of the shareholders must not be over 2.5 times.<br>2. The debt service coverage ratio (DSCR) must be maintained as not less than 1.2:1 time.<br>3. MLR interest rate – discount rate |
| PEM | 87 | To pay for the machinery. | 87 | 1. The interest-bearing-debt-to-equity ratio (IBD/E) of the shareholders must not be over 1.5 times.<br>2. The debt service coverage ratio (DSCR) must be maintained as not less than 1.1 times.<br>3. Interest rate of the 1st – 2nd year: fixed rate, 3rd year onwards: prime rate – discount rate |
| PMW | 31 | To pay for the machinery. | 31 | 1. The debt-bearing-interest-to-equity ratio (IBD/E) of the shareholders must not be over 2.5 times.<br>2. The debt service coverage ratio (DSCR) must be maintained as not less than 1.1 times.<br>3. Interest rate of the 1st – 2nd year: fixed rate, 3rd year onwards: prime rate – discount rate |
| PMW | 30 | To support the liquidity of the business, decrease the effect of hiring, and recover the business operations. | 30 | None<br>Fixed interest rate |
| PEM | 92 | To renovate the office building, factory building, and other related systems. | 92 | None<br>Fixed interest rate |
| PEM | 8 | To support the renovation of factory buildings and/or offices of credit users. | 8 | 1. The debt service coverage ratio (DSCR) must not be less than 1.50 times.<br>2. MLR interest rate – discount rate |

| Borrower | Loan Limit (MB) | Loan Objectives | Used Loans as of December 31, 2022 (MB) | Significant Conditions in the Contract |
|---|---|---|---|---|
| PEMC | 1.8 million US dollar | To use for the construction project of factory building in Cambodia. | 1.8 million US dollar | 1. The debt-to-equity ratio (D/E) of shareholders in 2021 – 2024 must not be over 2.50 times and in 2025 onwards must not be over 1.50 times.<br>2. The debt service coverage ratio (DSCR) must not be less than 1.20 times.<br>3. Fixed interest rate |
| PEMC | 0.4 million US dollar | To use for the construction project of factory building in Cambodia. | - | 1. The debt-to-equity ratio (D/E) of shareholders in 2021 – 2024 must not be over 2.50 times and in 2025 onwards must not be over 1.50 times.<br>2. The debt service coverage ratio (DSCR) must not be less than 1.20 times.<br>3. Interest rate SOFR1M + increased ratio |
| NSPC | 6.5 million US dollar | To be the costs of construction and development of power plants | 6.5 million US dollar | 1. The D/E ratio is not over 59:41.<br>2. The DSCR is not less than 1.05 times.<br>PCC bears the guarantee of 50% of the financial limit. |

## Long-Term Loan Contract Guarantee

The Company and some subsidiaries are the loan guarantors of the Company and some subsidiaries. Moreover, the stated loans are guaranteed by the mortgage of land, buildings, machines, and equipment, with the net accounting value of 1,708 million baht.

The loans for construction of biomass power plants have significant conditions, including the mortgage of common stocks of subsidiaries borrowers to construct the power plant for 2.0064 million shares and transfer of the right to receive the dividend for 40% from holding the shares of subsidiaries in the joint venture to the lender when the borrower cannot comply with the contract conditions.

Additionally, the mentioned loan contract indicates that subsidiaries borrower to construct the power plants shall separate the amount of money in the bank account for biomass power plant project to reserve for the rate stated in the loan contract. If the subsidiaries cannot separate the amount of money, the Company must financially support the subsidiaries to provide this reserved amount of money. If the subsidiaries have the remaining amount of money from the operations, the subsidiaries must use some part of the remaining money to pay for the loans as per the rate stated in the contract.

### 5.3 Legal Dispute

As of December 31, 2022, the Group did not have any legal disputes which may negatively affect the Group, consisting of 5% of shareholders' equity, as well as significant business operations of the Group, but could not be evaluated as numbers.

### 5.4 Secondary market

-None-

# PART 2 Corporate Governance

## 6. Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policy and Principle

The Company values aligning with good corporate governance principles, which can increase the competency of the Company, and sustainability in growth, and can highly benefit shareholders, employees, and all related parties. The Company has indicated the business governance policy to be in accordance with the Corporate Governance Code for Listed Companies 2017, so that it can be the guideline to manage the organization to create reliability that all operations of the Company would be done fairly and generate the maximum benefits to shareholders and all stakeholders.

#### 3.2.3 Policies and Principles Related to the Board of Directors

**1. Establish Clear Leadership Role and Responsibilities of the Board**

- The Board understands and realizes the role and responsibilities as leaders, who must manage the Company properly, covering specifying the objectives and goals, specifying strategies, operation policies, and allocating the significant resources for the Company to achieve the objectives and goals, as well as following up, assessing, and checking the operation reports.
- The Board has indicated several policies, including the good corporate governance policy and social, community, and environmental responsibility policy to create a sustainable value to the Company and support ethical business governance, respecting the rights of and being responsible for shareholders and stakeholders so that the Company can become successful in its own business, benefit the society, develop or decrease effects towards the environment, and can adapt under the change factors.
- The Board is responsible for ensuring the directors and executives have accountability and responsibility, duty of care, and duty of loyalty, for the maximum benefits of the Company. In addition, the Board must align with the law, objectives, regulations, resolutions from Board meeting and shareholders' meeting, and guidelines of the Company. The Company must prepare the process to ensure that the Company operations have aligned with the related law, objectives, regulations, resolutions from Board meeting and shareholders' meeting, and policies of the Company, such as relevant article management policy, anti-corruption policy, and delegation of authority policy. The Company must also have the approval process for significant operations, such as investment, transactions which significantly affect the Company, transaction with relevant parties, obtaining or dispensing of assets, and dividend payment.
- The Board understands the role, scope of duty, and responsibilities, as well as indicate the responsibilities for the subcommittee and management team clearly. The Board also needs to follow up and control their subordinates to operate their responsibilities as assigned, by specifying the charters of the Board of Directors and subcommittee as letters and arranging for the revision of charters regularly for at least once a year to be in accordance with the direction of the Company.

**2. Define Objectives that Promote Sustainable Value Creation**

- The Board of Directors of the Company highly focuses on indicating the objectives and main goals for business operations clearly and properly, and also in accordance with the economic and social conditions so that the Company can grow together with the society sustainably, create values for and benefit the organization, clients, suppliers, employees, shareholders, stakeholders, and overall society. Moreover, the Company would support the communication and reinforce the objectives and main goals of the Company to instill it in the mind of employees in all levels when making decisions until it becomes the corporate cultures under the good business governance principles.

- The Board will monitor the annual revision of objectives, goals, and business strategies be in accordance with major objectives of the organization, by considering environmental factor, opportunity and acceptable risks for the Company. However, to indicate the strategies, the Board will manage to utilize innovations and technology to create the competitive competence and respond to the needs of stakeholders appropriately and safely. The Company still realizes the responsibility towards society and environment. Furthermore, the Company would realize risk of indicating the goals which might lead to illegal actions or unethical conduct and arrange for communication of objectives and goals through the strategies and operational plan throughout the organization.

3. **Strengthen Board Effectiveness**

- The Board of Directors is responsible for specifying and reviewing the structure of the Board of Directors in terms of elements, qualifications, expertise, experience, number of directors for the business, proportion of freelance directors to make it appropriate and necessary for the achievement of the stated main goals. Related details are stated in the Board of Directors Charter.

- The Board of Directors will appoint a suitable chairman and ensure that the elements and operations of the Board support free decision-making with discretion. Meanwhile, the Company has separated the chairman of the Board of Directors from the chief executive director and managing director. The Company has specified the roles and responsibilities of the Chairman of Board of Directors, Chief Executive Officer, and Managing Director clearly to prevent the unlimited power of any sole party. Roles and responsibilities of the Chairman of Board of Directors are stated in the Board of Directors Charter. In case the Chairman is not a freelance chairman, the Board of Directors will appoint a freelance director to consider indicating the meeting agenda together in order to balance the power between the Board and management and to be in accordance with the Corporate Governance Code for Listed Companies.

- The Board will ensure that the roles and responsibilities of the Board and subcommittee, number of meetings, number of attendances for meetings of each director in the past year will be revealed and the operation results of the subcommittee will be reported, based on law or related announcement.

- The Board will manage the nomination and selection of directors of each department to be fair and explicit so that the Company obtains a Board and subcommittee with the qualifications relevant to the stated elements. For this purpose, the Board has appointed the Nomination and Remuneration Committee to nominate suitable persons for the Board.

- For remuneration of the Board, the shareholders' meeting can consider approving the remuneration. The Board should consider and make the remuneration structure and rate suitable for their responsibilities to influence the Board to drive the Company towards the short-term and long-term goals. The Board has appointed the Nomination and Remuneration Committee to consider the policy and criteria for remuneration of the Board.

- The Company will control the Board to be responsible for their duty and allocate enough time, by indicating that each director can hold their positions of the listed company in the Stock Exchange of Thailand in not more than five companies.

- The Board has arranged the framework and mechanism for controlling the policy and operations of subsidiaries and joint ventures in an appropriate level for each business and also make subsidiaries and joint ventures understand correctly in the same direction. The Company has indicated the policy for controlling subsidiaries and joint ventures in letters.

- The Board has a policy to arrange the annual assessment for operation results of the Board, subcommittee, and individual committees. The results of the assessment will be used to improve the operations further.

- The Board will ensure that each director understands the roles, business operations, and law related to business operations and support the Board to enhance their knowledge and skills for their positions regularly.
- The Board will ensure that their operations run smoothly, they can access necessary information, and they appoint an experienced and professional secretary who is necessary and suitable for supporting the operations of the Board.

**4. Ensure Effective CEO and People Management**

- The Board has assigned the Nomination and Remuneration Committee to consider the criteria and method for attaining qualified individuals to ensure that the Company is sourcing knowledgeable, skillful, and experienced CEO and executives, who have the qualifications necessary for driving the Company towards the goals and are able to manage in a broader area and relevant to the changing environment. Moreover, the Board will conduct training and competency improvement based on the Leadership Pipeline to be in accordance with the succession plan for executives, managing directors, and CEO for the purpose of the business.
- The Board has indicated the appropriate remuneration structure and assessment to be the incentives for the Chairman of the Board, executives, and other employees in all levels to operate in accordance with the major objectives and goals of the Company and long-term benefits of the Company. The Board has assigned the Nomination and Remuneration Committee to consider and specify the criteria for remuneration and assessment of the Board and executives to submit for approval by the Board.
- The Board has a policy of understanding the structure and relationship of shareholders which might affect the business operation and power of management in the business so that it won't obstruct their work and also control the information disclosure which might affect the business control appropriately.
- The Board will monitor the management and improvement of employees to become knowledgeable, skillful, experienced, and incentivized appropriately and fairly to preserve the proficient employees of the Company.

### 3.2.4 Policies and Regulations Regarding Shareholders and Stakeholders

**1. Nurture Innovation and Responsible Business**

- The Board highlights and supports the creation of innovation which can create value to the business together with benefits for all stakeholders, and also the responsibility for society and the environment by supporting the operations which create value to the Company based on the changing environment. This might include indicating the business model, way of thinking, point of view for designing and developing the products and services, research, development of production and operation processes, and cooperation with the business partners to create the co-benefits for the business, customers, partners, society, and environment. Lastly, the Company does not support wrongdoing, which is against the law or unethical.
- The Board will monitor the management to operate the business with the responsibility for society and environment and reflect it in the operational plan to ensure that all departments of the organization operate in accordance with objectives, major goals, and strategies of the Company and realize roles of stakeholders. The Board will prepare the mechanism to ensure that the business will be operated ethically with responsibility for society and environment without violation to the rights of stakeholders so that this can be the guideline for all parties in the organization to achieve the objectives and major goals sustainably. The Board has indicated the regulations towards stakeholders as a part of the policy of responsibilities for society, community and environment and business ethics. The Company will reveal significant information to those stakeholders for acknowledgment sufficiently, reliably, and promptly. The Company will monitor the Capital Management Department to manage the capital proficiently, considering the effects and development of capital in the value chain, in order to achieve objectives and major goals sustainably. There are seven types of capital that the Company normally considers, including financial capital, human capital, social and relationship capital, process capital, information capital, innovation capital, and customer capital.

- The Company will arrange for the framework of information technology governance and management in an organizational level, which relates to business needs, as well as utilizing the information technology to increase business opportunities, improve operations, and manage risks so that the Company and achieve objectives and major goals of the Company.

2. **Effective Risk Management and Internal Control**

- The Board will ensure that the risk management and internal control of the Company can lead to effective goal achievement and comply with law and related standards.
- The Board has arranged the risk management policy and manual, which relate to objectives, major goals, strategies, and acceptable risks of the business to be an operational framework in the process of risk management for everyone in the organization to work in the same direction. The executives will follow up the result reports about risk management in each aspect, such as strategic, operational, and financial aspect, as well as risks of rules, information system and technology, and internal control, which can cause ineffective goal achievement. The processes are monitored to be in accordance with the law, related standards, and policies. Moreover, the Board has arranged the Internal Control Department which is free from the responsibility of auditing the effectiveness of risk management and internal control system. This department must report to the Board about the sufficiency of risk management and internal control system through the annual report.
- The Board has appointed the Audit Committee, which must comprise independent third parties, free from forbidden qualifications based on related law, and obtain the qualifications and roles based on the criteria of the Securities and Exchange Commission and the Stock Exchange so that the committee can perform their tasks effectively and freely. They would perform the tasks as assigned by the Board, which include auditing the financial report and internal control system, abiding by the law, selecting the auditors, revealing the Company information, and conducting the auditing reports, etc., as stated in the Charter of Auditing Committee.
- The Board monitors and manages the conflict of interest which might occur between the Company and management, the Board, or shareholders, as well as preventing inappropriate use of assets, information, and opportunities of the Company and inappropriate transactions with any parties who have relationships with the Company. The regulations are stated in the business ethics manual and policy of internal information and confidentiality as letters.
- The Board has stated the anti-corruption policy clearly and communicates this to all levels of employees in the organization and external parties to utilize it in daily operations. Additionally, the Board will arrange anti-corruption projects or guidelines and support activities that promote and encourage all employees to abide by the law and related rules and regulations.
- The Board has arranged the mechanism and management process (record, follow up the progress, solve the problems, and report) for complaint receipt, prepared convenient channels to receive complaints through more than one channel, and presented these channels on the website or annual report of the Company.
- The Board has arranged for the clear policy and guidelines for whistleblowing in the Whistleblowing Policy.

3. **Ensure Disclosure and Financial Integrity**

- The Board monitors the financial report preparation and information revealed to be correct, sufficient, and timely based on related standards, rules, and regulations. Other information which might affect the property price of the Company and wholly affect the decision-making of investors and stakeholders is also monitored.
- The Board will monitor the conglomerate to have sufficient liquidity and solvency. In case the business faces financial problems or tends to face the problems, the Board will ensure that the Company has a plan to solve the

problems or other mechanisms to solve these financial problems, with consideration regarding the rights of stakeholders.

- The Board has the policy to prepare the sustainability report appropriately based on revealing information, abiding by the law, aligning with the business ethics and anti-corruption policy, and treating employees and stakeholders, which includes fair treatment, respecting human rights, and responsibility towards society and environment. This information might be revealed in the annual report or prepared as a separate document as appropriate for the Company.
- The Board will arrange for the Investor Relations Department to be responsible for communicating and publicizing significant information which benefits shareholders, investors, analysts, and related parties appropriately, fairly and promptly.
- The Board supports information technology for publicizing information. Apart from the publicity of information based on the stated standards through the channels of Stock Exchange, the Board will arrange for publicizing in both Thai and English via other channels, such as the Company website, and present information.
- The Board indicates that information disclosure and explicitness are a part of the good business governance policy of the Company.

**4. Ensure Engagement and Communication with Shareholders**

The Board values shareholders of the Company by showing that shareholders will be treated fairly and shareholders can exercise their fundamental rights as a shareholder completely, such as (1) right of purchasing or transfer the shares, (2) right of obtaining some shares from net profit of the Company, (3) right of receiving sufficient related information via the Company website, Stock Exchange website or other channels, (4) right of attending the meetings to utilize their vote in the shareholders' meeting freely to nominate or demote the directors, consider the remuneration of directors, nominate the auditors, pay the dividends, increase the capital and issue new shares, as well as right of questioning the Board regarding the reports of the Board and any other matters presented in the meetings for approval, right of offering the agenda in advance and offering the name for nominating as directors, and participation in decision making of important matters of the Company. All shareholders are subject to the right of voting based on the number of shares they obtain and each share accounts for one vote.

Moreover, the Board must realize and value the rights of shareholders and not perform anything which violates or deprives their rights of shareholders. The Board supports and specifies policies relating to the shareholders as follows.

- The Board will ensure that shareholders play a part in making decisions on significant matters of the Company.
  - The Board will protect and respect the fundamental rights of shareholders, including right of purchasing or transferring the shares, right of obtaining the shares of net profit of the Company, right of receiving sufficient information about the Company, right of attending the meetings to utilize their vote in the shareholders' meeting freely to nominate or demote the directors, consider the remuneration of directors, nominate the auditors, pay the dividends, indicate or edit the regulations or memorandum of associations, decrease or increase the capital, and approve special matters, etc.
  - The Board will support shareholders to utilize their rights in different matters in the annual shareholders' meetings, including right of offering the agenda in advance, right of offering the name to be nominated as directors in advance, right of submitting the questions to the meeting in advance, right of commenting and questioning in the meeting, etc., as well as facilitating the sub-shareholders in offering the name to be nominated as directors of the Company by submitting the profile and letter of consent of that person to the Chairman of the Board under the rules, regulations, and processes stated by the Company.

- The Board will provide the invitation for the shareholders' meetings in both Thai and English and related documents and publish via the Company website not less than 7 days before the meeting day.
- The Board will support the Board to use the letter of power of attorney in the form that shareholders can indicate the direction of voting, whether they agree, disagree, or abstain. The letter of power of attorney was prepared in A, B, and C forms (specific power of attorney letter for custodian) for shareholders. Additionally, the Board facilitates shareholders who are not available to attend the meeting by themselves but desire to vote by giving a proxy to others by allowing independent directors to attend the meetings and vote on behalf of the shareholders. The shareholders could select the independent director to receive a proxy to vote on their behalf.
- The Board will refrain from any activities which violate or deprive the rights of shareholders in accessing the information system of the Company, which must be disclosed based on several regulations, and attending the shareholders' meetings. For example, the Board will not present documents which contain additional information abruptly, not increase the agenda or adjust significant information without notifying in advance, etc.
- The Board will facilitate shareholders in utilizing their rights, such as giving significant information, which is available via the Company website, etc.

▪ The Board will monitor the processes in shareholders' meetings to run smoothly, fairly, and effectively, and support the shareholders in utilizing their rights.

- The Board will facilitate the shareholders to utilize their right in attending the meeting and vote and will refrain from any activities which would limit the opportunity to attend the meetings of shareholders. In case the shareholders cannot attend the meetings by themselves, the Company allows them to give a proxy to independent directors or other individuals to attend the meetings on their behalf.
- The Board will inform the shareholders regarding the rules and methods to attend the shareholders' meetings in the invitation letter, and on the meeting day the moderator will inform the rules of meeting and process for voting in the meeting, which will always be recorded in the meeting reports.
- The Board will prepare the meetings appropriately and allow the shareholders to question matters relating to the agenda or the Company and comment. The Chairman will ask in each agenda if anyone has any questions and record the questions relating to the agenda or the Company, the comments of shareholders, and explanation of directors and/or executives in the meeting reports.
- The Board will conduct the meeting in order as stated in the meeting invitation. The executives who also take the position of shareholders will not offer an unnecessary additional agenda to the meeting, especially for the agenda that shareholders must take time to learn about it carefully before deciding.
- The Board will support to utilize technology, such as barcode, voting card, etc., in the shareholders' meetings for shareholder registration, vote counting, and presenting the results so that the meeting could run fast, correctly, accurately, fairly and detectably. The voting will be disclosed in the shareholders' meeting reports together with the number of votes to agree, disagree, and abstain.
- The Board will arrange for independent individuals to be the witness in counting or be the counter or verifier of votes in the meeting, such as auditors of the Company or legal consultants. The counting result will be disclosed in the meeting and recorded in the report.
- The Board values the importance of conducting the annual shareholders' meetings and respects the rights of shareholders, so they support all directors to attend the meetings.

▪ The Board will monitor the disclosure of meeting resolutions and report preparation to be correct and complete.

- The Board will ensure that the information regarding date, time, place, and agenda of the shareholders' meetings are presented, together with all information relating to matters requiring decision, explanation, and reasons in accordance with the agenda or resolutions, to the shareholder sufficiently and in advance. For each shareholders' meeting, the Company has the policy to provide the information for shareholders to study in advance via the Company website, which will be similar to the documents sent to shareholders.
- After each time of shareholders' meeting, the Board will ensure that the meeting contents will be collected, which include agenda, names of attended and absent directors, resolutions of the meeting, voting, questions, and comments from shareholders, prepared as the "shareholders' meeting report" and published on the Company website. Then, the reports will be submitted to the Stock Exchange and/or related department within 14 days counting from the meeting day, in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange. Besides this, the voting results of each agenda will be publicized via the system of the Stock Exchange within the time frame specified by law.
- The Board will support shareholders to exercise their rights by disclosing the information via the Company website in advance, and not limit their rights. Moreover, the Company will not present any documents containing significant additional information during the meeting and the Company will not add the agenda or adjust the significant information without prior notice.
- The Board will provide the opportunity for shareholders to obtain the present news and information via the Company website regularly.

## 6.2 Business Code of Conduct

The principle that the Company has adhered to consecutively is to operate the business with honesty, ethics, and align with the good business governance principle to drive towards a growing, sustainable, and highly efficient enterprise which combines the benefits of all parties and develops together with a good governance management style. The Company has prepared the Business Code of Conduct and published such for the directors, executives, and employees of the Company and subsidiaries to acknowledge the regulations. The Board and executives must be the role model for employees by strictly aligning with the Business Code of Conduct so that the business operations of Precise conglomerate can achieve the business goals and grow forward sustainably.

The Business Code of Conduct was published via electronic channels, including the Intranet of the conglomerate, and email, and the Company also arranged a seminar as a part of the orientation for new executives and employees for acknowledgment and alignment. The executives and employees must sign for acknowledgment regarding the Business Code of Conduct and their understanding about the ethics in different situations is tested annually. If any employees ignore or violate this Code of Conduct, they will be punished or dismissed based on their mistakes in each case. Moreover, the managers of all levels are responsible for monitoring and supporting their subordinates to align with the Code of Conduct and being role models for their subordinates.

The Company has reviewed the Business Code of Conduct of the Company annually and published such on the Company website. www.precise.co.th

## 6.3 Significant Change and Development of Policies, Regulations, and Corporate Governance System during the Past Year

### 6.3.1 Significant Change and Development Regarding the Revision of Policies, Regulations, and Corporate Governance System or the Charter of the Board of Directors during the Past Year

The Company has aligned with the Corporate Governance Principles for Listed Companies 2017 and the Board owns the process of adapting the Corporate Governance Principles for Listed Companies 2017 for the business context at least once a year.

In 2022, the Company developed and reviewed the policies regarding corporate governance and related significant policies and also issued new policies to be consistent with the operations of the listed company as follows.

(1) The Company reviewed the Corporate Governance Principles and policies relating to corporate governance, including dividend payment policy, social, community, and environment responsibility policy, intellectual property and copyrighted work violation policy, internal control and audit policy, computer system, information technology, and communication system usage policy, law and human rights policy, political right utilization policy, and information disclosure and explicitness policy.

(2) The Board reviewed the Charter of the Board of Directors and the subcommittee to be consistent with the organizational structure and context and business environment.

(3) The Board reviewed the policy of investing in subsidiaries and joint ventures.

(4) The Board reviewed and improved the risk management policy by utilizing the Organizational Risk Management Regulations of the Committee to Sponsoring Organization of the Treadway Commission (COSO) to adapt in developing the risk management process of the Company to be appropriate and consistent with the directions, strategies, goals, and business plans of the Company.

(5) The Board reviewed the alignment with the anti-corruption policy and whistleblowing policy. The Company has arranged channels for whistleblowing.

(6) The Board reviewed other significant policies, such as the policy of governing the operations of subsidiaries and joint ventures who operate the main business, and policy of pricing for related businesses.

(7) The Board announced new significant policies, including fundraising policy, cookies policy, securities holding and internal information usage policy, and information disclosure and explicitness policy.

### 6.3.2 Other Operations Regarding to Corporate Governance

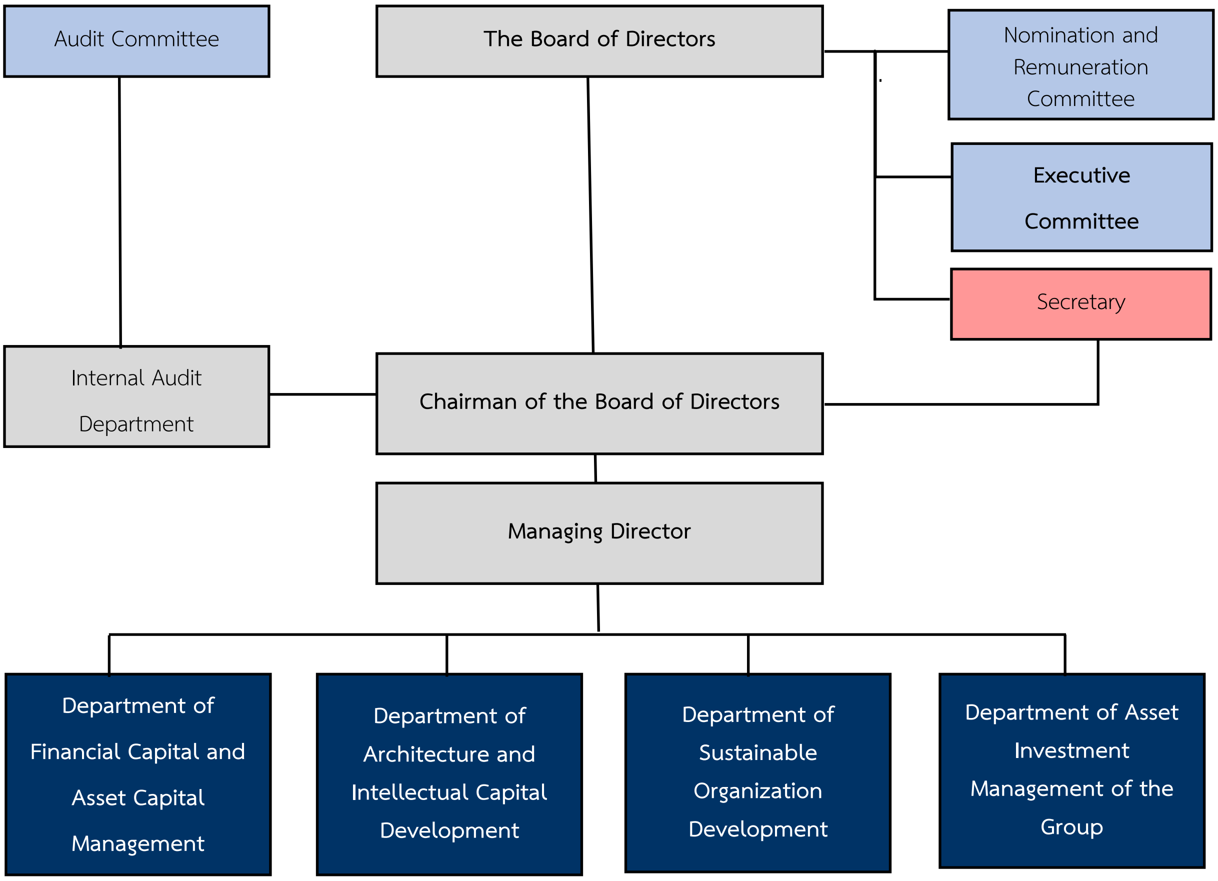
The Board of the Company values the responsibilities and corporate governance of the Company. In 2021, the Board improved the Corporate Governance Policy of the Company to be consistent with the Corporate Governance Principles for Listed Companies of the Securities and Exchange Commission (Corporate Governance Code or CG Code) and utilized their principles in real operations. Meanwhile, the Board might choose other ways of conduct as appropriate to be a guideline to manage the organization to create trust fairly with consideration of the highest benefits for shareholders and all stakeholders and to develop consecutively.

# 7. Business Governance Structure and Significant Information regarding the Board of Directors, Subcommittee, Executives, Employees, and Others

## 7.1 Business Governance Structure

### 7.1.1 Management Structure

The management structure of the Company as of December 31, 2022 was as follows.

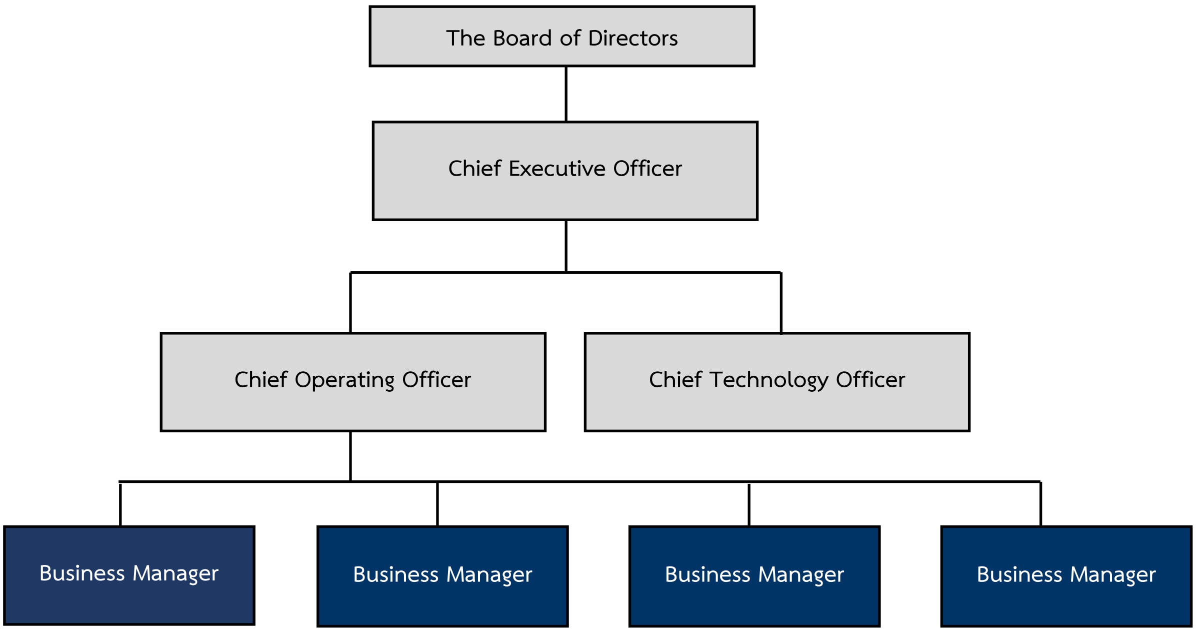


### 7.1.2 Subsidiaries Management Structure

As of December 31, 2022, the Group had 7 operating subsidiaries, with significant transactions, including PEM, PMW, PSP, PPP, CEP, and SBP

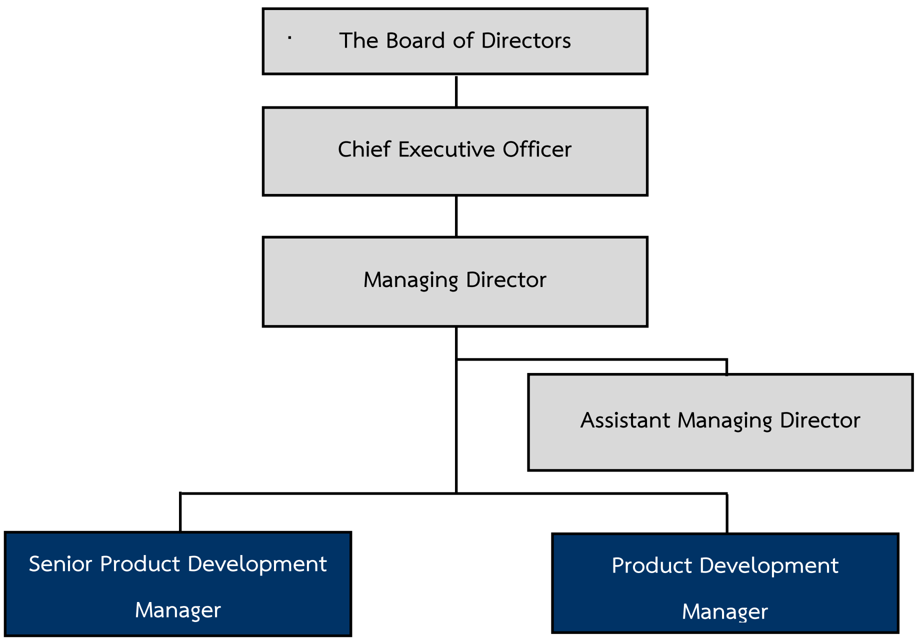
#### 7.1.2.1 PEM

From the resolutions of the Board of Directors' meeting, No. 10/2021, on December 23, 2021, the PEM's structure was approved as follows:



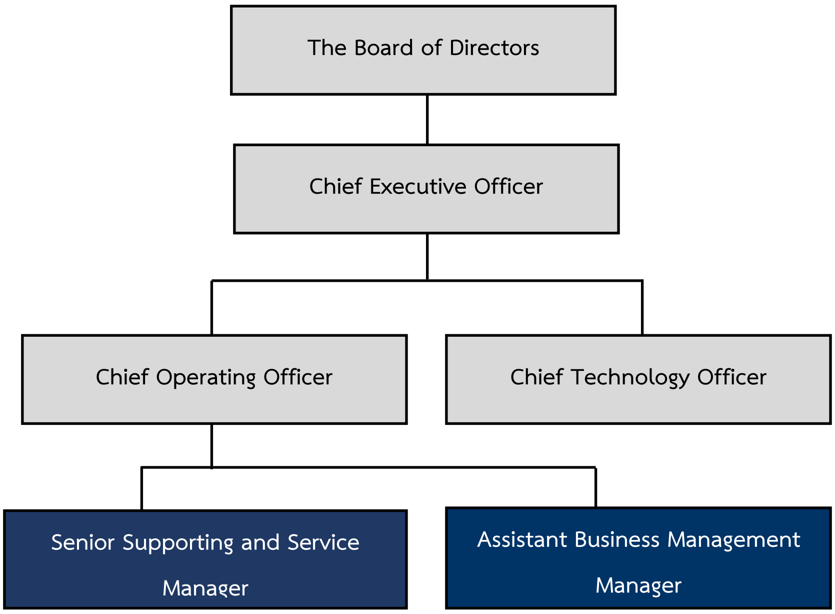

#### 7.1.2.2 PMW

From the resolutions of the Board of Directors' meeting, No. 10/2021, on December 23, 2021, the PMW's structure was approved as follows:



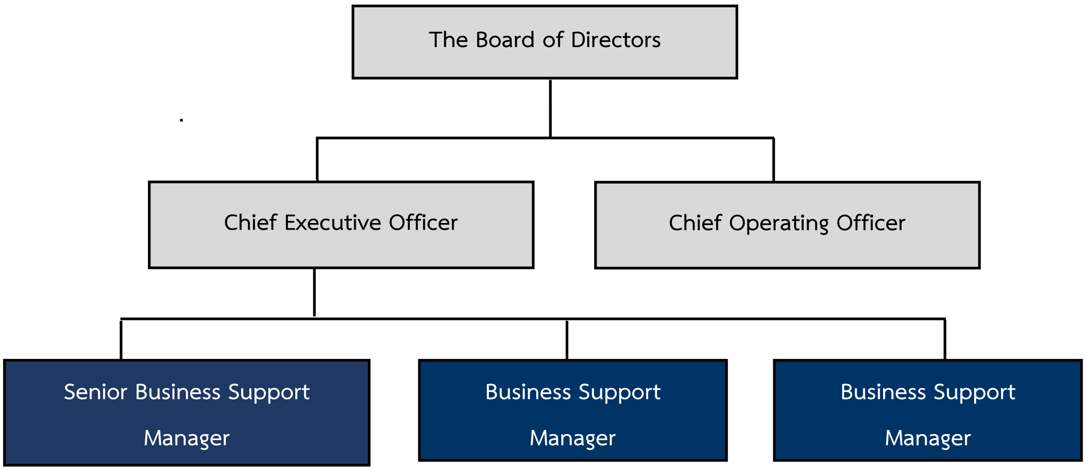
7.1.2.3 PSP

From the resolutions of the Board of Directors' meeting, No. 10/2021, on December 23, 2021, the PSP's structure was approved as follows:



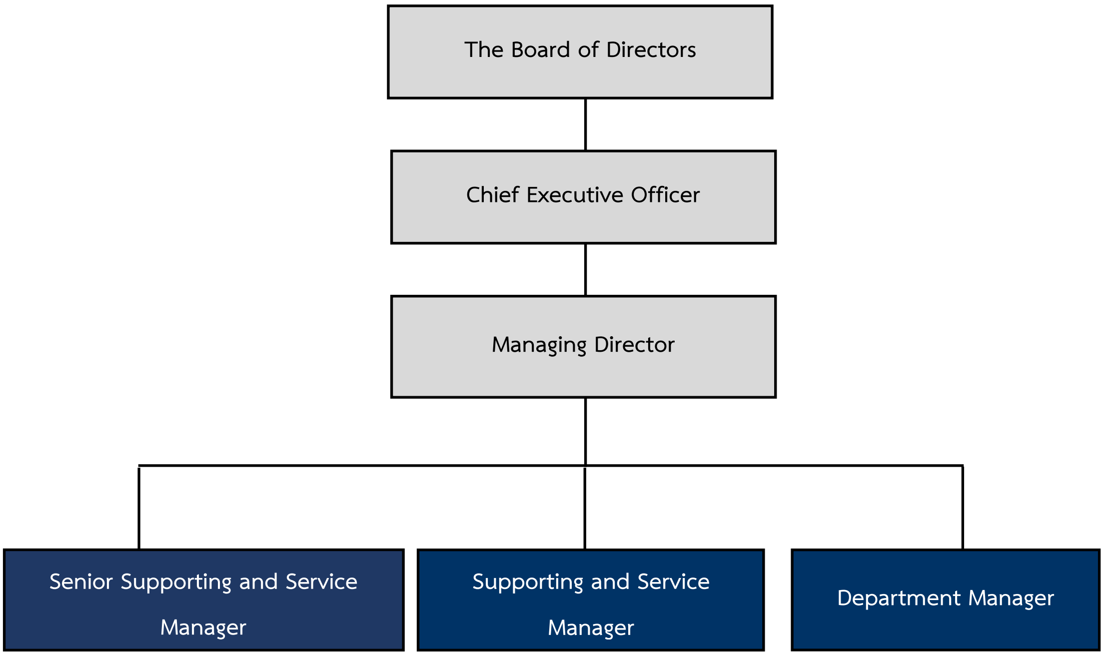

7.1.2.4 PPP

From the resolutions of the Board of Directors' meeting, No. 10/2021, on December 23, 2021, the PPP's structure was approved as follows:



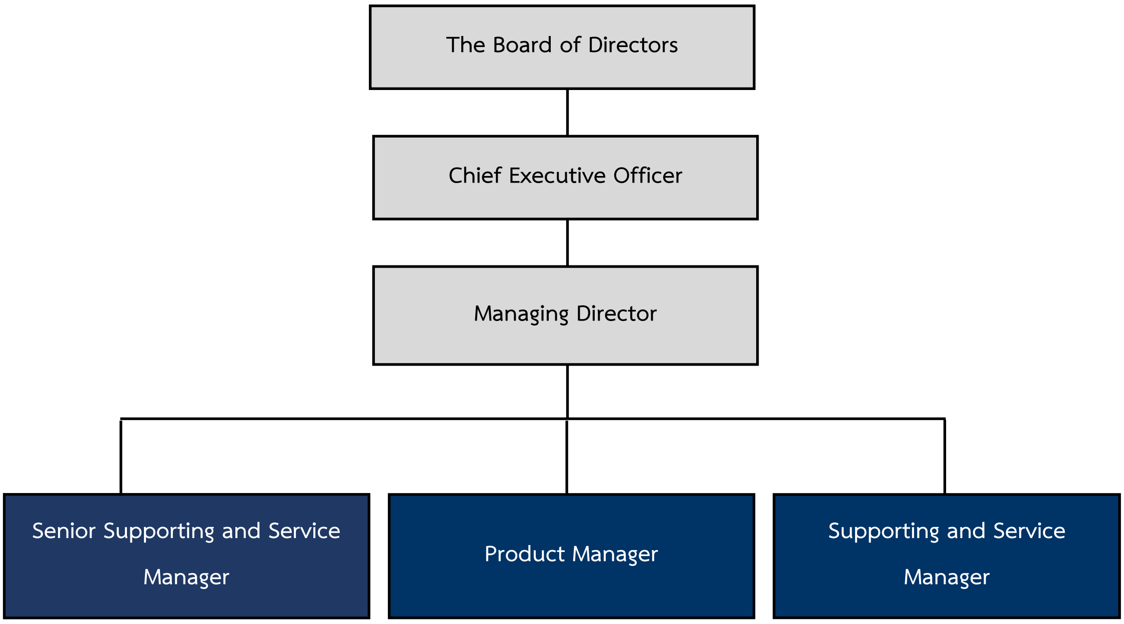
7.1.2.5 CEP

From the resolutions of the Board of Directors' meeting, No. 10/2021, on December 23, 2021, the PEM's structure was approved as follows:




7.1.2.6 SBP

From the resolutions of the Board of Directors' meeting, No. 10/2021, on December 23, 2021, the SBP's structure was approved as follows:



## 7.2 The Board of Directors

### 7.2.1 Composition of the Board of Directors

The Board of Directors consists of 10 directors, which align with the related law and regulations of the Company. Six directors are not the executives (accounting for 60% of total directors) and four directors are the executives (accounting for 40% of total directors).

