

ANNUAL REPORT

2020-2021

(PROVEN GROUP OF COMPANIES)



P R O V E N

To stand as an accountable and responsible Corporate with a high quality of performance.

To become a Corporate that can earn the trust and confidence of the public and stakeholders.

To continually promote innovation and to welcome new ideas.

To achieve mutually beneficial results from respective sectors in collaboration with wholesalers, retailers, shareholders and stakeholders.

To build strength by consistently promoting positive change in all circumstances.

To carry out the actions that can contribute the society through innovative inventions.



ASEAN-OSHNET
BEST PRACTICES
AWARD 2016

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GREETING OF THE CHAIRMAN

Respected stakeholders, Board of Directors, and boards of managing teams, may I wish you all blessed times in your moments.

After 26 years, we have established a sizable group of companies with an increase in the number of subsidiary companies. By putting more effort into sound corporate governance, we can see that it contributes to sustainability. Additionally, I would like to express my gratitude to the Board of Directors for sharing duties and taking responsibilities in three committees with a balanced inclusion based on expertise, duration of service, and age.

Despite the current challenging market conditions, the Group of Companies' products, TOYO and LION brand batteries, have maintained a solid market position.

The most important thing is to acknowledge our staff's efforts and perseverance in operating the factories despite the issues of the Covid-19 Pandemic. As for humanitarian assistance, it can be seen that the corporation has performed C.S.R activities such as filling oxygen cylinders to assist in Covid-19 prevention, providing Covid-19 vaccinations to all corporate employees, and contributing essential medication, among other things.

It is known that new projects for sustainable development and efforts to open additional branches in more convenient locations are being explored. The primary drivers of a business's growth are investment power, managerial experience, sound expertise, curiosity and innovation for new endeavors. I would like to emphasize that such elements can be met only under the oversight of the Board of Directors and management officers.

I am also delighted to direct our efforts on increasing the value of the company's shares and distributing the dividends to shareholders. Allow me to convey my heartfelt appreciation to the Boards of Directors, management teams, personnel, and customers who have given their best for the stakeholders' benefit. Similarly, I would like to propose a concerted effort to go ahead.

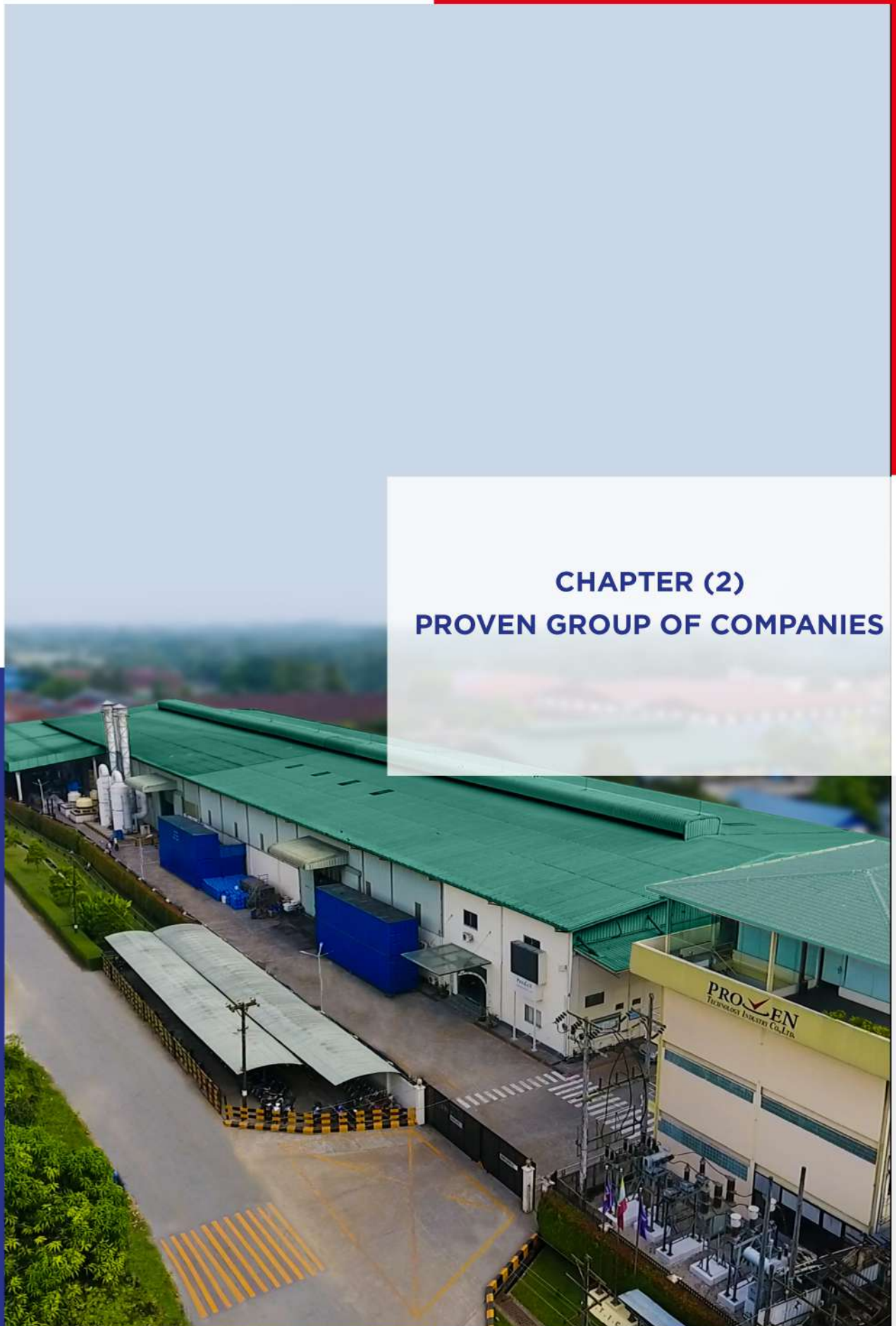
To conclude, I would want to express my wishes and love to every one of you for safety, health, and happiness.