Information, related details, and profile of the directors are presented in Attachment 1, "Details of Directors, Executives, Authority, Highest Authority of Accounting and Financing, Direct Person in Charge of Controlling the Bookkeeping, Secretaries, and Corporate Representative in Case of International Operations"

### 7.2.2 Information of the Board of Directors

| Name List | Position | Date of Appointment |
|---|---|---|
| 1. Mr. Achitsak Bunjongpotiklang | Independent Director and Chairman of the Board of Directors | April 26, 2021 |
| 2. Mr. Kitti Sumrit | Company Director, Chief Executive Officer, and Managing Director | April 26, 2021 |
| 3. Mr. Kitti Nutchayangkul | Company Director and Senior Vice President | April 26, 2021 |
| 4. Mr. Suthee Chulanutrakul | Company Director and Nomination and Remuneration Committee | April 26, 2021 |
| 5. Mrs. Naree Boontherawara | Independent Director and Chairman of Audit Committee | April 26, 2021 |
| 6. Mr. Sanchai Thiewprasertkul | Independent Director and Chairman of Nomination and Remuneration Committee | April 26, 2021 |
| 7. Ms. Sudarat Tangsoontornkij | Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member | April 26, 2021 |
| 8. Mr. Boonchai Pitugdamrongkija | Independent Director and Audit Committee Member | April 26, 2021 |
| 9. Mr. Ketinart Sumrit | Company Director | April 26, 2021 |
| 10. Mr. Amorn Daengchot | Company Director and Vice President | April 26, 2021 |

### 7.2.3 The Board of Directors of Subsidiaries

| Company | PEM | PMW | PEMC | PSP | PDE | PPD | PPP |
|---|---|---|---|---|---|---|---|
| 1. | Mr. Widhoon Chiamchittrong | Mr. Widhoon Chiamchittrong | Mr. Widhoon Chiamchittrong | Mr. Amorn Daengchot | Ms. Supaporn Kiattisin | Mr. Thanatip Upatising | Mr. Tawat Polquamdee |
| 2. | Mr. Ketinart Sumrit | Mr. Ketinart Sumrit | Mr. Nathapong Korom | Mr. Ketinart Sumrit | Mr. Ketinart Sumrit | Mr. Ketinart Sumrit | Mr. Ketinart Sumrit |
| 3. | Ms. Nicha Nutchayangkul | Ms. Nicha Nutchayangkul | Mr. Sirichai Chiraratphithak | Ms. Nicha Nutchayangkul | Ms. Nicha Nutchayangkul | Ms. Nicha Nutchayangkul | Ms. Nicha Nutchayangkul |
| 4. | Mr. Nathapong Korom | Mr. Nathapong Korom | Mr. Kiattisak Sarapim | Mr. Passakorn Naraborrirak | Mr. Amorn Daengchot | Mr. Surasak Pilandnapark | Mr. Theerawat Pornpongsuriya |
| 5. | Mr. Sirichai Chiraratphithak | Mr. Sirichai Chiraratphithak | | Mr. Wichai Yingjorhor | | Mr. Anusak Benjachaiyaporn | |
| Company | PSL | SBP | TBP | PKB | PPS | PTS | |
| 1. | Mr. Tawat Polquamdee | Mr. Tawat Polquamdee | Mr. Tawat Polquamdee | Mr. Tawat Polquamdee | Mr. Thanatip Upatising | Mr. Thanatip Upatising | |
| 2. | Mr. Ketinart Sumrit | Mr. Theerawat Pornpongsuriya | Mr. Theerawat Pornpongsuriya | Mr. Theerawat Pornpongsuriya | Mr. Surasak Pilandnapark | Mr. Surasak Pilandnapark | |
| 3. | Ms. Nicha Nutchayangkul | Mr. Nattawut Yingthavorn | Ms. Nicha Nutchayangkul | Ms. Nicha Nutchayangkul | Mr. Anusak Benjachaiyaphorn | Mr. Anusak Benjachaiyaporn | |
| 4. | Mr. Theerawat Pornpongsuriya | Mr. Saman Orawat[2] | | | | | |
| 5. | | Mr. Jirasak Musikatas | | | | | |

Note: All directors of subsidiaries hold the position of director as representatives of the Company.

[2]Mr. Saman Orawat holds the position of director as a representative of Chumchon Khuntadwai Co., Ltd.

### 7.2.4 Roles and Responsibilities of the Board of Directors and Chief Executive Officer

From the meeting of the Board of Directors of Precise Corporation Public Company Limited, No. 6/2021, on August 11, 2021, the resolutions of the meeting approved the roles and responsibilities of the Board of Directors and Chief Executive Officer as follows:

**Scope, Authority, Roles, and Responsibilities of the Board of Directors**

- Comply with the laws, objectives, regulations of the Company, and resolution of shareholder meetings with honesty and prudence, considering the benefits of the Company.
- Set the objectives, goals, strategies, and operational policies, as well as manage significant resources to achieve the Company's objectives and goals.
- Follow, evaluate, and monitor the operational results and reports, as well as clearly specify the scope of roles and responsibilities for the Chief Executive Officer and the Management, as well as supervise the CEO and the Management to operate their duties as assigned.
- Govern the Company to achieve the governance outcomes as follows:
    - Able to compete with good operational results, considering long-term effects.
    - Operate the business with morals, respect the rights of others, and be responsible for the shareholders and stakeholders.
    - Provide benefits to society and develop or reduce negative effects on the environment.
    - Able to adapt under changing factors.
- Specify or monitor the objectives and major goals of the Company to be sustainable, in accordance with the value created to the Company, customers, stakeholders, and overall society.
- Manage to ensure that the medium-term and annual objectives, goals, and strategies of the Company are consistent with the achievement of major objectives and goals of the Company by utilizing the innovations and technology properly and safely.
- Specify and review the Board of Directors' structure in terms of the size and proper proportion of independent directors to drive the company to achieve the stated major objectives and goals.
- Ensure that there are a framework and mechanism to monitor the policies and operations of subsidiaries and other businesses that the Company has invested to be at a proper level for each business, while subsidiaries and other businesses the Company has invested understand in the same direction.
- Conduct the annual evaluation of the Board of Directors, subcommittee, and each of the directors.
- Supervise the management and development of employees with proper number, knowledge, skills, experience, and incentives.
- Control the Management to operate the business with responsibilities towards the society and environment, while reflecting into the operational plan to ensure that all departments of the organization operate in consistent with the major objectives and goals, and strategies of the Company.
- Monitor the Resources Allocation and Management Department to operate effectively, with the consideration of effects and resource development throughout the value chain, in order to achieve the major objectives and goals sustainably.
- Supervise the Company and subsidiaries to have a risk management system and internal control system that will lead to the effective achievement of objectives and the operations are proceeded based on law and related standards.
- Follow and manage the conflict of interests which might happen between the Company and the Management, the Board of Directors, or shareholders, as well as exploitation of assets, information, and opportunities of the Company and the transactions with any parties who have suspicious relationships with the Company.
- Monitor the preparation of policies and regulations of anti-corruption to be obvious and communicate to all levels of employees in the organization and external parties so that they can utilize them in their substantial operations.

- Ensure that the Company provides the mechanism to receive complaints and treatment with whistle-blowing.
- Supervise the financial report preparation and significant information disclosure to be correct, sufficient, rapid, and consistent with the related standards and regulations.
- Consider, select, and offer independence to an auditor and consider the remuneration of they to present in the shareholder meeting. Also, conduct the meeting with an auditor without the Management attending at least once a year.
- Monitor the financial liquidity and competency to pay debts of the Company.
- Consider preparing the sustainability report as appropriate.
- Assist the Management to prepare the department or person in charge of investor relations, who is responsible for communicating with shareholders and other stakeholders, such as investors or analysts, properly, fairly, and rapidly.
- Promote the utilization of information technology in information for publicizing.
- Encourage the shareholders to involve in making decisions for significant matters of the Company.
- Monitor the operations on the day of shareholder meetings to be smooth, explicit, effective, and comfortable for shareholders to exercise their rights.
- Manage the disclosure of meeting resolutions and preparation of shareholder meeting reports being correct and complete.

**Scope, Authority, Roles, and Responsibilities of the Chief Executive Officer**

- Performance Roles: Create good operational results for the Company and lead the Company to grow sustainably.
  - Strategy Formulation
    1. Specify the Group's policies, review, adjust, and present to the Board of Directors for approval. Then, communicate and announce the policies and significant information to employees in the Company and external stakeholders.
    2. Establish the corporate strategy (3rd-phase plan, externally oriented strategic planning) and 4th-phase plan, strategic management. Then, review annual strategies, goals, and plan to respond to the needs of shareholders, customers, employees, and other stakeholders of the Company and present them to the Board for approval.
       - 2.1 Solve and analyze the problems and issues that the Company must face correctly and appropriately.
       - 2.2 Assess and evaluate significant succession plan to specify the Company strategies.
       - 2.3 Set and review the strategic plan together with the Board of Directors, executives, and other employees, so they can have a part in the Company and feel like they are the owner of the plan.
       - 2.4 Plan the resources and budget of the Company properly for the operations based on the strategic plan.
    3. Communicate the approved corporate strategy by the Board in the executive committee meeting.
    4. Advise on the business and functional strategic plan preparation, which is the first-phase planning, regarding the annual fundamental financial budget and approve the planning based on the three-year forecast (second-phase planning, forecast-based planning) of the Company and subsidiaries.
    5. Manage, execute, and follow the operations to be indicated in the strategies, policy framework, and operational plans of the Conglomerate, which were approved by the Board.
       - 5.1 Create the effective organizational structure and focus on necessary functions, which will help the organization to achieve its missions.
       - 5.2 Manage and delegate the work correctly, operate their own scope and responsibilities, and delegate the duties to others to process professionally.
       - 5.3 Make a good decision regularly and adjust the strategy rapidly when realizing the conditions that show the signals of necessity for change.
       - 5.4 Operate based on the strategies, priorities, and measures that the Board indicated effectively in an appropriate timeframe.
  - Policy Making

    Establish the guidelines to operate the business and develop the organization sustainably.

1. Support the managing director and chief executive officer to develop the organization management system based on the enterprise architecture.
2. Supervise and follow up the development of information system and report of each system of the Company to have the data standard, data library, and information flow, in alignment with the real-time process flow and product flow, in a single data entry and common database, so it can benefit the operations and operational audit of departments in the organization.
3. Specify the operational authority to be appropriate for the responsibilities of the Management.
4. Provide the framework for resources management, development, and budget, such as policies and plans for human resources management and information technology management.
5. Establish the succession policies and plan, adjust the plan based on internal and external conditions effectively, and improve the high-potential executives to be the inheritors.
6. Create the process to improve the necessary competency of the executives and create the growth path for competent leadership for the future of the organization based on leadership pipeline.

▪ Conformance (Compliance) Roles: Conform to the rules, regulations, standards, and business ethics

- Providing Accountability:

The CEO is responsible for following and governing the management of the Conglomerate and give the responsibilities to the Board of Directors, shareholders, stakeholders, and other related parties, to ensure that the Conglomerate has sufficient and proper risk management and internal control, and comply with the related law, rules, regulations, and good business governance.

- Monitoring and Supervising:

1. Monitor and follow up the operations of the Company and subsidiaries to ensure the effectiveness and achievement of operations objectives in terms of financial, resource utilization, asset treatment, mistakes prevention and reduction during the operations.
2. Monitor and follow up the financial reports and other reports (Reporting Objective), which will be used internally and externally to be precise, reliable, explicit, and rapid.
3. Supervise the employees to comply with the law, rules, and regulations relating to the operations, as well as other regulations of the Conglomerate (Compliance Objective) correctly.
4. Monitor and evaluate the operations of the Company and subsidiaries regularly, in order to know the errors or mistakes, which might happen during the operations, as well as any deviation from the plans.
5. Conduct the executive committee meetings regularly at least once a month to follow up and evaluate the operational results regularly.

▪ Other responsibilities as the Board of Directors will assign occasionally: The Board of Directors gives the authority to manage the operations of the Group to the Chief Executive Officer (CEO), with the scope of duties as stated in the delegation of authority. However, the authority utilization of the CEO cannot be done if the CEO has any interests or conflict of interests of any form with the Company (as per the definitions in the Announcement of the Securities and Stock Exchange Committee or the Announcement of the Capital Market Supervisory Board). The interests can be in all forms or the conflict of interests with the Company or subsidiaries, except that the transactions are inconsistent with the approved policies and regulations of the shareholder meetings or Board meetings.

## 7.3 Subcommittee Information

As of December 31, 2022, the Company had three groups of subcommittees, including (1) the Audit Committee, (2) the Nomination and Remuneration Committee, and the (3) the Executive Directors

### 7.3.1 Audit Committee

The Audit Committee consisted of three independent directors as follows.

| Name | Position | Date of Appointment |
|---|---|---|
| 1. Mrs. Naree Boontherawara | Chairman of Audit Committee | May 14, 2021 |
| 2. Ms. Sudarat Tangsoontornkij [1] | Audit Committee | May 14, 2021 |
| 3. Mr. Boonchai Pitugdamrongkija | Audit Committee | May 14, 2021 |

Note: [1] This person has sufficient knowledge and experience to be responsible for auditing the reliability of the Company's financial statements.

**Scope, Authority, Roles, and Responsibilities of Audit Committee**

1. Financial Statements
   - Audit the financial statements of the Company to be correct, sufficient, and reliable by coordinating with the auditor and executives in charge of financial reports preparations for both quarterly and annually.
   - If necessary, the Audit Committee may request comments which are free from advisors of other professions. The Company will be responsible for the fee for this.
2. Related Parties' Transactions and Potential Conflict of Interests' Transactions
   - Consider the related parties' transactions and potential conflict of interests transactions to be in accordance with the law and regulations of Thailand Stock Exchange to ensure that the transactions are rational and beneficial to the Company.
   - Consider the information disclosure of the Company in case the related parties' transactions or potential conflict of interests' transactions happen to be correct and complete.
3. Internal Control
   - Audit the internal control and internal audit systems of the Company to be appropriate and effective, by auditing together with the external and internal auditors (if any).
   - Consider the independence of the Internal Audit Department and approve for the nomination of transferring or demoting of the internal audit manager.
4. Internal Audit
   - Audit the activities and approve the charter of internal audit activity.
   - Audit the Internal Audit Department to align with the auditing plan, which was approved by the Audit Committee and audit the scope of duties of the Internal Audit Department.
   - Audit the annual internal audit plan to be in accordance with the types and risk levels of the Company.
   - Support the Internal Audit Department to proceed based on the Standard of Internal Audit.
5. Auditor
   - Consider, select, nominate, and offer remuneration to the individual to be the auditor of the Company, by considering the reliability and sufficiency of resources and work amount. Inspect the audit office and experience of the employees assigned to audit the account of the Company.
6. Alignment with Related Laws and Regulations
   - Audit the Company to comply with the laws of Securities and Stock Exchange, Regulations of the Stock Exchange of Thailand, the laws relating to the business of the Company, and business ethics of the Company.

- Investigate the truth regarding suspicious actions, which were informed by the auditors regarding the fraud or violation of law relating to the operations of the Board and executives. Then, report the basic audit results to the Office of Insurance Commission.

7. **Report of Audit Committee, disclosing in the annual report of the Company, which must be signed by the Chairman of Audit Committee, with the following information.**

- Comments and opinions regarding the correctness, completeness, and reliability of the financial report of the Company.
- Comments and opinions regarding the sufficiency of internal control system of the Company.
- Comments and opinions regarding the alignment with the Law of Securities and Stock Exchange, Regulations of Thailand Stock Exchange, and laws relating to the business of the Company.
- Comments and opinions regarding the appropriateness of the auditor.
- Comments and opinions regarding the potential conflict of interest transactions.
- Number of times time for audit committee meetings and attendance of each committee.
- Comments or overall observations that the Audit Committee obtains from the process based on the Charter.
- Other reports that the shareholders and ordinary investors should acknowledge, under the scope of duties and responsibilities assigned by the Board of Directors of the Company.

8. **Other Responsibilities**

- Perform other duties assigned by the Board of Directors of the Company and agreed by the Audit Committee, such as reviewing the financial and risk management policies, compliance with the business ethics of the executives, and significant reports, including reports and analysis of the executives, which must be presented to the public as stated by the laws, together with the executives of the Company.

### 7.3.2 Nomination and Remuneration Committee

| Name | Position | Date of Appointment |
|---|---|---|
| 1. Mr. Sanchai Thiewprasertkul | Chairman of Nomination and Remuneration Committee | May 14, 2021 |
| 2. Mr. Suthee Chulanutrakul | Nomination and Remuneration Committee | May 14, 2021 |
| 3. Ms. Sudarat Tangsoontornkij | Nomination and Remuneration Committee | May 14, 2021 |

**Scope, Authority, Roles, and Responsibilities of Nominaiton and Remuneration Committee**

- Consider and comment on the structure, size, and elements of the Board of Directors and subcommittee and the Board of Subsidiaries, as well as the organizational structure of the Company and subsidiaries to make it appropriate for the size, types, complexity of the business, strategies, and changing situations.
- Specify the criteria and procedures for recruiting the directors (including the members of subcommittee of the Company), Managing Director of the Company and subsidiaries, and executives to be in accordance with the rules and/or related law and consistent with the specified organizational structure, adhering to the good business governance principles, and indicate the qualifications of directors of the Company by considering the following matters.
  - Legal qualifications or regulations of related organizations
  - Education, knowledge, expertise, skills, experience, and specific competency relating to and benefiting the business operations of the Company, as well as time dedication of the directors.

- Diversity of the board structure and necessary directors' qualifications or lacking qualifications in the Board of Directors of the Company.

- Review the independence and qualifications of each independent director to ensure that the independent directors of the Company are completely qualified based on the rules and/or related laws.
- Consider recruiting qualified employees who are appropriate for the specified qualifications to be the directors, directors in each group of subcommittee, Managing Director of the Company and subsidiaries, and executives of the Company and subsidiaries, in accordance with the regulations of the Company and related law. Then, present the list of selected names to the Board of the Company to consider for nomination.
- Support the Company to open opportunities for minor shareholders to offer the names to be recruited as directors of the Company.
- Set the policies, criteria, guidelines, and methods to consider the remuneration and other benefits to the Board of the Company, subcommittees, Managing Directors of the Company and subsidiaries, and executives of the Company and subsidiaries, as well as the secretaries of the Company and subcommittees. Review the form and criteria of remuneration payment (whether in cash, assets, or others) regularly to make it appropriate, fair, and align with the related laws, by connecting the remuneration with the evaluation results, business plan, and overall operational results of the Company, in order to persuade and preserve the competence and efficient directors with the Company, comparing with other companies in the same industry, to present to the Board for approval.
- Establish the guidelines for operational evaluation of the Board and executives to consider for approval and review the evaluation form of operational results of the Board and executives to present to the Board of the Company to consider for approval and assessment. The Nomination and Remuneration Committee will use the evaluation results to consider specifying the remuneration for the Board.
- Consider preparing the succession plan for the executives of the Company and subsidiaries and present it to the Board of the Company for approval. This plan needs to be reviewed every year to prepare the inheritor so that the management of the Company and subsidiaries can run smoothly.
- Manage the knowledge development plan for present directors and orientation for new directors and ensure that the seminar and training to enhance knowledge of the Board and executives of the Company and subsidiaries are held continuously.
- Set the form of employment contract and welfare of the executives of the Company and subsidiaries.
- Monitor the appropriateness and conditions regarding the stock offering and stock warrant for the Board and employees to persuade the Board and employees to work on their tasks to create added value to the shareholders in a long term and approve for the offering of new assets (or stock warrant) for the Board and employees of more than 5% of total allocation number.
- Report the progress and operational results to the Board of the Company every time after the meeting of the Nomination and Remuneration Committee.
- Review the Charter of Nomination and Remuneration Committee regularly to be in accordance with present situations.
- Proceed with other duties as assigned by the Board of the Company

### 7.3.3 Executive Directors

| Name | Position | Date of Appointment |
|---|---|---|
| 1. Mr. Kitti Sumrit | Chairman of Executive Directors | December 23, 2021 |
| 2. Mr. Widhoon Chiamchittrong | Executive Director | December 23, 2021 |
| 3. Mr. Tawat Polquamdee | Executive Director | December 23, 2021 |
| 4. Mr. Thanatip Upatising | Executive Director | December 23, 2021 |
| 5. Mrs. Chanya Chooputtipong | Executive Director | December 23, 2021 |
| 6. Ms. Supaporn Kiattisin | Executive Director | December 23, 2021 |
| 7. Mr. Amorn Daengchot | Executive Director | December 23, 2021 |
| 8. Mr. Theerawat Pornpongsuriya | Executive Director | December 23, 2021 |

**Scope, Authority, Roles, and Responsibilities of the Executive Directors**

- Consider the strategies and business plan, as well as the management structure and management authorities of the Company and subsidiaries to present to the Board of Directors for approval and operations. Inspect and follow up on the operational results to be effective.
- Manage the business plan, annual budget plan, and investment plan of the Company and subsidiaries to present to the Board of the Company or subsidiaries to consider for approval further (case by case).
- Approve the investment and indicate the budget for the investment of the Company and/or subsidiaries before presenting to the Board of the Company or subsidiaries for approval (case by case).
- Prepare contracts that create obligations to the Company, based on the authority in the Approval Authority Table.
- Govern the operations of subsidiaries and joint ventures to be as per the operational plans from the Board. Order, demonstrate, plan, and proceed with the operations of the Company to be in accordance with the policies stated by the Board.
- Control the Company to have a proper and careful internal control system, in accordance with the suggestions and warnings from the Audit Committee.
- Prepare the operational results report of the Company and present to the Board for acknowledgment quarterly.
- Consider the remuneration structure, salary and welfare structure for employees of level 10 and above of the Company and subsidiaries to present for approval from the Recruitment and Remuneration Committee, before presenting to the Board of the Company for approval further.
- Approve the remuneration structure and salary and welfare structure for employees of levels 1-9 of the Company and subsidiaries, presented by the Chairman of Executive Directors.
- Consider the improvement, adjustment, and nomination of employees and management structure of the Company and subsidiaries.
- Adjust the operational plan and budget for operations of the Company and subsidiaries.
- Establish the rules, regulations, and criteria for the operations of the Company and subsidiaries.
- Follow up the work of each department of the Company and subsidiaries to align with the stated goals and plans.
- Supervise the representatives in presenting the information, operational plans, operational progress, or other matters that the Executive Directors agree to have as information for the meetings.
- Provide suggestions, advice, and policy guidelines to the President and/or Managing Director and/or assigned operational parties.
- Operate with honesty and prudence to preserve the benefits of the Company.
- Establish the risk management policy of the Company and put the framework of risk management of the Company, which covers several types of risks, such as:

- Strategic and Management Risk
- Operational Risk
- Financial and Investment Risk
- Compliance Risk
- Information and Communication Technology Risk
- Business Technology Risk
- Legal Risk

▪ Conduct the evaluation and analysis of potential risks that happen systematically and continuously during both normal situations and crises to ensure that the risk exploring covers all procedures of business operations.

▪ Govern and follow all departments in the Company and subsidiaries to align with the risk management policy and report significant risk management so that the Company can have an effective risk management system throughout the organization, which is complied with continuously. Give suggestions and comments on the result of risk evaluation, risk management measures, and the remaining risk management plan of the Company to ensure that the risk management of the Company is effective and appropriate for the business operations of the Company and the Company can manage the risks to be at an acceptable level, in accordance with the risk management policy.

▪ Audit, assess, and review the sufficiency of risk management policies and system, as well as the efficiency of the system and policy alignment to ensure that the risk management framework is effective, up to the international standards, appropriate, and aligned with the strategic direction and business plan of the Company and subsidiaries. Then, review the risk management policies at least once a year and present it to the Board for approval.

▪ Audit the evaluation and revision of the policies and ethics directions, as well as the regulations or guidelines regarding good business governance to be in accordance with the international standards and suggestions of several institutes. Then, report to the Board regularly or quarterly regarding the matters in need of adjustment to be in accordance with the stated policies and strategies.

## 7.4 Directors Authorized to Sign for binding the Company

### 7.4.1 Directors Authorized to Sign on Behalf of the Company

As of December 31, 2022, the director who signed for obligations were Mr. Kitti Sumrit, Mr. Kitti Nutchayangkul, and Mr. Amorn Daengchot. Two-thirds of these directors signed together and affixed the Company's seal. Either Mr. Kitti Nutchayangkul or Mr. Amorn Daengchot signed together with Mr. Ketinart Sumrit and affixed the Company's seal.

### 7.4.2 Directors authorized to sign for binding the subsidiaries

| Company | Details |
|---|---|
| 1. PEM | Mr. Widhoon Chiamchittrong, Mr. Ketinart Sumrit, Ms. Nicha Nutchayangkul. Any two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Nathapong Korom could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |
| 2. PMW | Mr. Widhoon Chiamchittrong, Mr. Ketinart Sumrit, Ms. Nicha Nutchayangkul. Any two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Sirichai Chiraratphithak could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |
| 3. PEMC | Mr. Widhoon Chiamchittrong, Mr. Nathapong Korom, Mr. Sirichai Chiraratphithak, Mr. Kiattisak Sarapim |
| 4. PSP | Mr. Amorn Daengchot, Mr. Ketinart Sumrit, Ms. Nicha Nutchayangkul. Any two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Passakorn Naraborrirak could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |
| 5. PDE | Ms. Supaporn Kiattisin, Mr. Ketinart Sumrit, Ms. Nicha Nutchayangkul. Two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Amorn Daengchot could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |
| 6. PPD | Mr. Thanatip Upatising, Mr. Ketinart Sumrit, Ms. Nicha Nutchayangkul. Two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Surasak Pilandnapark could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |

| Company | Details |
|---|---|
| 7. PPP | Mr. Tawat Polquamdee, Mr. Ketinart Sumrit, Ms. Nicha Nutchayangkul. Two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Theerawat Pornpongsuriya could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |
| 8. PSL | Mr. Tawat Polquamdee, Mr. Ketinart Sumrit, and Ms. Nicha Nutchayangkul. Two of the three directors could sign together and affix the Company's seal. Meanwhile, Mr. Theerawat Pornpongsuriya could sign together with Mr. Ketinart Sumrit or Ms. Nicha Nutchayangkul and affix the Company's seal. |
| 9. SBP | Mr. Tawat Polquamdee, Mr. Theerawat Pornpongsuriya, Mr. Nattawut Yingthavorn. Two of the three directors could sign together and affix the Company's seal. |
| 10. CEP | Mr. Tawat Polquamdee, Mr. Theerawat Pornpongsuriya, Mr. Jirasak Musikatas Two of the three directors could sign together and affix the Company's seal. |
| 11. TBP | Mr. Tawat Polquamdee, Mr. Theerawat Pornpongsuriya, Ms. Nicha Nutchayangkul Two of the three directors could sign together and affix the Company's seal. |
| 12. PKB | Mr. Tawat Polquamdee, Mr. Theerawat Pornpongsuriya, Ms. Nicha Nutchayangkul Two of the three directors could sign together and affix the Company's seal. |
| 13. PTS | Mr. Thanatip Upatising, Mr. Surasak Pilandnapark, Mr. Anusak Benjachaiyaporn. Two of the three directors could sign together and affix the Company's seal. |
| 14. PPS | Mr. Thanatip Upatising, Mr. Surasak Pilandnapark, Mr. Anusak Benjachaiyaphorn. Two of the three directors could sign together and affix the Company's seal. |

## 7.5 Executives

### 7.5.1 Company's Executives

As of December 31, 2022, the details of the executives were as follows:

| Name | Position |
|---|---|
| 1. Mr. Kitti Sumrit | Chairman of the Executives and President |
| 2. Mr. Kitti Nutchayangkul | Senior Vice President |
| 3. Mrs. Chanya Chooputtipong | Vice President |
| 4. Mr. Amorn Daengchot | Vice President |
| 5. Mr. Theerawat Pornpongsuriya | Vice President |

### 7.5.2 Executives of Subsidiaries

#### 7.5.2.1 PEM

| Name | Position |
|---|---|
| 1. Mr. Widhoon Chiamchittrong | Chief Executive Officer |
| 2. Mr. Nathapong Korom | Chief Operating Officer |
| 3. Mr. Sirichai Chiraratphithak | Chief Technology Officer |
| 4. Mr. Seksan Preecha | Business Manager |
| 5. Mr. Pattarawoot Sakda | Business Manager |
| 6. Mr. Bhattaraphong Yoiserthsud | Business Manager |
| 7. Ms. Titayaporn Buakaew | Business Manager |

#### 7.5.2.2PMW

| Name | Position |
|---|---|
| 1. Mr. Widhoon Chiamchittrong | Chief Executive Officer |
| 2. Mr. Ketinart Sumrit | Managing Director |
| 3. Mr. Kwanchai Tongkliang | Assistant Managing Director |
| 4. Mr. Anucha Jaroonkittikorn | Senior Product Development Manager |
| 5. Ms. Kanchana Chiwapanit | Product Development Manager |

7.5.2.3 PSP

| Name | Position |
|---|---|
| 1. Mr. Amorn Daengchot | Chief Executive Officer |
| 2. Mr. Passakorn Naraborrirak | Chief Operating Officer |
| 3. Mr. Wichai Yingjorhor | Chief Technology Officer |
| 4. Ms. Pantipa Wongsuwan | Senior Supporting and Service Manager |
| 5. Mr. Anusart Wannato | Business Manager |

7.5.2.4 PPP

| Name | Position |
|---|---|
| 1. Mr. Tawat Polquamdee | Chief Executive Officer |
| 2. Mr. Theerawat Pornpongsuriya | Chief Operating Officer |
| 3. Ms. Thipsuda Pogkhrong | Senior Business Support Manager |
| 4. Ms. Sakulrat Intrto | Business Support Manager |
| 5. Ms. Chanporn Ramwong | Business Support Manager |

7.5.2.5 CEP

| Name | Position |
|---|---|
| 1. Mr. Tawat Polquamdee | Chief Executive Officer |
| 2. Mr. Theerawat Pornpongsuriya | Managing Director |
| 3. Ms. Thipsuda Pogkhrong | Senior Supporting and Service Manager |
| 4. Ms. Sakulrat Intrto | Supporting and Service Manager |
| 5. Mr. Chawalit Jandang | Department Manager |

7.5.2.6 SBP

| Name | Position |
|---|---|
| 1. Mr. Tawat Polquamdee | Chief Executive Officer |
| 2. Mr. Nattawut Yingthavorn | Managing Director |
| 3. Ms. Thipsuda Pogkhrong | Senior Supporting and Service Manager |
| 4. Mr. Jirasak Musikatas | Product Manager |
| 5. Ms. Sakulrat Intrto | Supporting and Service Manager |

### 7.5.3 Executives Remuneration

(1) Cash Remuneration

For the accounting year ending December 31, 2022, the Company paid the remuneration for executives as follows:

| Types of Remuneration | Executives' Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 5 | 5 |
| Salary and Bonus (baht) | 10,213,368 | 15,198,072 |
| Provident Fund Contributions (baht) | 2,237,941 | 2,265,665 |

(2) Non-cash Remuneration

-None-

### 7.5.4 Remuneration of Executives and Subsidiaries

#### 7.5.4.1 PEM

| Types of Remuneration | Executives Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 7 | 7 |
| Salary and Bonus (baht) | 8,551,308 | 9,149,536 |
| Provident Fund Contributions (baht) | 1,134,434 | 1,026,795 |

#### 7.5.4.2 PMW

| Types of Remuneration | Executives Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 5 | 5 |
| Salary and Bonus (baht) | 5,161,776 | 5,988,394 |
| Provident Fund Contributions (baht) | 717,790 | 624,853 |

7.5.4.3 PSP

| Types of Remuneration | Executives Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 5 | 5 |
| Salary and Bonus (baht) | 8,144,912 | 9,244,800 |
| Provident Fund Contributions (baht) | 1,112,095 | 1,109,722 |

7.5.4.4 PPP

| Types of Remuneration | Executives Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 5 | 5 |
| Salary and Bonus (baht) | 4,838,852 | 3,471,756 |
| Provident Fund Contributions (baht) | 795,931 | 431,094 |

7.5.4.5 CEP

| Types of Remuneration | Executives Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 5 | 5 |
| Salary and Bonus (baht) | 729,856 | 914,998 |
| Provident Fund Contributions (baht) | 102,922 | 35,254 |

7.5.4.6 SBP

| Types of Remuneration | Executives Remuneration (baht) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Number of Executives (people) | 5 | 5 |
| Salary and Bonus | 2,613,432 | 5,132,458 |
| Provident Fund Contributions (baht) | 805,010 | 520,690 |

## 7.6 Information of Employees

### 7.6.1 Number of Employees

For the accounting year ending December 31, 2021 and 2022, the Group had a total of 1,020 and 1,014 employees, respectively, with the following details:

| Business | Number of Employees (people) | |
|---|---|---|
| | For the accounting year ending December 31, 2021 | For the accounting year ending December 31, 2022 |
| Precise Corporation Public Company Limited | 39 | 40 |
| Precise Electric Manufacturing Co. Ltd. and Subsidiaries | 586 | 562 |
| Precise System and Project Co., Ltd. | 225 | 235 |
| Precise Power Producer Co., Ltd., and Subsidiaries | 89 | 92 |
| Precise Smart Life Co., Ltd. | 21 | 22 |
| Precise Digital Economy Co., Ltd. | 43 | 43 |
| Pacific Prosperity Development Co., Ltd. and Subsidiaries | 17 | 22 |
| Total | 1,020 | 1,014 |

### 7.6.2 The Significant Change of Employee Number during the Past 3 Years

-None-

### 7.6.3 Employee Remuneration

Employee remunerations (excluding executives) of the Company and subsidiaries for the accounting year ending December 31, 2021, and 2022 were 475.14 million baht and 555.75 million baht. The mentioned employee remuneration included salary, allowances, bonuses, provident fund contributions, social security contributions, compensation fund contributions.

### 7.6.4 Provident Funds

The Company set up the provident funds on January 1, 1995. Since then, the provident funds of the Company have been under the authorization of Bangkok Capital Asset Management Co., Ltd.

### 7.6.5 Labor Dispute

-None-

## 7.7 Other Significant Information

**(1) Persons assigned to be directly responsible for monitoring the bookkeeping**

Ms. Thipsuda Pogkhrong, who has been the Assistant Managing Director since 2021, was assigned to be directly responsible for monitoring the bookkeeping of the Company to be effective and aligned with the rules, regulations, criteria of the Company and accounting standards. Ms. Thipsuda Pogkhrong is experienced in accounting for not less than three years during the past five years. Related information and details of the assignee responsible for monitoring the bookkeeping is presented in Attachment 1, “Details of the Board of Directors, Executives, Authorities, Assignee of Accounting and Financing, Assignee Responsible for Monitoring the Bookkeeping, and Secretaries.”

**(2) Secretary of the Company**

The shareholder meeting of 2020, on April 24, 2020, had the resolution to nominate Ms. Suwanna Jarupisarnlert to be the secretary of the Company, with the responsibility as stated in section 89/15 and 89/16 of Securities and Exchange Act B.E. 2551 (2008), which was enforced on August 31, 2008. The secretary must perform the duties with responsibility, carefulness, and honesty, as well as align with the law, objectives, regulations of the Company, resolutions of the Board meetings, and resolutions of the shareholder meetings. The qualifications of the Company secretary are presented in Attachment 1 “Details of the Board of Directors, Executives, Authorities, Assignee of Accounting and Financing, Assignee Responsible for Monitoring the Bookkeeping, and Secretaries.” The scope of duties and responsibilities are as follows.

(1) Prepare and keep important documents as follows:
- Director Registration
- Meeting Invitation and Report for Board Meetings
- Meeting Invitation and Report for Shareholders’ Meetings
- Annual Report of the Company

(2) Keep the stakeholder reports, reported by the Board or executives.

(3) Manage other operations as indicated by the Capital Market Supervisory Board.

**(3) Internal Audit Manager**

The internal audit meeting, number 1/2020, on May 19, 2020, had a resolution to nominate Mrs. Juathip Laksanayothin to be the manager of internal audit activity. Mrs. Chuatip Luksanayothin is knowledgeable in the operations of the Company, good business governance principles, risk management and internal audit for the business level and overall. The qualifications of the internal audit manager are presented in Attachment 3 “Details of the Internal Audit Manager and Compliance Manager”

**(4) Investors Relations Manager and Contact Information**

For the disclosure of important information of the Company to be correct, rapid, and explicit, the Company established the Investors Relations Department and nominated Mrs. Chanya Chooputtipong to be the Manager of Investors Relations, acting as a medium for significant information disclosure to the shareholders and investors, as well as the financial information, such as quarter operational results and budget plan, and quarter management report and analysis, for the shareholders and investors for acknowledgment regularly, fairly, and completely, based on the truth.

Contact the Investors Relations:

Call: 0 2910 9700 Ext. 701

**(5) Auditor Remuneration**

For the accounting year ending December 31, 2021, and 2022, the Company paid the remuneration for audit and non-audit to EY Company Limited as follows:

| Auditor Remuneration | 2021 (MB) | 2022 (MB) |
|---|---|---|
| Audit Fee | 8.00 | 7.60 |
| Non-Audit Fees | - | - |
| **Total** | **8.00** | **7.60** |

Non-audit fees include inspection fees as agreed in advance, data collection, and other services by auditors, including tax services, financial advice, legal advice, accounting training for employees of the Company, accounting system planning.

## 7.8 Key Approval Authority Table

| | The Board of Subsidiaries: PEM/PSP/PPP | CEO | Executive Directors | The Board of Directors of the Company |
|---|---|---|---|---|
| Total Annual Investment Budget Plan | Agree before Submitting to the Board of Directors for approval | - | Agree before Submitting to the Board of Directors for approval | Approve for all matters |
| Approval of additional investments, new projects, and/or fixed assets, not relating to the approved budget | Agree before Submitting to the Board of Directors for approval | - | Agree before Submitting to the Board of Directors for approval | Approve for all matters |
| Approval of loans from financial institutes | < 200 million baht | - | > 200 million baht Agree before Submitting to the Board of Directors for approval | > 200 million baht |
| Approval of annual operational budget | Agree before Submitting to the Board of Directors for approval | - | Agree before Submitting to the Board of Directors for approval | Approve for all matters |
| Asset Inflow and Outflow Transactions | < 200 million baht | 15-30 million baht | >200 million baht Agree before Submitting to the Board of Directors for approval | > 200 million baht |

Note: The transactions of asset inflow and outflow requires the calculation of transaction sizes and compliance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand.

# 8. Report on Key Corporate Governance Performance

## 8.1 Summary of the Board of Directors' Performance in the Past Year

### 8.1.1 Recruitment, Development and Evaluation on the Duties of the Board of Directors

#### Board of Directors

- The Board of Directors shall consist of not less than five directors, and not less than half of the total number of directors shall be resident in the Kingdom. The directors of the Company shall not be required to be shareholders in the Company.
- Be diverse in structure in terms of gender, expertise, knowledge, abilities, and experience in various fields related to business operations.
- The Board of Directors elects one director as the Chairman of the Board of Directors and may elect the Vice Chairman of the Board of Directors and other positions as deemed appropriate. The Vice Chairman of the Board of Directors has duties according to the Company's Articles of Association and as assigned by the Chairman of the Board of Directors.
- The Board of Directors shall consist of independent directors at least one-third of all directors, but not less than three directors. Independent directors shall be independent from the control of executives, major shareholders, and shall not be involved in or have any interest in finance and business management. They must also be fully qualified in accordance with the criteria for qualification of independent directors as stipulated in the Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 on Application for Permission and Authorization to offer for sale of newly issued shares ("Announcement 39/2559").
- Directors have a term of office as stipulated in the Company's Articles of Association. Directors who vacate office by rotation are eligible to be re-elected.

#### Independent director

- Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person of the Company, including the shareholding of related persons of such independent director.
- Not being or having been a director who participates in the management, employees, staff, consultants who receive regular salaries or controlling persons of the Company, its parent company, subsidiaries, associates, subsidiaries of the same rank, major shareholders or controlling persons of the Company, except that they have been released from such characteristics for not less than 2 years. Such prohibited characteristics do not include the case that an independent director was a government officer or advisor of a government agency, which is a major shareholder or controlling person of the Company.
- Not being a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child, of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive, or controlling person of the Company or its subsidiary.
- Not having or having ever had a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person of the Company in such a manner as to impede the exercise of independent judgment, including not being or having been a significant shareholder or controlling person of the person

who has a business relationship with the Company, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Company, unless the foregoing relationship has ended not less than 2 years.

- A business relationship under paragraph one includes a commercial transaction that is done normally for the business of renting or leasing real estate, a transaction involving assets or services, or providing or receiving financial assistance by accepting or lending guarantees, providing assets as collateral, liabilities, as well as other similar circumstances which result in the Company or the parties having a debt obligation to the other party of three percent of the net tangible assets of the Company or more than twenty million baht, whichever is lower. The calculation of such debt burden shall be in accordance with the method of calculating the value of the related party transactions according to the Notification of the Capital Market Supervisory Board on the criteria for making a mutually related par transaction mutatis mutandis. However, in considering such debt burden, the debt burden shall be counted as incurred during 1 year prior to the date of business relationship with the same person.
- Not being or having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of an auditing office with an auditor of the Company, its parent company, subsidiary company, associated company, major shareholder, or controlling person of the Company, unless the foregoing relationship has ended not less than two years.
- Not being a director appointed to represent the Company's directors, major shareholders or shareholders who are related to major shareholders.
- Not engaging in activities of the same nature and significant competition with the business of the Company or its subsidiaries, or not being a significant partner in a partnership, or being a director who participates in the management, employees, staff, consultants who receive regular salaries, or holding more than one percent of the total number of shares with voting rights of other companies operating businesses of the same nature and significant competition with the business of the Company or its subsidiaries.
- Not having other characteristics that make it impossible to give an independent opinion on the Company's operations. After being appointed as an independent director, an independent director may be assigned by the Board of Directors to make a decision on the operation of the Company, its parent company, subsidiary company, associated company, subsidiary company of the same rank, major shareholder or controlling person of the Company. The decision can be made in the form of a collective decision.

If the Capital Market Supervisory Board announces a change in qualifications of independent directors, the Company's independent directors must meet the qualifications announced in all respects.

## Top Executives

The Nomination and Remuneration Committee considers the preparation of succession plans at the top management level to propose to the Board of Directors for consideration. For the recruitment and selection of persons to the top management positions of the Group, the Nomination and Remuneration Committee has arranged to monitor the progress of the succession plan. When the top management positions are vacant or unable to perform duties in the position, the Company will have a system for having executives at a similar level or secondary level as the acting director of the position until the recruitment and selection of qualified persons according to the criteria set by the Company. A person to be selected must be a person with vision, knowledge, abilities, experience, and appropriate to the corporate culture. The Nomination and Remuneration Committee is responsible for nominating and proposing to the Board of Directors for consideration and approval of the appointment of suitable persons to replace them.

The prerequisites of the top management are as follows:

- Education is not lower than a Bachelor's degree.
- Experience in management in the position of Director level or above.
- Be a leader and have a broad vision.
- Have ability to plan strategy and manage an organization.
- Make prudent decisions and solutions with the best interests of the organization.
- Have ability to manage business according to good governance principles.
- Have ability to manage the Group for sustainable growth (Sustainable Development & Sustainable Growth).

## Audit committee

- The Audit Committee shall be independent directors and have full qualifications in accordance with the rules prescribed in the laws governing public companies, the law governing securities and exchange, and other relevant laws.
- Not being a director assigned by the Board of Directors to make decisions on the operation of the Company, its parent company, subsidiary, associated company, subsidiary company of the same rank, juristic person that may have conflict, major shareholder, or controlling person of the Company.
- Not being a director of a parent company, subsidiary or subsidiary company of the same rank that is a registered company.
- Have sufficient knowledge and experience to be able to act as an Audit Committee member and be able to independently perform duties, express opinions, or report on performance of duties assigned to them without being under the control of management, major shareholders, or controlling persons of the Company, including related persons or close relatives of such persons, being neutral, having no interest or stakeholder, whether directly or indirectly, and having no other characteristics that may affect the exercise of discretion based on independent duties and responsibilities.
- Be able to devote sufficient time and opinion to perform duties as an audit committee member.
- Be trained and strengthened continuously and regularly in matters related to the operation of the audit committee in order to keep up with the changes that may occur and should have increased knowledge about the Company's operation continuously in order to increase the effectiveness of the Audit Committee.

According to the charter of the Audit Committee that has been approved by the Board of Directors, the guidelines for the nomination of the Audit Committee are as follows:

- The Board of Directors or the shareholders' meeting will appoint at least three independent directors as the Audit Committee Members.
- The Board of Directors or the Audit Committee will select one member of the Audit Committee as the Chairman of the Audit Committee.
- In the event that the Audit Committee member positions are vacant due to reasons other than the expiration of the term, the Board of Directors will appoint a person who is fully qualified to be an audit committee member without delay to allow the Audit Committee members to reach the number specified by the Board of Directors. The person who

becomes an audit committee member shall be placed in the position for only the remaining term of the audit committee on his/her behalf.

- When the audit committee members have completed their term of office and the number of members is less than three, the Board of Directors shall appoint a replacement member within three months from the date when the number of members is incomplete in order to ensure continuity of performance of the Audit Committee.

### Nomination and Remuneration Committee

The appointment of the Nomination and Remuneration Committee of the Company is made by the Board of Directors. The term of office is two years.

### The Executive Committee

- The Board of Directors appoints the Executive Committee as proposed by the Chief Executive Officer.
- The Executive Committee consists of the Chief Executive Officer of the Company and/or the Chief Executive Officer of each of its subsidiaries of each business line and/or the President and/or Managing Director of the subsidiaries and may consist of a number of other executives of the Company.
- The Executive Committee holds office for one year. Executives who retire by rotation may be reappointed by the Board of Directors.

## 8.1.2 Meeting Attendance and Remuneration Payment of Individual Committees

### Board of Directors' Meetings

- Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Achitsak Bunjongpotiklang | 10/10 | 12/12 |
| 2. Mr. Kitti Sumrit | 10/10 | 12/12 |
| 3. Mr. Kitti Nutchayangkul | 10/10 | 12/12 |
| 4. Mr. Suthee Chulanutrakul | 10/10 | 12/12 |
| 5. Mrs. Naree Boontherawara | 10/10 | 12/12 |
| 6. Mr. Sanchai Thiewprasertkul | 10/10 | 12/12 |
| 7. Ms. Sudarat Tangsoontornkij | 10/10 | 12/12 |
| 8. Mr. Boonchai Pitugdamrongkija | 10/10 | 12/12 |
| 9. Mr. Ketinart Sumrit | 10/10 | 12/12 |
| 10. Mr. Amorn Daengchot | 10/10 | 12/12 |

### Subcommittees' Meetings

- PEM Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Widhoon Chiamchittrong | 19/19 | 12/12 |
| 2. Mr. Ketinart Sumrit | 18/19 | 11/12 |
| 3. Ms. Nicha Nutchayangkul | 18/19 | 10/12 |
| 4. Mr. Nathapong Korom | 18/19 | 12/12 |
| 5. Mr. Sirichai Chiraratphithak [1] | 14/19 | 12/12 |

Note: Being appointed as a director for the first time on April 22, 2021.

- PMW Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Widhoon Chiamchittrong | 11/11 | 10/10 |
| 2. Mr. Ketinart Sumrit | 11/11 | 9/10 |
| 3. Ms. Nicha Nutchayangkul | 10/11 | 9/10 |
| 4. Mr. Nathapong Korom | 10/11 | 10/10 |
| 5. Mr. Sirichai Chiraratphithak [1] | 5/11 | 10/10 |

Note: Being appointed as a director for the first time on August 23, 2021.

- PSP Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Amorn Daengchot | 12/12 | 16/16 |
| 2. Mr. Ketinart Sumrit | 9/12 | 15/16 |
| 3. Ms. Nicha Nutchayangkul | 12/12 | 16/16 |
| 4. Mr. Passakorn Naraborrirak [1] | 4/12 | 16/16 |
| 5. Mr. Wichai Yingjorhor[1] | 4/12 | 12/16 |

Note: Being appointed as a director for the first time on August 26, 2021.

- PPP Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Tawat Polquamdee | 13/13 | 15/15 |
| 2. Mr. Ketinart Sumrit[1] | 4/13 | 12/15 |
| 3. Ms. Nicha Nutchayangkul[1] | 4/13 | 14/15 |
| 4. Mr. Theerawat Pornpongsuriya | 13/13 | 15/15 |

Note: Being appointed as a director for the first time on August 23, 2021.

- CEP Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Tawat Polquamdee[1] | 4/7 | 13/13 |
| 2. Mr. Theerawat Pornpongsuriya | 7/7 | 13/13 |
| 3. Mr. Jirasak Musikatas[1] | 1/7 | 13/13 |

Note: Being appointed as a director for the first time on August 23, 2021.

- SBP Board of Directors' Meetings

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Tawat Polquamdee[1] | 9/12 | 13/13 |
| 2. Mr. Theerawat Pornpongsuriya | 12/12 | 13/13 |
| 3. Mr. Nattawut Yingthavorn[1] | 4/12 | 13/13 |
| 4. Mr. Saman Orawat | 12/12 | 13/13 |
| 5. Mr. Jirasak Musikkatas[1] | 1/12 | 13/13 |

Note: Being appointed as a director for the first time on August 23, 2021.

## Directors' Remuneration

- **Remuneration of the Company's Directors**

(1) Monetary Remuneration

The 2022 Annual General Meeting of Shareholders on April 25, 2022, resolved to approve the remuneration of the Board of Directors, the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee for the year 2022 with the following details:

Non-Executive Directors

The Nomination and Remuneration Committee considers remuneration for directors, taking into account the appropriateness of the type, size, and connection with the Company's performance, which is consistent with the general conditions of the same market and industry, as well as the experience and appropriateness of the directors' duties and responsibilities.

The Company has a policy to pay remuneration to directors who are not executives or employees of the Group with the details as follows:

| Committee | Meeting Allowance per Meeting (Baht/Meeting) | Monthly Remuneration (Baht/Month) |
|---|---|---|
| Board of Directors | | |
| - Chairman | 20,000.00 | 40,000.00 |
| - Director | 10,000.00 | 20,000.00 |
| Audit Committee | | |
| - Chairman | 10,000.00 | 20,000.00 |
| - Committee Member | 10,000.00 | 15,000.00 |
| Nomination and Remuneration Committee | | |
| - Chairman | 10,000.00 | - |
| - Committee Member | 10,000.00 | - |
| Executive Committee | | |
| - Chairman | - | - |
| - Committee Member | - | - |

Executive Directors

The Company has no policy to pay remuneration to directors who serve as executives or employees of the Group. For the fiscal year ended December 31, 2021 and 2022, the Company has remuneration for directors that can be summarized as follows:

| Name of Directors and Committee Members | Position | Total Remuneration for Directors and Committee Members (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Achitsak Bunjongpotiklang | Independent Director and Chairman of the Board of Directors | 700,000 | 760,000 |
| 2. Mr. Kitti Sumrit | Director and Chief Executive Officer | - | - |
| 3. Mr. Kitti Nutchayangkul | Director and Senior Vice President | - | - |
| 4. Mr. Suthee Chulanutrakul(3) | Director and Nomination and Remuneration Committee Member | - | 350,000 |
| 5. Mrs. Naree Boontherawara | Independent Director and Chairman of the Audit Committee | 690,000 | 710,000 |
| 6. Mr. Sanchai Thiewprasertkul | Independent Director and Chairman of the | 430,000 | 510,000 |

| Name of Directors and Committee Members | Position | Total Remuneration for Directors and Committee Members (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| | Nomination and Remuneration Committee | | |
| 7. Ms. Sudarat Tangsoontornkij | Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member | 710,000 | 770,000 |
| 8. Mr. Boonchai Pitugdamrongkija | Independent Director and Audit Committee Member | 630,000 | 650,000 |
| 9. Mr. Ketinart Sumrit | Director | - | - |
| 10. Mr. Amorn Daengchot | Director and Vice President | - | - |

Remark: [1] Directors who are executives of the Group will not be entitled to receive monthly remuneration and meeting allowance but will receive remuneration as executives only.

[2] For non-executive directors' remuneration, if they hold the directorship more than one company, they will receive the meeting allowance. They will receive monthly remuneration from the first company holding the director position only.

[3)] For being a non-executive director since May 1, 2022.

(2) Non-monetary Remuneration

The Board of Directors' Meeting No. 9/2565 held on August 11, 2022 to offer for sale to the directors, executives, and employees of the Company assigned the Chief Executive Officer or a person assigned by the Board of Directors with authority to allocate ordinary shares to the directors, executives, and employees of the Company.

In this regard, 15,318,000 ordinary shares were allocated to the directors and executives as follows:

| No. | Name - Surname | Position | Maximum Number of Allocated Shares (shares) | Percentage of Shares Offered |
|---|---|---|---|---|
| 1. | Mr. Kitti Sumrit | Director | 693,000 | 0.23 |
| 2. | Mr. Ketinart Sumrit | Director | 1,250,000 | 0.41 |
| 3. | Mr. Kitti Nutchayangkul | Director | 5,500,000 | 1.79 |
| 4. | Mr. Achitsak Bunjongpotiklang | Independent Director | 6,000,000 | 1.95 |
| 5. | Mr. Boonchai Pitugdamrongkija | Independent Director | 250,000 | 0.08 |
| 6. | Ms. Sudarat Tangsoontornkij | Independent Director | 125,000 | 0.04 |
| 7. | Mr. Amorn Daengchot | Director | 250,000 | 0.08 |
| 8. | Mr. Theerawat Pornpongsuriya | Executive | 1,000,000 | 0.33 |
| 9. | Mrs. Chanya Chooputtipong | Executive | 250,000 | 0.08 |
| | Total | | 15,318,000 | 4.99 |

- Remunerations for Directors of Subsidiaries

PEM

| Name | Position | Total Remuneration for Directors (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Widhoon Chiamchittrong[1] | Chairman of the Board of Directors | - | - |
| 2. Mr. Ketinart Sumrit[1] | Director | - | - |
| 3. Ms. Nicha Nutchayangkul[1] | Director | - | - |
| 4. Mr. Nathapong Korom[1] | Director | - | - |
| 5. Mr. Sirichai Chiraratphithak[1] | Director | - | - |

Remark: [1] Received remuneration as an executive of the Group.

PMW

| Name | Position | Total Remuneration for Directors (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Widhoon Chiamchittrong[1] | Chairman of the Board of Directors | - | - |
| 2. Mr. Ketinart Sumrit[1] | Director | - | - |
| 3. Ms. Nicha Nutchayangkul[1] | Director | - | - |
| 4. Mr. Nathapong Korom[1] | Director | - | - |
| 5. Mr. Sirichai Chiraratphithak[1] | Director | - | - |

Remark: [1] Received remuneration as an executive of the Group.

PSP

| Name | Position | Total Remuneration for Directors (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Amorn Daengchot[1] | Chairman of the Board of Directors | - | - |
| 2. Mr. Ketinart Sumrit[1] | Director | - | - |
| 3. Ms. Nicha Nutchayangkul[1] | Director | - | - |
| 4. Mr. Passakorn Naraborrirak[1] | Director | - | - |
| 5. Mr. Wichai Yingjorhor[1] | Director | - | - |

Remark: [1] Received remuneration as an executive of the Group.

PPP

| Name | Position | Total Remuneration for Directors (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Tawat Polquamdee[1] | Chairman of the Board of Directors | - | - |
| 2. Mr. Ketinart Sumrit[1] | Director | - | - |
| 3. Ms. Nicha Nutchayangkul[1] | Director | - | - |
| 4. Mr. Theerawat Pornpongsuriya[1] | Director | - | - |

Remark: [1] Received remuneration as an executive of the Group.

CEP

| Name | Position | Total Remuneration for Directors (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Tawat Polquamdee[1] | Chairman of the Board of Directors | - | - |
| 2. Mr. Theerawat Pornpongsuriya[1] | Director | - | - |
| 3. Mr. Jirasak Musikatas[1] | Director | - | - |

Remark: [1] Received remuneration as an executive of the Group.

SBP

| Name | Position | Total Remuneration for Directors (Baht) | |
|---|---|---|---|
| | | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Tawat Polquamdee[1] | Chairman of the Board of Directors | - | - |
| 2. Mr. Theerawat Pornpongsuriya[1] | Director | - | - |
| 3. Mr. Nattawut Yingthavorn[1] | Director | - | - |
| 4. Mr. Saman Orawat | Director | 360,000 | 360,000 |
| 5. Mr. Jirasak Musikatas[1] | Director | - | - |

Remark: [1] Received remuneration as an executive of the Group.

Summary of Remuneration for Non-Executive Directors for the Fiscal Year Ended December 31, 2021

| Remuneration for Director | Board of Directors | Audit Committee | Nomination and Remuneration Committee | Total |
|---|---|---|---|---|
| 1. Mr. Achitsak Bunjongpotiklang | 700,000 | - | - | 700,000 |
| 2. Mr. Kitti Sumrit | - | - | - | - |
| 3. Mr. Kitti Nutchayangkul | - | - | - | - |
| 4. Mr. Suthee Chulanutrakul | - | - | - | - |
| 5. Mrs. Naree Boontherawara | 350,000 | 340,000 | - | 690,000 |
| 6. Mr. Sanchai Thiewprasertkul | 350,000 | - | 80,000 | 430,000 |
| 7. Ms. Sudarat Tangsoontornkij | 350,000 | 280,000 | 80,000 | 710,000 |
| 8. Mr. Boonchai Pitugdamrongkija | 350,000 | 280,000 | - | 630,000 |
| 9. Mr. Ketinart Sumrit | - | - | - | - |
| 10. Mr. Amorn Daengchot | - | - | - | - |
| Total | 1,400,000 | 900,000 | 160,000 | 3,160,000 |

Summary of Remuneration for Non-Executive Directors for the Fiscal Year Ended December 31, 2022

| Remuneration for Director | Board of Directors | Audit Committee | Nomination and Remuneration Committee | Total |
|---|---|---|---|---|
| 1. Mr. Achitsak Bunjongpotiklang | 760,000 | - | - | 760,000 |
| 2. Mr. Kitti Sumrit | - | - | - | - |
| 3. Mr. Kitti Nutchayangkul | - | - | - | - |
| 4. Mr. Suthee Chulanutrakul [1)] | 280,000 | - | 70,000 | 350,000 |
| 5. Mrs. Naree Boontherawara | 380,000 | 330,000 | - | 710,000 |
| 6. Mr. Sanchai Thiewprasertkul | 390,000 | - | 120,000 | 510,000 |
| 7. Ms. Sudarat Tangsoontornkij | 380,000 | 270,000 | 1200,000 | 770,000 |
| 8. Mr. Boonchai Pitugdamrongkija | 380,000 | 270,000 | - | 350,000 |
| 9. Mr. Ketinart Sumrit | - | - | - | - |
| 10. Mr. Amorn Daengchot | - | - | - | - |
| Total | 2,570,000 | 870,000 | 310,000 | 3,750,000 |

Remark [1)] Being a non-executive director since May 1, 2022.

### 8.1.3 Supervision of Subsidiaries and Associated Companies

The Company has the main objective of conducting business by holding shares in other companies (Holding Company). The Company has established a policy to supervise the operation of subsidiaries and associated companies to comply with the rules on supervising the operation of subsidiaries and/or associated companies according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 39/2559 on Application for Permit and Permission to Offer for Sale of Newly Issued Shares, and the Regulations of the Stock Exchange of Thailand on Acceptance of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015), including the Guidelines for Good Corporate Governance of the Stock Exchange of Thailand (“**SET**”). The objective is to establish direct and indirect measures and mechanisms to enable the Company to control, manage, and take responsibility for the operations of its subsidiaries and associated companies, as well as ensuring that its subsidiaries and associated companies comply with the measures and mechanisms as if they were part of the Company's own agency. In order to effectively protect the Company's investment interests in companies operating such core business, the Company has established policies governing the operations of its subsidiaries and associated companies, including measures to monitor the performance of its subsidiaries and associated companies at appropriate levels, and has designated directors, executives, and/or employees appointed by the Company to serve as directors and and/or executives in subsidiaries and associated companies must sign acknowledgement of the policy governing the operation of subsidiaries and associated companies. The details are as follows:

Nevertheless, in this policy, a "Subsidiary" and an "Associated Company" mean a subsidiary or associated company that operates its core business as defined in the Notification of the Capital Market Supervisory Board No. Tor.Jor. 39/2559 on Application for Permit and Permission to Offer for Sale of Newly Issued Shares (as amended), together with the Notification of the Securities and Exchange Commission No. Kor.Jor. 17/2551 on Determination of Definitions in the Announcements Concerning the Issuance and Offer for Sale of Securities (as amended).

**1. Appointment or Nomination of Persons to Be Directors or Executives in Subsidiaries and Associated Companies**

1.1 The appointment of persons to be directors or executives in subsidiaries and associated companies to supervise and manage the business of subsidiaries and associated companies is an important mechanism for supervision to ensure that the Company's subsidiaries and associated companies comply with the policy, goals, vision, mission, business plan and strategic plan for the effective growth of the Company. Therefore, the Company appoints persons to be directors or executives in subsidiaries and associated companies at least according to the proportion of shares held by the Company in such subsidiaries or associated companies, unless the Board of Directors considers that the structure of the Board of Directors and the management structure with persons serving as directors or executives in subsidiaries and associated companies are less than the shareholding proportion of the Company in such subsidiaries or associated companies does not affect the power of the Company in formulating a policy, monitoring operations, and management of matters that are significant or affect the financial position and operating results of that subsidiary or associated company, or having an appropriate balance of power in that subsidiary or associated company.

1.2 The Board of Directors determines the appointment and transfer of persons to be directors or executives in subsidiaries and associated companies. Persons appointed or nominated as directors or executives in subsidiaries and associated companies must have the following qualifications:

(1) Have complete qualifications as specified in the relevant laws, as well as having no lack of trust characteristics according to the Notification of the Securities and Exchange Commission on Determination of the Lack of Trust Characteristics of Directors and Executives.

(2) Have knowledge, ability, and experience that is beneficial to the business operation and appropriate for the performance of duties.

However, in considering the appointment of any person, in addition to considering the above criteria, it must take into account the specific characteristics or any other conditions of each subsidiary and associated company, such as:

(1) Being a company that is subject to complex or high-risk criteria or requirements, such as being a public company listed on the Stock Exchange of Thailand and abroad.

(2) Proportion of shares held in subsidiaries in case of joint venture, which must take into account the terms of the joint venture agreement.

(3) Legal requirements of the country in which the subsidiary and associated company operate or are established.

**2. Matters that require consent or approval from the Board of Directors or the shareholders' meeting of the Company prior to implementation.**

Directors and executives of subsidiaries or associated companies appointed or nominated by the Company are responsible for ensuring that prior to the transaction or any action which significantly affects the financial position and operating results of the subsidiaries and associated companies and requires consent or approval of the Board of Directors of the Company or the shareholders' meeting of the Company (as the case may be), a meeting of the Board of Directors and/or shareholders (as the case may be) must be held to consider and approve such matter before the subsidiaries or associates will hold their own Board of Directors and/or shareholders' meeting (as the case may be) to consider and approve the matter before making the transaction or taking action on it. In this regard, the Company shall completely and accurately disclose the information and comply with the rules, conditions, procedures, and methods related to the matter to be approved as stipulated in the Public Company Law, the Civil and Commercial Code, the Securities and Exchange Act, and related laws, as well as announcements, regulations, and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand mutatis mutandis (as long as there is no conflict).

2.1 In the following cases, the subsidiaries or associates (as the case may be) must obtain approval from the Board of Directors' meeting:

(1) Capital increase by the issuance of new shares of the subsidiary and the allocation of shares, including the reduction of registered capital and/or paid-up capital of the subsidiary, which is not in accordance with the proportion of the existing shareholding of the shareholders, or any other operation which will result in the proportion of direct and indirect voting of the Company at the meeting of the shareholders of the subsidiary to decrease more than ten (10) percent of the total number of votes of the subsidiary or paid-up capital of the subsidiary (as the case may be), unless it is in the business plan or annual budget of the subsidiary that has been approved by the Board of Directors;

(2) Approval of the annual dividend payment and interim dividend (if any) of the subsidiary;

(3) Amendments to the Articles of Association of the subsidiary (except for amendments to the Articles of Association on material matters under Clause 2.2 (5), which must be approved by the shareholders' meeting of the Company);

(4) Approval of the total annual budget of the Company and all of its subsidiaries, unless otherwise specified in the Schedule to the Delegation of Authority of the subsidiaries;

(5) Appointment of an auditor of a subsidiary only if such auditor is not affiliated with a full member of the auditor's office in the same network as the Company's auditor, which is not in accordance with the Company's policy of appointment of an auditor of a subsidiary who must be affiliated with an auditor's office in the same network as the Company's auditor.

The transactions from (6) to (9) are considered material and, if entered into, will have a significant impact on the financial position and operating results of the subsidiaries. Therefore, before the meeting of the Board of Directors of the subsidiaries, directors appointed by the Company to a subsidiary will vote on the following matters. The said directors must first obtain approval from the Board of Directors regarding such matters. In this regard, it must be the case when calculating the size of the transactions that the subsidiary will enter into the transaction compared to the size of the Company (by adopting the criteria for calculating the size of the transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand (as the case may be) to apply mutatis mutandis) and is in the criteria that must be approved by the Board of Directors.

(6) In the event that the subsidiary agrees to enter into a transaction with a connected person of the Company or its subsidiaries, or a transaction relating to the acquisition or disposal of the assets of the subsidiary, including but not limited to the following cases:

- Transfer or waiver of benefits, including waiver of claims against those who cause damage to the subsidiary;
- Sale or transfer of all or a substantial part of the business of the subsidiary to another person;
- Purchase or acceptance of transfer of business of other companies to be owned by subsidiaries;
- Entering into, amending, or terminating a contract relating to the lease of all or a substantial part of the subsidiary, assigning another person to manage the business of the subsidiary, or merging the subsidiary with another person with the purpose of dividing the profit and loss;
- Lease or hire-purchase of all or substantial parts of the business or assets of the subsidiary.

(7) Borrowing money, lending money, granting credits, guarantees, making legal acts that bind subsidiaries to bear increased financial burdens or providing financial assistance in any other manner to other persons that is not the normal business of subsidiaries, except for providing or receiving financial assistance between the Company and its subsidiaries or among subsidiaries within the Group.

(8) Dissolution of the subsidiary

(9) Any other transaction that is not a normal business transaction of the subsidiary and which has significant impact on the subsidiary.

2.2 In the following cases, the subsidiary must obtain approval from the shareholders' meeting of the Company with a vote of not less than three-fourths (3/4) of the total number of votes of the shareholders attending the meeting and having the right to vote before entering into the transaction.

(1) In the case that the subsidiary agrees to enter into a transaction with a connected person of the Company or a subsidiary, or a transaction relating to the acquisition or disposition of assets of the subsidiary, it must be the case when calculating the size of the transactions that the subsidiary will enter into the transaction compared to the size of the Company (by adopting the criteria for calculating the size of the transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand (as the case may be) to apply mutatis mutandis), and is in the criteria that must be approved by the shareholders' meeting of the Company;

(2) Capital increase by the issuance of new shares of the subsidiary and the allocation of shares, including the reduction of registered and/or paid-up capital of the subsidiary, which is not in accordance with the existing shareholding proportion of the shareholders or any other similar action resulting in the shareholding proportion of the Company; and/or the proportion of voting rights of the Company, directly or indirectly, at the

shareholders' meeting of the subsidiaries is reduced to less than the proportion specified in the laws applicable to the subsidiaries. In effect, the Company has no control over that subsidiary. This must be the case when calculating the size of the transaction compared to the size of the Company (by applying the criteria for calculating the size of the transaction as specified in the relevant announcement of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand to apply mutatis mutandis), and is in the criteria that must be approved by the shareholders' meeting of the Company;

(3) Dissolution of the subsidiary. This must be the case when the calculation of the size of the subsidiary to be dissolved is compared to the size of the Company (by adopting the criteria for calculating the size of the transaction as specified in the relevant notification of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand to apply mutatis mutandis), and is in the criteria that must be approved by the shareholders' meeting of the Company;

(4) Any transaction that is not a normal business transaction of the subsidiary and that will have a significant impact on the subsidiary. This must be the case when the calculation of the size of the subsidiary to be dissolved is compared to the size of the Company (by adopting the criteria for calculating the size of the transaction as specified in the relevant notification of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand to apply mutatis mutandis), and is in the criteria that must be approved by the shareholders' meeting of the Company;

(5) Amendments to the Articles of Association of the subsidiary in matters that may materially affect the financial position and operating results of the subsidiary, including but not limited to amendments to the Articles of Association of the subsidiary that may affect the Company's right to nominate or appoint persons as directors or executives in the subsidiary in proportion to the Company's shareholding in the subsidiary, the voting of directors nominated by the Company, and/or the appointment at the Board of Directors' meeting of the subsidiary, the voting of the Company at the shareholders' meeting of the subsidiary, or the dividend payment of the subsidiary, etc.

**3. Responsibilities of directors and executives of subsidiaries and associated companies nominated or appointed by the Company**

Directors and executives of subsidiaries and associated companies nominated or appointed by the Company have the following scope of duties and responsibilities:

(1) Determine the direction and business plan of the subsidiary or associated company in accordance with the direction of the Company, including promoting innovation and use of technology to enhance the competitiveness of the subsidiary or associated company.

(2) Supervise and monitor the Company's subsidiaries or associated companies to comply with relevant laws, regulations, rules, and regulations, as well as ensuring good management practices and good corporate governance principles, and to comply with the Company's Code of Business Conduct, the Company's Anti-Corruption Policy, and other policies of the Company.

(3) Supervise and monitor the business operations of subsidiaries or associated companies to ensure efficiency and effectiveness and manage the return on investment of the Company in subsidiaries or associated companies appropriately.

(4) Report information on the financial position and operating results, connected transactions and transactions that may have a conflict of interest, as well as the acquisition or disposal of assets and other significant transactions of the Company's subsidiaries or associates to the Company accurately, completely, and within a reasonable time limit as determined by the Company.

(5) Provide a risk management system, internal control system, fraud prevention system, and other work systems necessary to appropriately monitor the performance of subsidiaries or associates.

(6) Unless this policy or the Board of Directors requires otherwise, appointed directors or executives shall have the discretion to consider voting at the Board of Directors' meeting of the subsidiary and/or associated company (as the case may be) in relation to general management and normal business operations of the subsidiary or associated company (as the case may be) as deemed appropriate by such director and executive in the best interest of the Company and the subsidiary or associated company (as the case may be).

(7) Supervise the financial support of subsidiaries and associates to other companies in the Group, including, but not limited to, lending or guaranteeing credit to companies in the Group in accordance with the shareholding proportion only, unless necessary and appropriate, taking into account the overall interests of the Group. Such terms and conditions of lending must be comparable to the market and/or in accordance with the agreement between the Company and the joint venture (in the case of a joint venture). Supervise the lending and/or guarantee of credit must be approved by the authority as specified in the Company's Delegation of Authority and relevant regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET) prior to implementation only.

**4. Disclosure of Information of Subsidiaries and Associated Companies**

(1) The following information must be disclosed to the Company fully and accurately and within a reasonable time as stipulated by the Company: the financial position, operating results, consideration of entering into connected transactions, connected transactions, or transactions that may have a conflict of interest, and the acquisition or disposal of assets, or any other significant transactions of subsidiaries. In considering entering into connected transactions, related party transactions, or transactions that may have conflicts of interest, and acquisition or disposal of assets of subsidiaries, the relevant announcements of the Capital Market Supervisory Board and the announcements of the Board of Governors of the Stock Exchange of Thailand shall apply *mutatis mutandis*.

(2) Directors and executives of subsidiaries must avoid making transactions that may cause significant conflicts of interest of subsidiaries, including disclosure and submission of information about their interests and related persons in relation to relationships that may cause conflicts of interest with the Company and/or subsidiaries. In the event that there is a transaction that may cause a conflict, the Company must report such information to the Board of Directors of the subsidiary or the person assigned by the Board of Directors of the subsidiary. The Board of Directors of the subsidiary is obliged to notify such matters to the Board of Directors within the deadline specified by the Company for information for consideration in making a decision, consent, or approval. The consideration will take into account the overall benefits of the Company and its subsidiaries. Directors and executives of subsidiaries must not participate in approval of matters that involve their own interests or conflicts of interest.

(3) The following actions resulted in the loss of directors or executives of the subsidiary or related persons of the directors or executives of the subsidiary receiving financial benefits other than those normally desirable or causing damage to the Company or its subsidiaries must be assumed that such actions are significantly contrary to or inconsistent with the

interests of the subsidiary. It requires a resolution from the Board of Directors' meeting or the shareholders' meeting of the Company before making such transactions.

(a) Transactions between subsidiaries and directors or executives of subsidiaries or related persons of directors or executives of subsidiaries that are not in accordance with the rules of related party transactions;

(b) The use of information of the Company or its subsidiaries that has been known, unless it has already been publicly available;

(c) The use of assets or business opportunities of the Company and/or its subsidiaries in a manner that violates the criteria or general practices prescribed by the Capital Market Supervisory Board.

(4) Report the business plan, business expansion, large investment projects, as well as joint ventures with other entrepreneurs to the Company through the monthly performance report. The Company also has the right to call the subsidiary to clarify or submit supporting documents for consideration in such cases, which the subsidiary must strictly comply with.

(5) Clarify and/or submit any information or documents relating to operations or any documents to the Company upon request, as appropriate, or in the event that the Company discovers any significant issues.

**5. Use of Internal Information of Subsidiaries and Associated Companies**

Directors and executives of subsidiaries, employees, employees, or assignees of subsidiaries and associated companies, including related persons of such persons, shall not use the inside information of the Company, subsidiaries, and associated companies for their personal benefit. Such information is derived from the performance of their duties or in any other way but may have a material impact on the Company, subsidiaries and/or associates, whether directly or indirectly, and whether or not remunerated.

**6. Transactions of Directors, Executives, or Related Persons of Subsidiaries**

Directors, executives, or related persons of the subsidiary may transact with the subsidiary only if such transaction has been approved by the Board of Directors of the subsidiary company and/or the Board of Directors of the Company and/or the shareholders' meeting of the subsidiary and/or the shareholders' meeting of the Company (as the case may be) according to the calculated transaction size (by adopting the criteria for calculating transactions as specified in the Notification of the Capital Market Supervisory Board and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding related party transactions and/or applicable amended notifications at that time mutatis mutandis), unless it is a transaction that is a commercial agreement in the same way that a reasonable person would do with a general counterparty in the same situation with a trade bargaining power without the influence in their status as a director, executive, or related person, as the case may be, and is a trade agreement that has been approved by the Board of Directors of the Company or in accordance with the principles approved by the Board of Directors.

### 8.1.4 Monitoring Compliance with Corporate Governance Policies and Practices

- **Compliance with laws, rules, and regulations**

The Company places importance on respecting and complying with the laws, rules, and regulations of the Company. Therefore, the Company's executives and employees must respect the law, not violate and strictly comply with the duties, rules, orders, announcements, and regulations of the Company, as well as complying with the laws, rules, regulations of relevant agencies that apply to the Company.

Executives and employees recognize and understand their responsibilities in complying with laws and regulations related to their operations. They must perform their duties with integrity. The Company conducts a review on compliance with relevant laws and regulations and ensure regular compliance, including complying with the laws and regulations of the country in which the Company has made investments and operated its business, as well as respecting local traditions, customs, and culture.

- **Prevention of conflicts of interest**

The Company has established a policy for all directors, executives and employees to avoid any actions that are contrary to the interests of the Company, whether directly or indirectly. Therefore, it is prescribed as a guideline for directors, executives and employees of the Company as follows:

1) Do not operate or participate in a business that is competitive or has the same nature as the Company and companies in the Group.
2) Not become a partner or shareholder with decision-making power or executive in a business that is competitive or has the same nature as the Company and companies in the Group. In the event that it is not avoidable, it must be reported immediately to the supervisor.
3) The personnel shall avoid any act that would create a conflict of interest with itself and those involved or impose any form of financial obligation on the Company's business associates and employees. In the event that such transaction is required, the personnel shall notify the Company of its relationship or connection with the Company and those involved in such transaction and shall not participate in the approval of such transaction.
4) The Company's personnel must make business decisions based on the Company's interests rather than their own.
5) Not exploit information or anything that he or she knows from his/her position and responsibilities.
6) Avoid working other than the Company's work that may affect the job under their responsibility in any way.
7) When the meeting considers any issues that the attendees have stakes in, the stakeholder must leave the meeting temporarily so that other attendees have the opportunity to consider, analyze, and criticize without the influence of those stakeholders.
8) All directors and executives are required to prepare a report to disclose their stakeholder list and related parties, and update the report when there is a change of interest.

- **Overseeing the use of inside information and confidential information**

The Company recognizes the importance and responsibility to shareholders and stakeholders of the Company in accordance with the operating guidelines according to the principles of good corporate governance. Therefore, in order to increase the confidence of shareholders, investors, and all related parties, the Company has established measures regarding the use of inside information and confidential information of the Company's personnel. This includes the Board of Directors, executives, including those who hold positions in the accounting or finance line, who are responsible for the operation, auditors, employees, spouses, or those who live together as a husband and wife, and minor children of such persons are as follows:

1) It is forbidden to use inside information for the benefit of securities trading or to be bound by futures contracts relating to securities, whether for oneself or other persons, and it is forbidden to disclose inside information to

other persons before it is disclosed to the public in general by complying with Section 242 of the Securities and Exchange Act B.E. 2535 (1992) and amendments.

2) Directors, executives, and employees at all levels of the Company shall keep confidential information and shall not disclose confidential information that they have known from performing their duties to others, or use confidential information for exploitation in the wrong way or cause loss of benefits to the Group, whether directly or indirectly.

3) The Company shall maintain and keep confidential customer information and commercial information. All employees shall not disclose customer secrets to employees of the Company and any unrelated third parties, unless disclosure is required by law.

4) The disclosure of information must be made by a competent employee only. General employees are not obliged to disclose information when asked to disclose information that they do not have a duty to disclose. It is recommended that the enquirer to the person who is responsible for disclosing that information in order to provide the information accurately and in the same direction.

5) Directors and executives should refrain from trading the Company's securities at least 30 days prior to the announcement of financial statements to the Stock Exchange of Thailand and at least 24 hours after the disclosure of financial statements.

6) Directors and executives are responsible for reporting changes to the Company's securities holdings in accordance with the rules and submit a copy to the Company Secretary for reporting to the Board of Directors at the meeting and disclosing in the annual report.

7) The Company has established a security system in the workplace to protect confidential files and documents and has implemented restrictions on access to non-public information by recognizing only those involved and necessary. Therefore, it is the responsibility of the data subject or the data subject who has not disclosed to the public to instruct those involved to follow strict security procedures. Violators of the use of internal information and confidential information will be subject to disciplinary and/or legal sanctions, as the case may be.

- **Anti-Corruption**

The Company is committed to conducting its business fairly, transparently and legally, covering the business of the Company in all countries and agencies. The Company supports and encourages directors, executives and employees at all levels to pay attention and have a common conscience against corruption. The Company also provides an internal control system to prevent corruption, taking or giving bribes in all forms by adhering to the following guidelines.

1) Do not commit or encourage any form of bribery, directly or indirectly.

2) Do not perform any act that expresses the intention of corruption, giving or receiving bribes to public and private creditors or stakeholders related to the Company in order to acquire or maintain business or competitive advantage or for their own benefit and those involved.

3) Fail to perform or refrain from performing duties or abusing their authority in order to pursue reasonable interests in various forms, such as soliciting, receiving, offering or giving property, including any other benefits to government officials or any other person who does business with the Company.

4) Do not neglect or ignore when witnessing acts that are considered to be corrupt related to the Company. It is considered as a duty to inform the supervisor or responsible person and cooperate in investigating various facts. The Company will provide fairness and protection to persons who refuse to report corruption or report corruption to the Company as stipulated in the Whistleblowing Policy or who cooperate in reporting corruption to the Company.

During 2021, there were no complaints about corruption.

- **Whistleblowing**

The Company pays attention to receiving whistleblowing or complaints and provides opportunities for all groups of employees, executives, or stakeholders, both internal and external, to report or complain about conflicting or suspected illegal practices, ethics, rights violations, incorrect financial reporting, or defective internal control systems to the Company. The channels for receiving whistleblowing or complaints are as follows:

Whistleblowing Channels

Stakeholders, both internal and external, can report whistleblowing or complaints through the following channels:

By mail: Internal Audit Unit, Precise Corporation Public Company Limited
No. 1842 Bangkok-Nonthaburi Road, Wong Sawang Sub-District, Bang Sue District, Bangkok 10800

By Email: pcise_whistleblow@precise.co.th

Online: Through the whistleblowing system on the website: www.precise.co.th/whistleblow

In addition to receiving whistleblowing or complaints mentioned above, employees can also ask questions or submit complaints if they see suspected violations or non-compliance with the Code of Conduct through the following channels:

- Internal Audit Unit
- Sustainable Growth Development Unit
- Legal, Risk, Compliance, Remediation and Resiliency Management Unit
- Trusted supervisors

Complaints are considered to be the most confidential and can be made through more than one channel.

During 2022, the Company found no complaints.

## 8.2 Summary on the Audit Committee's Performance for the Past Year

Details of the meeting attendance of the Audit Committee for the year ended December 31, 2021 and the six-month period ended December 31, 2022 are as follows:

- **The Audit Committee Meetings**

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mrs. Naree Boontherawara | 10/10 | 9/9 |
| 2. Ms. Sudarat Tangsoontornkij | 10/10 | 9/9 |
| 3. Mr. Boonchai Pitugdamrongkija | 10/10 | 9/9 |

- **Remuneration Payment**

| Name | Total Remuneration Payment for Directors (Baht) | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mrs. Naree Boontherawara | 340,000 | 330,000 |
| 2. Ms. Sudarat Tangsoontornkij | 280,000 | 270,000 |
| 3. Mr. Boonchai Pitugdamrongkija | 280,000 | 270,000 |

## 8.3 Summary of Performance of Other Committees

**Executive Committee**

- **Executive Committee Meetings**

Details of the meeting attendance of the Executive Committee for the year ended December 31, 2021, and December 31, 2022, are as follows:

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Kitti Sumrit | 15/15 | 13/13 |
| 2. Mr. Widhoon Chiamchittrong | 15/15 | 13/13 |
| 3. Mr. Tawat Polquamdee | 15/15 | 13/13 |
| 4. Mr. Thanatip Upatising | 15/15 | 13/13 |
| 5. Mrs. Chanya Chooputtipong | 15/15 | 13/13 |
| 6. Mr. Amorn Daengchot | 15/15 | 13/13 |
| 7. Mr. Theerawat Pornpongsuriya | 15/15 | 13/13 |
| 8. Ms. Supaporn Kiattisin | - | 13/13 |

Remark: Ms. Supaporn Kiatsin was first appointed as Executive Director on January 1, 2022.

- **Remuneration Payment**

The Company has no remuneration for the Executive Committee as they are the Company's personnel and receive compensation in the form of salary, bonus, and other benefits (please consider the remuneration of executives in Section 2.3 Clause 7 Corporate Governance Structure and important information about the Board of Directors, Subcommittees, Executives, Employees and Others, Subclause 7.5.1).