Thank you very much

A handwritten signature in blue ink, appearing to read 'Tun Myint'.

Tun Myint
Chairman

CHAPTER (2)
PROVEN GROUP OF COMPANIES





2.1 A MESSAGE FROM PROVEN GROUP CEO

Dear stakeholders and board of directors,

First of all, I would like to wish you all the best of health and happiness on behalf of the PROVEN GROUP OF COMPANIES.

I would like to convey my heartfelt appreciation to all the Board of Directors and shareholders who have consistently supported our business, and responsible personnel in the subsidiary companies who have worked diligently during the PROVEN GROUP OF COMPANIES' 2020-2022 fiscal year.

In 2020-2021, PROVEN GROUP OF COMPANIES, like other businesses, encountered several challenges, problems, and changes. We have overcome these with minimal impact. However, those obstacles, problems, and changes continue to exist, and we continue to assist in overcoming them.

We have heard that some businesses in our neighbourhood have collapsed or have ceased operations. Nonetheless, we wish to assure you that the PROVEN GROUP OF COMPANIES will perform to prosper regardless of the new circumstance. I would like to express my appreciation to all shareholders and the Board of Directors for their confidence in the responsible personnel who are now executing a new movement.

As for me, I intend to continue pursuing a PROVEN GROUP OF COMPANIES to establish a competitive company group. By doing so, I intend for our PROVEN GROUP to compete on an equal footing with other enterprises in the ASEAN region.

Procedures will be established and implemented to recruit additional managerial level staff to operate necessary management functions, conduct learning, development, and sustainable functions critical to a business's sustainability to form the PROVEN GROUP OF COMPANIES as a corporate entity introduce a relevant new management form.

With these activities, I would like to conclude that PROVEN GROUP OF COMPANIES will perform functions such as job creation within the framework of achieving the country's requirements by establishing itself as a reputable group in Myanmar's business sector and that these functions will be carried out according to the United Nations Sustainable Development Goals (SDGs).







We appreciate your kind support and wish you all the best of health and happiness.

A stylized, handwritten signature in black ink, consisting of several fluid, overlapping strokes.