**The Nomination and Remuneration Committee**

- **The Nomination and Remuneration Committee Meetings**

Details of the meeting attendance of the Nomination and Remuneration Committee for the year ended December 31, 2021 and 2022, are as follows:

| Name | Number of Meeting Attendance/Total Number of Meetings | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Sanchai Thiewprasertkul | 7/7 | 5/5 |
| 2. Mr. Suthee Chulanutrakul | 7/7 | 5/5 |
| 3. Ms. Sudarat Tangsoontornkij | 7/7 | 5/5 |

- **Remuneration Payment**

| Name | Total Remuneration Payment for Directors (Baht) | |
|---|---|---|
| | For the Fiscal Year Ended December 31, 2021 | For the Fiscal Year Ended December 31, 2022 |
| 1. Mr. Sanchai Thiewprasertkul | 70,000 | 120,000.00 |
| 2. Mr. Suthee Chulanutrakul[1] | - | 70,000.00 |
| 3. Ms. Sudarat Tangsoontornkij | 70,000 | 120,000.00 |

Remark: [1] Received remuneration as an executive of the Group, but has not held an executive position since May 1, 2022.

# 9. Internal Control and Related Party Transactions

## 9.1 Internal Control

### 9.1.1 The opinion of the Board of Directors regarding the adequacy and appropriateness of the company's internal control system

The Board of Director devotes importance to the effectiveness of internal control system using the COSO Internal Control – Integrated Framework 2013 (COSO 2013) of the Committee of Sponsoring Organizations of the Treadway Commission, which comprises 5 components and 17 principles. The purpose of the system is achieving key objectives in business operation, reporting, and compliance with relevant regulations.

In the Board Meeting No. 1/2023 on 23th February 2023, attended by five independent members, three of which are Audit Committee members, assessed the Company internal control system in accordance with assessment guidelines from the Securities and Exchange Commission (SEC) based on documentation prepared by management and the Audit Committee Report. The assessment covered the COSO 2013's five components – that is Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring Activities, The Board of Directors concluded that the Company and its subsidiaries have appropriate and adequate internal controls. The company has arranged sufficient personnel to perform duties to ensure efficient operations. and also established and deployed internal control systems to oversee its subsidiaries so as to safeguard assets from misuses and to prevent engagement in business that could cause a conflict of interest. The Board assessed that the Company and its subsidiaries have adequate internal controls.

In 2022, the internal control activities can be summarized as follows:

1. Control Environment

- **The Company has a commitment to integrity and ethical values.**

The Company has indicated the operation monitoring policy for the Board, executives, and employees in all levels adhere to morality, honesty and responsibility, then operate the business fairly, directly, and legally and treat shareholders, customers, partners, employees, and society fairly under the Code of Conduct. The regulations are clearly stated for the acknowledgment of employees so that the operations could run to achieve business goals and grow sustainably.

Moreover, the Company has specified the guidelines to act with partners, customers, and external parties, and also arranged for the assessment of understanding towards the Business Code of Conduct and Corruption Factor and Fraud Awareness by assigning the office of internal control to conduct the assessment at least once a year. Additionally, the assessment results filled by employees will be analyzed and communicated to all levels of employees for correct understanding. The assessment will be reviewed every year to make it consistent with the risk occurred.

The Company has the process of internal audit operated by the internal auditors who are independent from the management and it also has the whistleblowing channel in case employees find any actions which violate the law, rules, regulations, and business ethics indicated by the Company. Employees and all stakeholders can whistle blow freely and there is a measure protecting the whistleblower clearly in writing.

- **The board of directors oversees Management and is independent from Management**

The Company has announced the Charter of the Board, which presents the roles and responsibilities clearly in writing to be the operational framework, which is only for the Board, and aligns with the good business governance principles and other regulations from related departments.

The Company obtains directors who have expertise in various fields and consist of independent directors of at least one-third of all directors. Presently, the proportion of freelance directors of the Company is 5/10. The audit committee are responsible for auditing the Company and subsidiaries to have a sufficient, appropriate, and effective internal control system, giving opinions regarding the sufficiency of the internal control system of the Company, auditing and following the risk management and financial reports, and reporting the results to the Board.

- **Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.**

The Company indicates the organizational structure to support the achievement of the Company objective, separates the responsibilities clearly, assigns the roles and responsibilities based on the knowledge and skills of each employee, and supports the Check & Balances in significant operational processes, such as procurement, payment, asset management, etc., establishes the Internal Audit Department and hires external service provider as an internal auditors to do the internal audit under the governance of the Auditing Committee to monitor the improvement of the internal control system.

- **The Company has a commitment to attract, develop, and retain competent individuals in alignment with objectives.**

The Company specified the human resources management and development policy, which clearly states about selecting proficient personnel with suitable skills for the positions under a clear and verifiable process and open opportunities for potential individuals. The Company supports employees to always improve themselves to increase their competency in the future. The Board is responsible for improving the potential of employees to take their positions in the future to support the management consecutively. Moreover, the Company values keeping employees who have the potential to grow with the Company, so the Company provides the process to survey the needs for training of employees in each department to conduct the annual training plan and conducts the report comparing the training regularly.

- **The Board of Directors maintains a succession plan to ensure business continuity.**

The Company realizes and values the development of the inheritance so the succession plan policy is conducted. The Company would source internal and external individuals to take significant positions, including executives, such as the Chairman, to prepare for obtaining and the development of internal employees for the long term and short term to be adjustable, align with the directions of the business, and develop the organization continually based on the principles, patterns, rules and regulations stated by the Company.

- **The company holds individuals accountable for their internal control responsibilities in the pursuit of objectives.**

The Company indicates that the executives of the Company are responsible for arranging the internal control system to be in a fair condition so that employees could have good attitudes towards internal control and internal audit, which lead to the ability to manage the risks that can affect the objective achievement of the Company. The Company also arranges for the test of understanding and assessment of cooperation/alignment with the Business Code of Conduct.

### 2. Risk Assessment

- **The Company emphasizes importance to the management of risks relevant to the achievement of its objectives.**

The Company has indicated the risk management policy in writing, stating the risks which might affect the objective achievement; assessed the risks by considering both internal and external factors, which include strategic, operational, reporting, aligning, and technological factors; communicated to all executives and employees for acknowledgment, used them as the guideline for risk management of the organization, and found the guidelines for managing the risks to be at an acceptable level. The Company also indicates the guidelines for risk management for all departments to utilize clearly, including risk acceptance, risk reduction, risk avoidance, and risk transfer. Moreover, the Company set the anti-corruption policy which was approved by the Board and communicates this policy to executives and employees of all levels. The audit committee has audited the risk factors of corruption by auditing the internal audit result report and evaluating the corruption factors in the organization and fraud awareness of employees and suggested the guidelines to prevent corruption.

### 3. Control Activities

- **The Company has set a variety of control activities to manage the Company’s risks to an acceptable level**

The Company has indicated the rules, procedures/operational methods of each department in letters, then communicated to employees to align with the same standard, and reviewed the rules regularly to make it present enough and manage the risks. The Delegation of Authority is the framework for the approval of each operation clearly, covering all levels of the Board and executives. Additionally, the Board, all executives, related parties, and those related to the Company must disclose their personal information for following and auditing the transaction between each other/transactions with potential conflicts of interest. The Board and executives must inform the Company immediately if the information given has been changed. Besides this, the Board and executives of the Company are determined to support/follow the related departments to use the automated internal control system more in any processes possible to reduce the repetitive operation and the information could be used for decision making correctly, promptly, and accurately to increase the business competitive potential of the Company.

Segregation of Duties (SoD) is in place to ensure checks and balances with respect to record keeping, approval and relevant resource management. All policies and regulations are reviewed periodically for appropriateness.

- **The Company selects and develops general control activities over technology to support the achievement of objectives**

The Company indicates the fundamental structure of the information technology properly by conducting and aligning with the information backup plan. The Company would check on the server and network regarding the security from irrelevant parties. In addition, the Company has sourced, developed, and maintained a suitable information system with Precise Digital Economy Co., Ltd., the subsidiary supporting the system development and IT maintenance, as a person in charge of the information structure and software.

- **The Company deploys control activities through policies that establish what is expected and procedures that put policies into action**

The Company has indicated the policy regarding dealing with related transactions and regulations in letters, in accordance with related rules, and prevented exploitation from transactions. The audit committee would consider the rationality for pricing/conditioning for transactions to be on an arm's length basis for all customers/partners and must always consider the Company's interests. Consideration for transaction of related items should be based on the regulations of the Stock Exchange of Thailand, taking the Company's interests as an important matter. Besides this, the transaction is indicated to be approved by the ones who are in force of approval, which must not be the stakeholders of the transactions. The Company has reviewed the policy every year and reviewed the operational process to be present regularly when changes happen so that the Company can achieve the stated objectives.

**4. Information and Communication**

- **The Company obtains or generates and uses relevant, quality information to support the functioning of internal control**

The Company has analyzed the processed and considered significant information. Needed information was collected correctly, completely, and promptly and the Company realizes the necessity of that information for the effectiveness in cost management for appropriate information management.

- **The Company internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control”**

The Company has a communication process in several channels, such as Precise Intranet, ISO Online, announcement board, and public address system. Moreover, the Company has monitored, communicated, coordinated, and followed the Board to access significant information for governance needed.

- **The Company communicates with external parties regarding matters affecting the functioning of internal control**

The Company has indicated the whistleblowing policy by arranging the secret channel for employees and external stakeholders to whistleblowing about corruption in the Company safely.

- **The Company arranges for communication with outside stakeholders.**The Company discloses the information sufficiently, reliably, and promptly so the users of financial statements, shareholders, and stakeholders can receive the information fairly as the Company provides the investor relations session to give significant information to investors and citizens.

5. Monitoring Activities

- **The Company has a process to performs an evaluations of the adequacy of internal control and defines guidelines for improvement to ensure system effectiveness:**

The Company has evaluated the sufficiency of the internal control system annually as indicated by the Securities and Exchange Commission, which covers the department level of the organization. In 2022, the external service provider as an internal auditors, A.M.T Solution Co., Ltd. assessed the internal control system of the Company and subsidiaries. The results of the assessment revealed that the internal control system of the Company and subsidiaries are sufficient and appropriate for achieving the major objectives of the Company, in accordance with the control activity indicated by the Securities and Exchange Commission.

- **The Company assesses and communicates the mistakes of internal control**

**The Company evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate**

The Company assigns the internal auditors to audit the process of internal control and communicate the mistakes by reporting the results to the Exit Meeting and the executives to find the solutions in time; then, they report the results to the audit committee and follow up in case any remarks from the audit are found.

Moreover, the Company has prescribed the anti-corruption policy. The management must report to the Board immediately if any situations or suspicion of serious corruption, illegal action, or abnormal activities which might significantly affect the reputation and financial status of the Company are found.

### 9.1.2 Internal Control Deficiency

In 2022, the internal audit department carried out the annual audit in accordance with the strategies of the Company by considering significant risks which might affect the operations of the Company and request from the executives and audit committee to audit the adequacy and appropriateness of the internal control system in each process and assess the sufficiency of the internal control system and follow up the improvement of detected matters. After that, the results were submitted to the audit committee for approval before being presented to the board committee.

In 2022, the internal audit department did not find any significant deficiency regarding the internal control system also follow-up on the action taken to improve, the management had resolved all internal control issues completely according to suggestions.

### 9.1.3 Opinions from Audit Committee Regarding the Internal Control System

Audit Committee considered and assessed the effectiveness of the internal control system of the Company and had no different opinion from the Board.

In addition, the auditors, EY Co., Ltd., had audited the financial statements of the year ending December 31, 2022 and Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error from the financial report of the year ending December 31, 2022, the auditors did not find any significant insufficiency which affect the financial statements of the Company.

The audit committee report was presented in Attachment 6.

### 9.1.4 Opinions from Audit Committee Regarding Head of Internal Audit

The Company establishes the Internal Audit Department, who were independent and direct report to Audit Committee. The internal audit department supported the Audit Committee and the Board by evaluating the adequacy and appropriateness of the internal control system of the Company and subsidiaries and monitoring each department in the Company and subsidiaries to adjust and improve the mistakes from issue to ensure that the internal control system of the Company was sufficient, appropriate, and effective. From the audit committee meeting viewed that Mrs. Chuatip Laksanayothin was qualified to take the position of Head of Internal Audit Department of the Company effectively, considering her educational background, training, and working experience, as presented in Attachment 3, so announced the appointment of Mrs. Chuatip Laksanayothin as the Head of Internal Audit Department of the Company.

### 9.1.5 Appointment, Discharge, and Transfer the Head of the Internal Audit Department

The Company specified that the Audit Committee must approve for appointing, transferring, or terminating the Head of the Internal Audit Department or any other departments responsible for internal control activity, as stated in the Charter of Audit Committee of the Company.

## 9.2 Related Party Transactions (If any)

**The Related Parties for the period year ended 31 December 2022, could be concluded as follows.**

| Related Parties | Business Details | Relationship with the Company |
|---|---|---|
| Sky Tower Public Company Limited (former name "Ua Withya Public Company Limited.") | They produce electrical steel poles, minor electric stations, and telecommunication poles and distribute the products for industrial factories. | Board member, Mr. Thanatip Upatising, holds a position as director of this company. |

## Related Party Transactions

Details of Related Party Transactions between the group and a company which may have a conflict can be concluded as follows.

| Related Party Company | Company or Subsidiaries transactions | Types of Transactions | Amount for the period 31 December 2022 (thousand baht) | Necessity and Rationality | Audit Committee Opinions |
|---|---|---|---|---|---|
| Sky Tower Public Company Limited | Precise System and Project Company Limited (PSP) | Purchase the products and raw materials<br><br>Trade payables<br><br>Advance payments for goods and construction | 13,734<br><br>-<br><br>- | PSP purchased products and raw materials from Sky Tower which has been done for a long time such transactions are regarded as normal business practices in accordance with PSP's needs and business operations. Such prices and services are as agreed in contracts without any benefits transferring or irregular transaction<br><br>Sky Tower was in the approved vendors list of the MEA and EGAT and also in the approved supplier list of PSP in regard to the standard procurement process by sourcing, selecting, and comparing the suppliers and considered the benefit of the Company as a significant matter.<br><br>As of December 31, 2022, PSP paid all the debts for purchasing the products and raw materials.<br><br>For the future connected transactions will be conducted as part of its normal businesses without special favors, pricing policy will continue to be at arm's length, and disclosure of connected transactions are according to SEC's and SET's regulations. | The Audit Committee reviewed the related transactions executed by the Company with those parties there of who were considered as having a conflict of interest in 2022.<br>For approval process, the related transactions processed in the same practice as other general trading transactions with outside parties with the authorized executives designated according to their respective rank and position in accordance with the company Delegation of Authority and the stated transaction was done since 2021.<br>After having considered such matters, The Audit Committee provided opinions that management conducted such transactions for the benefit of the company with appropriate and rational |

# PART 3 Financial Statement

# Precise Corporation Public Company Limited
# and its subsidiaries

## Report and consolidated financial statements

## 31 December 2022

**Independent Auditor's Report**

To the Shareholders of Precise Corporation Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Precise Corporation Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Precise Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precise Corporation Public Company Limited and its subsidiaries and of Precise Corporation Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

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

## Key Audit Matters

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

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

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

**Recognition of revenue from sales**

The Group recognised revenue from sales according to the accounting policy as disclosed in Note 4.1 to the consolidated financial statements. During the year 2022, the Group recognised revenue from sales amounting to Baht 2,656 million, which represented 55% of total revenues. The revenue from sales is the most significant account in the statement of comprehensive income of the Group and is also the key indicator of business performance on which the users of financial statements pay particular attention. Therefore, I focused my audit on the occurrence of the revenue from sales.

I have examined the revenue recognition from sales of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the sales, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

***Recognition of revenue from construction projects***

In 2022, the Group recognised revenue from construction projects amounting to Baht 2,113 million in the consolidated statement of comprehensive income, which was the significant transaction. The Group recognised revenue from construction projects in accordance with the accounting policy described in Note 4.1 to the consolidated financial statements. I focused my audit on the recognition of revenue from construction projects because such revenue is to be recognised over time throughout the construction period. Determining the percentage of completion of construction work and possible losses requires management to exercise significant judgement in estimating project costs.

I have examined the recognition of revenue from construction projects of the Group by performing the following procedures.

- Evaluated and examined internal control process put in place by the Group over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction projects, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Read the construction contracts to consider the conditions related to revenue recognition.
- Made enquiry of responsible executives, gained an understanding of the Group's process for assessing the percentage of completion, and making cost estimates for the projects.
- Checked actual costs against supporting documents and assessed the appropriateness of the percentage of completion.
- Tested the calculation of the percentage of completion.
- Performed analytical procedures on gross margins of construction projects.
- Compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred.
- Evaluated the determination of possible losses on projects by making inquiry the management to gain understanding of nature works to perform in the future including estimation of cost to complete the project.
- Performed a physical visit to the project sites to understand the nature of project and stage of completion.

**Other Information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sumana Punpongsanon
Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 23 February 2023

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of financial position**
**As at 31 December 2022**

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2022 | 2021 | 2022 | 2021 |
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | *7* | 888,128,836 | 245,643,630 | 415,382,440 | 17,129,799 |
| Trade and other receivables | *6, 9, 10* | 995,847,281 | 613,199,979 | 5,344,450 | 5,825,202 |
| Unbilled receivables | *10* | 927,714,975 | 632,079,292 | - | - |
| Dividend receivables | *6* | - | - | 161,474,968 | |
| Short-term loans to related parties | *6* | - | - | 83,000,000 | - |
| Inventories | *11* | 802,454,370 | 717,137,879 | - | - |
| Retention receivables | *6, 10* | 163,363,090 | 444,766,856 | - | - |
| Advance payment for purchase of goods | | | | | |
| and construction | *6* | 47,517,104 | 104,256,832 | - | - |
| Other current financial assets | *8* | 3,724,564 | 3,371,368 | 1,982,480 | 1,865,530 |
| Other current assets | *6, 12* | 74,506,114 | 52,179,119 | 3,913,399 | 1,803,545 |
| **Total current assets** | | 3,903,256,334 | 2,812,634,955 | 671,097,737 | 26,624,076 |
| **Non-current assets** | | | | | |
| Restricted bank deposits | *13* | 77,838,235 | 76,263,914 | - | - |
| Other non-current financial assets | *14* | 2,650,000 | 2,650,000 | 1,650,000 | 1,650,000 |
| Investments in subsidiaries | *15* | - | - | 1,361,858,400 | 1,361,858,400 |
| Investment in associate | *16* | - | 28,521,341 | - | - |
| Investments in joint ventures | *17* | 222,331,902 | 179,096,529 | - | - |
| Investment properties | *18* | 8,107,095 | 7,540,053 | 436,050,732 | 391,369,218 |
| Property, plant and equipment | *19* | 2,283,610,118 | 2,108,959,836 | 36,049,559 | 32,799,262 |
| Right-of-use assets | *20* | 141,274,117 | 173,269,343 | 17,040,613 | 19,724,619 |
| Intangible assets | *21* | 98,777,466 | 88,756,220 | 3,337,179 | 2,151,309 |
| Deferred tax assets | *33* | 39,592,422 | 37,285,925 | - | - |
| Other non-current assets | *6, 22* | 62,343,681 | 64,952,984 | 23,442,900 | 9,083,610 |
| **Total non-current assets** | | 2,936,525,036 | 2,767,296,145 | 1,879,429,383 | 1,818,636,418 |
| **Total assets** | | 6,839,781,370 | 5,579,931,100 | 2,550,527,120 | 1,845,260,494 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of financial position (continued)**
**As at 31 December 2022**

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2022 | 2021 | 2022 | 2021 |
| **Liabilities and shareholders' equity** | | | | | |
| **Current liabilities** | | | | | |
| Bank overdrafts and short-term loans from | | | | | |
| financial institutions | *23* | 1,135,193,332 | 855,462,587 | - | 38,921,897 |
| Trade and other payables | *6, 24* | 1,146,906,173 | 966,378,996 | 10,450,544 | 3,167,568 |
| Short-term loans from related parties | *6* | - | - | - | 20,000,000 |
| Advance received from customers | *6, 10* | 303,787,010 | 323,342,769 | 48,037 | 30,000 |
| Current portion of long-term liabilities | | | | | |
| - Long-term loans from financial institutions | *25* | 164,866,622 | 237,940,938 | - | 76,056,120 |
| - Lease liabilities | *26* | 44,180,997 | 50,743,783 | 5,238,408 | 5,009,186 |
| Income tax payable | | 5,967,891 | 8,931,038 | - | - |
| Retention payables | | 174,139,425 | 143,655,617 | 795,018 | - |
| Other current liabilities | | 63,305,030 | 36,268,776 | 2,154,435 | 3,709,831 |
| **Total current liabilities** | | 3,038,346,480 | 2,622,724,504 | 18,686,442 | 146,894,602 |
| **Non-current liabilities** | | | | | |
| Long-term liabilities - net of current portion | | | | | |
| - Long-term loans from financial institutions | *25* | 401,070,205 | 504,210,466 | - | 71,785,647 |
| - Lease liabilities | *26* | 57,732,490 | 97,656,450 | 7,049,656 | 12,128,452 |
| Provision for long-term employee benefits | *27* | 135,278,400 | 136,175,487 | 10,977,585 | 10,067,035 |
| Long-term provisions | *28* | 30,065,376 | 30,100,269 | - | - |
| **Total non-current liabilities** | | 624,146,471 | 768,142,672 | 18,027,241 | 93,981,134 |
| **Total liabilities** | | 3,662,492,951 | 3,390,867,176 | 36,713,683 | 240,875,736 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of financial position (continued)**
**As at 31 December 2022**

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2022 | 2021 | 2022 | 2021 |
| **Shareholders' equity** | | | | | |
| Share capital | *29* | | | | |
| Registered | | | | | |
| 1,226,619,100 ordinary shares of Baht 1 each | | 1,226,619,100 | 1,226,619,100 | 1,226,619,100 | 1,226,619,100 |
| Issued and fully paid-up | | | | | |
| 1,226,619,100 ordinary shares of Baht 1 each | | | | | |
| (2021: 919,619,100 ordinary shares of | | | | | |
| Baht 1 each) | | 1,226,619,100 | 919,619,100 | 1,226,619,100 | 919,619,100 |
| Share premium | *29* | 1,016,644,536 | 123,092,507 | 1,016,644,536 | 123,092,507 |
| Variance from restructuring | | - | - | 42,869,052 | 42,869,052 |
| Deficit on business combination | | | | | |
| under common control | | (25,360,120) | (25,360,120) | - | - |
| Surplus on change in proportion of investments | | 19,692,664 | 19,692,664 | - | - |
| Capital reserve for share-based payment transactions | | 2,999,950 | 2,999,950 | - | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | *30* | 55,211,443 | 45,889,701 | 55,211,443 | 45,889,701 |
| Unappropriated | | 790,328,738 | 993,421,172 | 172,469,306 | 472,914,398 |
| Other components of shareholders' equity | | (10,728,027) | (8,008,240) | - | - |
| Equity attributable to owners of the Company | | 3,075,408,284 | 2,071,346,734 | 2,513,813,437 | 1,604,384,758 |
| Non-controlling interests of the subsidiaries | *15.3* | 101,880,135 | 117,717,190 | - | - |
| **Total shareholders' equity** | | 3,177,288,419 | 2,189,063,924 | 2,513,813,437 | 1,604,384,758 |
| **Total liabilities and shareholders' equity** | | 6,839,781,370 | 5,579,931,100 | 2,550,527,120 | 1,845,260,494 |

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

Directors

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of comprehensive income**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| **Profit or loss:** | | | | | |
| **Revenues** | | | | | |
| Sales | | 2,656,275,110 | 2,087,328,031 | - | - |
| Income from services and construction projects | | 2,188,850,185 | 1,536,004,584 | 48,720,000 | 53,604,000 |
| Dividend income | *6, 15.1* | 130,172 | 124,051 | 230,746,724 | 110,518,805 |
| Other income | | 14,729,265 | 15,170,819 | 6,213,274 | 7,921,947 |
| **Total revenues** | | 4,859,984,732 | 3,638,627,485 | 285,679,998 | 172,044,752 |
| **Expenses** | | | | | |
| Cost of sales | | 1,748,517,505 | 1,349,453,645 | - | - |
| Cost of services and cost from construction projects | | 1,929,553,517 | 1,302,990,467 | 25,135,508 | 22,928,806 |
| Selling and distribution expenses | | 149,730,012 | 105,218,441 | - | - |
| Administrative expenses | | 609,623,237 | 549,664,940 | 74,791,514 | 62,433,016 |
| Other expenses | | - | 9,570,710 | - | 59 |
| **Total expenses** | | 4,437,424,271 | 3,316,898,203 | 99,927,022 | 85,361,881 |
| **Profit from operation** | | 422,560,461 | 321,729,282 | 185,752,976 | 86,682,871 |
| Share of loss from investments in associate | *16.2* | (24,110,535) | (18,257,315) | - | - |
| Share of profit from investments in joint ventures | *17.2* | 36,777,877 | 30,041,582 | - | - |
| Finance income | | 899,238 | 315,062 | 11,616,712 | 10,124,058 |
| Finance cost | | (70,135,338) | (61,723,140) | (10,934,839) | (10,443,544) |
| **Profit before income tax expenses** | | 365,991,703 | 272,105,471 | 186,434,849 | 86,363,385 |
| Income tax expenses | *33.2* | (56,535,709) | (43,781,100) | - | - |
| **Profit for the year** | | 309,455,994 | 228,324,371 | 186,434,849 | 86,363,385 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of comprehensive income (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2022 | 2021 | 2022 | 2021 |
| **Other comprehensive income:** | | | | | |
| *Other comprehensive income to be reclassified to* | | | | | |
| *profit or loss in the subsequent periods:* | | | | | |
| Share of other comprehensive income from | | | | | |
| investment in associate | *16.2* | (4,410,806) | (822,089) | - | - |
| Exchange differences on translation of | | | | | |
| financial statements in foreign currency | | 1,691,019 | 695,269 | - | - |
| Less: Income tax effect | | - | - | - | - |
| Other comprehensive income to be reclassified to | | | | | |
| profit or loss in subsequent periods - net of income tax | | (2,719,787) | (126,820) | - | - |
| **Other comprehensive income for the year** | | (2,719,787) | (126,820) | - | - |
| **Total comprehensive income for the year** | | 306,736,207 | 228,197,551 | 186,434,849 | 86,363,385 |
| **Profit attributable to:** | | | | | |
| Equity holders of the Company | | 283,787,507 | 202,686,294 | 186,434,849 | 86,363,385 |
| Non-controlling interests of the subsidiaries | *15.3* | 25,668,487 | 25,638,077 | | |
| | | 309,455,994 | 228,324,371 | | |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of the Company | | 281,067,720 | 202,559,474 | 186,434,849 | 86,363,385 |
| Non-controlling interests of the subsidiaries | | 25,668,487 | 25,638,077 | | |
| | | 306,736,207 | 228,197,551 | | |
| **Earnings per share** | | | | | |
| Basic earnings per share | *35* | | | | |
| Profit attributable to equity holders of the Company | | 0.289 | 0.220 | 0.190 | 0.094 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of changes in shareholders' equity**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Consolidated financial statements | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of the Company | | | | | | | | | | | | | |
| | | | | | | | | Other components of shareholders' equity | | | | | | |
| | | | | | | | | Other comprehensive income | | | | | | |
| | Issued and paid-up share capital | Share premium | Deficit on business combination under common control | Surplus on change in proportion of investments | Capital reserve for share-based payment transactions | Retained earnings: Appropriated | Retained earnings: Unappropriated | Share of other comprehensive income from investment in associate | Exchange differences on transition of financial statements in foreign currency | Premium on share capital of associate | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity |
| **Balance as at 1 Janaury 2021** | 919,619,100 | 123,092,507 | (25,360,120) | 19,692,664 | 2,999,950 | 41,571,532 | 850,230,193 | (7,441,508) | (818,389) | 378,477 | (7,881,420) | 1,923,964,406 | 103,279,103 | 2,027,243,509 |
| Profit for the year | - | - | - | - | - | - | 202,686,294 | - | - | - # | - | 202,686,294 | 25,638,077 | 228,324,371 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | (822,089) | 695,269 | - | (126,820) | (126,820) | - | (126,820) |
| Total comprehensive income for the year | - | - | - | - | - | - | 202,686,294 | (822,089) | 695,269 | - | (126,820) | 202,559,474 | 25,638,077 | 228,197,551 |
| The subsidiary paid dividend | | | | | | | | | | | | | | |
| to its non-controlling interest (Note 15.3) | - | - | - | - | - | - | - | - | - | - | - | - | (11,199,990) | (11,199,990) |
| Appropriation of retained earnings (Note 30) | - | - | - | - | - | 4,318,169 | (4,318,169) | - | - | - | - | - | - | - |
| Dividend paid (Note 31) | - | - | - | - | - | - | (55,177,146) | - | - | - | - | (55,177,146) | - | (55,177,146) |
| **Balance as at 31 December 2021** | 919,619,100 | 123,092,507 | (25,360,120) | 19,692,664 | 2,999,950 | 45,889,701 | 993,421,172 | (8,263,597) | (123,120) | 378,477 | (8,008,240) | 2,071,346,734 | 117,717,190 | 2,189,063,924 |
| **Balance as at 1 January 2022** | 919,619,100 | 123,092,507 | (25,360,120) | 19,692,664 | 2,999,950 | 45,889,701 | 993,421,172 | (8,263,597) | (123,120) | 378,477 | (8,008,240) | 2,071,346,734 | 117,717,190 | 2,189,063,924 |
| Profit for the year | - | - | - | - | - | - | 283,787,507 | - | - | - | - | 283,787,507 | 25,668,487 | 309,455,994 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | (4,410,806) | 1,691,019 | - | (2,719,787) | (2,719,787) | - | (2,719,787) |
| Total comprehensive income for the year | - | - | - | - | - | - | 283,787,507 | (4,410,806) | 1,691,019 | - | (2,719,787) | 281,067,720 | 25,668,487 | 306,736,207 |
| Increase share capital (Note 29) | 307,000,000 | 893,552,029 | - | - | - | - | - | - | - | - | - | 1,200,552,029 | - | 1,200,552,029 |
| Transferred of investment in subsidiary (Note 15.2) | - | - | - | - | - | - | - | - | - | - | - | - | (22,305,561) | (22,305,561) |
| The subsidiary paid dividend | | | | | | | | | | | | | | |
| to its non-controlling interest (Note 15.3) | - | - | - | - | - | - | - | - | - | - | - | - | (19,199,981) | (19,199,981) |
| Appropriation of retained earnings (Note 30) | - | - | - | - | - | 9,321,742 | (9,321,742) | - | - | - | - | - | - | - |
| Dividend paid (Note 31) | - | - | - | - | - | - | (477,558,199) | - | - | - | - | (477,558,199) | - | (477,558,199) |
| **Balance as at 31 December 2022** | 1,226,619,100 | 1,016,644,536 | (25,360,120) | 19,692,664 | 2,999,950 | 55,211,443 | 790,328,738 | (12,674,403) | 1,567,899 | 378,477 | (10,728,027) | 3,075,408,284 | 101,880,135 | 3,177,288,419 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of changes in shareholders' equity (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Issued and paid-up share capital | Share premium | Variance from restructuring | Retained earnings - Appropriated | Retained earnings - Unappropriated | Total shareholders' equity |
| **Balance as at 1 January 2021** | 919,619,100 | 123,092,507 | 42,869,052 | 41,571,532 | 446,046,328 | 1,573,198,519 |
| Profit for the year | - | - | - | - | 86,363,385 | 86,363,385 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 86,363,385 | 86,363,385 |
| Appropriation of retained earnings (Note 30) | - | - | - | 4,318,169 | (4,318,169) | - |
| Dividend paid (Note 31) | - | - | - | - | (55,177,146) | (55,177,146) |
| **Balance as at 31 December 2021** | 919,619,100 | 123,092,507 | 42,869,052 | 45,889,701 | 472,914,398 | 1,604,384,758 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Statement of changes in shareholders' equity (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Issued and paid-up share capital | Share premium | Variance from restructuring | Retained earnings - Appropriated | Retained earnings - Unappropriated | Total shareholders' equity |
| **Balance as at 1 January 2022** | 919,619,100 | 123,092,507 | 42,869,052 | 45,889,701 | 472,914,398 | 1,604,384,758 |
| Profit for the year | - | - | - | - | 186,434,849 | 186,434,849 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 186,434,849 | 186,434,849 |
| Increase share capital (Note 29) | 307,000,000 | 893,552,029 | - | - | - | 1,200,552,029 |
| Appropriation of retained earnings (Note 30) | - | - | - | 9,321,742 | (9,321,742) | - |
| Dividend paid (Note 31) | - | - | - | - | (477,558,199) | (477,558,199) |
| **Balance as at 31 December 2022** | 1,226,619,100 | 1,016,644,536 | 42,869,052 | 55,211,443 | 172,469,306 | 2,513,813,437 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Cash flow statement**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Cash flows from operating activities** | | | | |
| Profit before income tax expenses | 365,991,703 | 272,105,471 | 186,434,849 | 86,363,385 |
| Adjustments to reconcile profit before tax to net cash | | | | |
| provided by (paid from) operating activities: | | | | |
| Expected credit loss of trade and other receivables | 7,014,797 | 1,845,902 | - | - |
| Expected credit loss of loans to related party | 2,291,134 | - | - | |
| Depreciation and amortisation | 178,870,967 | 169,547,351 | 6,430,288 | 6,304,651 |
| Reversal of reduction of inventories to net realisable value | (6,175,408) | (2,046,856) | - | - |
| Reversal of loss on impairment of investment properties | - | (1,087,832) | - | - |
| Loss (gain) on disposal of machinery and equipment | (1,165,753) | (758,306) | 1,554 | - |
| Gain on disposal of intangible assets | - | (135) | - | - |
| Loss on write-off of building, machinery and equipment | 1,057,323 | 3,163,726 | - | 2,881 |
| Loss on write-off of intangible assets | 60,705 | 161,113 | - | - |
| Loss on write-off of withholding tax | 4,242,722 | 914,805 | 3,328,344 | - |
| Loss (gain) on changes in value of other current financial assets | 33,877 | (450,609) | 33,877 | (450,609) |
| Gain on sales of other current financial assets | (168,820) | - | (168,820) | - |
| Loss (gain) from loan agreement amendment | (322,714) | 374,942 | (322,714) | 374,942 |
| Gain on lease contract modification | (87,223) | (189,807) | - | - |
| Loss on sales of other non-current financial assets | - | 211 | - | - |
| Share of loss from investment in associate | 24,110,535 | 18,257,315 | - | - |
| Share of profit from investments in joint ventures | (36,777,877) | (30,041,582) | - | - |
| Warranty expenses (reversal) | 19,710,046 | (1,135,446) | - | - |
| Long-term employee benefits expenses | 13,045,123 | 13,768,443 | 2,031,159 | 1,986,451 |

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

**Precise Corporation Public Company Limited and its subsidiaries**
**Cash flow statement (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Reversal of translation adjustment from dissolution | | | | |
| of foreign subsidairy | (198,285) | - | - | |
| Loss (gain) from fair value measurement of forward contracts | 4,606,273 | (737,495) | - | - |
| Unrealised loss (gain) on exchange | (7,216,389) | 1,434,411 | - | - |
| Dividend income | (130,172) | (124,051) | (230,746,724) | (110,518,805) |
| Finance income | (899,238) | (315,062) | (11,616,712) | (10,124,058) |
| Finance cost | 70,458,052 | 61,348,198 | 11,257,552 | 10,068,602 |
| **Profit (loss) from operating activities before changes in** | | | | |
| **operating assets and liabilities** | 638,351,378 | 506,034,707 | (33,337,347) | (15,992,560) |
| **Operating assets (increase) decrease** | | | | |
| Trade and other receivables | (442,708,765) | (87,200,089) | 1,007,999 | 4,725,462 |
| Unbilled receivables | (295,635,683) | (191,101,682) | - | - |
| Inventories | (133,853,201) | (146,329,234) | - | - |
| Retention receivables | 280,054,751 | 28,009,610 | - | 75,240 |
| Advance payment for purchase of goods and construction | 56,739,728 | 16,045,347 | - | - |
| Other current assets | (25,575,602) | (9,585,435) | (3,516,138) | (337,156) |
| Other non-current assets | 253,200 | (14,962,220) | (16,281,350) | (7,607,816) |
| **Operating liabilities increase (decrease)** | | | | |
| Trade and other payables | 192,690,211 | (98,747,547) | 299,604 | (4,721,145) |
| Advance received from customers | (17,465,324) | (11,563,673) | 18,038 | - |
| Retention payables | 30,589,926 | (54,376,403) | 795,018 | (21,500) |
| Other current liabilities | 21,872,967 | 1,592,146 | (1,555,396) | (889,470) |
| Cash paid for long-term employee benefits | (11,838,493) | (15,246,267) | (1,739,640) | (9,771,150) |
| Cash received from transfer of employees | - | - | 619,031 | 298,020 |
| Cash paid for long-term provisions | (19,298,195) | (9,658,202) | - | - |
| Cash flow from (used in) operating activities | 274,176,898 | (87,088,942) | (53,690,181) | (34,242,075) |
| Cash received from guarantee income | 103,384 | - | 10,335,279 | 10,110,947 |
| Corporate income tax paid | (60,859,389) | (43,481,269) | - | - |
| **Net cash flows from (used in) operating activities** | 213,420,893 | (130,570,211) | (43,354,902) | (24,131,128) |

**Precise Corporation Public Company Limited and its subsidiaries**
**Cash flow statement (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Cash flows from investing activities** | | | | |
| Decrease (increase) in restricted bank deposits | (1,574,321) | 8,167,950 | - | - |
| Cash received from short-term loans to related parties | - | - | 80,000,000 | 20,000,000 |
| Cash paid for short-term loans to related parties | - | - | (163,000,000) | (16,000,000) |
| Cash paid for loans to related party | (2,291,134) | - | - | - |
| Decrease (increase) in other current financial assets | 12,473 | (5,515) | 17,992 | - |
| Cash received from sale of other non-current financial assets | - | 3,265 | - | - |
| Cash paid for share subscription of associate | - | (10,782,975) | - | - |
| Cash paid for purchase of investment properties | - | - | (43,171,849) | (35,428,382) |
| Cash paid for purchase of land, building and equipment | (280,549,518) | (234,053,589) | (957,681) | (3,203,379) |
| Cash paid for purchase of right-of-use assets | - | (141,631) | - | - |
| Cash paid for purchase of intangible assets | (24,802,801) | (24,864,556) | (1,403,419) | (843,855) |
| Cash received from disposal of machinery and equipment | 1,984,607 | 767,311 | 33,645 | - |
| Cash received from disposal of intangible assets | - | 3,473 | - | - |
| Cash received from dividend income | 27,130,172 | 24,124,051 | 69,271,756 | 110,518,805 |
| Cash received from interest income | 790,025 | 339,939 | 754,186 | 352,835 |
| **Net cash flows from (used in) investing activities** | (279,300,497) | (236,442,277) | (58,455,370) | 75,396,024 |
| **Cash flows from financing activities** | | | | |
| Increase (decrease) in bank overdrafts and | | | | |
| short-term loans from financial institutions | 304,374,994 | 193,247,111 | (39,000,000) | 19,000,000 |
| Cash received from short-term loans from related parties | - | - | 123,000,000 | 74,000,000 |
| Cash received from long-term loans from financial institutions | 145,073,068 | 191,745,813 | - | - |
| Cash paid for repayment of short-term loans from related parties | - | - | (143,000,000) | (54,000,000) |
| Cash paid for repayment of long-term loans from fianncial institutions | (318,527,268) | (189,315,565) | (148,000,000) | (20,000,000) |
| Cash paid for repayment of lease liabilities | (52,029,697) | (50,295,097) | (5,008,373) | (5,567,775) |
| Cash paid for financial fee | (2,444,474) | (2,765,000) | (22,500) | (157,500) |
| Net cash received from increase in share capital | 1,200,552,028 | - | 1,200,552,029 | - |

**Precise Corporation Public Company Limited and its subsidiaries**
**Cash flow statement (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Cash paid for dividend to non-controling interest of subsidiary | (19,199,981) | (11,199,990) | - | - |
| Cash paid for dividend | (477,558,199) | (55,177,146) | (477,558,199) | (55,177,146) |
| Cash paid for interest expenses | (70,473,329) | (57,857,852) | (10,900,044) | (9,277,043) |
| **Net cash flows from (used in) financing activities** | 709,767,142 | 18,382,274 | 500,062,913 | (51,179,464) |
| Increase (decrease) in translation adjustments | (1,402,332) | 596,638 | - | - |
| **Net increase (decrease) in cash and cash equivalents** | 642,485,206 | (348,033,576) | 398,252,641 | 85,432 |
| Cash and cash equivalents at beginning of year | 245,643,630 | 593,677,206 | 17,129,799 | 17,044,367 |
| **Cash and cash equivalents at end of year (Note 7)** | 888,128,836 | 245,643,630 | 415,382,440 | 17,129,799 |
| | | | | |
| **Supplemental cash flows information:** | | | | |
| Non-cash items | | | | |
| Interest capitalised on equipment | 4,232,298 | 393,647 | - | - |
| Increase in account payables from purchase of investment properties | - | - | 7,057,392 | 219,500 |
| Increase in account payables from purchase of | | | | |
| building and equipment | 23,855,041 | 15,014,784 | 23,900 | - |
| Increase in account payables from purchase of intangible assets | - | 87,925 | 126,122 | 23,655 |
| Transfer investment properties to land and building | - | - | 4,864,086 | - |
| Transfer land to investment properties | 896,108 | - | - | - |
| Transfer right-of-use assets to property, plant and equipment | 2,376,805 | 8,877,778 | - | - |
| Transfer machinery and equipment to inventories | 531,246 | - | - | - |
| Transfer right-of-use assets to machinery | - | 11,716,410 | - | - |
| Transfer property, plant and equipment to intangible assets | 594,220 | - | - | - |
| Transfer right-of-use assets to intangible assets | 23,319 | - | - | - |
| Dividend receivables | - | - | 161,474,968 | - |
| Increase in right-of-use assets from lease liabilities | 8,803,615 | 43,181,804 | - | 9,705,322 |
| Increase (decrease) in right-of-use assets from lease contract modification | (1,703,453) | (2,722,773) | 158,799 | 158,699 |
| Increase (decrease) in lease liabilities from lease contract modification | (1,790,677) | (2,912,580) | 158,799 | 158,699 |

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

**Precise Corporation Public Company Limited and its subsidiaries**

**Notes to consolidated financial statements**

**For the year ended 31 December 2022**

## 1. The Company's general information

Precise Corporation Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investing in companies which run business of manufacture, distribution of equipment, construction and project management in industries of smart grid, communication and information system, bio-circular-green economy, and energy system. The registered office of the Company is at No.1842, Krung Thep-Nonthaburi Road, Wongsawang, Bang Sue, Bangkok.

As at 30 December 2022, the Company's top five major shareholders are as follows:

| | Percentage of shareholding (% of paid-up capital) |
|---|---|
| 1. Mrs. Sununtha Sumrit | 13.93 |
| 2. Precise Employee Association | 7.24 |
| 3. Mr. Kitti Nutchayangkul | 5.29 |
| 4. Mrs. Kannakorn Saeneemanomai | 4.77 |
| 5. Mr. Harnjate Likitsinsopon | 4.68 |

The Stock Exchange of Thailand approved the Company's ordinary shares as listed securities, with the first trading day effective on 21 October 2022, as discussed in Note 29 to the consolidated financial statements.

## 2. Basis of preparation

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

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

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

## 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Precise Corporation Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding 2022 (%) | Percentage of shareholding 2021 (%) |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Precise Electric Manufacturing Co., Ltd. | Production equipment, project management, service and distribution for low and high voltage electrical of power industry | Thailand | 100.00 | 100.00 |
| Precise System and Project Co., Ltd. | Power station construction, transmission lines high voltage substations, manufacturing, installation control and intelligent electricity | Thailand | 99.96 | 99.96 |
| Precise Digital Economy Co., Ltd. | Production energy saving equipment, project management, maintenance, distribution of information systems and automatic systems | Thailand | 99.99 | 99.99 |
| Precise Smart Life Co., Ltd. | Bio-circular-green economy | Thailand | 100.00 | 100.00 |
| Precise Power Producer Co., Ltd. | Energy investment, production and distribution of electricity, and others | Thailand | 100.00 | 100.00 |
| Pacific Prosperity Development Co., Ltd. | Import and export of electrical and mechanical equipment and project sales | Thailand | 100.00 | 100.00 |
| **Held by subsidiaries of the Company** | | | | |
| Held by Precise Electric Manufacturing Co., Ltd. | | | | |
| Precise Electro-Mechanical Works Co., Ltd. | Production and distribution of switchgears, switchboards, load switches, control boards and metal products | Thailand | 99.99 | 99.99 |

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|---|---|---|---|
| | | | 2022 | 2021 |
| | | | (%) | (%) |
| Coelme International Co., Ltd. a) | Production and distribution of disconnecting switch and electricity substation connectors | Thailand | - | 59.99 |
| Precise Electric Manufacturing (Cambodia) Co., Ltd. | Production and distribution of distribution transformer, instrument transformers and assembly of switchboards | Cambodia | 99.99 | 99.99 |
| <u>Held by Precise Power Producer Co., Ltd.</u> | | | | |
| Songkhla Biopower Co., Ltd. | Production and distribution of electricity | Thailand | 76.00 | 76.00 |
| Clean Energy Producer Co., Ltd. | Services and maintenance | Thailand | 100.00 | 100.00 |
| Takbai Biopower Co., Ltd. | Production and distribution of electricity | Thailand | 100.00 | 100.00 |
| Phrukapdaeng Biopower Co., Ltd. | Production and distribution of electricity | Thailand | 99.70 | 99.70 |
| Takbai Solar Power 1 Co., Ltd. | Production and distribution of electricity | Thailand | 100.00 | - |
| Takbai Solar Power 2 Co., Ltd. | Production and distribution of electricity | Thailand | 100.00 | - |
| <u>Held by Pacific Prosperity Development Co., Ltd.</u> | | | | |
| Precise Pacific International (Cambodia) Co., Ltd. b) | Import and export of electrical and mechanical equipment | Cambodia | - | 100.00 |
| Precise Smart Grid Products and Services Co., Ltd. | Production and distribution of electricity | Thailand | 100.00 | 100.00 |

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|---|---|---|---|
| | | | 2022 | 2021 |
| | | | (%) | (%) |
| Precise BCG Total Solution and Services Co., Ltd. | Production and distribution of electricity | Thailand | 100.00 | 100.00 |
| Joint ventures between Precise Corporation Public Company Limited and Pacific Prosperity Development Co., Ltd. (Pacific Prosperity Development Co., Ltd. has interest in joint operations of 80% and Precise Corporation Public Company Limited has interest in joint operations of 20%) [b] | Trade Steel Cord Conveyor Belt for "Mae Moe" power plant project | Thailand | - | - |

[a] Reclassified its investment in such company from the investment in subsidiary to the investment in joint venture as detailed in Note 15.2 to the consolidated financial statements.

[b] Ceased the business in 2022 as detailed in Note 15.2 to the consolidated financial statements.

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

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

e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

2.4 Unconsolidated structured entities

The Group established Precise Employee Assoication ("the Association") in 2007, with the objective of supporting members through the provision of benefits and assistance both while employed and during retirement.

The Articles of Association are as follows:

1. Members of association
   - General members are full-time employees of the Group and full-time employees of Savings and Credit Cooperative of Precise Group. The employees of the Group and the Cooperative are entitled to become members on a voluntary basis.
   - Honorary members are honorable and eminent persons or benefactors of the Association.
2. The Executive Committee must be appointed by the general meeting of the Association, comprising a total of 8 to 20 persons and take a position of 2 years.
3. Sources of funding of the Association
   - Membership fees: initial registration fee of Baht 50 and annual fee of Baht 200
   - Returns from membership fee management
   - Interest received from financial institution
   - Money or assets legally acquired
   - Returns from 88,820,200 ordinary shares of Precise Corporation Public Company Limited
4. When the Association is dissolved, assets remaining after liquidation will be transferred to the Chaipattana Foundation.

Associate members are to receive the benefits stated in the objectives, when consist of post-retirement funds and other benefits, such as child benefits.

As at 31 December 2022 and 2021, the Association had investment in 88,820,000 ordinary shares of the Company, representing 7.24% (2021: 9.66%) of paid-up share capital. The net book value of the investment amounted to Baht 295 million. (2021: 95 million)

**Summary of significant financial information of the Association**

**Summary of financial positions**

| | (Unit: Million Baht) | |
|---|---|---|
| | As at 31 December | |
| | 2022 | 2021 |
| Cash and cash equivalents | 46 | 9 |
| Investments | 297 | 97 |
| Net assets | 343 | 106 |

**Summary of profit or loss**

| | (Unit: Million Baht) | |
|---|---|---|
| | For the years ended 31 December | |
| | 2022 | 2021 |
| Revenue | 46 | 5 |
| Expenses | (9) | (4) |
| Profit for the year | 37 | 1 |

The financial information for the years ended 31 December 2022 and 2021 have been audited by another auditor.

The Group considers that the Group has no control over the Association, since the Group did not receive any returns from managing the Association, and established the Association with the objective to support the provision of benefits to members of the Association. The Company therefore excluded the financial statements of the Association from the consolidated financial statements of the Company.

As at 31 December 2022 and 2021, the Association has a commitment to support members of the association in accordance with the Articles of Association and memorandum of Understanding Precise Employee Association, as of 30 September 2016.

## 3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

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

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

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

## 4. Significant accounting policies

### 4.1 Revenue recognition

#### a) Revenue from contracts with customers

The Group accounts for a contract with a customer when they have entered into an agreement between counter parties that creates enforceable rights and obligations. The Group has to identify their performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Details of revenue recognition of the Group are as follows:

**<u>Sales of goods</u>**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, taking into consideration generally on delivery of the goods, transfer of legal title, transfer of significant risks and rewards, present right to collection and customer's acceptance of goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting the estimation of returns and discounts.

**<u>Revenues from construction contracts</u>**

The subsidiaries recognise revenues from construction contracts over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

**Service revenues which control of service are transferred at a point in time**

Service revenue, which the Group transfers control of service at a point in time, is recognised upon completion of the service.

**Service revenues which control of service are transferred over time**

The Group recognised service revenues over time where the stage of completion is measure using an input method, based on comparison of actual cost of services incurred up to the end of the year and total anticipated cost of services to be incurred to completion.

**Commission income**

Commission income is recognised upon completion of the service which is based on the content of the relevant agreements.

**Revenue from sales of hardware**

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

**Revenue from rendering IT maintenance services**

Revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on a straight-line basis over the contractual terms.

**Revenue from provision of a right to use software licences**

Revenue from provision of a right to use software licences is recognised at the point in time when control transfers to the customer at the inception of the arrangement.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue from construction contracts and other services to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

**b) Interest income**

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

**c) Dividends**

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

**d) Rental Income**

Rental income under operating lease is recognised on a straight-line basis over the period of contract.

## 4.2 Expenses recognition

**a) Cost that related to satisfied performance**

***Cost to fulfill a contract with customers***

The Group recognises costs that related to satisfied performance obligations in the contract as costs in profit or loss when incurred, except that the Group can identify that the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify, the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. Therefore, the Group recognises an asset from the costs incurred to fulfil a contract. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the Group expects to receive less direct costs.

**b) Finance cost**

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

**c) Other expenses**

Other expenses are recognised on an accrual basis.

## 4.3 Balances of contracts with customers

**Contract assets**

**Trade and other accounts receivables**

Trade and other receivables are stated at the net realisable value which present net of allowance for expected credit losses.

**Unbilled receivables**

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the subsidiaries' right to consideration is unconditional such as upon completion of services and acceptance by the customer.

**Retention receivables**

Retention receivables are stated at the net realisable value which present net of allowance for expected credit losses.

**Contract liabilities**

**Advance received from customers**

The obligation to transfer goods or services to a customer for which the subsidiaries have received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position. Contract liabilities are recognised as revenue when the subsidiaries perform under the contract.

### 4.4 Cash and cash equivalents

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

### 4.5 Inventories

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

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

### 4.6 Investments in subsidiaries, associate and joint ventures

Investments in associate and joint ventures are accounted for in the consolidated financial statements using the equity method.

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

### 4.7 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 and 20 years. Depreciation of the investment properties is included in determining income.

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

### 4.8 Property, plant and equipment/Depreciation

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

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

| | | |
|---|---|---|
| Land improvement | 5 | years |
| Buildings | 5 - 30 | years |
| Machinery and equipment | 3 - 20 | years |
| Furniture, fixtures and office equipment | 3 - 5 | years |
| Motor vehicles | 5-10 | years |
| Mold | 5 | years |

Depreciation is included in determining income.

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

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

**4.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**4.10 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

| | | |
|---|---|---|
| Prototype | 5 - 10 | years |
| Patent | 3 - 7 | years |
| Computer software | 3 - 10 | years |
| Golf membership | 21 and 30 | years |
| Rights to use electric distribution system | 20 | years |
| Others | 3 - 5 | years |

Rights to use electric distribution system has estimated useful lives based on period of power purchase agreement with the Provincial Electricity Authority (start amortise from commercial operation date (COD)).

### 4.11 Leases

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

**The Group as a lessee**

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

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

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

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

| | | |
|---|---|---|
| Land | 20 | years |
| Buildings | 2 - 25 | years |
| Machinery and equipment | 3 - 10 | years |
| Furniture, fixture and office equipment | 3 - 5 | years |
| Motor vehicles | 2 - 5 | years |
| Mold | 5 | years |
| Computer software | 10 | years |

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

No depreciation is provided on assets under installation and construction in progress.

***Lease liabilities***

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

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

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

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

**The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

## 4.12 Related party transactions

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

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

## 4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

## 4.14 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

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

### 4.15 Employee benefits

***Short-term employee benefits***

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

***Post-employment benefits***

***Defined contribution plans***

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

***Defined benefit plans***

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

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

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

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

## 4.16 Provisions

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

Provision for losses on construction project is made in the accounts in full when the possibility of loss is ascertained.

## 4.17 Income tax

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

**Current tax**

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

**Deferred tax**

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

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

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

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

## 4.18 Financial instrument

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

**Classification and measurement of financial assets**

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

**Financial assets at amortised cost**

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

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

**Financial assets designated at FVOCI (equity instruments)**

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

**Financial assets at FVTPL**

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

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

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

**Classification and measurement of financial liabilities**

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

**Regular way purchases and sales of financial assets**

Regular way purchases and sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on trade date, i.e., the date on which the Group commits to purchase or sell the asset.

**Derecognition of financial instruments**

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

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

**Impairment of financial assets**

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

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

**Offsetting of financial instruments**

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

### 4.19 Derivatives

Subsidiaries use derivatives, such as forward currency contracts to hedge its foreign currency risks.

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

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

### 4.20 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

## 5. Significant accounting judgements and estimates

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

### 5.1 Income from services and construction projects

Subsidiaries recognise income from services and construction projects over time. To reflect the satisfaction of the performance obligations, the management determines the stage of completion using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. Significant judgement is required in determining the cost of services and construction incurred for work performed to date, estimated total contract revenue and construction costs and services, and the recoverability of the contract costs to complete, as well as assessing potential additions/deductions from revenue due to additions or deductions of scope of works, delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers.

### 5.2 Estimated construction project costs and service costs

Subsidiaries estimate costs of construction projects and service projects based on details of the construction and service work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion, taking into account the fluctuation in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### 5.3 Provision for losses on services and construction projects

Management applies judgement in estimating the loss they expect to be realised on each construction project and service project, based on estimates of anticipated costs that take into account the progress of the construction project and service project, actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

### 5.4 Leases

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

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities.

The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

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

### 5.6 Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires management to exercise judgements in estimation loss from sale by considering from net realisable value, aging of outstanding inventory and storage environment.

### 5.7 Fair value of financial instruments

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

### 5.8 Impairment of investments

The Group determines impairment of investments in subsidiaries, associate and joint ventures when there has been a significant or prolonged decline in the value or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

### 5.9 Investment properties/ Property, plant and equipment/ Depreciation

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

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

### 5.10 Intangible assets

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

### 5.11 Deferred tax assets

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

### 5.12 Post-employment benefits under defined benefit plans

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

### 5.13 Provision for warranty

Subsidiaries recognise provision for warranty when the underlying products are sold. The provision is provided at a percentage of sales. The percentage used in calculation is based on historical data on warranty expenses.

## 6. Related party transactions

The relationships between the Company and related parties that have business transactions are summarised below.

| Name of related companies | Relationship with the Company |
|---|---|
| Precise Electric Manufacturing Co., Ltd. | Subsidiary |
| Precise System and Project Co., Ltd. | Subsidiary |
| Precise Digital Economy Co., Ltd. | Subsidiary |
| Precise Smart Life Co., Ltd. | Subsidiary |
| Precise Power Producer Co., Ltd. | Subsidiary |
| Pacific Prosperity Development Co., Ltd. | Subsidiary |

| Name of related companies | Relationship with the Company |
|---|---|
| Precise Electro-Mechanical Works Co., Ltd. | Subsidiary (Held by subsidiary) |
| Precise Electric Manufacturing (Cambodia) Co., Ltd. | Subsidiary (Held by subsidiary) |
| Precise Pacific International (Cambodia) Co., Ltd. a) | Subsidiary (Held by subsidiary) |
| Songkhla Biopower Co., Ltd. | Subsidiary (Held by subsidiary) |
| Clean Energy Producer Co., Ltd. | Subsidiary (Held by subsidiary) |
| Takbai Biopower Co., Ltd. | Subsidiary (Held by subsidiary) |
| Phrukapdaeng Biopower Co., Ltd. | Subsidiary (Held by subsidiary) |
| Takbai Solar Power 1 Co., Ltd. | Subsidiary (Held by subsidiary) |
| Takbai Solar Power 2 Co., Ltd. | Subsidiary (Held by subsidiary) |
| Precise Smart Grid Products and Services Co., Ltd. | Subsidiary (Held by subsidiary) |
| Precise BCG Total Solution and Services Co., Ltd. | Subsidiary (Held by subsidiary) |
| Joint venture between Precise Corporation Public Company Limited and Pacific Prosperity Development Co., Ltd. a) | Subsidiary (Held by subsidiary) |
| Songkhla Biomass Co., Ltd. | Joint venture (Held by subsidiary) |
| Songkhla Biofuel Co., Ltd. | Joint venture (Held by subsidiary) |
| Coelme International Co., Ltd. | Joint venture (Held by subsidiary) |
| Namsor Hydro Power Co., Ltd. | Associate (Held by subsidiary) |
| Dherakupt Law Office Co., Ltd. | Common directors |
| Southeast Insurance Public Company Limited | Spouse of a director is a director |
| Southeast Capital Co., Ltd. | Spouse of a director is a director |
| Provincial Waterworks Authority | Common director |
| Sky Tower Public Company Limited | Common director |
| Flow Work Co., Ltd. | Spouse of a director is a director |
| Directors and managements | Directors and managements of the Group |
| Related persons | Close relative of directors and management of the Group including major shareholders |

a) Ceased the business in 2022.

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

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer pricing policy |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | |
| Transactions with subsidiaries | | | | | |
| (Eliminated from the consolidated financial statements) | | | | | |
| Services income | - | - | 49 | 54 | Contract price |
| Rental income - Office buildings | - | - | 2 | 3 | Contract price |
| Common area service income | - | - | 2 | 2 | Contract price |
| Rental income - Land | - | - | 2 | 2 | Contract price |
| Guarantee income | - | - | 11 | 10 | Contract price |
| Interest income | - | - | 1 | - | 2.95% to 4.22% per annum (2021: 4.14% to 4.57% per annum) |
| Dividend income | - | - | 231 | 111 | As declared |
| Purchases of fixed assets | - | - | - | 1 | Contract price |
| Service expenses | - | - | 1 | 1 | Contract price |
| Guarantee expenses | - | - | 1 | 1 | Contract price |
| Interest expenses | - | - | 1 | - | 2.86% to 4.03% per annum (2021: 2.86% to 2.93% per annum) |
| Other expenses | - | - | 13 | 8 | Actual expenses |
| Transactions with joint ventures | | | | | |
| Sales | 3 | 6 | - | - | Agreed upon |
| Services income | 3 | 5 | - | - | Contract price |
| Dividend income | 27 | 24 | - | - | As declared |
| Service income - office management | 2 | - | - | - | Contract price |
| Other income | 1 | - | - | - | Agreed upon |

| | | | | | |
|---|---|---|---|---|---|
| Purchases of finished goods and raw materials | 75 | - | - | - | Cost plus margin |
| Guarantee expense | 1 | - | - | - | Contract price |
| Transactions with related companies | | | | | |
| Purchases of finished goods and raw materials | 14 | 1 | - | - | Contract price |
| Service expenses | 1 | - | - | - | Contract price |

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Trade and other receivables - related parties (Note 9)** | | | | |
| *Subsidiaries (Eliminated from the consolidated financial statements)* | - | - | 5,339 | 5,824 |
| *Joint venture* | 407 | 753 | 1 | - |
| *Total trade and other receivables - related parties* | 407 | 753 | 5,340 | 5,824 |
| *Dividend receivable* | | | | |
| *Subsidiaries (Eliminated from the consolidated financial statements)* | - | - | 161,475 | - |
| *Loans to related party* | | | | |
| Associated company | - | - | 83,000 | - |
| *Retention receivable - related party* | | | | |
| *Joint venture* | - | 82 | - | - |

| | | | | |
|---|---|---|---|---|
| **Advance payment for purchase of goods and construction - related party** | | | | |
| Related company | 416 | 1,365 | - | - |
| *Other current assets - related party* | | | | |
| Related company | - | 31 | - | - |
| *Other non-current assets - related party* | | | | |
| Subsidiaries (Eliminated from the consolidated financial statements) | - | - | - | 7,000 |
| **Trade and other payables - related parties (Note 24)** | | | | |
| *Subsidiaries (Eliminated from the consolidated financial statements)* | - | - | 136 | 219 |
| *Joint venture* | 41,123 | - | - | - |
| *Related companies* | 1,118 | 970 | - | - |
| *Total trade and other payables - related parties* | 42,241 | 970 | 136 | 219 |
| *Short-term loan from related party* | | | | |
| *Subsidiary (Eliminated from the consolidated financial statements)* | - | - | - | 20,000 |
| *Advance received from customers - related party* | | | | |
| *Subsidiary (Eliminated from the consolidated financial statements)* | - | - | 48 | 30 |

Short-term loans to related parties

As at 31 December 2022 and 2021, the balance of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Balance as at 31 December 2021 | During the year Increase | During the year Decrease | Balance as at 31 December 2022 |
| **Short-term loans to related parties** | | | | |
| Subsidiaries | | | | |
| Precise Electric Manufacturing Co., Ltd. | - | 80,000 | - | 80,000 |
| Precise System and Project Co., Ltd. | - | 80,000 | (80,000) | - |
| Precise Smart Life Co., Ltd. | - | 3,000 | - | 3,000 |
| | - | 163,000 | (80,000) | 83,000 |

As at 31 December 2022, short-term loans to related parties are unsecured loans and due within 2023 carry interest at the rate of 2.95% to 4.22% per annum.

Loans to related party

As at 31 December 2022 and 2021, the balance of loans to related party and the movement are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | Balance as at 31 December 2021 | During the year Increase | During the year Decrease | Balance as at 31 December 2022 |
| **Loans to related party** | | | | |
| Associated company | | | | |
| Namsor Hydro Power Co., Ltd. | - | 2,291 | - | 2,291 |
| Less : Allowance for expected credit losses | - | (2,291) | - | (2,291) |
| Loans to related party - Net | - | - | - | - |

As at 31 December 2022, loans to a related party are unsecured loans and carried an interest rate of 7% per annum. The Company classified the loans as non-current assets due to the repayment terms related to the agreement that the associated company entered with a commercial bank.

Short-term loan from related party

As at 31 December 2022 and 2021, the balance of short-term loan from related party and the movement are as follows:

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Balance as at | During the year | | Balance as at |
| | 31 December 2021 | Increase | Decrease | 31 December 2022 |
| **Short-term loan from related party** | | | | |
| Subsidiary | | | | |
| Precise Digital Economy Co., Ltd | 20,000 | 110,000 | (130,000) | - |
| Precise System and Project Co., Ltd. | - | 13,000 | (13,000) | - |
| | 20,000 | 123,000 | (143,000) | - |

As at 31 December 2022, short-term loan from related party is unsecured loan and due within 2022 carry interest at the rate of 2.86% per annum.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and managements as below.

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Short-term employee benefits | 81 | 74 | 24 | 17 |
| Post-employment benefits | 8 | 9 | 2 | 3 |
| Total | 89 | 83 | 26 | 20 |

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 38.6 (2) to the consolidated financial statements.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Cash | 1,033 | 746 | 19 | 20 |
| Bank deposits | 784,389 | 206,907 | 415,363 | 17,110 |
| Cheques in transit | 102,707 | 37,991 | - | - |
| Total | 888,129 | 245,644 | 415,382 | 17,130 |

As at 31 December 2022 and 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05% to 0.40% per annum (the Company only: 0.05% to 0.40% per annum).

## 8. Other current financial assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Debt instruments at amortised cost | | | | |
| Fixed deposits | 1,511 | 1,505 | - | - |
| Financial assets at FVTPL | | | | |
| Listed equity instruments | 1,250 | 1,131 | 1,250 | 1,131 |
| Investment in unit trusts | 733 | 735 | 733 | 735 |
| Foreign currency forward contracts | 231 | - | - | - |
| Total financial assets at FVTPL | 2,214 | 1,866 | 1,983 | 1,866 |
| Total other current financial assets | 3,725 | 3,371 | 1,983 | 1,866 |

As at 31 December 2022, fixed deposits carry interest at the rate of 0.15% to 0.73% per annum (2021: 0.15% to 0.38% per annum).

During the year 2022, the Company sold financial assets at FVTPL with book values totaling Baht 0.2 million and recognised gains on sale in profit or loss, amounting to Baht 0.2 million (2021: Nil).

## 9. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Trade receivables - related parties (Note 6) | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 110 | 171 | 3,649 | 4,527 |
| Past due | | | | |
| Up to 3 months | 6 | - | - | - |
| Total | 116 | 171 | 3,649 | 4,527 |
| Trade receivables - unrelated parties | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 664,417 | 451,917 | - | - |
| Past due | | | | |
| Up to 3 months | 104,852 | 69,779 | - | - |
| 3 - 6 months | 28,285 | 7,935 | - | - |
| 6 - 12 months | 52,164 | 7,529 | - | - |
| Over 12 months | 11,928 | 11,884 | - | - |
| Total | 861,646 | 549,044 | - | - |
| Less: Allowance for expected credit losses | (20,321) | (13,251) | - | - |
| Total trade receivables - unrelated parties - net | 841,325 | 535,793 | - | - |
| Total trade receivables - net (Note 10) | 841,441 | 535,964 | 3,649 | 4,527 |
| Other receivables | | | | |
| Other receivables - related parties (Note 6) | 273 | 582 | 1,465 | 1,297 |
| Other receivables - unrelated parties | 26,683 | 8,677 | - | - |
| Note receivables (Note 10) | 1,851 | - | - | - |
| Post date cheques (Note 10) | 6,784 | 3,649 | - | - |
| Interest receivables - related parties (Note 6) | - | - | 226 | - |
| Interest receivables - unrelated parties | 14 | 12 | - | - |
| Accrued income - related parties (Note 6 and 10) | 18 | - | - | - |
| Accrued income - unrelated parties (Note 10) | 127,126 | 72,579 | - | - |
| Advance payment - unrelated parties | 41 | 176 | 4 | 1 |
| Total | 162,790 | 85,675 | 1,695 | 1,298 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Less: Allowance for expected credit losses | (8,384) | (8,439) | - | - |
| Total other receivables - net | 154,406 | 77,236 | 1,695 | 1,298 |
| Total trade and other receivables - net | 995,847 | 613,200 | 5,344 | 5,825 |

As at 31 December 2022, trade accounts receivable of a subsidiary totaling Baht 54 million (2021: Baht 51 million) has been secured for its credit facilities by transferring the right of claim in accounts receivable to the financial institutions as described in Note 23 and Note 38.6.(1) to the consolidated financial statements.

As at 31 December 2021, trade accounts receivable of a subsidiary totaling Baht 22 million has been sold at a discount to financial institution, with recourse, as described in Note 23 to the consolidated financial statements.

The normal credit term is 30 to 90 days.

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Beginning balance | 21,690 | 29,212 | - | - |
| Provision for expected credit losses | 7,015 | 1,846 | - | - |
| Amount written off | - | (9,368) | - | - |
| Ending balance | 28,705 | 21,690 | - | - |

## 10. Contract assets/ Contract liabilities

### 10.1 Contract balances

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Contract assets** | | | | |
| Trade and other receivables - net | 977,220 | 612,192 | 3,649 | 4,527 |
| Unbilled receivables | 927,715 | 632,079 | - | - |
| Retention receivables | 163,363 | 444,767 | - | - |
| Total contract assets - net | 2,068,298 | 1,689,038 | 3,649 | 4,527 |
| **Contract liabilities** | | | | |
| Advance received from customers | 303,787 | 323,343 | 48 | 30 |
| Total contract liabilities | 303,787 | 323,343 | 48 | 30 |

As at 31 December 2022, the Group has the balance of unbilled receivables in the amount of Baht 928 million in the consolidated financial statements which they are expected to be billed approximately within 1 year (2021: Baht 632 million which they are expected to be billed approximately within 1 year).

### 10.2 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue recognised that was included in contract liabilities at the beginning of the year | 185,949 | 149,857 | 30 | 30 |

## 11. Inventories

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Finished goods | 131,832 | 81,264 | (5,042) | (10,064) | 126,790 | 71,200 |
| Work in process | 86,275 | 82,830 | - | - | 86,275 | 82,830 |
| Raw materials | 501,203 | 509,944 | (15,091) | (16,847) | 486,112 | 494,097 |
| Spare parts and factory supplies | 10,272 | 6,442 | (72) | (49) | 10,200 | 6,393 |
| Goods in transit | 93,077 | 63,618 | - | - | 93,077 | 63,618 |
| Total | 822,659 | 744,098 | (20,205) | (26,960) | 802,454 | 717,138 |

During the current year, the subsidiaries reduced cost of inventories by Baht 8 million (2021: Baht 10 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiaries reversed the write-down of cost of inventories by Baht 15 million (2021: Baht 12 million), and reduced the amount of inventories recognised as expenses during the year, since they were sold during the year.

## 12. Other current assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Prepaid expenses | 23,778 | 16,913 | 1,456 | 702 |
| Revenue Department receivable | 19,746 | 6,397 | 1,430 | - |
| Undue input vat | 24,555 | 23,512 | 617 | 852 |
| Others | 6,427 | 5,357 | 410 | 250 |
| Total | 74,506 | 52,179 | 3,913 | 1,804 |

## 13. Restricted bank deposits

As at 31 December 2022 and 2021, restricted bank deposits consist of the followings:

- Fixed deposits and saving deposits of Baht 14 million (2021: Baht 14 million) which subsidiaries had pledged with the banks to secure bank overdrafts and loans from financial institutions, as described in Note 23 to the consolidated financial statements.
- Deposit reserves of Baht 64 million (2021: Baht 62 million) of a subsidiary in accordance with loan agreement from a financial institution, as described in Note 25 to the consolidated financial statements.

## 14. Other non-current financial assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Equity instruments designated at FVOCI | | | | |
| Thai Appliance Industry Public Co., Ltd. | 1,650 | 1,650 | 1,650 | 1,650 |
| Hosoda (Thailand) Co., Ltd. | 1,000 | 1,000 | - | - |
| Total | 2,650 | 2,650 | 1,650 | 1,650 |

Equity instrument designated at FVOCI include non-listed equity investments which the Group considers these investments to be strategic in nature.

In 2022, the Group received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 0.1 million (2021: Baht 0.1 million (the Company only: Nil (2021: Nil)).

## 15. Investments in subsidiaries

### 15.1 Details of investments in subsidiaries

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Company's name | Paid-up share capital | | Shareholding percentage | | Cost | | Allowance for impairment of investment | | Carrying amounts based on the cost method - net | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | (%) | (%) | | | | | | |
| Precise Electric Manufacturing Co., Ltd. | 462,500 | 462,500 | 100.00 | 100.00 | 581,343 | 581,343 | - | - | 581,343 | 581,343 |
| Precise System and Project Co., Ltd. | 230,000 | 230,000 | 99.96 | 99.96 | 219,751 | 219,751 | - | - | 219,751 | 219,751 |
| Precise Digital Economy Co., Ltd. | 98,200 | 98,200 | 99.99 | 99.99 | 102,987 | 102,987 | (26,000) | (26,000) | 76,987 | 76,987 |
| Precise Smart Life Co., Ltd. | 140,000 | 140,000 | 100.00 | 100.00 | 142,361 | 142,361 | (80,000) | (80,000) | 62,361 | 62,361 |
| Precise Power Producer Co., Ltd. | 390,000 | 390,000 | 100.00 | 100.00 | 391,416 | 391,416 | - | - | 391,416 | 391,416 |
| Pacific Prosperity Development Co., Ltd. | 30,000 | 30,000 | 100.00 | 100.00 | 30,000 | 30,000 | - | - | 30,000 | 30,000 |
| Total | | | | | 1,467,858 | 1,467,858 | (106,000) | (106,000) | 1,361,858 | 1,361,858 |

During the years, the Company received dividend from the subsidiaries as follows.

(Unit: Thousand Baht)

| Company's name | Separate financial statements For the years ended 31 December | |
|---|---|---|
| | 2022 | 2021 |
| Precise Electric Manufacturing Co., Ltd. | 138,749 | 83,250 |
| Precise System and Project Co., Ltd. | 91,967 | 27,245 |
| Total | 230,716 | 110,495 |

## 15.2 Significant changes in investments in subsidiaries

**Precise Electric Manufacturing Co., Ltd. and its subsidiaries**

**Precise Electric Manufacturing (Cambodia) Co., Ltd.**

On 13 January 2022, Precise Electric Manufacturing (Cambodia) Co., Ltd. called up 10% of the registered capital amounting to USD 100,000 or approximately Baht 3.3 million. Precise Electric Manufacturing Co., Ltd. has already paid for the shares on 24 January 2022.

On 4 March 2022, Precise Electric Manufacturing (Cambodia) Co., Ltd. called up 40% of the registered capital amounting to USD 400,000 or approximately Baht 13.3 million. Precise Electric Manufacturing Co., Ltd. has already paid for the shares on 10 March 2022.

On 25 March 2022, Precise Electric Manufacturing (Cambodia) Co., Ltd. called up 25% of the registered capital amounting to USD 250,000 or approximately Baht 8.3 million. Precise Electric Manufacturing Co., Ltd. will pay for such shares on 1 April 2022.

**Coelme International Co., Ltd.**

On 1 April 2022, Precise Electric Manufacturing Co., Ltd. entered into an amendment to the joint venture agreement with the other shareholder in order to grant additional rights in operating activities in Coelme International Co., Ltd. without changing any shareholding proportions of both parties. Therefore, the subsidiary reclassified its investment in such company from the investment in subsidiary to the investment in joint venture since the subsidiary and the other shareholder have common control over such company with no effect on the consolidated statement of comprehensive income.

**Pacific Prosperity Development Co., Ltd. and its subsidiaries**

**Precise Pacific International (Cambodia) Co., Ltd.**

On 27 March 2021, the Board of Directors' Meeting of Precise Pacific International (Cambodia) Co., Ltd. approved its dissolution. The dissolution was registered under the Cambodian law on 29 April 2022 and the liquidation was completed on 22 August 2022.

**Joint ventures between Precise Corporation Public Company Limited and Pacific Prosperity Development Co., Ltd.**

On 21 March 2022, the Board of Directors' Meeting of the Joint Venture between Precise Corporation Public Company Limited and Pacific Prosperity Development Co., Ltd. approved the dissolution by submitting an intention letter cease the business with the Revenue Department on 29 April 2022. The Joint Venture cancelled the VAT registration and ceased the business on 23 September 2022.

**Precise Power Producer Co., Ltd. and its subsidiaries**

On 18 October 2022, two subsidiaries of Precise Power Producer Co., Ltd., which are Takbai Solar Power 1 Co., Ltd. and Takbai Solar Power 2 Co., Ltd., registered their incorporation with the Ministry of Commerce with a registered share capital of Baht 20 million each, comprising 200,000 ordinary shares of Baht 100 each. Precise Power Producer Co., Ltd. holds 100% of the registered share capital of each subsidiary. The subsidiaries called up 25% of the share capital, amounting to Baht 5 million each and Precise Power Producer Co., Ltd. made payment for such called up capital on 17 October 2022.

## 15.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

| Company's name | Proportion of equity interest held by non-controlling interests | | Accumulated balance of non-controlling interests | | Profit allocated to non-controlling interests during the years | | Other comprehensive income allocated to non-controlling interests during the years | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | (%) | (%) | | | | | | |
| Held by Precise Electric Manufacturing Co., Ltd. | | | | | | | | |
| Coelme International Co., Ltd. | - | 40 | - | 22 | - | 4 | - | - |
| Held by Precise Power Producer Co., Ltd. | | | | | | | | |
| Songkhla Biopower Co., Ltd. | 24 | 24 | 102 | 96 | 25 | 22 | - | - |

During the years, the subsidiaries paid dividend to non-controlling interests as follows.

(Unit: Thousand Baht)

| Company's name | For the years ended 31 December | |
|---|---|---|
| | 2022 | 2021 |
| Held by Precise Electric Manufacturing Co., Ltd. | | |
| Coelme International Co., Ltd. | - | 1,600 |
| Held by Precise Power Producer Co., Ltd. | | |
| Songkhla Biopower Co., Ltd. | 19,200 | 9,600 |

## 15.4 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interests

### Summarised information about financial position

(Unit: Million Baht)

| | As at 31 December | | | |
|---|---|---|---|---|
| | Coelme International Co., Ltd. | | Songkhla Biopower Co., Ltd. | |
| | 2022 | 2021 | 2022 | 2021 |
| Current assets | - | 98 | 83 | 89 |
| Non-current assets | - | 5 | 703 | 736 |
| Current liabilities | - | 46 | 142 | 127 |
| Non-current liabilities | - | 3 | 219 | 298 |

### Summarised information about comprehensive income

(Unit: Million Baht)

| | For the years ended 31 December | | | |
|---|---|---|---|---|
| | Coelme International Co., Ltd. | | Songkhla Biopower Co., Ltd. | |
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | - | 121 | 380 | 379 |
| Profit for the year | - | 9 | 104 | 92 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | 9 | 104 | 92 |

### Summarised information about cash flow

(Unit: Million Baht)

| | For the years ended 31 December | | | |
|---|---|---|---|---|
| | Coelme International Co., Ltd. | | Songkhla Biopower Co., Ltd. | |
| | 2022 | 2021 | 2022 | 2021 |
| Cash flow from (used in) operating activities | - | (9) | 158 | 169 |
| Cash flow used in investing activities | - | (1) | (5) | (4) |
| Cash flow from (used in) financing activities | - | 8 | (163) | (165) |
| Net decrease in cash and cash equivalents | - | (2) | (10) | - |

## 16. Investment in associate

### 16.1 Details of investment in associate

(Unit: Thousand Baht)

| | | | Consolidated financial statements | | | | | |
|---|---|---|---|---|---|---|---|---|
| Company's name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | | Carrying amounts based on the equity method | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | (%) | (%) | | | | |
| Namsor Hydro Power Co., Ltd. | Hydroelectric power generation | Lao People's Democratic Republic | 39 | 39 | 84,215 | 84,215 | - | 28,521 |

On 16 March 2021, the Board of Director's Meeting of Precise Power Producer Co., Ltd. (the subsidiary held by the Company) approved to invest in the additional shares capital of Namsor Hydro Power Co., Ltd., amounting to USD 332,500 (26,600 shares). The subsidiary had fully paid for the increased share capital on 26 April 2021 and 19 October 2021, and Namsor Hydro Power Co., Ltd. registered the additional shares under the law of Laos on 29 December 2021.

### 16.2 Share of comprehensive income from investment in associate

During the years, the subsidiary recognised its share of comprehensive income from investment in associate in the consolidated statements of comprehensive income as follows.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | For the years ended 31 December | | | |
| Associate | Share of loss from investment in associate | | Share of other comprehensive income from investment in associate | |
| | 2022 | 2021 | 2022 | 2021 |
| Namsor Hydro Power Co., Ltd. | (24,111) | (18,257) | (4,411) | (822) |

Share of comprehensive income from investment in associate, for the year ended 31 December 2022 and 2021, determined based on the financial statements which have been audited by another auditor.

During the years 2022 and 2021, the subsidiary did not receive dividend from the associate.

## 16.3 Summarised financial information about material associate

### Summarised information about financial position

(Unit: Million Baht)

| | As at 31 December | |
|---|---|---|
| | 2022 | 2021 |
| Current assets | 30 | 34 |
| Non-current assets | 139 | 223 |
| Current liabilities | 36 | 29 |
| Non-current liabilities | 137 | 153 |
| Net assets | (4) | 75 |
| Shareholding percentage (%) | 39 | 39 |
| Carrying amount of associate based on the equity method | - | 29 |

### Summarised information about comprehensive income

(Unit: Million Baht)

| | For the years ended 31 December | |
|---|---|---|
| | 2022 | 2021 |
| Revenue | 36 | 25 |
| Loss for the year | (66) | (42) |
| Other comprehensive income | - | - |
| Total comprehensive income | (66) | (42) |

## 16.4 Other information of associate

1) As at 31 December 2022 and 2021, the associate had contingent liability relating to Power Purchase Agreement approximately USD 0.2 million.

2) As at 31 December 2022 and 2021, all of the ordinary shares of the associate, the shareholding proportion of Precise Power Produce Co., Ltd., are pledged with bank to guarantee loans facilities of the associate.

## 17. Investments in joint ventures

## 17.1 Details of investments in joint ventures

Investments in Songkhla Biomass Co., Ltd. and Songkhla Biofuel Co., Ltd. are investments in entities which are jointly controlled by Precise Power Producer Co., Ltd. (the subsidiary of the Company) and other companies.

Investments in Coelme International Co., Ltd. are investments in entities which are jointly controlled by Precise Electric Manufacturing Co., Ltd (the subsidiary of the Company) and other company.

Details of investments in joint ventures are as follows:

(Unit: Thousand Baht)

| | | | Consolidated financial statements | | | | | |
|---|---|---|---|---|---|---|---|---|
| Joint venture's name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | | Carrying amounts based on the equity method | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | (%) | (%) | | | | |
| Songkhla Biomass Co., Ltd. | Production and sell electric | Thailand | 40.00 | 40.00 | 98,400 | 98,400 | 185,443 | 178,783 |
| Songkhla Biofuel Co., Ltd. | Sell biomass fuel | Thailand | 40.00 | 40.00 | 400 | 400 | 311 | 314 |
| Coelme International Co., Ltd. | Production and distribution of disconnecting switch and electricity substation connectors | Thailand | 60.00 | - | 12,000 | - | 36,578 | - |
| | | | | | 110,800 | 98,800 | 222,332 | 179,097 |

The investments are treated as the investments in joint ventures since under shareholders agreement, the subsidiary and the other shareholder have mutual control over these companies.

As at 31 December 2022 and 2021, Precise Power Producer Co., Ltd. (the subsidiary of the Company) will transfer the right to receive dividend from the shareholding proportion of 40% in Songkhla Biomass Co., Ltd., in accordance with condition specified in the loan agreement for construction of biomass power plant project of Songkhla Biopower Co., Ltd., as described in Note 25 to the consolidated financial statements.

## 17.2 Share of profit (loss) and dividend received

During the years, the subsidiary recognised its share of profit (loss) from investments in joint ventures in the consolidated statements of comprehensive income and dividend income as follows:

(Unit: Thousand Baht)

| Joint venture's name | Consolidated financial statements | | | |
|---|---|---|---|---|
| | Share of profit (loss) from investments in joint ventures | | Dividend received | |
| | 2022 | 2021 | 2022 | 2021 |
| Songkhla Biomass Co., Ltd. | 30,660 | 30,045 | 24,000 | 24,000 |
| Songkhla Biofuel Co., Ltd. | (3) | (3) | - | - |
| Coelme International Co., Ltd. | 6,121 | - | 3,000 | - |
| Total | 36,778 | 30,042 | 27,000 | 24,000 |

During the years ended 31 December 2022 and 2021, there were no share of other comprehensive income from investments in joint ventures.