THAN HTAIK LWIN
CHIEF EXECUTIVE OFFICER



2.2 2020-2021 Highlights of PROVEN GROUP OF COMPANIES

<p>Oxygen and Gas Cylinder Donation</p>  <p>PROVEN GROUP OF COMPANIES donated twenty new (40)Liters Oxygen Cylinders and refilled 200 Oxygen Cylinders Oxygen Generation Task Force Committee (OGTFC) of the Federation of Myanmar Engineering Societies during the COVID-19 Pandemic to support the patients who need oxygen.</p>	<p>18th - Transparency in Myanmar Enterprises (2021)</p>  <p>PROVEN GROUP OF COMPANIES was ranked in the 18th position in the sixth Pwint Thit Sa/Transparency in Myanmar Enterprises (TIME) report in 2020.</p>	<p>Responsible Group of Companies</p>  <p>PROVEN GROUP OF COMPANIES has been able to return all debts, pay all workers' wages, service costs, and taxes on time, and avoid incurring late payment penalties.</p>
<p>Appointment of Complince and Sustainability Officer</p>  <p>A Compliance and Sustainability Officer has been appointed.</p>	<p>Donation</p>  <p>The endowment for life development was established to assist the life development training of youngsters at Youth Development Charity.</p>	<p>Learning and Development</p>  <p>PROVEN GROUP OF COMPANIES was able to introduce a learning and development program as one of its sustainable development strategies.</p>

2.2.1. ACCOMPLISHMENTS OF PROVEN GROUP OF COMPANIES DURING 2020-2021



Social (People)

99% Permanent Staff	600+ Hours Training	27% Female Staff
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Environment (Planet)

3 Spillages	2,315 Tons CO2 Eq Carbon Emission	7,225,452 KWh Energy Consumption
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Customer

91% Nationwide Distribution Coverage	5000+ The number of retail and wholesale shops	15%~22% The percentage of battery users who use TOYO and LION Brand batteries.
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Community

MMK 43 million Donations for philanthropic activities	3,610+ The number of beneficiaries	9+ The number of social events
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2.3 THE PROFILE OF PROVEN GROUP OF COMPANIES

PROVEN GROUP OF COMPANIES is a group of companies specializing in producing TOYO and LION lead-acid batteries for use in motor vehicles, motorcycles, and industrial activities, secondary smelting of lead for battery production, plastic injections business, importing, distributing and selling lubricants, automotive parts, and accessories.



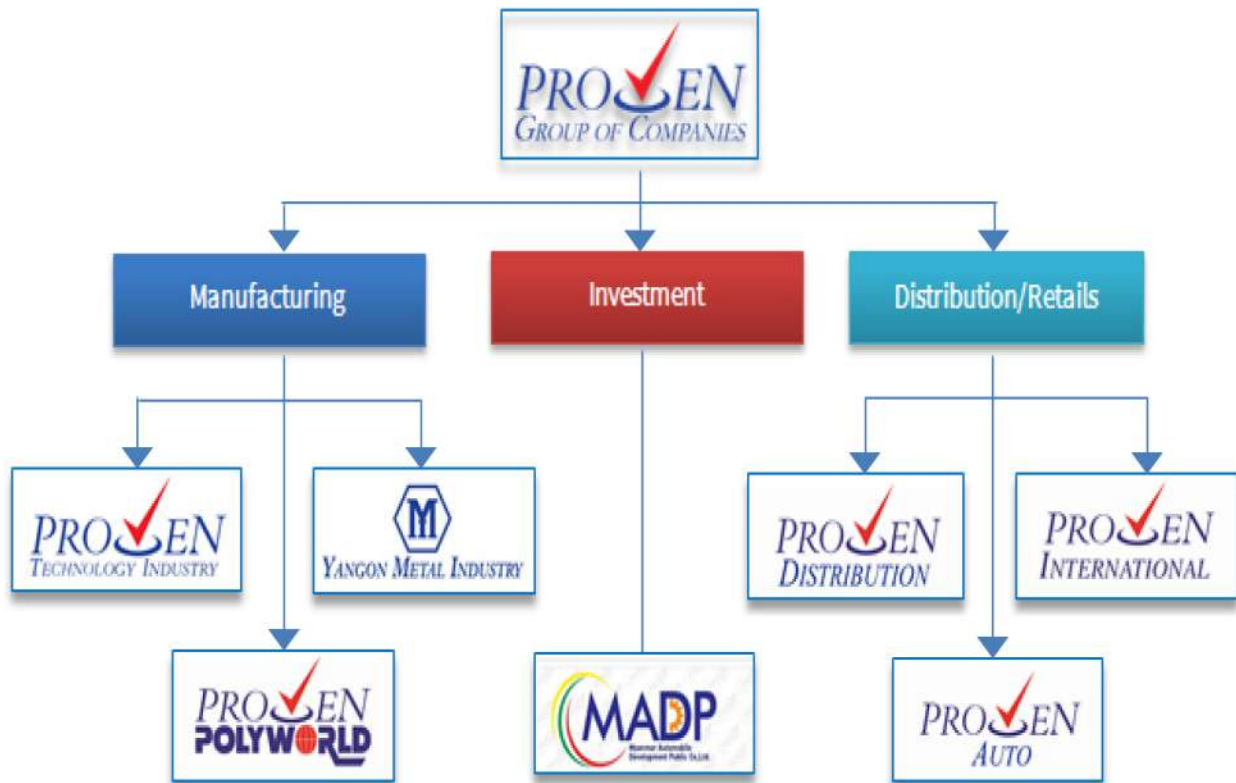
PROVEN began the company in 1996 with the manufacture of batteries and eventually expanded into associated sectors and distribution.