Share of profit (loss) from investments in Songkhla Biomass Co., Ltd. and Songkhla Biofuel Co., Ltd. for the years ended 31 December 2022 and 2021, determined based on financial statements which have been audited by another auditor.

**17.3 Summarised financial information about material joint ventures**

**Summarised information about financial position**

(Unit: Million Baht)

| | As at 31 December | | | |
|---|---|---|---|---|
| | Coelme International Co.,Ltd. | | Songkhla Biomass Co., Ltd. | |
| | 2022 | 2021 | 2022 | 2021 |
| Current assets | 83 | - | 112 | 102 |
| Non-current assets | 8 | - | 544 | 577 |
| Current liabilities | (27) | - | (108) | (91) |
| Non-current liabilities | (3) | - | (84) | (141) |
| Net assets | 61 | - | 464 | 447 |
| Shareholding percentage (%) | 60 | - | 40 | 40 |
| Carrying amounts of joint ventures based on equity method | 37 | - | 186 | 179 |

**Summarised information about comprehensive income**

(Unit: Million Baht)

| | For the years ended 31 December | | | |
|---|---|---|---|---|
| | Coelme International Co., Ltd. | | Songkhla Biomass Co., Ltd. | |
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | 104 | - | 375 | 361 |
| Profit for the year | 10 | - | 77 | 75 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 10 | - | 77 | 75 |

## 18. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|---|---|
| | Land | Land and office building for rent |
| As at 31 December 2022: | | |
| Cost | 10,460 | 450,960 |
| Less: Accumulated depreciation | (1,864) | (14,909) |
| Less: Allowance for impairment | (489) | - |
| Net book value | 8,107 | 436,051 |
| As at 31 December 2021: | | |
| Cost | 8,028 | 411,256 |
| Less: Accumulated depreciation | - | (19,887) |
| Less: Allowance for impairment | (488) | - |
| Net book value | 7,540 | 391,369 |

A reconciliation of the net book value of investment properties for the years 2022 and 2021 are presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net book value at beginning of year | 7,540 | 15,330 | 391,369 | 356,439 |
| Acquisition of assets | - | - | 50,230 | 35,648 |
| Transferred asset type (Note 19) | 896 | (8,878) | (4,864) | - |
| Depreciation charged for the year | (329) | - | (684) | (718) |
| Reversal of impairment losses | - | 1,088 | - | - |
| Net book value at end of year | 8,107 | 7,540 | 436,051 | 391,369 |

As at 31 December 2022 and 2021, the fair value of the investment properties are stated below:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Land | 8 | 8 | 461 | 434 |
| Land and office building for rent | 3 | - | 68 | 36 |

As at 31 December 2022 and 2021, the fair value of the investment properties, which is land, has been determined based on valuation performed by an accredited independent valuer in 2019 - 2021, using the market comparison approach. Key assumptions used in the valuation include location, environment, public utilities, transportation and utilisation.

As at 31 December 2022 and 2021, the fair value of the investment properties, which is land and office building for rent, has been determined based on valuation performed by an accredited independent valuer in 2021, using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, occupancy rate and long-term growth of rental rates.

As at 31 December 2022 and 2021, the Group had pledged investment properties which are land and office building for rent as collateral against credit facilities received from banks, as described in Note 23, Note 25 and Note 38.6 (2) to the consolidated financial statements, with net book value as detailed below:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Land | 6 | 6 | 276 | 248 |
| Land and office building for rent | 1 | - | 43 | 12 |
| | 7 | 6 | 319 | 260 |

In 2022, the Company has rental income from land and building for rent from related parties amounting to Baht 4 million (2021: Baht 5 million).

## 19. Property, plant and equipment

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Land and land improvement | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Mold | Assets under installation and construction in progress | Total |
| **Cost** | | | | | | | | |
| 1 January 2021 | 610,129 | 1,142,988 | 884,679 | 93,147 | 21,239 | 44,951 | 14,752 | 2,811,885 |
| Additions | 34,142 | 2,593 | 42,978 | 8,559 | - | 1,423 | 159,373 | 249,068 |
| Disposals | - | - | (1,235) | (118) | (3,189) | - | - | (4,542) |
| Write-off | - | (38,517) | (26,653) | (16,588) | (221) | (1,416) | (19) | (83,414) |
| Transfers in (out) | 69 | 30,336 | 21,619 | 5,598 | - | 64 | (57,686) | - |
| Capitalised interest | - | - | - | - | - | - | 394 | 394 |
| Translation adjustment | - | - | - | - | - | - | 136 | 136 |
| Transferred asset type (Note 18 and 20) | 8,878 | - | 18,380 | - | - | - | - | 27,258 |
| 31 December 2021 | 653,218 | 1,137,400 | 939,768 | 90,598 | 17,829 | 45,022 | 116,950 | 3,000,785 |
| Additions | 21,344 | 3,038 | 27,950 | 7,495 | 5 | 841 | 243,732 | 304,405 |
| Disposals | - | (161) | (2,278) | (178) | (1,876) | - | - | (4,493) |
| Write-off | - | (1,146) | (22,944) | (9,553) | - | (12,535) | (46) | (46,224) |
| Transfers in (out) | 95 | 28,662 | 114,432 | 3,503 | - | 751 | (147,443) | - |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Land and land improvement | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Mold | Assets under installation and construction in progress | Total |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | - | - | (4,491) | (1,168) | - | - | - | (5,659) |
| Capitalised interest | - | - | - | - | - | - | 4,232 | 4,232 |
| Translation adjustment | - | - | - | - | - | - | (933) | (933) |
| Transferred asset type (Note 18, 20 and 21) | - | (2,431) | 2,609 | 921 | 840 | - | (594) | 1,345 |
| 31 December 2022 | 674,657 | 1,165,362 | 1,055,046 | 91,618 | 16,798 | 34,079 | 215,898 | 3,253,458 |
| **Accumulated depreciation** | | | | | | | | |
| 1 January 2021 | 2 | 403,355 | 305,049 | 73,798 | 20,558 | 40,903 | - | 843,665 |
| Depreciation for the year | 17 | 53,186 | 59,850 | 9,135 | 460 | 1,330 | - | 123,978 |
| Depreciation on disposals | - | - | (1,235) | (109) | (3,189) | - | - | (4,533) |
| Depreciation on write-off | - | (36,037) | (26,113) | (16,463) | (220) | (1,416) | - | (80,249) |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Land and land improvement | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Mold | Assets under installation and construction in progress | Total |
| Transferred asset type (Note 18 and 20) | - | - | 6,664 | - | - | - | - | 6,664 |
| 31 December 2021 | 19 | 420,504 | 344,215 | 66,361 | 17,609 | 40,817 | - | 889,525 |
| Depreciation for the year | 30 | 55,889 | 63,888 | 8,986 | 33 | 1,255 | - | 130,081 |
| Depreciation on disposals | - | (82) | (1,583) | (133) | (1,876) | - | - | (3,674) |
| Depreciation on write-off | | (1,070) | (20,850) | (9,522) | - | (11,765) | - | (43,207) |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | - | - | (3,399) | (808) | - | - | - | (4,207) |
| Transferred asset type (Note 18, 20 and 21) | - | (1,535) | 1,260 | 921 | 344 | - | - | 990 |
| 31 December 2022 | 49 | 473,706 | 383,531 | 65,805 | 16,110 | 30,307 | - | 969,508 |
| **Allowance for impairment** | | | | | | | | |
| 31 December 2021 | - | - | 2,300 | - | - | - | - | 2,300 |
| Decreased during the year | - | - | (1,960) | - | - | - | - | (1,960) |
| 31 December 2022 | - | - | 340 | - | - | - | - | 340 |
| **Net book value** | | | | | | | | |
| 31 December 2021 | 653,199 | 716,896 | 593,253 | 24,237 | 220 | 4,205 | 116,950 | 2,108,960 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Land and land improvement | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Mold | Assets under installation and construction in progress | Total |
| 31 December 2022 | 674,608 | 691,656 | 671,175 | 25,813 | 688 | 3,772 | 215,898 | 2,283,610 |

**Depreciation for the years**

| | |
|---|---|
| 2021 (Baht 80 million included in cost of sales, and the balance in selling, distribution and administrative expenses) | 123,978 |
| 2022 (Baht 90 million included in cost of sales, and the balance in selling, distribution and administrative expenses) | 130,081 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land and land improvement | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and construction in progress | Total |
| **Cost** | | | | | | | |
| 1 January 2021 | 18,878 | 36,060 | 5,049 | 18,547 | 361 | - | 78,895 |
| Additions | - | - | 526 | 1,160 | - | 1,518 | 3,204 |
| Disposals | - | (455) | - | (977) | - | - | (1,432) |
| Transfers in (out) | - | - | - | 1,518 | - | (1,518) | - |
| 31 December 2021 | 18,878 | 35,605 | 5,575 | 20,248 | 361 | - | 80,667 |
| Additions | - | - | 36 | 326 | - | 620 | 982 |
| Write-off | - | - | - | (60) | - | | (60) |
| Transfers in (out) | - | 620 | - | - | - | (620) | - |
| Transferred asset type | 2,999 | 7,526 | - | - | - | - | 10,525 |
| 31 December 2022 | 21,877 | 43,751 | 5,611 | 20,514 | 361 | - | 92,114 |
| **Accumulated depreciation** | | | | | | | |
| 1 January 2021 | - | 31,236 | 278 | 15,124 | 112 | - | 46,750 |
| Depreciation for the year | - | 352 | 538 | 1,657 | - | - | 2,547 |
| Depreciation on disposals | - | (455) | - | (974) | - | - | (1,429) |
| 31 December 2021 | - | 31,133 | 816 | 15,807 | 112 | - | 47,868 |
| Depreciation for the year | - | 508 | 580 | 1,472 | - | - | 2,560 |
| Depreciation on write-off | - | - | - | (25) | - | - | (25) |
| Transfers in (out) | - | 5,661 | - | - | - | - | 5,661 |
| 31 December 2022 | - | 37,302 | 1,396 | 17,254 | 112 | - | 56,064 |
| **Net book value** | | | | | | | |
| 31 December 2021 | 18,878 | 4,472 | 4,759 | 4,441 | 249 | - | 32,799 |
| 31 December 2022 | 21,877 | 6,449 | 4,215 | 3,260 | 249 | - | 36,050 |
| **Depreciation for the years** | | | | | | | |
| 2021 (administrative expenses) | | | | | | | 2,547 |
| 2022 (administrative expenses) | | | | | | | 2,560 |

Borrowing costs of its subsidiary amounting to Bath 4.2 million were capitalised during the year ended 31 December 2022 (2021: 0.4 million). The weighted average rate of 2.0% to 5.0% (2021: 3.4%) has been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2022, certain items of buildings, machinery, motor vehicles and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 340 million (2021: Baht 367 million) (the Company only: Baht 40 million (2021: Baht 39 million)).

The Group has mortgaged their land, buildings, machinery and equipment, with net book value of Baht 1,701 million (2021: Baht 1,710 million) as collateral against credit facilities which the Company and its affiliates received from banks, as described in Note 23, Note 25, and Note 38.6 (2) to the consolidated financial statements.

## 20. Right-of-use assets

The Group has lease contracts for assets used in its operations. Leases generally have lease terms between 2 - 20 years.

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and construction in progress | Computer software | Total |
| 1 January 2021 | 13,543 | 13,893 | 88,693 | 11,369 | 41,880 | 8,870 | 481 | 178,729 |
| Additions | - | - | 15,926 | 8,265 | 18,342 | - | 790 | 43,323 |
| Depreciation for the year | (727) | (1,313) | (12,934) | (5,055) | (14,856) | - | (71) | (34,956) |
| Difference from lease contract modification | 721 | (1,899) | - | (396) | (1,149) | - | - | (2,723) |
| Translation adjustment | 612 | - | - | - | - | - | - | 612 |
| Transferred asset type (Note 19 and 21) | - | - | (11,716) | - | - | - | - | (11,716) |
| 1 January 2022 | 14,149 | 10,681 | 79,969 | 14,183 | 44,217 | 8,870 | 1,200 | 173,269 |
| Additions | - | - | - | 940 | 7,863 | 1 | - | 8,804 |
| Depreciation for the year | (838) | (957) | (12,562) | (6,107) | (14,687) | - | (131) | (35,282) |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | - | - | - | (33) | (1,876) | - | - | (1,909) |
| Difference from lease contract modification | - | - | - | (182) | (1,522) | - | - | (1,704) |
| Translation adjustment | 496 | - | - | - | - | - | - | 496 |
| Transferred asset type (Note 19 and 21) | - | - | (1,880) | (1) | (496) | - | (23) | (2,400) |
| 31 December 2022 | 13,807 | 9,724 | 65,527 | 8,800 | 33,499 | 8,871 | 1,046 | 141,274 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Machinery and equipment | Furniture fixtures and office equipment | Motor vehicles | Total |
| 1 January 2021 | 6,653 | 277 | 5,699 | 12,629 |
| Additions | 8,692 | 289 | 724 | 9,705 |
| Difference from lease contract modification | - | - | 159 | 159 |
| Depreciation for the year | (1,025) | (151) | (1,592) | (2,768) |
| 1 January 2022 | 14,320 | 415 | 4,990 | 19,725 |
| Difference from lease contract modification | - | - | 159 | 159 |
| Depreciation for the year | (1,066) | (149) | (1,628) | (2,843) |
| 31 December 2022 | 13,254 | 266 | 3,521 | 17,041 |

## 21. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Prototype | Patent and copyright | Computer software | Golf membership | Rights to use electric distribution system | Intangible assets under installation | Others | Total |
| As at 31 December 2022: | | | | | | | | |
| Remaining useful life | 0-10 years | 0-2 years | 0-10 years | 18-20 years | 17 years | - | 3-5 years | |
| Cost | 88,239 | 12,239 | 89,967 | 5,900 | 3,562 | 6,536 | 1,233 | 207,676 |
| Less: Accumulated amortisation | (37,704) | (9,451) | (43,547) | (1,225) | (718) | - | (634) | (93,279) |
| Less: Allowance for impairment | (14,672) | (948) | - | - | - | - | - | (15,620) |
| Net book value | 35,863 | 1,840 | 46,420 | 4,675 | 2,844 | 6,536 | 599 | 98,777 |
| As at 31 December 2021: | | | | | | | | |
| Remaining useful life | 0 - 10 years | 0 - 7 years | 0 - 10 years | 19 - 20 years | 17 years | - | - | |
| Cost | 87,824 | 17,599 | 67,140 | 4,400 | 3,562 | 10,270 | 603 | 191,398 |
| Less: Accumulated amortisation | (32,771) | (14,377) | (37,721) | (1,010) | (540) | - | (603) | (87,022) |
| Less: Allowance for impairment | (14,672) | (948) | - | - | - | - | - | (15,620) |
| Net book value | 40,381 | 2,274 | 29,419 | 3,390 | 3,022 | 10,270 | - | 88,756 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Computer software | Intangible assets under installation | Other | Total |
| As at 31 December 2022: | | | | |
| Remaining useful life | 2-10 years | - | 3-5 years | |
| Cost | 3,222 | 749 | 630 | 4,601 |
| Less: Accumulated amortisation | (1,233) | - | (31) | (1,264) |
| Net book value | 1,989 | 749 | 599 | 3,337 |
| As at 31 December 2021: | | | | |
| Remaining useful life | 3 - 10 years | - | - | |
| Cost | 3,057 | 14 | - | 3,071 |
| Less: Accumulated amortisation | (920) | - | - | (920) |
| Net book value | 2,137 | 14 | - | 2,151 |

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net book value at beginning of year | 88,756 | 74,581 | 2,151 | 1,555 |
| Acquistion during the year - at cost | 24,802 | 24,952 | 1,530 | 868 |
| Disposals - net book value at the disposal date | - | (3) | - | - |
| Write-off - net book value at the write-off date | (61) | (161) | - | - |
| Transferred assets type (Note 19 and 20) | 618 | - | - | - |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | (2,156) | - | - | - |
| Amortisation for the year | (13,179) | (10,613) | (344) | (272) |
| Allowance for impairment | (3) | - | - | - |
| Net book value as at end of year | 98,777 | 88,756 | 3,337 | 2,151 |

On 31 December 2022, certain items of copyright, computer software and phototype were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to Baht 30 million (2021: Baht 36 million) (the Company only: Nil (2021: Nil)).

## 22. Other non-current assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Deposit | 3,893 | 3,173 | 43 | 44 |
| Withholding tax | 1,929 | 6,460 | - | 1,922 |
| Input vat refundable | 5,788 | 5,788 | - | - |
| Deposit for purchases of fixed assets | 50,686 | 48,801 | 23,400 | 7,118 |
| Others | 48 | 731 | - | - |
| Total | 62,344 | 64,953 | 23,443 | 9,084 |

## 23. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

| | Interest rate (percent per annum) | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Bank overdrafts | MOR and MOR - 1 | MOR, MOR - 0.25 and MOR - 1 | 8,354 | 13,131 | - | - |
| Trust receipt payables | MMR | MMR | 548,600 | 419,873 | - | - |
| Promissory notes | MMR, MLR - 1.75, MLR - 3.50 and 2 | MMR, MLR - 1.75, MLR - 2 and 2 | 578,239 | 422,459 | - | 38,922 |
| Total | | | 1,135,193 | 855,463 | - | 38,922 |

As at 31 December 2022 and 2021, the Group's overdraft facilities and credit facilities from commercial banks are secured by the followings:

- The mortgage of land, buildings and machinery of the Company and its subsidiaries, as described in Note 18 and Note 19 to the consolidated financial statements
- Joint guarantee of the Company and its affiliates as described in Note 38.6 (2) to the consolidated financial statements
- Transfer of the rights of claim in certain trade accounts receivable of the subsidiaries as described in Note 9 to the consolidated financial statements
- Fixed deposits and saving deposits of the subsidiaries, as described in Note 13 to the consolidated financial statements

On 31 December 2022 and 2021, two subsidiaries had credit facilities with a commercial bank amounting to Baht 300 million, which is unsecured, required the Company to maintain shareholding proportion in the subsidiary not less than 90% of its registered share and the subsidiary to maintain shareholding proportion in the another subsidiary not less than 90% of its registered share during the term of these credit facilities.

## 24. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Trade payables - related party (Note 6) | 42,059 | 970 | - | - |
| Trade payables - unrelated parties | 854,473 | 786,972 | - | - |
| Other payables - related parties (Note 6) | 123 | - | 136 | 200 |
| Other payables - unrelated parties | 38,684 | 37,359 | 6,745 | 1,245 |
| Accrued expenses - related parties (Note 6) | 59 | - | - | - |
| Accrued expenses - unrelated parties | 210,756 | 140,492 | 3,568 | 1,562 |
| Accrued interest expenses - related party (Note 6) | - | - | - | 19 |
| Accrued interest expenses - unrelated parties | 717 | 547 | - | 138 |
| Advance received from unrelated parties | 35 | 39 | 2 | 4 |
| Total trade and other payables | 1,146,906 | 966,379 | 10,451 | 3,168 |

## 25. Long-term loans from financial institutions

| Loan no. | Credit facilities | Interest rate | Repayment schedule | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|---|---|
| | | | | 2022 | 2021 | 2022 | 2021 |
| | (Million Baht) | (% p.a.) | | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| 1 | 209 | MLR - 2.25 (before the commercial operating date)<br>MLR - 2.00 (after the commercial operating date) | Monthly installments of principal and interest, with principal payments at rate 1.08% of principal which have been drawndown until 20 December 2019, beginning from July 2019 | 73,067 | 100,095 | - | - |

| Loan no. | Credit facilities | Interest rate | Repayment schedule | Consolidated financial statements 2022 | Consolidated financial statements 2021 | Separate financial statements 2022 | Separate financial statements 2021 |
|---|---|---|---|---|---|---|---|
| | (Million Baht) | (% p.a.) | | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| 2 | 410 | 5.125 | Monthly installments of principal and interest, with principal payments at rate 1.08% of principal which have been drawndown until 20 December 2019, beginning from July 2019 | 224,024 | 277,160 | - | - |
| 3 | 38 | MLR - 1.75 | Monthly installments of principal and interest, with principal payment of Baht 0.65 million per month, beginning from December 2018 | 6,261 | 14,061 | - | - |
| 4 | 17 | MLR - 1.75 | Monthly installments of principal and interest, with principal payment of Baht 0.30 million per month, beginning from December 2018 | 2,264 | 5,864 | - | - |
| 5 | 210 | MLR - 2.00 | Monthly installments of principal and interest: Installment 1 - 12 of Baht 3.50 million per month Installment 13 - 35 of Baht 7.25 million per month and final installment of Baht 1.25 million, beginning from March 2019 On 18 March 2021, the Company revised its principal repayment by Installment 1 - 12 of Baht 3.50 million per month Installment 13 - 24 of Baht 2.00 million per month Installment 25 - 35 of Baht 7.25 million per month and final installment of Baht 64.25 million | - | 148,322 | - | 148,322 |

| Loan no. | Credit facilities | Interest rate | Repayment schedule | Consolidated financial statements 2022 | Consolidated financial statements 2021 | Separate financial statements 2022 | Separate financial statements 2021 |
|---|---|---|---|---|---|---|---|
| | (Million Baht) | (% p.a.) | | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| 6 | 48 | MLR - 2.00 | Monthly installments of principal and interest with principal payment of Baht 2.00 million per month, beginning from August 2020 | - | 14,490 | - | - |
| 7 | 31 | MLR - 1.825 | Monthly installments of principal and interest, with principal payment of Baht 0.57 million per month, beginning from January 2021 | 17,513 | 19,275 | - | - |
| 8 | 31 | 1st - 2nd year: 2%<br>3rd year onwards: prime rate - 2.00 | Monthly installments of principal and interest:<br>Installment 1-24 principal payments at rate 1.50% of principal which have been drawndown<br>Installment 25 onwards principal payments at rate 2.15% of principal which have been drawndown | 24,607 | 21,826 | - | - |
| 9 | 87 | 1st - 2nd year: 2%<br>3rd year onwards: prime rate - 2.00 | Month installments of principal and interest, with principal payment at rate 1.86% of principal which have been drawn down | 64,897 | 58,149 | - | - |
| 10 | 30 | 2.00 | Monthly installments of principal and interest, with principal payment of Baht 1 million per month, beginning from January 2022 | 18,000 | 30,000 | - | - |
| 11 | 92 | MLR - 2.00 | Monthly installments of principal and interest:<br>Installment 1-58 of Baht 1.7 million per month<br>Installment 59 of the remaining principal payment within 31 July 2026 | 69,789 | 56,980 | - | - |

| Loan no. | Credit facilities | Interest rate | Repayment schedule | Consolidated financial statements 2022 | Consolidated financial statements 2021 | Separate financial statements 2022 | Separate financial statements 2021 |
|---|---|---|---|---|---|---|---|
| | (Million Baht) | (% p.a.) | | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| 12 | 8 | MLR - 1.75 | Monthly installments of principal and interest: (Installment 1-35 of Baht 223,000 per month. Final installment of the remaining principal payment) | 5,547 | - | - | - |
| 13 | USD 1.8 million | 5.00 | Monthly installments of interest beginning from the first loan drawdown and principal payment of USD 30,000 per month, beginning from April 2023 | 62,212 | - | - | - |
| 14 | USD 0.4 million | SOFR1M + 4.30% | Monthly installments of principal and interest, with principal payment of USD 6,700 per month, beginning from April 2023 | - | - | - | - |
| Total | | | | 568,181 | 746,222 | - | 148,322 |
| Less: Deferred financial fees | | | | (2,244) | (4,071) | - | (480) |
| Net | | | | 565,937 | 742,151 | - | 147,842 |
| Less: Current portion | | | | (164,867) | (237,941) | - | (76,056) |
| Long-term loans - net of current portion | | | | 401,070 | 504,210 | - | 71,786 |

**Credit facilities No.12**

On 6 January 2022, a subsidiary entered into a long-term credit facility of Baht 8 million with a commercial bank. The repayment period is within 3 years from the date of agreement with monthly interest payment beginning from the first loan drawdown, carry interest at rate of MLR-1.75 per annum. The long-term loan facility is secured by the mortgage of the subsidiary's land and contain covenants that require the maintenance of certain financial ratios.

**Credit facility No.13**

On 14 January 2022, a subsidiary entered into a long-term loan agreement of USD 1.8 million with a commercial bank. The repayment period is within 5 years from the date of agreement with monthly Principal payment beginning from April 2023 and a monthly interest payment beginning from the first loan drawdown. The loan carries a fixed interest rate and is secured by another subsidiary's letter of guarantee. The loan agreements contain covenants that require the maintenance of certain financial ratios. On 8 April 2022, the subsidiary issued the letter of guarantee for secure the long-term loan with a commercial bank. The loan had first loan drawdown on 12 April 2022, as described in Note 38.6 (1) to the consolidated financial statements.

**Credit facility No.14**

On 5 October 2022, a subsidiary entered into a long-term loan agreement of USD 0.4 million with a commercial bank. The repayment period is within 6 years from the date of agreement with a monthly principal payment beginning from April 2023 and interest payment beginning from the first loan drawdown. The loan carries a floating interest rate and is secured by another subsidiary's letter of guarantee. The loan agreement contains covenants that require the maintenance of certain financial ratios. On 8 November 2022, the subsidiary issued the letter of guarantee for secure the long-term loan with a commercial bank as described in Note 38.6 (1) to the consolidated financial statements. The loan had first loan drawdown on 13 January 2023.

Movement of long-term loans during the years ended 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Balance at beginning of year | 742,151 | 737,292 | 147,842 | 166,810 |
| Additional borrowing | 145,073 | 191,746 | - | - |
| Repayments | (318,527) | (189,316) | (148,000) | (20,000) |
| (Gain) loss from loan agreement amendment | (323) | 375 | (323) | 375 |
| Financial fees | (601) | (525) | - | - |
| Translations adjustment | (4,264) | - | - | - |
| Amortised financial fees | 2,428 | 2,579 | 481 | 657 |
| Balance at end of year | 565,937 | 742,151 | - | 147,842 |

**Long-term loan guarantees**

As at 31 December 2022 and 2021, the loan facilities of the Company and certain subsidiaries are guaranteed by the Company and certain subsidiaries. In addition, the credit facilities above are secured by mortgage of assets such as land, buildings, machinery and equipment, as described in Note 18 and Note 19 to the consolidated financial statements, and transfer of rights to receive 40% dividends from shareholding of a subsidiary in a joint venture, as described in Note 17 to the consolidated financial statements and the pledge of a subsidiary's ordinary shares (when the borrower fails to meet the conditions of loan agreement).

Moreover, the loan agreement requires a subsidiary to retain deposit reserves, from biomass power plant operation account, at the rates specified in the agreement. If the subsidiary cannot retain the reserves, the Company will provide financial support to the subsidiary in order to meet the requirement. However, the subsidiary must be made a repayment on loan once it has got an excess cash from operation after deposit reserve mentioned above.

As at 31 December 2022, the subsidiary retained the reserve, as stipulated in the loan agreements of loan no. 1 and 2 above, of Baht 64 million (2021: Baht 62 million), as described in Note 13 to the consolidated financial statements.

**The covenants and among other things as prescribed in the loan agreements**

The significant covenants and among other things as prescribed in the loan agreements are as follows:

1. The major loan agreements contain several covenants which, among other things, require the subsidiaries to maintain their shareholding proportion in other subsidiaries, dividend payments and maintain certain financial ratios, etc.
2. In case the Company makes an initial public offering of its shares, the Company has to make full repayment of the outstanding loan No. 5 to the commercial bank. On 20 October 2022, the Company made a repayment in full amount follow the loan condition.
3. The two subsidiaries are to complete machine installation within April 2023.
4. The subsidiary agrees that all loans from related companies are subordinate.

In the year 2022 and 2021, certain subsidiaries received waiver letters from the banks, regarding to the non-compliance to maintain certain financial ratios. Consequently, as at 31 December 2022 and 2021, the classification of the loans was in accordance with the normal repayment term as specified in the loan agreements.

**Undrawndown loans**

On 31 December 2022, the long-term loans facilities of the subsidiaries which have not yet been drawn down amounted to USD 0.4 million. (2021: Baht 111 million).

## 26. Lease liabilities

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Lease payments | 114,080 | 164,924 | 12,982 | 18,465 |
| Less: Deferred interest expenses | (12,167) | (16,524) | (694) | (1,328) |
| Total | 101,913 | 148,400 | 12,288 | 17,137 |
| Less: Portion due within one year | (44,181) | (50,744) | (5,238) | (5,009) |
| Lease liabilities - net of current portion | 57,732 | 97,656 | 7,050 | 12,128 |

Movements of the lease liabilities account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Balance at beginning of year | 148,400 | 157,779 | 17,137 | 12,842 |
| Additions | 8,804 | 43,182 | - | 9,705 |
| Accretion of interest | 5,085 | 6,272 | 637 | 742 |
| Repayments | (57,115) | (56,567) | (5,645) | (6,311) |
| Difference from lease contract modification | (1,791) | (2,913) | 159 | 159 |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | (1,989) | - | - | - |
| Translation adjustment | 519 | 647 | - | - |
| Balance at end of year | 101,913 | 148,400 | 12,288 | 17,137 |

A maturity analysis of lease payments is described in Note 40.2 to the consolidated financial statements under the liquidity risk.

**Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Depreciation expenses of right-of-use assets | 35,282 | 34,956 | 2,843 | 2,768 |
| Interest expenses on lease liabilities | 5,085 | 6,272 | 637 | 742 |
| Expenses relating to short-term leases | 12,748 | 10,411 | 225 | 319 |
| Expenses relating to leases of low-value assets | 605 | 332 | - | - |

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 70 million (2021: Baht 67 million) (the Company only: Baht 6 million, 2021: Baht 7 million), including the cash outflow related to short-term lease and leases of low-value assets.

## 27. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Provision for long-term employee benefits at beginning of year** | 136,175 | 137,653 | 10,067 | 17,554 |
| Included in profit or loss: | | | | |
| Current service cost | 11,016 | 11,828 | 1,888 | 1,870 |
| Interest cost | 2,029 | 1,940 | 143 | 116 |
| Transfer of employees | - | - | 619 | 298 |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | (2,104) | - | - | - |
| Benefits paid during the year | (11,838) | (15,246) | (1,740) | (9,771) |
| **Provision for long-term employee benefits at end of year** | 135,278 | 136,175 | 10,977 | 10,067 |

The Group expects to pay Baht 4 million of long-term employee benefits during the next year (2021: Baht 8 million) (the Company only: Baht 1.4 million (2021: Baht 0.4 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 11-27 years (the Company only: 12 years) (2021: 10 - 26 years (the Company only: 11 years)).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Discount rate | 1.5 - 2.2 | 1.5 - 2.2 | 1.5 | 1.5 |
| Salary increase rate | 5.0 | 5.0 | 5.0 | 5.0 |
| Turnover rate | 1.9 - 22.9 | 1.9 - 22.9 | 1.9 - 22.9 | 1.9 - 22.9 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | As at 31 December 2022 | | | |
| | Increase | Impact on provision | Decrease | Impact on provision |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| Discount rate | 0.5 | (6.5) | 0.5 | 7.0 |
| Salary increase rate | 1.0 | 16.5 | 1.0 | (14.3) |
| Turnover rate | 20.0 | (11.6) | 20.0 | 14.0 |

| | Separate financial statements | | | |
|---|---|---|---|---|
| | As at 31 December 2022 | | | |
| | Increase | Impact on provision | Decrease | Impact on provision |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| Discount rate | 0.5 | (0.3) | 0.5 | 0.3 |
| Salary increase rate | 1.0 | 0.9 | 1.0 | (0.8) |
| Turnover rate | 20.0 | (0.6) | 20.0 | 0.7 |

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | As at 31 December 2021 | | | |
| | Increase | Impact on provision | Decrease | Impact on provision |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| Discount rate | 0.5 | (6.5) | 0.5 | 7.0 |
| Salary increase rate | 1.0 | 15.4 | 1.0 | (13.3) |
| Turnover rate | 20.0 | (10.8) | 20.0 | 12.9 |

| | Separate financial statements | | | |
|---|---|---|---|---|
| | As at 31 December 2021 | | | |
| | Increase | Impact on provision | Decrease | Impact on provision |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| Discount rate | 0.5 | (0.3) | 0.5 | 0.3 |
| Salary increase rate | 1.0 | 0.8 | 1.0 | (0.7) |
| Turnover rate | 20.0 | (0.5) | 20.0 | 0.6 |

## 28. Long-term provisions

(Unit: Thousand Baht)

| | Consolidated financial statements |
|---|---|
| | Maintenance warranties |
| As at 1 January 2021 | 40,894 |
| Reversal during the year | (1,135) |
| Utilised | (9,659) |
| As at 31 December 2021 | 30,100 |
| Increase during the year | 19,710 |
| Utilised | (19,298) |
| Decrease from change in investment in subsidiary to investment in joint venture (Note 15.2) | (447) |
| As at 31 December 2022 | 30,065 |

**Maintenance warranties**

The subsidiaries recognised a provision for expected warranty claims on products sold based on past experience of the level of repairs. Assumptions used to calculate the provision for warranties were based on current sales levels for all products sold.

## 29. Share Capital

During 10 to 12 October 2022, the Company made an initial public offering of 307,000,000 newly issued ordinary shares with a par value of Baht 1 each, at an offering price of Baht 4 per share, amounting to Baht 1,228 million. Subsequently on 17 October 2022, the Company has received full payment of the additional capital, and the Company registered the increase of its issued and paid-up share capital from Baht 919 million (919,619,100 ordinary shares with a par value of Baht 1 each) to Baht 1,226 million (1,226,619,100 ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 17 October 2022. The Stock Exchange of Thailand approved all the Company's ordinary shares as listed securities, with trading permitted on 21 October 2022.

The Company incurred expenses relating to the share offering amounting to approximately Baht 27 million and these expenses will be recorded as a deduction against share premium.

## 30. Statutory reserve

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

## 31. Dividend

| Dividend | Approved by | Dividend payment date | Dividend payment | Dividend payment per share |
|---|---|---|---|---|
| | | | (Million Baht) | (Baht) |
| Interim dividends for 2022 | Board of Directors' meeting on 12 September 2022 | 6 October 2022 | 450.0 | 0.4893 |
| Final dividends for 2021 | Annual General Meeting of the shareholders on 25 April 2022 | 23 May 2022 | 27.6 | 0.0300 |
| Total for 2022 | | | 477.6 | 0.5193 |
| Interim dividends for 2021 | Board of Directors' meeting on 22 November 2021 | 9 December 2021 | 27.6 | 0.0300 |
| Interim dividends for 2020 | Annual General Meeting of the shareholders on 26 April 2021 | 24 May 2021 | 27.6 | 0.0300 |
| Total for 2021 | | | 55.2 | 0.0600 |

## 32. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Salaries and wages and other employee benefits | 611,328 | 523,556 | 47,748 | 40,212 |
| Depreciation and amortisation expenses | 178,871 | 169,547 | 6,430 | 6,305 |
| Raw materials and consumables used | 2,059,214 | 1,748,672 | 672 | 3,855 |
| Changes in inventories of finished goods and work in progress | (54,013) | 43,856 | - | - |
| Research and development expenses | 4,134 | 924 | 16,405 | 7,833 |
| Warranty provisions | 19,710 | (1,135) | - | - |

## 33. Income tax

### 33.1 Deferred tax assets/liabilities

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Deferred tax assets** | | | | |
| Trade receivables | 9,386 | 1,758 | - | - |
| Allowance for expected credit losses | 5,608 | 4,222 | - | - |
| Allowance for diminution in value of inventories | 4,035 | 5,392 | - | - |
| Allowance for impairment of equipment | 114 | 173 | - | - |
| Allowance for impairment of intangible assets | 1,466 | 1,985 | - | - |
| Provision for long-term employee benefits | 22,069 | 22,220 | - | - |
| Provision for warranties | 6,067 | 6,016 | - | - |

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Others | 4,545 | 3,801 | - | - |
| Total | 55,920 | 45,567 | - | - |
| **Deferred tax liabilities** | | | | |
| Inventories | 6,407 | 99 | - | - |
| Lease liabilities | 9,798 | 7,840 | - | - |
| Others | 123 | 342 | - | - |
| Total | 16,328 | 8,281 | - | - |
| **Deferred tax assets - net** | 39,592 | 37,286 | - | - |

## 33.2 Income tax expenses

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Current income tax:** | | | | |
| Current income tax charged | 59,151 | 37,691 | - | - |
| **Deferred tax:** | | | | |
| Relating to origination and reversal of temporary differences | (2,615) | 6,090 | - | - |
| **Income tax expenses reported in profit or loss** | 56,536 | 43,781 | - | - |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Accounting profit before tax | 365,992 | 272,105 | 186,435 | 86,363 |
| Applicable tax rate | 0%, 3%, 10%, 15% and 20% | 0%, 3%, 10%, 15% and 20% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 72,813 | 54,111 | 37,287 | 17,273 |
| Effects of: | | | | |
| Exempt income | (2,785) | (3,030) | (46,143) | (22,099) |
| Promotional privileges (Note 34) | (27,657) | (18,663) | - | - |
| Non-deductible expenses | 7,916 | 6,778 | 4,956 | 2,602 |
| Additional expenses deductions allowed | (7,433) | (5,372) | (5,826) | (2,077) |
| Write-down of previous deferred tax assets | (14) | 1,095 | - | - |
| Unrecognised deferred tax assets on current tax losses | 15,006 | 11,913 | 9,726 | 4,301 |
| Previously tax losses that is used to reduce current tax expenses | (657) | (2,669) | - | - |
| Others | (653) | (382) | - | - |
| Total | (16,277) | (10,330) | (37,287) | (17,273) |
| Income tax expenses reported in profit or loss | 56,536 | 43,781 | - | - |

### 33.3 Income tax relating to each component of other comprehensive income

There is no amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021.

As at 31 December 2022, the Group has unused tax losses amounting to Baht 216 million (2021: Baht 178 million) (the Company only: Baht 77 million (2021: Baht 28 million)) on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

Details of expiry date of unused tax lossed are as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| 31 December 2022 | - | 33 | - | - |
| 31 December 2023 | 49 | 54 | - | - |
| 31 December 2025 | 37 | 37 | 6 | 6 |
| 31 December 2026 | 55 | 54 | 22 | 22 |
| 31 December 2027 | 75 | - | 49 | - |
| | 216 | 178 | 77 | 28 |

## 34. Promotional privileges

On 8 November 2016, a subsidiary received promotional privileges, pursuant to the investment promotion certificate No.59-1604-1-02-2-0 from the Board of Investment for the manufacture of electric power generation from biomass, subject to certain imposed conditions. The privileges include an exemption from corporate income tax on income derived from the promoted operations for a period of 8 years from the date the promoted operations begin generating revenues (20 December 2018) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

On 27 April 2021, a subsidiary received promotional privileges, pursuant to the investment promotion certificate No. 64-0586-1-05-1-0 from the Board of Investment for the manufacture of equipment without own-design process of the products for electrical industries, subject to certain imposed conditions. The privileges include a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 3 years after the date the promoted operations begin generating revenues (7 June 2021).

The subsidiaries' operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

| | Promoted operations | | Non-promoted operations | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Sales | 908,921 | 603,926 | 1,747,354 | 1,483,402 | 2,656,275 | 2,087,328 |
| Income from services and construction projects | - | - | 2,188,850 | 1,536,005 | 2,188,850 | 1,536,005 |
| Total | 908,921 | 603,926 | 3,936,204 | 3,019,407 | 4,845,125 | 3,623,333 |

## 35. Basic earnings per share

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

The following table sets forth the computation of basic earnings per share:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Profit attributable to equity holders of the Company (Thousand Baht) | 283,788 | 202,686 | 186,435 | 86,363 |
| Weighted average number of ordinary shares (Thousand shares) | 983,542 | 919,619 | 983,542 | 919,619 |
| Basic earnings per share (Baht/share) | 0.289 | 0.220 | 0.190 | 0.094 |

## 36. Segment information

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

For management purposes, the Group is organised into business units based on their products and services and have six reportable segments as follows:

- Production and distribution of electricity transmission equipment, project management, services and maintenance in low and high voltage of power industries and power utility management

- Power station construction, transmission lines, high voltage substations, manufacturing, installation, control and intelligent electricity
- Energy investment, production and distribution of electricity from renewable energy, and other related business
- Design software management system, platform and information system for enterprise
- Bio-circular-green economy
- Import and export of electrical and mechanical equipment and project sales

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021, respectively.

(Unit: Million Baht)

| | For the year ends 31 December | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Production and distribution of electricity transmission equipment, project management, services and maintenance in low and high voltage of power industries and power utility management | | Power station construction, transmission lines, high voltage substations, manufacturing, installation, control and intelligent electricity | | Energy investment, production and distribution of electricity from renewable energy, and other related business | | Design software management system, platform and information system for enterprise | | Bio-circular-green economy | | Import and export of electrical and mechanical equipment and project sales | | Total segment | | Elimination of inter-segment revenues | | Consolidated financial statements | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue from external customers | 1,293 | 1,458 | 2,113 | 1,619 | 394 | 391 | 125 | 22 | - | 2 | 920 | 131 | 4,845 | 3,623 | - | - | 4,845 | 3,623 |
| Inter - segment revenue | 920 | 402 | 125 | 2 | 70 | 73 | 26 | 33 | 24 | 34 | 14 | 14 | 1,179 | 558 | (1,179) | (558) | - | - |
| Finance income | 3 | 3 | 1 | - | 12 | 10 | 2 | 1 | - | - | 1 | 1 | 19 | 15 | (18) | (15) | 1 | - |
| Interest expenses | (33) | (22) | (19) | (15) | (33) | (37) | - | - | (1) | (2) | (2) | (1) | (88) | (77) | 18 | 15 | (70) | (62) |
| Depreciation and amortisation | (96) | (88) | (27) | (26) | (50) | (48) | (2) | (2) | (6) | (6) | (1) | (1) | (182) | (171) | 3 | 1 | (179) | (170) |
| Gain on disposal of assets | 1 | 1 | 1 | - | - | - | - | - | - | - | - | - | 2 | 1 | - | - | 2 | 1 |
| Reversal of provision expenses (increase) | (19) | (1) | (1) | 2 | - | - | - | - | - | - | - | - | (20) | 1 | - | - | (20) | 1 |
| Loss on impairment of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | - | 1 |
| Share of loss from investment in associate | - | - | - | - | (24) | (18) | - | - | - | - | - | - | (24) | (18) | - | - | (24) | (18) |
| Share of profit from investments | 6 | - | - | - | 31 | 30 | - | - | - | - | - | - | 37 | 30 | - | - | 37 | 30 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in joint ventures | | | | | | | | | | | | | | | | | | |
| **Segment profit (loss)** | 92 | 76 | 135 | 68 | 225 | 116 | 5 | 11 | (4) | 3 | 18 | - | 471 | 274 | (113) | (5) | 358 | 269 |
| **Unallocated revenue and expenses** | | | | | | | | | | | | | | | | | | |
| Gain (loss) on exchange | | | | | | | | | | | | | | | | | 2 | (11) |
| Gain (loss) on forward contracts | | | | | | | | | | | | | | | | | (5) | 3 |
| Other income | | | | | | | | | | | | | | | | | 12 | 12 |
| Income tax expenses | | | | | | | | | | | | | | | | | (57) | (44) |
| Profit attributable to non-controlling interests of subsidiaries | | | | | | | | | | | | | | | | | (26) | (26) |
| **Profit for the year attributable to equity holders of the Company** | | | | | | | | | | | | | | | | | 284 | **203** |

**Geographic information**

Revenue from external customers is based on location of the customers.

(Unit: Million Baht)

| | 2022 | 2021 |
|---|---|---|
| Thailand | 4,755 | 3,542 |
| Cambodia | 56 | 35 |
| Laos | 32 | 33 |
| Myanmar | - | 5 |
| Philippines | - | 4 |
| Others | 2 | 4 |
| Total | 4,845 | 3,623 |

**Major customers**

For the year 2022, the Group has revenue from two major customers amounting of Baht 2,211 million and Baht 635 million arising from the segment No.1 - 5 as detailed below (2021: Baht 1,652 million and Baht 290 million derived from two major customers according to the segment No.1 - 5 as detailed below).

Detail of segments are as follows:

1. Production and distribution of electricity transmission equipment, project management, services and maintenance in low and high voltage of power industries and power utility management
2. Power station construction, transmission lines, high voltage substations, manufacturing, installation, control and intelligent electricity
3. Energy investment, production and distribution of electricity from renewable energy, and other related business
4. Design software management system, platform and information system for enterprise
5. Import and export of electrical and mechanical equipment and project sales

**Revenue from contracts with customers**

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|---|---|---|
| | 2022 | 2021 |
| **Types of goods or services:** | | |
| Sales | 2,656,275 | 2,087,328 |
| Income from services and construction projects | 2,188,850 | 1,536,005 |
| Total revenue from contracts with customers | 4,845,125 | 3,623,333 |
| **Timing of revenue recognition:** | | |
| Revenue recognised at a point in time | 2,669,698 | 2,103,085 |
| Revenue recognise over time | 2,175,427 | 1,520,248 |
| Total revenue from contracts with customers | 4,845,125 | 3,623,333 |

**Revenue to be recognised for the remaining performance obligations**

As at 31 December 2022, revenue totaling to Baht 1,959 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) (2021: Baht 2,449 million). The subsidiaries expect to satisfy the performance obligations within 2 years.

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount that the entity has a right to invoice.

## 37. Provident Fund

The Group and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 7 - 9 percent of the basic salary, and employees contribute to the fund monthly at the rate of 6 - 15 percent of the basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

During the years 2022 and 2021, the Group recognised such contribution as expenses as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Contribution to provident fund | 28 | 28 | 2 | 2 |

## 38. Commitments and contingent liabilities

### 38.1 Capital commitments

As at 31 December 2022 and 2021, the Group had capital commitments as follows:

(Unit: Million)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Construction of a wood chip | | | | |
| - Baht | 6 | - | - | - |
| Purchasing of machinery | | | | |
| - Baht | 1 | 3 | - | - |
| Buildings and equipment | | | | |
| - Baht | 80 | 70 | 47 | - |
| - US Dollar | 1 | - | - | - |
| - Euro | 1 | - | - | - |
| - Chinese Yuan | 1 | - | - | - |

As at 31 December 2022, Baht 19 million of the above commitments of the Group was obligation under capital commitments with related companies (the Company only: Baht 0.1 million (2021: Baht 0.9 million (the Company only: Baht 0.1 million)).

### 38.2 Obligations on purchases of goods and services contracts

As at 31 December 2022 and 2021, the Group had obligations on purchases of goods and services contracts, as follows:

(Unit: Million)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Baht | 138 | 132 | 6 | 7 |
| US Dollar | 4 | 4 | - | - |
| Euro | 2 | 2 | - | - |
| Japanese Yen | - | 5 | - | - |
| Chinese Yuan | 18 | - | - | - |

As at 31 December 2021, Baht 1.3 million of the above commitments of the Group had obligations under service agreements with related company.

### 38.3 Obligations on purchases of construction materials and hiring contractors

As at 31 December 2022 and 2021, the subsidiaries had obligations on purchases of construction materials and hiring contractors, as follows:

(Unit: Million)

| | Consolidated financial statements | |
|---|---|---|
| | 2022 | 2021 |
| Baht | 658 | 1,160 |
| Euro | 1 | 3 |
| Japanese Yen | - | 2 |
| US Dollar | 1 | - |

### 38.4 Lease commitments

As at 31 December 2022 and 2021, the subsidiaries have future minimum short-term lease and leases of low-value assets agreements as follows:

(Unit: Million Baht)

| | Consolidated financial statements | |
|---|---|---|
| | 2022 | 2021 |
| Payable | | |
| In up to 1 year | 1 | 3 |

### 38.5 Electricity sales commitments

1) The subsidiary has entered into agreement with the Provincial Electricity Authority (PEA) to sell electricity in a specified quantity and at a stipulated price as defined in the agreement in term of "Feed-in Tariff". The agreement is for a period of 20 years, starting from the commercial operation date (COD). The details of the agreement are as follows:

| Agreement date | Project location | Capacity | Commercial operation date |
|---|---|---|---|
| 13 January 2015 | Songkhla Province | 9.1 Megawatts | 20 December 2018 |

2) The subsidiary and the joint venture had obligations to contribute to the Power Development Fund in accordance with the announcement of the Energy Regulatory Commission (ERC), related to contribution to Power Development Fund from the electricity industry licensees for electricity operation B.E. 2553, at the rate of Baht 0.01 per unit of the electricity generation in each month, starting from the commercial operation date (COD).

### 38.6 Guarantees

1) As at 31 December 2022 and 2021, the Group had outstanding bank guarantees issued by banks in respect of certain performance bonds as required in the normal course of business, consist of the followings:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Contractual performance guarantees | 765 | 1,046 | - | - |
| Guarantees for project bid | 527 | 382 | - | - |
| Advance payment guarantees | 563 | 509 | - | - |
| Retention guarantees | 306 | 227 | - | - |
| Guarantees payments due to creditors | - | 1 | - | - |
| Guarantees for electricity use | 4 | 4 | 0.4 | 0.4 |
| Total | 2,165 | 2,169 | 0.4 | 0.4 |

As at 31 December 2022 and 2021, bank guarantees and certain promissory notes of subsidiaries are secured by the transfer of rights over collection from certain construction projects.

As at 31 December 2022, a subsidiary had bank guarantees for payments of long-term loans of another subsidiary amounting to USD 2.2 million (31 December 2021: Nil) as described in Note 24 to the consolidated financial statements.

2) As at 31 December 2022 and 2021, the Group had outstanding guarantees relating to credit facilities of the Company and its affiliates granted by banks. Details are as follows:

(Unit: Million)

| Credit facilities | Foreign currencies | 2022 | 2021 |
|---|---|---|---|
| Overdraft facilities | Baht | 185 | 186 |
| Promissory notes facilities | Baht | 575 | 525 |
| Factoring facilities | Baht | 135 | 135 |
| Letter of credits and trust receipts facilities to pay for goods, aval facilities, promissory notes and letter of | Baht | 1,971 | 2,038 |

| | | | |
|---|---|---|---|
| guarantee for bearing project from government sector and state owned enterprise | | | |
| Letters of credit, and trust receipts facilities | Baht | 585 | 585 |
| Long-term loan facilities | Baht | 864 | 1,132 |
| Long-term loan facilities | US Dollar | 4 | 4 |
| Letter of guarantee facilities | Baht | 1,982 | 1,882 |
| Forward contract facilities | Baht | 60 | 60 |
| Forward contract facilities | US Dollar | 20 | 20 |

3) As at 31 December 2022, the Group had commitment to guarantee the lease of assets of its subsidiaries of Baht 7 million (the Company only: Nil) (2021: Baht 14 million (the Company only: Nil)).

## 39. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

| | 31 December 2022 | | | |
|---|---|---|---|---|
| | Consolidated financial statement | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value** | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Listed equity investments | 1 | - | - | 1 |
| Investments in unit trusts | - | 1 | - | 1 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Non-listed equity investments | - | - | 3 | 3 |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 0.2 | - | 0.2 |
| **Liabilities measured at fair value** | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 5 | - | 5 |
| **Assets for which fair value are disclosed** | | | | |
| Investment properties | - | 8 | 3 | 11 |
| **Liabilities for which fair value are disclosed** | | | | |
| Long-term loans from financial institutions - fixed interest rate | - | 379 | - | 379 |

(Unit: Million Baht)

| | 31 December 2022 | | | |
|---|---|---|---|---|
| | Separate financial statement | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value** | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Listed equity investments | 1 | - | - | 1 |
| Investments in unit trusts | - | 1 | - | 1 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Non-listed equity investments | - | - | 2 | 2 |
| **Assets for which fair value are disclosed** | | | | |
| Investment properties | - | 461 | 68 | 529 |

(Unit: Million Baht)

| | 31 December 2021 | | | |
|---|---|---|---|---|
| | Consolidated financial statement | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value** | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Listed equity investments | 1 | - | - | 1 |
| Investments in unit trusts | - | 1 | - | 1 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Non-listed equity investments | - | - | 3 | 3 |
| **Liabilities measured at fair value** | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 0.2 | - | 0.2 |
| **Assets for which fair value are disclosed** | | | | |
| Investment properties | - | 8 | - | 8 |
| **Liabilities for which fair value are disclosed** | | | | |
| Long-term loans from financial institutions - fixed interest rate | - | 370 | - | 370 |

(Unit: Million Baht)

| | 31 December 2021 | | | |
|---|---|---|---|---|
| | Separate financial statement | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value** | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Listed equity investments | 1 | - | - | 1 |
| Investments in unit trusts | - | 1 | - | 1 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Non-listed equity investments | - | - | 2 | 2 |
| **Assets for which fair value are disclosed** | | | | |
| Investment properties | - | 434 | 36 | 470 |

## 40. Financial instruments

### 40.1 Derivatives

(Unit: Million Baht)

| | Consolidated financial statements | |
|---|---|---|
| | 2022 | 2021 |
| **Derivative assets** | | |
| Derivative assets not designated as hedging instruments | 0.2 | 0.4 |
| **Total derivative assets** | 0.2 | 0.4 |
| **Derivative liabilities** | | |
| Derivatives liabilities not designated as hedging instruments | 5.0 | 0.2 |
| **Total derivative liabilities** | 5.0 | 0.2 |

### Derivatives not designated as hedging instruments

The subsidiaries use foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months.

## 40.2 Financial risk management objectives and policies

The Group's financial instruments, principally comprise cash and cash equivalents, trade accounts receivable, loans to, investments, short-term loans and long-term loans, retention receivables/payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, contract assets, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

***Trade receivables and contract assets***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. In addition, since the majority of the Group's contracts are made with government agencies and other creditworthy customers, they do not have anticipate material losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

***Financial instruments and cash deposits***

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

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

**Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk. The subsidiaries enter into foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods.

***Interest rate risk***

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

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | Consolidated financial statement | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | | | | | | |
| | Fixed interest rates | | | | Floating interest rate | Non-interest bearing | Total | Interest rate |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | | | | |
| | | | | | | | | (% per annum) |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | - | 1 | - | - | 429 | 458 | 888 | Note 7 |
| Trade and other receivables | - | - | - | - | - | 996 | 996 | - |
| Retention receivables | - | - | - | - | - | 163 | 163 | - |
| Other current financial assets | - | 2 | - | - | - | 2 | 4 | Note 8 |
| Restricted bank deposits | - | 14 | - | - | 64 | - | 78 | 0.13 - 0.35 |
| Other non-current financial assets | - | - | - | - | - | 3 | 3 | - |
| **Financial liabilities** | | | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 118 | - | - | 1,017 | - | 1,135 | Note 23 |
| Trade and other payables | - | - | - | - | - | 1,147 | 1,147 | - |
| Long-term loans from financial institutions | - | 100 | 292 | - | 174 | - | 566 | Note 25 |

(Unit: Million Baht)

| | Consolidated financial statement | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | | | | | | |
| | Fixed interest rates | | | | Floating interest | Non-interest | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | rate | bearing | Total | Interest rate |
| Lease liabilities | - | 44 | 45 | 13 | - | - | 102 | 2.20 - 5.84 |
| Retention payables | - | - | - | - | - | 174 | 174 | - |
| Derivative liabilities | - | - | - | - | - | 5 | 5 | - |

(Unit: Million Baht)

| | Separate financial statement | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2022 | | | | | | |
| | Fixed interest rates | | | Floating interest | Non-interest | | |
| | At call | Within 1 year | 1 - 5 years | rate | bearing | Total | Interest rate |
| | | | | | | | (% per annum) |
| **Financial assets** | | | | | | | |
| Cash and cash equivalents | - | - | - | 415 | - | 415 | Note 7 |
| Trade and other receivables | - | - | - | - | 5 | 5 | - |
| Dividend receivable | - | - | - | - | 161 | 161 | - |
| Short-term loans to related parties | - | 83 | - | - | - | 83 | Note 6 |
| Other current financial assets | - | - | - | - | 2 | 2 | - |
| Other non-current financial assets | - | - | - | - | 2 | 2 | - |
| **Financial liabilities** | | | | | | | |
| Trade and other payables | - | - | - | - | 10 | 10 | - |
| Lease liabilities | - | 5 | 7 | - | - | 12 | 2.20 - 5.21 |
| Retention payables | - | - | - | - | 1 | 1 | - |

(Unit: Million Baht)

| | Consolidated financial statement | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2021 | | | | | | | |
| | Fixed interest rates | | | | | | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | Floating interest rate | Non-interest bearing | Total | Interest rate |
| | | | | | | | | (% per annum) |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | - | 1 | - | - | 11 | 234 | 246 | Note 7 |
| Trade and other receivables | - | - | - | - | - | 613 | 613 | - |
| Retention receivables | - | - | - | - | - | 445 | 445 | - |
| Other current financial assets | - | 1 | - | - | - | 2 | 3 | Note 8 |
| Restricted bank deposits | - | 14 | - | - | 62 | - | 76 | 0.05 - 0.13 |
| Other non-current financial assets | - | - | - | - | - | 3 | 3 | - |
| **Financial liabilities** | | | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 127 | - | - | 728 | - | 855 | Note 23 |
| Trade and other payables | - | - | - | - | - | 966 | 966 | - |
| Long-term loans from financial institutions | - | 83 | 291 | 11 | 357 | - | 742 | Note 25 |
| Lease liabilities | - | 50 | 85 | 13 | - | - | 148 | 2.20 - 5.77 |
| Retention payables | - | - | - | - | - | 144 | 144 | - |

(Unit: Million Baht)

| | Separate financial statement | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | | | | | | |
| | Fixed interest rates | | | | | | |
| | At call | Within 1 year | 1 - 5 years | Floating interest rate | Non-interest bearing | Total | Interest rate |
| | | | | | | | (% per annum) |
| **Financial assets** | | | | | | | |
| Cash and cash equivalents | - | - | - | 8 | 9 | 17 | Note 7 |
| Trade and other receivables | - | - | - | - | 6 | 6 | - |
| Other current financial assets | - | - | - | - | 2 | 2 | - |
| Other non-current financial assets | - | - | - | - | 2 | 2 | - |
| **Financial liabilities** | | | | | | | |
| Bank overdrafts and short-term loans | | | | | | | |
| from financial statements | - | 9 | - | 30 | - | 39 | Note 23 |
| Trade and other payables | - | - | - | - | 3 | 3 | - |
| Short-term loans from related parties | - | 20 | - | - | - | 20 | Note 6 |
| Long-term loans from financial institutions | - | - | - | 148 | - | 148 | Note 25 |
| Lease liabilities | - | 5 | 12 | - | - | 17 | 2.20 - 5.21 |

### *Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans affected as at 31 December 2022 and 2021.

| | 2022 | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| Currency | Increase/decrease | Effect on profit before tax | Increase/decrease | Effect on profit before tax |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| Baht | +0.5 | (0.1) | - | - |
| | -0.5 | 0.1 | - | - |

| | 2021 | | | |
|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| Currency | Increase/decrease | Effect on profit before tax | Increase/decrease | Effect on profit before tax |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| Baht | +0.5 | (2.0) | +0.5 | (0.6) |
| | -0.5 | 2.0 | -0.5 | 0.6 |

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

***Foreign currency risk***

The subsidiaries's exposure to foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The subsidiaries seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities of the subsidiaries denominated in foreign currencies are summarised below.

| Foreign currency | Financial assets as at 31 December | | Financial liabilities as at 31 December | | Average exchange rate as at 31 December | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US Dollar | 0.8 | 0.4 | 3 | 4 | 34.56 | 33.42 |
| Euro | 0.2 | - | 2 | 1 | 36.83 | 37.89 |
| Japanese Yen | 0.1 | - | 10 | - | 0.26 | - |
| Chinese Yuan | - | - | 14 | 2 | 4.97 | 5.25 |

***Foreign currency sensitivity***

The following tables demonstrate the sensitivity of the subsidiaries' profit before tax to a reasonably possible change in US dollar, Euro and Chinese Yuan exchange rates, with all other variables held constant. The impact on the subsidiaries' profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31

December 2022 and 2021. The subsidiaries' exposure to foreign currency changes for all other currencies is not material.

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Currency | Increase / decrease | Effect on profit before tax | Increase / decrease | Effect on profit before tax |
| | (%) | (Million Baht) | (%) | (Million Baht) |
| US Dollar | +1 | (0.7) | +1 | (1.3) |
| | -1 | 0.7 | -1 | 1.3 |
| Euro | +1 | (0.8) | +1 | (0.3) |
| | -1 | 0.8 | -1 | 0.3 |
| Chinese Yuan | +1 | (0.7) | +1 | (0.1) |
| | -1 | 0.7 | -1 | 0.1 |

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

**Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. Approximately 75% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 66%) (the Company only: 43% (2021: 59%)) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows.

(Unit: Million Baht)

| | 31 December 2022 | | | | |
|---|---|---|---|---|---|
| | Consolidated financial statement | | | | |
| | At Call | Within 1 year | 1-5 years | Over 5 years | Total |
| **Non-derivatives** | | | | | |
| Bank overdraft and short-term loans from financial institutions | - | 1,141 | - | - | 1,141 |
| Trade and other payables | - | 1,147 | - | - | 1,147 |
| Lease liabilities | - | 47 | 50 | 17 | 114 |
| Long-term loans | - | 188 | 430 | - | 618 |
| **Total non-derivatives** | - | 2,523 | 480 | 17 | 3,020 |
| **Derivatives** | | | | | |
| Derivative liabilities: net settled | - | 5 | - | - | 5 |
| **Total derivatives** | - | 5 | - | - | 5 |

(Unit: Million Baht)

| | 31 December 2022 | | | | |
|---|---|---|---|---|---|
| | Separate financial statement | | | | |
| | At Call | Within 1 year | 1-5 years | Over 5 years | Total |
| **Non-derivatives** | | | | | |
| Trade and other payables | - | 10 | - | - | 10 |
| Lease liabilities | - | 6 | 7 | - | 13 |
| **Total non-derivatives** | - | 16 | 7 | - | 23 |

(Unit: Million Baht)

| | 31 December 2021 | | | | |
|---|---|---|---|---|---|
| | Consolidated financial statement | | | | |
| | At Call | Within 1 year | 1 - 5 years | Over 5 years | Total |
| **Non-derivatives** | | | | | |
| Bank overdraft and short-term loans from financial institutions | - | 863 | - | - | 863 |
| Trade and other payables | - | 966 | - | - | 966 |
| Lease liabilities | - | 56 | 91 | 18 | 165 |
| Long-term loans | - | 264 | 527 | 11 | 802 |
| **Total non-derivatives** | - | 2,149 | 618 | 29 | 2,796 |
| **Derivatives** | | | | | |
| Derivative liabilities: net settled | - | 0.2 | - | - | 0.2 |
| **Total derivatives** | - | 0.2 | - | - | 0.2 |

(Unit: Million Baht)

| | 31 December 2021 | | | | |
|---|---|---|---|---|---|
| | Separate financial statement | | | | |
| | At Call | Within 1 year | 1 - 5 years | Over 5 years | Total |
| **Non-derivatives** | | | | | |
| Bank overdraft and short-term loans from financial institutions | - | 39 | - | - | 39 |
| Trade and other payables | - | 3 | - | - | 3 |
| Short-term loans from related parties | - | 20 | - | - | 20 |
| Lease liabilities | - | 5 | 13 | - | 18 |
| Long-term loans | - | 80 | 72 | - | 152 |
| **Total non-derivatives** | - | 147 | 85 | - | 232 |

### 40.3 Fair values of financial instruments

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

a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, short-term loans to, retention receivables, bank overdrafts and short-term loans from financial institutions, trade and other payables, retention payables and short-term borrowings, the carrying amounts in the statements of financial position approximate their fair value.

b) The fair value of equity securities and debt securities, are generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

c) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions. As at 31 December 2022 and 2021, fixed rate long-term loans are detailed below.

(Unit: Million Baht)

| | Consolidated financial statements | | | | Separate financial statements | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | Fair value | | Carrying amount | | Fair value | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Long-term loans from financial | | | | | | | | |
| institutions - fixed rate | 392 | 385 | 379 | 370 | - | - | - | - |

d) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statements of financial position approximates their fair values.

e) The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates, forward rates of foreign currencies and interest rate yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

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

## 41. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 1.15:1 (2021: 1.55:1) and the Company's was 0.01:1 (2021: 0.15:1).

## 42. Event after the reporting period

On 23 February 2023, the Board of Directors of the Company approved a dividend payment at a rate of Baht 0.14 per share from the operating results for the year ended 31 December 2022, totaling Baht 172 million. This matter will be proposed to the 2023 Annual General Meeting of the Company's shareholders for approval.

## 43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2023.

# PART 4 ENCLOSURE

## Enclosure No. 1

Details of Directors, Executive, Controller, Person assigned to the highest responsibility in the accounting and financial field, The person assigned to be directly responsible for supervising the accounting and Company Secretary

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Achitsak Bunjongpotiklang<br>- *Chairman*<br>- *Independent Director* | 66 | - Bachelor of Laws, Ramkhamhaeng University<br>- Thai Barrister at Law (B.L.T), Institute of Civil Law Education, Thai Bar Association<br>- Program for Senior Executives on Justice Administration (Bor Yor Sor) Class 13<br>- Administrative Justice Executive Course, Class 3<br>- CMA Course, Class 16<br>- DCP course, Class 217/2016<br>- Rule of Law for Democracy Class 8 | 0.49 | None | 2020 – Present<br>2019 – Present<br>2018 – Present<br><br>2012 – Present<br>2007 – Present<br>2013 – 2018 | Chairman<br>Director<br>Director and Nomination Director<br>Managing Director<br>Managing Director<br>Chairman | Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Built Land Public Co., Ltd.<br><br>Dherakupt Consultant Co., Ltd.<br>Dherakupt Law Office<br>Built Land Public Co., Ltd. | Holding Company<br>Holding Company<br>Real Estate<br><br>Law Office<br>Law Office<br>Real Estate |
| Mr. Kitti Sumrit<br>- *Director*<br>- *Chairman of Executive Committee*<br>- *Chief Executive Officer*<br>- *Managing Director* | 72 | - Bachelor's degree, Bachelor of Engineerng Chulalongkorn University<br>- Course DCP 187/2014<br>- RCP Course, Class 33/2014<br>- CMA Course, Class 16<br>- TEPCOT Course, Class 7<br>- NRCT curriculum, Class 6<br>- Course for PPS, Class 7 | 3.76 | Father of Mr. Ketinart Sumrit | 2021 – Present<br>2017 – Present<br>1987 – Present<br><br>1987 – 2020 | Chief Executive Officer<br>Managing Director<br>Director and Chairman of Executive Committee<br>Chairman | Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br><br>Precise Corporation Public Co., Ltd. | Holding Company<br>Holding Company<br>Holding Company<br><br>Holding Company |
| Mr. Kitti Nutchayangkul<br>- *Director*<br>- *Senior Vice President* | 73 | - Bachelor's degree, Bachelor of Engineerng Chulalongkorn University | 5.29 | Father of Ms. Nicha Nutchayankul | 2021 – Present<br>1987 – Present<br>2018 – 2021 | Senior Vice President<br>Director<br>Executive Director | Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd. | Holding Company<br>Holding Company<br>Holding Company |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | - DCP Course Class 203/2015<br>- Diploma in Public Administration and Public Law Class 4<br>- RSP Course Class 205/2015 | | | 2018 – 2020<br>2016 – 2021<br>2016 – 2020<br>2015 – 2021<br>2015 – 2021 | Vice Chairman<br>Director<br>Director<br>Director<br>Director | Precise Corporation Public Co., Ltd.<br>Precise Green Technology and Service Co., Ltd.<br>Precise Smart Factory and Service Co., Ltd.<br>Precise Smart Life Co., Ltd.<br>Precise Power Producer Co., Lt.d | Holding Company<br>Design and construction office building<br>Design and installation, construction of clean technology systems<br>Prodution, Distribution, Design Installation and maintenance electrical system<br>Energy Investment |
| Mr. Suthee Chulanutrakul<br>- *Director*<br>- *Nonimation and Remuneration Committee Member* | 67 | - Bachelor's degree, Bachelor of Engineering (First Class Honors), Chulalongkorn University<br>- DCP Course, Class 201/2015 | 4.47 | None | 2020 – Present<br>1987 – Present<br>2021 - 2021<br>2020 – 2021<br>2018 – 2020<br>2017 – 2019<br>2013 – 2021 | Nomination and Remuneration Committee Member<br>Director<br>Director<br>Chairman<br>Vice Chairman<br>Director<br>Chairman | Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br>Precise Digital Economy Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Precise Electric Mfg. Co., Ltd.<br>Precise System and Project Co., Ltd. | Holding Company<br>Holding Company<br>Biomass Power Plant Business<br>Production of energy-saving devices and management of information systems<br>Holding Company<br>Manufacturing and distribution of electrical equipment in distribution system<br>Construction of transmission lines and power substations |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mrs. Naree Boontherawara<br>- *Independent Director*<br>- *Chairman of Audit Committee* | 68 | - Doctor of Philosophy Program in Economics (Econometrics and Finance and Natural Resources), Washington University<br>- Master of Economics (International Financial and Econometrics), Thammasat University<br>- Bachelor of Economics (International Economics, Finance and Banking and Econometrics, Thammasat University<br>- DCP Course Class 197/2014<br>- AACP Course year 2016<br>- Nomination and Remuneration Course<br>- Certificate in Medical Governance for Senior Executives | None | None | 2018 – Present | Chairman of Audit Committee | Precise Corporation Public Co., Ltd. | Holding Company |
| | | | | | 2018 – Present | Independent Director and Audit Committee Member | Ratchthani Leasing Public Co., Ltd. | Leasing |
| | | | | | 2015 – Present | Director and Independent Director | Precise Corporation Public Co., Ltd | Holding Company |
| | | | | | 2020 – 2021 | Interview Examination Committee | Social Security Office, Ministry of Labor | Social Security Fund |
| | | | | | 2017 – 2019 | Independent Director, Audit Committee Member and Investment project risk committee | NCL International Logistics Public Co., Ltd. | International and domestic shipping management services |
| | | | | | 2016 – 2021 | Chairman of the Investment Management Subcommittee | Social Security Office, Ministry of Labor | Social Security Fund |
| | | | | | 2015 – 2018 | Audit Committee Member | Precise Corporation Public Co., Ltd | Holding Company |
| | | | | | 2012 – 2016 | Investment Management Subcommittee | Social Security Office, Ministry of Labor | Social Security Fund |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Sanchai Thiewprasertkul<br>- *Independent Director*<br>- *Chairman of Nomination and Remuneration Committee* | 70 | - Master of Business Administration, National Institute of Development Administration (NIDA)<br>- Master of Engineering, Asian Institute of Technology (AIT)<br>- Bachelor of Science, Chulalongkorn University<br>- Executive Education Course Advanced Management Program Harvard Business School<br>- DAP Course, Class 35/2005<br>- AACP Course Class 23/2016<br>- RCP Course Class 23/2016 | None | None | 2020 – Present<br>2020 – Present<br>2020 – Present<br>2020 – Present<br>2016 – Present<br>2018 – 2020<br>2017 - 2020<br>2016 - 2017 | Chairman of Nomination and Remuneration Committee<br>Consultatn<br>Chairman, Independent Director and Audit Committee Member<br>Consultant<br>Director<br>Audit Committee Member<br>Managing Director<br>Consultant | Precise Corporation Public Co., Ltd<br>Big C Supercenter Public Co., Ltd.<br>KM Packaging Public Company Limited<br>The Government Pharmaceutical Organization<br>Precise Corporation Public Co., Ltd<br>Precise Corporation Public Co., Ltd<br>Siam Piwat Co., Ltd.<br>Berli Jucker Public Company Limited | Holding Company<br>Retail<br>Package<br>The Government Pharmaceutical Organization<br>Holding Company<br>Holding Company<br>Retail and real estate development<br>Consumer products and services |
| Miss Sudarat Tangsoontornkij<br>- *Independent Director*<br>- *Audit Committee Member*<br>- *Nomination and Remuneration Committee Member* | 55 | - Master's degree, Masterof Accounting Thammasat University<br>- Bachelor's degree in Accounting Thammasat University<br>- DCP Course Class 151/2018<br>- AACP Course Class 30/2018 | 0.01 | None | 2018 – Present<br>2018 – 2020<br>2000 - 2016 | Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member<br>Consultant for account and finance<br>Finance and Accounting Director | Precise Corporation Public Co., Ltd<br>Mae Fah Luang Foundation under Royal Patronage<br>Stock Exchange of Thailand | Holding Company<br>Foundation<br>Stock Market |
| Mr. Boonchai Pitugdamrongkija<br>- *Independent Director*<br>- *Audit Committee Member* | 68 | - Doctor of Doctorate of Business Management Suan Dusit University | 0.02 | None | 2020 – Present<br>2019 – Present | Independent Director, Audi Committee Member<br>Independent Director, Audi Committee Member | Precise Corporation Public Co., Ltd<br>Siam Gobal House Public Co., Ltd. | Holding Company<br>Sale of other construction materials |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | - Master's degree, Master of Economics, Thammasat University<br>- Bachelor's Degree in Agricultural Economics, Kasetsart University<br>- CMA Course (VorDorTor.) Class 16/2013<br>- AACP Course Class 18/2015<br>- Charter Directors Class 8/2014<br>- DCP Course Class 155/2012<br>- Financial Statement for Directors Class 17/2012 | | | 2011 – 2017 | Director and Audit Committee Member | Tobacco Factory | State Enterprise |
| Mr. Ketinart Sumrit<br>- *Director*<br>- *Director of PEM*<br>- *Director of PMW*<br>- *Managing Director of PMW*<br>*Director of PSP*<br>- *Director of PDE*<br>- *Director of PPD*<br>- *Chief Executive Officer of RS-PPD*<br>- *Director of PPP*<br>- *Director of PSL* | 42 | - Master's degree, Master of Business Administration, Assumption University<br>- Bachelor of Business Administration, Assumption University<br>- CSP Course, Class 06/2014<br>- DCP Course, Class 203/2015<br>- SEP S2 Course<br>- Advance Mission Control Course<br>- Fast Forward MBA in Finance<br>- College of Advanced Management, Class 5<br>- Corporate Governance for Executive | 0.10 | Son of Mr. Kitti Sumrit | 2021 – Present | Director | Precise System and Project Co., Ltd. | Construction of transmission lines and power substations |
| | | | | | 2021 – Present | Director | Precise Digital Economy Co., Ltd. | Production of energy-saving devices and management of information systems |
| | | | | | 2021 – Present | Director | Pacific Prosperity Development Co., Ltd. | Import-Export Electrical equipment |
| | | | | | 2021 – Present | Director | Precise Power Producer Co., Ltd. | Energy investment |
| | | | | | 2021 – Present | Director | Precise Smart Life Co., Ltd. | Prodution, Distribution, Design Installation and maintenance electrical system |
| | | | | | 2014 – Present | Director | Precise Corporation Public Co., Ltd. | Holding Company |
| | | | | | 2014 – Present | Director | Precise Electric Mfg. Co., Ltd. | Manufacturing and distribution of electrical equipment in distribution system |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | | | | 2013 – Present<br>2017 – 2021<br>2009 – 2021<br>2009 – 2020 | Director/Managing Director<br>Vice President<br>Director<br>Director | Precise Electro-Mechanical Works Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Precise Green Technology and Service Co., Ltd.<br>Precise Smart Factory and Service Co., Ltd. | Manufacturing Switchboard and Switchgear<br>Holding Company<br>Design and Construction of Building<br>Production, distribution, design, installation and maintenance of electrical system |
| Mr. Amorn Daengchot<br>- *Director*<br>- *Executive Director*<br>- *Vice President*<br>- *Director of PSP*<br>- *Chief Executive Officer RS- PSP*<br>- *Director of PDE*<br>- *Chief Executive Officer RS - PDE* | 50 | - Bachelor's degree, Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang<br>- Role of The Chairman Course Class 48<br>- Fundamental Accounting and Finance Course for Executives with no fundamentals, Class 32<br>- Advanced Risk Management Course<br>- Leadership Succession Program Class 4<br>- DCP Course Class171/2013 | 0.02 | None | 2021 – Present<br>2021 – Present<br>2021 – Present<br>2020 – Present<br>2020 – Present<br>2019 – Present<br>2013 – Present<br>2018 – 2020 | Vice President and Executive Director<br>Chief Executive Officer RS-PSP<br>Chief Executive Officer RS-PDE<br>Director<br>Director<br>Managing Director<br>Director<br>Chairman of the Board | Precise Corporation Public Co., Ltd.<br>Precise System and Project Co., Ltd.<br>Precise Digital Economy Co., Ltd.<br>Precise Corporation Public Co., Ltd<br>Precise Digital Economy Co., Ltd.<br>Precise Digital Economy Co., Ltd.<br>Precise System and Project Co., Ltd.<br>Precise Digital Economy Co., Ltd. | Holding Company<br>Construction of transmission lines and power substations<br>Production of energy-saving devices and management of information systems<br>Holding Company<br>Production of energy-saving devices and management of information systems<br>Production of energy-saving devices and management of information systems<br>Construction of transmission lines and power substations<br>Production of energy-saving devices and management of information systems |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | | | | 2014 – 2021 | Managing Director | Precise System and Project Co., Ltd | Construction of transmission lines and power substations |
| Mr. Theerawat Pornpongsuriya<br>- *Executive Director*<br>- *Vice President*<br>- *Director of PPP*<br>- *Chief Operating Officer RS- PPP*<br>- *Director of PSL*<br>- *Chief Operating Officer RS- PSL*<br>- *Director of SBP*<br>- *Director of CEP*<br>- *Managing Director of CEP*<br>- *Director of TBP*<br>- *Director of PKB* | 50 | - Master of Business Administration, National Institute of Development Administration (NIDA)<br>- Bachelor of Engineering, Rangsit University<br>- Director Certification Program (DCP) Class 116 | 0.08 | None | 2021 - Present | Executive Director and Vice President | Precise Corporation Public Co., Ltd. | Holding Company |
| | | | | | 2021 - Present | Chief Operating Officer RS-PPP | Precise Power Producer Co., Ltd. | Energy Investment |
| | | | | | 2021 - Present | Chief Operating Officer RS- PSL | Precise Smart Life Co., Ltd. | Design and installation, construction of clean technology systems |
| | | | | | 2020 - Present | Director | Precise Smart Life Co., Ltd. | Design and installation, construction of clean technology systems |
| | | | | | 2020 – Present | Director and Managing Director | Takbai Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2020 – Present | Director and Managing Director | Phrukapdaeng Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2019 – Present | Director | Songkhla Biomass Co., Ltd. | Biomass power plant |
| | | | | | 2019 – Present | Director | Songkhla Biofuel Co., Ltd. | Renewable Energy |
| | | | | | | Director and Managing | | |
| | | | | | 2017 – Present | Director | Clean Energy Producer Co., Ltd. | Operation and Maintenance |
| | | | | | | Director | | |
| | | | | | 2017 – Present | | Namsor Hydro Power Co., Ltd. | Hydroelectric power plant |
| | | | | | | Director | | |
| | | | | | 2016 – Present | Director | Songkhla Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2015 – Present | Director and Managing | Precise Power Producer Co., Ltd. | Energy Investment |
| | | | | | 2021 - 2021 | Director | Srithep Biomass Co., Ltd. | Biomass power plant |
| | | | | | | Director | | |
| | | | | | 2020 – 2021 | Director | Srithep Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2016 – 2021 | | Songkhla Biopower Co., Ltd. | Biomass power plant |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | | | | 2015 - 2021 | Director and Managing Director | Precise Power Producer Co., Ltd. | Energy Investment |
| Mrs. Chanya Chooputtipong<br>- *Executive Director*<br>- *Vice President*<br>- *Person assigned to the highest responsibility in the accounting and financial field,* | 64 | - Master's Degree, Master of Business Administration, Kasertsart University<br>- Bachelor's Degree, Bachelor of Laws, Thammasat University<br>- Bachelor's Degreem Accounting Graduat, Chulalongkorn University<br>- DCP Course Class 202/2015<br>- Refreshment of the Role and Expectation of A CFO<br>- Orientation Course – CFO Focus on Financial Reporting Class 2 | 0.02 | None | 2018 – Present<br>2016 - 2017<br>22008 – 2012<br><br>1997 - 2008 | Vice President<br>Chief Finance Officer<br>Manager of Account and Finance<br>Manager of Account and Finace | Precise Corporation Public Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>Piyavate Hospital Public Co., Ltd.<br><br>Bangkok Dusit Medical Services Public Co., Ltd. | Holding Company<br>Holding Company<br>Hospital<br><br>Hospital |
| Miss Thipsuda Pogkhrong<br>- *Assistant Vice President*<br>- *Senior Business Support Manager of PPP*<br>- *Senior Company Service & Support Manager of CEP*<br>- *Senior Company Service & Support Manager of CEP*<br>- *The person who assigned to be directly responsible for supervising the accounting* | 44 | - Bachelor of Business Administration, Rajamangala University of Technology Lanna (Payap)<br>- The Fast Forward MBA in Finance Program<br>- Pre-CFO & Fundamental CFO Program | 0.02 | None | 2021 – Present<br>2020 - Present<br><br>2020 - Present<br><br>2020 - Present<br><br>2020 - 2021 | Assistant Vice President<br>Acting Senior Company Service & Support Manager<br>Acting Senior Company Service & Support Manager<br>Acting Senior Company Service & Support Manager<br>Senior Company Service & Support Manager | Precise Corporation Public Co., Ltd.<br>Precise Power Producer Co., Ltd.<br><br>Clean Energy Producer Co., Ltd.<br><br>Songkhla Biopower Co., Ltd.<br><br>Precise Corporation Public Co., Ltd | Holding Company<br>Energ Investment<br><br>Operation & Maintenance (O&M)<br><br>Biomass power plant<br><br>Holding Company |

| Name-Surname/ Position (Date of appointment) | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | | | | 2019 - 2020<br>2019 - 2020<br>2019 - 2020<br>2018 - 2020<br>2016 - 2018 | Acting Company Service & Support Manager<br>Acting Company Service & Support Manager<br>Acting Company Service & Support Manager<br>Company Service & Support Manager<br>Accounting Division Manager | Precise Power Producer Co., Ltd.<br>Clean Energy Producer Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br>Precise Corporation Public Co., Ltd.<br>TOA Paint (Thailand) Public Company Limited | Energy Investment<br>Operation & Maintenance (O&M)<br>Biomass power plant<br>Holding Company<br>Manufacture and distribution of decorative paint and coating products and chemicals |
| Miss Suwanna Jarupisarnlert<br>- *Corporate Secretary* | 59 | - Master's degree, Master of Arts, Chulalongkorn University<br>- Bachelor's degree, Bachelor of Business Administration, Sukhothai Thammathirat University<br>- CSP Course Class109/2020<br>- Company Secretary Refresh<br>- IPO Focus ( Capital Market Preparation Course) | 0.10 | None | 2020 – Present<br>2012 - 2020<br>2004 – 2012<br>2001 – 2004 | Corporate Secretary<br>Senior Division Manager<br>Division Manager<br>Section Manager | Precise Corporation Public Co., Ltd.<br>Precise System and Project Co., Ltd.<br>Precise System and Project Co., Ltd.<br>Precise Corporation Public Co., Ltd. | Holding Company<br>Construction of transmission lines and power substations<br>Construction of transmission lines and power substations<br>Holding Company |

1.2: Details of Directors Executives of PEM

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Widhoon Chiamchittrong<br>- *Executive Director*<br>- *Chairman of Board of Director PEM*<br>- *Chief Executive Officer RS- PEM*<br>- *Chairman of Board of Director PMW*<br>- *Chief Executive Officer RS- PMW*<br>- *Chairman of Board of Director CI*<br>- *Chief Executive Officer RS- CI*<br>- *Chairman of Board of Director PEMC* | 64 | - Doctor of Public Administration, Public Sector Management, National Institute of Development Administration (NIDA)<br>- Master of Business Administraton in Management, Kasetsart University<br>- Master of Engineering in Energy Technology Asian Institute of Technology<br>- Bachelor's degree, Bachelor of Electrical Engineering, Chulalongkorn University<br>- DCP Course, Class 213<br>- Risk Management Program for Corporate Leader, Class 45/2020<br>- Role of the Chairman Program Class 45/2019<br>- DLCP Course, Class 1/2021 | 1.01 | ไม่มี | 2020 – Present<br><br>2017 – Present<br>2017 – Present<br><br>2017 – Present<br><br>2017 – Present<br><br>2000 – Present | Chairman<br><br>Executive Director<br>Chairman and Chief Executive Officer RS<br><br>Chairman and Chief Executive Officer RS<br>Chairman and Chief Executive Officer RS<br>Director | Precise Electric Manufacturing (Cambodia) Co., Ltd.<br><br>Precise Corporation Public Co., Ltd.<br>Precise Electric Manufacturing Co., Ltd.<br><br>Precise Electro-Mechanical Works Co., Ltd.<br>Coelme International Co., Ltd.<br>Quality Advantage Co., Ltd. | Manufacture and distribution electrical equipment in distribution system<br>Holding Company<br>Manufacture and distribution electrical equipment in distribution system<br>Manufacture of Switchboard and Switchgear<br>Manufacture of Load Break Switch<br>Consultant |
| Mr. Ketinart Sumrit | Reference the record of Mr. Ketinart Sumrit according to details in topic 1.1 | | | | | | | |
| Miss Nicha Nutchayangkul<br>- *Director of PEM*<br>- *Director of PMW*<br>- *Director of PSP*<br>- *Director of PDE*<br>- *Director of PPD*<br>- *Director of PPP* | 30 | - Master of Law, University of Law<br>- Bachelor of Law, University of East Anglia<br>- Director Certificate Program, Class 274 | 1.88 | Daughter of Mr. Kitti Nutchayangkul | 2021 – Present<br><br>2021 – Present<br>2021 – Present<br><br>2021 – Present | Director<br><br>Director<br>Director<br><br>Division Manager | Pacific Prosperity Development Co., Ltd.<br>Precise Power Producer Co., Ltd.<br>Precise Smart Life Co., Ltd.<br><br>Precise Corporation Public Co., Ltd. | Import-Export of electrical equipment<br>Energy Investment<br>Design and installation, construction of clean technology systems<br>Holding Company |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| - *Director of PSL*<br>- *Director of TBP*<br>*Director of PKB* | | | | | 2020 – Present | Director | Takbai Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2020 – Present | Director | Phrukapdaeng Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2019 – Present | Director | Precise Electric Manufacturing Co., Ltd. | Manufacture and distribution electrical equipment in distribution system |
| | | | | | 2019 – Present | Director | Precise System and Project Co., Ltd. | Construction of transmission lines and power substations |
| | | | | | 2019 – Present | Director | Precise Digital Economy Co., Ltd. | Production of energy-saving devices and management of information systems |
| | | | | | 2017- Present | Director | Precise Electro-Mechanical Works Co., Ltd. | Manufacture of Switchboard and Switchgear |
| | | | | | 2020-2021 | Director | Srithep Biomass Co., Ltd. | Biomass power plant |
| | | | | | 2018 - 2021 | Assistant Division Manager | Precise Corporation Public Co., Ltd. | Holding Company |
| | | | | | 2015 - 2017 | Associate | Law Plus Co., Ltd. | Law |
| Mr. Nathapong Korom<br>- *Director of PEM*<br>- *Chief Operator Officer RS- PEM*<br>- *Director of PMW*<br>- *Director of PEMC* | 45 | - Master's degree, Master of Science Building Resources Management, Sripatum University<br>- Bachelor's degree, Bachelor of Engineering Industrial, King Mongkut's University of Technology North Bangkok<br>- DCP Course, Class 171<br>- Fast Forward MBA in Finance<br>- Marketing for Sustainable Growth | 0.01 | None | 2021 – Present | Chief Operator Officer RS | Precise Electric Manufacturing Co., Ltd. | Manufacture and distribution electrical equipment in distribution system |
| | | | | | 2020 – Present | Director | Precise Electric Manufacturing (Cambodia) Co., Ltd. | Manufacture and distribution electrical equipment in distribution system |
| | | | | | 2020 – Present | Managing Director | Precise Electric Manufacturing Co., Ltd. | Manufacture and distribution electrical equipment in distribution system |
| | | | | | 2017 – Present | Director | Precise Electro-Mechanical Works Co., Ltd. | Manufacture of Switchboard and Switchgear |
| | | | | | 2016 – Present | Director | Precise Electric Manufacturing Co., Ltd. | Manufacture and distribution electrical equipment in distribution system |
| | | | | | 2018 – 2020 | Managing Director | Precise Digital Economy Co., Ltd. | |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | | | | 2016 - 2021<br>2016 – 2021<br>2016 – 2021 | Managing Director<br>Director<br>Managing Director | Precise Electric Manufacturing Co., Ltd<br>Coelme International Co., Ltd.<br>Coelme International Co., Ltd. | Production of energy-saving devices and management of information systems<br>Manufacture and distribution electrical equipment in distribution system<br>Manufacture of Disconnecting Switch<br>Manufacture of Disconnecting Switch |
| Mr. Sirichai Chiraratphithak<br>- *Director of PEM*<br>- *Chief Technology Officer of PEM*<br>- *Director of PMW*<br>- *Director of CI*<br>- *Managing Director of CI*<br>- *Director of PEMC* | 49 | - Bachelor's degree, Bachelor of Science in Industrial Technology, Rajabhat Petchburi University<br>- Fast Forward MBA in Finance<br>- Marketing for Sustainable Growth | None | None | 2021 – Present<br>2021 – Present<br>2021 – Present<br>2021 – Present<br>2021 – Present<br>2020 – Present<br>2020 - 2021<br>2013 – 2017 | Director<br>Chief Technology Officer<br>Director<br>Director<br>Managing Director<br>Director<br>Assistant Managing Director<br>Product Manager | Precise Electric Manufacturing Co., Ltd<br>Precise Electric Manufacturing Co., Ltd<br>Precise Electro-Mechanical Works Co., Ltd.<br>Coelme International Co., Ltd.<br>Coelme International Co., Ltd.<br>Precise Electric Manufacturing (Cambodia) Co., Ltd.<br>Precise Electric Manufacturing Co., Ltd<br>Precise Electric Manufacturing Co., Ltd | Manufacture and distribution electrical equipment in distribution system<br>Manufacture and distribution electrical equipment in distribution system<br>Manufacture of Switchboard and Switchgear<br>Manufacture of Disconnecting Switch<br>Manufacture of Disconnecting Switch<br>Manufacture and distribution electrical equipment in distribution system<br>Manufacture and distribution electrical equipment in distribution system |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| | | | | | | | | Manufacture and distribution electrical equipment in distribution system |
| Mr. Seksan Preecha<br>- *Business Manager of PEM* | 41 | - Bachelor of Engineering in Electrical Engineering, King Mongkut's University of Technology Thonburi | None | None | 2016 – Present<br>2016 | Business Manager<br>Product Manager | Precise Electric Manufacturing Co., Ltd<br>Precise Green Product Co., Ltd. | Manufacture and distribution electrical equipment in distribution system<br>Manufacture and distribution electrical equipment |
| Mr. Pattarawoot Sakda<br>- *Business Manager of PEM* | 41 | - Bachelor of Engineering in Electrical Engineering, King Mongkut's University of Technology Thonburi | 0.00 | None | 2018 – Present<br>2016 – 2017 | Business Manager<br>Senior Product Manager | Precise Electric Manufacturing Co., Ltd<br>Precise Electric Manufacturing Co., Ltd | Manufacture and distribution electrical equipment in distribution system<br>Manufacture and distribution electrical equipment in distribution system |
| Mr. Bhattaraphong Yoisertsud [1]<br>- *Business Manager of PEM* | 37 | - Bachelor of Engineering in Electrical Power, Prince of Songkla University | None | None | 2020 – 09/08/2022<br>2015 – 2020 | Business Manager<br>Product Manager | Precise Electric Manufacturing Co., Ltd<br>Coelme International Co., Ltd. | Manufacture and distribution electrical equipment in distribution system<br>Manufacture of Disconnecting Switch |
| Miss Titayaporn Buakaew<br>- *Business Manager of PEM* | 54 | - Bachelor's degree in Economics and Finance, Ramkhamhaeng University | 0.04 | None | 2017 – Present | Business Manager | Precise Electric Manufacturing Co., Ltd | Manufacture and distribution electrical equipment in distribution system |

1.3: Details of Directors Executives of PMW

| Name-Surname/ Position (Date of appointment | age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Widhoon Chiamchittrong | Reference the record of Mr. Widhoon Chiamchittrong according to details in topic 1.2 | | | | | | | |
| Mr. Ketinart Sumrit | Reference the record of Mr. Ketinart Sumrit according to details in topic 1.1 | | | | | | | |
| Miss Nicha Nutchayangkul | Reference the record of Miss Nicha Nutchayangkul according to details in topic 1.2 | | | | | | | |
| Mr. Nathapong Korom | Reference the record of Mr. Nathapong Korom according to details in topic 1.2 | | | | | | | |
| Mr. Sirichai Chiraratphithak | Reference the record of Mr. Sirichai Chiraratphithak according to details in topic 1.2 | | | | | | | |
| Mr. Kwanchai Tongkliang<br>- *Assistant Managing Director of PMW* | 45 | - Bachelor's degree in Electrical Power, King Mongkut's University of Technology Thonburi | 0.08 | None | 2019 – Present<br>2018 – 2018<br>2015 – 2017 | Assistant Managing Director<br>Business Manager<br>Product Manager | Precise Electro-Mechanical Works Co., Ltd.<br>Precise Electro-Mechanical Works Co., Ltd.<br>Precise Electro-Mechanical Works Co., Ltd. | Manufacture of Switchboard and Switchgear<br>Manufacture of Switchboard and Switchgear<br>Manufacture of Switchboard and Switchgear |
| Mr. Anucha Jaroonkittikorn<br>- *Senior Product Manager PMW* | 36 | - Bachelor's degree in Electrical Engineering , King Mongkut's University of Technology North Bangkok | 0.00 | None | 2019 – Present<br>2558 – 2561 | Senior Product Manager<br>Product Manager | Precise Electro-Mechanical Works Co., Ltd.<br>Precise Electro-Mechanical Works Co., Ltd. | Manufacture of Switchboard and Switchgear<br>Manufacture of Switchboard and Switchgear |
| Miss Kanchana Chiwapanit<br>- *Product Manager PMW* | 33 | - Bachelor's degree in Industrial Engineering, Silpakorn University | 0.00 | None | 2019 – Present<br>2017 – 2018<br>2016 - 2017 | Product Manager<br>Project Manager<br>Product Manager | Precise Electro-Mechanical Works Co., Ltd.<br>Precise Electro-Mechanical Works Co., Ltd.<br>Precise Electric Manufacturing Co., Ltd | Manufacture of Switchboard and Switchgear<br>Manufacture of Switchboard and Switchgear<br>Manufacture and distribution electrical equipment in distribution system |

1.4: Details of Directors Executives of PSP

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | period | Position | Company | Business Type |
| Mr. Amorn Daengchot | Reference the record of Mr. Amorn Daengchot according to details in topic 1.1 | | | | | | | |
| Mr. Ketinart Sumrit | Reference the record of Mr. Ketinart Sumrit according to details in topic 1.1 | | | | | | | |
| Miss. Nicha Nutchayangkul | Reference the record of Miss Nicha Nutchayangkul according to details in topic 1.2 | | | | | | | |
| Mr. Passakorn Naraborrirak<br>- *Director of PSP*<br>- *Chief Operator Officer of PSP* | 49 | - Bachelor's degree, Bachelor of Engineering, Thai Chamber of Commerce University | 0.01 | None | 2021 – Present<br><br>2021 - 2021<br><br>2017 – 2021 | Director and Chief Operator Officer RS<br>Assistant Managing Director<br>Business Manager | Precise System and Project Co., Ltd.<br><br>Precise System and Project Co., Ltd.<br><br>Precise System and Project Co., Ltd. | Construction of transmission lines and power substations<br>Construction of transmission lines and power substations<br>Construction of transmission lines and power substations |
| Mr. Wichai Yingjorhor<br>- *Director of PSP*<br>- *Chief Technology Officer of PSP*<br>- *Chief Technology Officer of PDE* | 48 | - Bachelor's degree, Bachelor of Engineering, Khon Kaen University | None | None | 2021 – Present<br><br>2021 - 2021<br><br>2018 – 2021 | Director and Chief Technology Officer<br>Assistant Managing Director<br>Project Manager | Precise System and Project Co., Ltd.<br><br>Precise System and Project Co., Ltd.<br><br>Precise System and Project Co., Ltd. | Construction of transmission lines and power substations<br>Construction of transmission lines and power substations<br>Construction of transmission lines and power substations |
| Miss Pantipa Wongsuwan<br>- *Senior Company Service & Support Manager* | 52 | - Master's degree, Master of Business Administration, Eastern Asia University<br>- Bachelor's degree, Bachelor of Business Administration , Ramkhamhaeng University<br>- DCP Course, Class 116 | 0.04 | None | 2016 – Present | Senior Company Service & Support Manager | Precise System and Project Co., Ltd. | Construction of transmission lines and power substations |
| Mr. Anusart Wannato<br>- *Senior Products Manager* | 40 | - Bachelor's degree, Bachelor of Engineering, King Mongkut's | 0.08 | None | 2021 – Present | Senior Products Manager | Precise System and Project Co., Ltd. | Construction of transmission lines and power substations |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | period | Position | Company | Business Type |
| | | University of Technology North Bangkok | | | 2021 - 2021 | Business Support Manager | Precise System and Project Co., Ltd. | Construction of transmission lines and power substations |

## 1.5: : Details of Directors Executives of PPP

| Name-Surname/ Position (Date of appointment) | Age (years) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Tawat Polquamdee<br>- *Executive Director*<br>- *Director of PPP*<br>- *Chief Executive Officer RS - PPP*<br>- *Director of PSL*<br>- *Chief Executive Officer RS-f PSL*<br>- *Director of SBP*<br>- *Chief Executive Officer RS - SBP*<br>- *Director of CEP*<br>- *Chief Executive Officer RS- CEP*<br>- *Director of TBP*<br>- *Director of PKB*<br>- *Director of SKB*<br>- *Director* | 65 | - Master of Public Administration in Public Administration, Chulalongkorn University<br>- Bachelor of Engineering in Mining and Materials Engineering, Prince of Songkla University<br>- Role of The Chairman Program (ROC) Class 43<br>- Director Certification Program (DCP) Class 234 | 0.06 | None | 2021 - Present | *Chief Executive Officer RS* | Precise Power Producer Co., Ltd. | Energy Investment |
| | | | | | 2021 - Present | *Chief Executive Officer RS* | Precise Smart Life Co., Ltd. | Design and installation, construction of clean technology systems |
| | | | | | 2021 - Present | *Director and Chief Executive Officer RS* | Songkhla Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2021 - Present | *Director and Chief Executive Officer RS* | Clean Energy Producer Co., Ltd. | Operation & Maintenance (O&M) |
| | | | | | 2021 - Present | *Director* | Takbai Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2021 - Present | *Director* | Songkhla Biofuel Co., Ltd. | Biomass power plant |
| | | | | | 2021 - Present | *Director* | Phrukapdaeng Biopower Co., Ltd. | Biomass power plant |
| | | | | | 2021 - Present | *Director* | Songkhla Biomass Co., Ltd. | Biomass power plant |
| | | | | | 2020 - Present | *Director* | Precise Power Producer Co., Ltd. | Energy Investment |
| | | | | | 2020 - Present | *Director* | Property Home Builder Co., Ltd. | Production of hot-rolled steel |
| | | | | | 2019 - Present | Expert director | *Director of Thai Industrial Standards Institute, Ministry of Industry* | State Enterprise |
| | | | | | 2018 – Present | Expert director | Director of National Standardization Council of Thailand, *Ministry of Industry* | Government |
| | | | | | 2017 – Present | Director | | |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | period | Position | Company | Business Type |
| | | | | | 2016 – Present<br>2016 – Present | Executive Director<br>Director | Bang Saphan Barmill Public Company Limited<br>Precise Corporation Public Co., Ltd.<br>Precise Smart Life Co., Ltd. | Holding Company<br>Design and installation, construction of clean technology systems |
| Mr. Ketinart Sumrit | Reference the record of Mr. Ketinart Sumrit according to details in topic 1.1 | | | | | | | |
| Miss Nicha Nutchayangkul | Reference the record of Ms.Nicha Nutchayangkul according to details in topic 1.2 | | | | | | | |
| Mr. Theerawat Pornpongsuriya | Reference the record of Mr.Theerawat Pornpongsuriya according to details in topic 1.1 | | | | | | | |
| Miss Thipsuda Pogkhrong | Reference the record of Ms.Thipsuda Pogkhrong according to details in topic 1.1 | | | | | | | |
| Miss Sakulrat Intrto<br>*- Company Service & Support Manager of PPP*<br>*- Company Service & Support Manager of PSL*<br>*-Company Service & Support Manager of SBP*<br>*- Company Service & Support Manager of CEP* | 37 | - Master of Engineering in Engineering Management, Kasetsart University<br>- Bachelor of Engineering in Industrial Engineering, Silpakorn University<br>- The Fast Forward MBA in Finance Program<br>- Company Secretary Program | 0.00 | None | 2021 – Present<br>2021 – Present<br>2021 – Present<br>2020 – Present<br>2020 – 2020 | Company Service & Support Manager<br>Company Service & Support Manager<br>Company Service & Support Manager<br>Company Service & Support Manager<br>Company Service & Support Manager | Precise Smart Life Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br>Clean Energy Producer Co., Ltd.<br>Precise Power Producer Co., Ltd.<br>Precise Electro-Mechanical Works Co., Ltd. | Design and installation, construction of clean technology systems<br>Biomass power plant<br>Operation & Maintenance (O&M)<br>Energy Investment<br>Manufactures Switchboard and Switchgear |
| Miss Chanporn Ramwong<br>*- Business Support Manager of PPP*<br>*- Company Service & Support Manager of PSL* | 40 | - Master of Business Administration in Finance and Management, Ramkhamhaeng University<br>- Bachelor of Business Administration in Accounting, | 0.01 | None | 2021 – Present<br>2019 – Present<br>2017 – 2018 | Business Support Manager<br>Business Support Manager<br>Business Support Manager | Precise Smart Life Co., Ltd.<br>Precise Power Producer Co., Ltd.<br>Precise Smart Life Co., Ltd. | Design and installation, construction of clean technology systems<br>Energy Investment<br>Design and installation, construction of clean technology systems |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | period | Position | Company | Business Type |
| | | Rajamangala University of Technology Phra Nakhon | | | 2017 – 2017<br><br><br>2009 – 2017<br><br>2004 – 2017 | Accounting Division Manager<br><br>Accounting Section Manager<br>Accounting Officer | Precise Smart Life Co., Ltd.<br><br><br>Precise Corporation Public Co., Ltd.<br><br>Precise Corporation Public Co., Ltd. | Design and installation, construction of clean technology systems<br>Holding Company<br><br>Holding Company |

## 1.6: Details of Directors Executives of CEP

| Name-Surname/ Position (Date of appointment) | Age (years) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Tawat Polquamdee | Reference the record of Mr.Tawat Polquamdee according to details in topic 1.5 | | | | | | | |
| Mr. Theerawat Pornpongsuriya | Reference the record of Mr.Tawat Polquamdee according to details in topic 1.1 | | | | | | | |
| Mr. Jirasak Musikatas<br>*- Director of CEP*<br>*- Director of SBP*<br>*- Plant Manager of SBP* | 55 | --Bachelor of Engineering in Electrical Engineering, Pathumwan Institute of Technology<br>- Bachelor of Science in Industrial Electrical Technology, Rajabhat Rajanagarindra University | 0.01 | None | 2021 – Present<br><br>2021 – Present<br>2021 – Present<br>2017 – 2021<br>2015 – 2016 | Director<br><br>Director<br>Plant Manager<br>Division Manager<br>Division Manager | Clean Energy Producer Co., Ltd.<br><br>Songkhla Biopower Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br>Precise Power Producer Co., Ltd. | Operation & Maintenance (O&M)<br>Biomass power plant<br>Biomass power plant<br>Biomass power plant<br>Energy Investment |
| Miss Thipsuda Pogkhrong | Reference the record of Ms.Thipsuda Pogkhrong according to details in topic 1.1 | | | | | | | |
| Miss Sakulrat Intrto | Reference the record of Ms.Sakulrat Intrto according to details in topic 1.5 | | | | | | | |
| Mr. Chawalit jandang<br>*- Division Manager of CEP* | 42 | - Bachelor of Business Administration in Management, Sukhothai Thammathirat Open University | 0.00 | None | 2022 – Present<br><br>2017 – Present<br>2021 – 2022 | Division Manager<br><br>Director<br>Assistant Division Manager | Clean Energy Producer Co., Ltd.<br><br>CSPN Engineering Co., Ltd.<br>Clean Energy Producer Co., Ltd. | Operation & Maintenance (O&M)<br>Electricity supply |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | period | Position | Company | Business Type |
| | | | | | 2019 – 2021<br><br>2018 – 2020<br>2016 – 2018 | Section Manager<br><br>General manager<br>Adviser | Clean Energy Producer Co., Ltd.<br><br>Apcon Renewable Energy Co., Ltd.<br>CH Engineering & Inter Supply Co., Ltd. | Operation & Maintenance (O&M)<br>Operation & Maintenance (O&M)<br><br>Metal Turning |

1.7: Details of Directors Executives of SBP

| Name-Surname/ Position (Date of appointment) | Age (years) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Period | Position | Company | Business Type |
| Mr. Tawat Polquamdee | Reference the record of Mr.Tawat Polquamdee according to details in topic 1.5 | | | | | | | |
| Mr. Theerawat Pornpongsuriya | Reference the record of Mr.Theerawat Pornpongsuriya according to details in topic 1.1 | | | | | | | |
| Mr. Nattawut Yingthavorn<br>- *Director of SBP*<br>- *Managing Director of SBP* | 51 | - Doctor of Philosophy in Civil and Environmental Engineering, Walailak University<br>- Master of Engineering in Production Engineering, King Mongkut's University of Technology North Bangkok<br>- Bachelor of Engineering in Production Engineering, King Mongkut's University of Technology North Bangkok | 0.01 | None | 2022 – Present<br>2021 – Present<br>2021 – 2022<br><br>2016 – 2021 | Managing Director<br>Director<br>Assistant Managing Director<br>Plant Manager | Songkhla Biopower Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br>Songkhla Biopower Co., Ltd.<br><br>Songkhla Biopower Co., Ltd. | Biomass power plant<br>Biomass power plant<br>Biomass power plant<br><br>Biomass power plant |
| Mr. Saman Orawat<br>- *Director of SBP* | 51 | - Bachelor of Arts in Islamic Studies, Prince of Songkla University | None | None | 2020 – Present<br>2017 – Present<br>2017 – Present<br>2016 – Present | Director<br>Director<br>Director<br>Director | Taicon I.A.& D Management Co., Ltd.<br>Songkhla Biomass Co., Ltd.<br>Songkhla Biofuel Co., Ltd.<br>Songkhla Biopower Co., Ltd. | Retail Business<br>Biomass power plant<br>Biomass power plant<br>Biomass power plant |

| Name-Surname/ Position (Date of appointment) | Age (year) | Educational qualifications/ Training history | Percentage Shareholding in the company | Family relationship between directors and executives | Work Experience | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | period | Position | Company | Business Type |
| | | | | | 2016 – Present<br>2016 – Present<br>2016 – Present | President<br>Director<br>Director | AS-Siddeek Islamic Cooperative Limited<br>SL Standard Co., Ltd.<br>Fatoni Travel Limited Partnership | Savings Cooperatives |
| Mr.Jirasak Musikatas | Reference the record of Mr.Jirasak Musikatas according to details in topic 1.6 | | | | | | | |
| Miss Thipsuda Pogkhrong | Reference the record of Ms.Thipsuda Pogkhrong according to details in topic 1.1 | | | | | | | |
| Miss Sakulrat Intrto | Reference the record of Ms.Sakulrat Intrto according to details in topic 1.5 | | | | | | | |

**Duty and Responsibility of Company Secretary**

At the 2020 Annual General Meeting of Shareholder held on April 24, 2020 resolved to appoint Miss Suwanna Jarupisarnlert to be Company Secretary in order to comply with Section 89/15 and 89/16 of the Securities and Exchange Act. B.E. 2535 (including any amendments), the Company Secretary has the following duties and responsibilities:

(1) Prepare and keep important documents as follows:

- Director Registration
- Agenda and Minutes of Meeting for Board of Directors
- Invitation Notice and Minutes of Meeting of Shareholders' Meeting
- Annual Report of Company

(2) Keep report of Related Party Transaction from Directors and Executives

(3) Perform others works as specified by The Office of the Securities and Exchange Commission

| | Company's name | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name list of Director and Executives | PCC | PEM | PMW | PEMC | PSP | PDE | PPD | PPP | PSL | SBP | CEP | TBP | PKB | PPS | PTS |
| Mr. Achitsak Bunjongpotiklang | X,/ | | | | | | | | | | | | | | |
| Mr. Kitti Sumrit | /,// | | | | | | | | | | | | | | |
| Mr. Kitti Nutchayangkul | /, // | | | | | | | | | | | | | | |
| Mr. Suthee Chulanutrakul | / | | | | | | | | | | | | | | |
| Mrs. Naree Boontherawara | ///, IV | | | | | | | | | | | | | | |
| Mr. Sanchai Thiewprasertkul | /// | | | | | | | | | | | | | | |
| Miss Sudarat Tangsoontornkij | ///, V | | | | | | | | | | | | | | |
| Mr. Boonchai Pitugdamrongkija | ///, V | | | | | | | | | | | | | | |
| Mr. Ketinart Sumrit | / | / | /, // | | / | / | / | / | / | | | | | | |
| Mr. Amorn Daengchot | /, // | | | | X, /,// | /, // | | | | | | | | | |
| Mr. Theerawat Pornpongsuriya | // | | | | | | | /, // | /, // | / | /, // | / | / | | |
| Mrs. Chanya Chooputtipong | // | | | | | | | | | | | | | | |
| Mr. Widhoon Chiamchittrong [1] | | X, ,/,// | X, /,// | X,/ | | | | | | | | | | | |
| Miss Nicha Nutchayangkul | | / | / | | / | / | / | / | / | | | / | / | | |
| Mr. Nathapong Korom | | /, // | / | / | | | | | | | | | | | |
| Mr. Sirichai Chiraratphithak | | /, // | / | / | | | | | | | | | | | |
| Mr. Pattarawoot Sakda | | // | | | | | | | | | | | | | |
| Mr. Seksan Preecha | | // | | | | | | | | | | | | | |
| Mr. Bhattaraphong Yoiserthsud [2] | | // | | | | | | | | | | | | | |
| Miss Titayaporn Buakaew | | // | | | | | | | | | | | | | |
| Miss Kanchana Chiwapanit | | | // | | | | | | | | | | | | |
| Mr. Anucha Jaroonkittikorn | | | // | | | | | | | | | | | | |
| Mr. Kwanchai Tongkliang | | | // | | | | | | | | | | | | |
| Mr. Surasak Pilandnapark | | | | | | | /, // | | | | | | | / | / |
| Mr. Kiattisak Sarapim | | | | /, // | | | | | | | | | | | |
| Mr. Passakorn Naraborrirak | | | | | /, // | | | | | | | | | | |
| Mr. Wichai Yingjorhor | | | | | /, // | // | | | | | | | | | |
| Mr Anusart Wannato | | | | | // | | | | | | | | | | |
| Miss Pantipa Wongsuwan | | | | | // | | | | | | | | | | |
| Miss Supaporn Kiattisin [1] | | | | | | X,/ | | | | | | | | | |
| Mrs. Kanyakorn Suri | | | | | | // | | | | | | | | | |
| Mr. Nuttadech Jirapornmanee[3] | | | | | | // | | | | | | | | | |

| | Company's name | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name list of Director and Executives | PCC | PEM | PMW | PEMC | PSP | PDE | PPD | PPP | PSL | SBP | CEP | TBP | PKB | PPS | PTS |
| Miss Siruedee Sumrit | | | | | | // | | | | | | | | | |
| Mr. Thanatip Upatising [1] | | | | | | | X,/ | | | | | | | / | |
| Mr. Anusak Benjachaiyaporn | | | | | | | /,// | | | | | | | X | |
| Miss Rattima Thabloga | | | | | | | // | | | | | | | | X |
| Mr. Sucha Kaeowichian | | | | | | | // | | | | | | | | |
| Mr. Tawat Polquamdee[1] | | | | | | | | X,/, // | X, / | X, / | X, / | X | X | | |
| Ms. Thipsuda Pogkhrong | | | | | | | | // | | // | // | | | | |
| Ms. Sakulrat Intrto | | | | | | | | // | // | // | // | | | | |
| Ms. Chanporn Ramwong | | | | | | | | // | // | | | | | | |
| Mr. Nattawut Yingthavorn | | | | | | | | | | /, // | | | | | |
| Mr. Saman Orawat | | | | | | | | | | / | | | | | |
| Mr. Jirasak Musikatas | | | | | | | | | | /, // | / | | | | |
| Mr. Chawalit jandang | | | | | | | | | | | // | | | | |
| | | | | | | | | | | | | | | | |

X = Chairman

/ = Director

// = Executive

/// = Independent Director

/V = Chairman of Audit Committee

V = Audit Committee Member

Remark: 1. Resign from being Director on December 31, 2022

2. Resign from being Employee on August 9, 2022

3. Resign from being Employee on December 31, 2022

# Enclosure No. 3

Details of the Head of Internal Audit

1. Details of Head of Internal Audit of : Precise Corporation Public Company Limited

| Name-Surname | Age (years) | Education Qualification/Training History | Working Experience in the past 5 years | | |
|---|---|---|---|---|---|
| | | | Period | Position | Department/Company's name/ type of business |
| Mrs. Chuatip Luksanayothin | 52 | <u>Education Qualification</u><br>Master of Science in Information Tecnology Kasetsart University<br><u>Certificate</u><br>● Internal Auditing Certificate Program – (IACP class 14), Federation of Accounting Professions under the royal patronage<br>● Successful Formulation & Execution of Strategy (SFE 25/2015), Thai Institute of Directors Association (IOD)<br>● Business System Development Program (BSD class 2), Panyapiwat Institute of Management and the Federation of Accounting Professions under the royal patronage<br>● Strategic Human Resource Management - class 6, Human Resources Institue Thammasat University<br><u>Training History</u><br>Federation of Accounting Professions under the Royal Patronage of His Majesty the King (FAP)<br>● How to assess risks for internal audit planning<br>● Financial Statements Review for Internal Auditors class 2/59<br>● Internal Auditing Certificate Program (IACP) class 14 | 2016 - Present | Head of Internal Audit (Internal Audit Manager) and Secretary of Audit Committee | Precise Corporation Public Company Limited |

| Name-Surname | Age (years) | Education Qualification/Training History | Working Experience in the past 5 years | | |
|---|---|---|---|---|---|
| | | | Period | Position | Department/Company's name/ type of business |
| | | ● Prevention of corruption in the organization (36-hours course), Class 13<br>● CIA Review Part I training program, Class 1/60<br>● The International Professional Practices Framework (IPPF) year 2020<br>● Data Analytics for Internal Auditors year 2020<br>**Political Science Association of Kasetsart University**<br>● Personal Data Protection Laws for internal audit work, class 4, year 2020 (PDPA for Internal Audit) | | | |

2. Outsource: A.M.T Solution Co., Ltd.

| Name-Surname | Age (years) | Education Qualification/Traing History | Working Experience in the past 5 years | | |
|---|---|---|---|---|---|
| | | | period | Position | Department/Company's name/ type of business |
| Mr. Supoj Pannoi | 40 | <u>Education Qualification</u><br>• Master of Business Administration (MBA), Ramkhamhaeng University<br>• Bachelor of Business Administration, Audit Branch Rajamangala Institute of Technology Bangkok Technical Campus<br><u>Certificate</u><br>• Mini Master of Business Economics(MBE), Chulalongkorn University<br>• Certified Public Accountant(CPA)<br>• Certified Professional Internal Audit of Thailand (CPIAT)<br>• ASEAN Chartered Professional Accountant (ASEAN CPA)<br>• Independent Auditors to assess reference docuemnts of small and medium businesses -CAC SME Certification<br><u>Training History</u><br>• Directors Accreditation Program(DAP) Thai Institute of Directors Association (IOD) Class 119/2558<br>• Advanced Audit Committee Program(AACP) Thai Institute of Directors Association (IOD) Class 27/2560 | 2015-Present<br>2010 –Present<br>2019-Present<br>2017-Present | Managing Director<br>Director Secretary Administrative Office<br>Audit Committee<br>Audit Committee | A.M.T Solution Co., Ltd.<br>A.M.T Audit Group Co., Ltd.<br>Rajamangala University of Technology Rattanakosin<br>Chaiwatana Tannery Group Public Company Limited |

## Duties and Responsibilities of Internal Audit Supervisor

- Prepare annual audit plan based on risk (Risk-based Audit Plan) by assessing risks and internal control systems covering all activities and prioritizing audits according to risks in accordance with the policies, rules and regulations of the Company including the requirements of the law and the main plan of the organization.
- Follow up, supervise, audit operations of the inspection team for the inspector to carry out the inspection according to the plan and specified objectives
- Meeting to discuss and exchange ideas with the Inspection team, Auditee Team and related agencies about the issues found to summarize the improvements
- Follow up and review audit results to ensure that appropriate actions are teaken in terms of methods and timelines to be completed as scheduled and report/communicate to related parties (Communication Results) i.e. Committee, Management and Inspectors etc.
- Providing advice, consulting, answering problem (Consulting Services) about supervision risk management and internal control to various agencies in the company and related persons for various agencies in the company to get to know the most useful information and knowledge for continuous and systematic improvement of such matters.

## Enclosure No. 4

Details of Assets used in Business Operation

Please see details of Assets used in Business Operation on Part 2.2 Business Operation and Operating Results clause 1.2.4 Assets used in Business Operation

## Enclosure No. 5

Corporate Governance Policies and Guidelines and Business Ethics

Corporate Governance Policies and Business Ethics as well as charters and other policies that have been disclosed on the Company website are the following items:

Charters
(https://www.precise.co.th/th/investors?corporate_governance)
- Board of Directors Charter
- Audit Committee Charter
- Nomination and Remuneration Committee Charter
- Executive Committee Charter

Policies
(https://www.precise.co.th/th/investors?corporate_governance)
- Corporate Governance Policy
- Personal Data Protection Policy

Ethics
(https://www.precise.co.th/th/investors?corporate_governance)
- Business Ethics Manual
- Anti-bribery and Corruption Policy
- Whistle Blowing Policy

The Company regularly reviews the policies and charters at least once a year

# Enclosure No. 6

Report of the Audit Committee

## Report of Audit Committee for the year 2022

Dear Board of Directors and Shareholders of Precise Corporation Public Co., Ltd.

The Audit Committee of Precise Corporation Public Co., Ltd. consists of independent directors who are qualified and knowledgeable, competent and experienced in accounting, finance, legal and management of organization. The qualifications are in accordance with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee are able to perform duties assigned by the Board of Directors and under the written Audit Committee Charter which prepared by the Audit Committee and approved by the Board of Directors in the line with international standards.

The Audit Committee consists of

| | | |
|---|---|---|
| 1. | Dr. Naree Boontherawara | Chairman of Audit Committee |
| 2. | Mr. Boonchai Pitugdamrongkija | Audit Committee Member |
| 3. | Miss Sudarat Tangsoontornkij[1] | Audit Committee Member |

<u>Remark</u>

[1] Miss Sudarat Tangsoontornkij Audit Committee Member who has knowledge and experience in accounting and finance

Mrs. Chautip Luksanayothin, Head of Internal Audit acts as the secretary of the Audit Committee

The Audit Committee's main duty is to review the accuracy of financial reports, adequacy and effectiveness of internal control and risk management system. Compliance with laws and regulations related to the company's business as well as supervise the operations of the internal audit department and auditors.

**Under the scope of duties and responsibilities in accordance with the Charter approved by the Board of Directors**

**In the year 2022 the Audit Committee held a meeting with the Management, Head of Internal Audit Department and Auditor.** The Audit Committee has reported their performance and recommendations to the Board of Directors. In 2022 the Audit Committee held total meeting of 9 times and the details were as follows:

| No. | Name of Director | Position | Number of meetings/Total number of meetings |
|---|---|---|---|
| **1.** | Dr. Naree Boontherawara | Chairman of Audit Committee | 9/9 |
| **2.** | Mr. Boonchai Pitugdamrongkija | Audit Committee Member | 9/9 |
| **3.** | Miss Sudarat Tangsoontornkij | Audit Committee Memeber | 9/9 |

**In summary, the important of duties in the year 2022 can be summarized as follows:**

1. **Financial Report:** Review quarterly and annual financial statements for the year 2022, including disclosures in the notes to the Company's financial statements which has been reviewed and audited by auditor. The Audit Committee had formal meeting with the Auditor without the participation of the Management to discuss independently on the important information in the preparation of financial statements, opinions, scope, plans and guidelines for the annual audit of the auditors including consideration of estimations and various judgements used in preparation of financial statement and the significant accounting issues and key audit matters identified in the auditor's report. In addition, the Audit Committee had invited the Executives of the Accounting and Finance to attend the meeting if there were any questions or need any additional supporting information to consider the Financial Statement which would be proposed to Board of Directors for approval.

2. **Internal Control and Risk Management:** Reviewing the effectiveness of the internal control system at the Entity-Level by considering the results of the assessment of the internal control of the Management according to the internal control guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO's 2013 Internal Control-Integrated Framework) by using "Internal Control Sufficiency Assessment Form" as specified by the Securities and Exchange Commission (SEC). The Audit Committee had the opinion that the company had the internal control system was adequate and suitable for business operations. The Company had adequate and sufficiency internal control system to govern the operation of subsidiary companies. The Audit Committee had also reviewed result of other important operation systems which supported the Company to achieve the business operation by considering auditing result of Internal Audit Department which examined from the approved audit plan and reviewed risk management of the Company. The Audit Committee had reviewed economic risk management which would be occurred such as

financial liquidity, company's financial obligations, assessment of impairment of assets etc. and reviewed the appropriateness and efficiency of the risk management process as well as gave recommendations to appropriately improve the risk management process.

3. **Internal Audit**: The Audit Committee supervised the Internal Audit to ensure that internal audit operations be independent and effectiveness by considering and approving the internal audit plan for the year 2022 which had been made based on key company risks. The Audit Committee had followed up on the progress of the work and reviewed the independence and the sufficiency of various resources to supporting the Internal Audit Department including development of audit quality both in terms of personnel and operations on a regular basis. The Audit Committee approved the Charter of internal audit in the line with international standards at least once a year. In addition, the Audit Committee has assessed the annual performance of Head Internal Audit and also conducted the meeting with the internal auditors, without the presence of the Company's Management, to discuss independently.

4. **Compliance with the law:** The Audit Committee had reviewed the Corporate Governance to ensure that the Company had appropriate and effective corporate governance processes which complied with relevant laws including compliance with the requirements of the company and the obligations with third parties. The Company had established Corporate Governance Policy which the Audit Committee had an opinion that the Company had continually developed good corporate governance. This was to increase operational efficiency and build confidence among all stakeholders which the Audit Committee did not find any material issues regarding non-compliance with laws, requirements and obligations that the Company had with third parties.

5. **Auditors:** The Audit Committee had considered, selected and proposed appointment of persons who had independence to be Company's auditors based on knowledge, capability, reliability and adequacy of resources including the results of the auditor's independence and work quality assessment in the past year including considering appropriate remuneration. The Audit Committee resolved to propose to the Board of Directors for consideration and proposed for approval from shareholders' meeting. It was deemed appropriate to appoint the auditors from EY Office Limited (EY) to be the auditor and fix the audit fee for the year 2022 in the 2022 Annual General Meeting of Shareholders.

6. **Reviewed related party transactions or transactions which may have conflicts of interest:** The Audit Committee had reviewed and given the related party transactions or transactions which may have conflicts of interest. The Audit Committee had reviewed that the related party transactions were appropriate based on reasons and high benefits of the Company.

7. **Overall Comments/Observations**: In summary the Audit Committee had performed completely the duties in accordance with the cope of assigned duties by using sufficient knowledge, competence, prudence and independence to perform duties effectively. The Audit Committee had given opinions and suggestions for the benefit of all stakeholders equally. Overall, the Audit Committee had opinion that the Company's financial statement are accurate accordance with Thai Financial Reporting Standards and had efficient and effective internal control and risk management systems. In addition, the Company operated in accordance with the laws and regulations related to business operations including good corporate governance principles without any major flaws over the past year

The Charter of Audit Committee has reviewed in accordance with the relevant criteria and best practices at least once a year and proposed to the Board of Directors for approval

This report was reviewed and approved by the Audit Committee on February 22, 2023

.........................................

(Dr. Naree Boontherawara)

Chairman of Audit Committee in

the name of Audit Committee

22 February 2023

**Precise Corporation Public Company Limited**
1842 Krungthep-nonthaburi Road, Wongsawang, Bangsue, Bangkok 10800
Tel: (+66) 2-910-9700-12 Fax: (+66) 2-910-9713 Email: pcc_ir@precise.co.th