PROVEN GROUP OF COMPANIES adheres to and maintains international manufacturing standards, occupational health and safety management system ISO:45001 (formerly OHSAS:18001), environmental management system ISO:14001, and quality management system ISO:9001. In addition, PROVEN GROUP OF COMPANIES is actively participating in Responsible Care, one of the chemical industry's voluntary initiatives to drive continuous improvement in safe chemicals management and achieve excellence in environmental, health, safety and security performance.

PROVEN is a member of the Myanmar Industries Association (MIA) the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Responsible Care which focuses on environmental, health and safety.

2.3.1 STRUCTURE OF PROVEN GROUP OF COMPANIES

PROVEN GROUP OF COMPANIES is structured as follows to strike a balance between sustainable development and the ability to respond appropriately and effectively to challenges and continuously developing situations:



2.3.2 VISION, MISSIONS, CORE VALUES AND COMMITMENTS OF PROVEN GROUP OF COMPANIES

The Vision of PROVEN GROUP OF COMPANIES

- To retain a leading position in Myanmar's lead-acid battery industry.
- To aid in the growth of Myanmar's automobile assembly and manufacturing sectors, and to establish a regionally recognized Myanmar brand.

The Mission of PROVEN GROUP OF COMPANIES

- Customer Satisfaction and continual quality growth by the solution of success.
- To become the top-selling battery brand in Myanmar automotive battery market.
- To grow exports and establish itself as the market leader in the domestic market.
- To establish a GROUP OF COMPANIES that provides goods and related services to the energy storage sector.

Values of PROVEN GROUP OF COMPANIES

P	Professional	To stand as an accountable and responsible Corporate with a high quality of performance.
R	Reliability	To become a Corporate that can earn the trust and confidence of the public and stakeholders.
O	Open-Minded	To continually promote innovation and to welcome new ideas.
V	Value Creation	To achieve mutually beneficial results from respective sectors in collaboration with wholesalers, retailers, shareholders and stakeholders.
E	Embrace Change	To build strength by consistently promoting positive change in all circumstances.
N	Novelty and Innovation	To carry out the actions that can contribute the society through innovative inventions.

THE COMMITMENT OF PROVEN GROUP OF COMPANIES

- PROVEN GROUP OF COMPANIES is always devoted to delivering our valued customers high-quality products and services.
- PROVEN GROUP OF COMPANIES will offer a full guarantee on all purchases and will provide battery services in major cities as well as in Myanmar's regions and states.



2.3.3 INTERNATIONAL CERTIFICATIONS AND AWARDS

The factories and businesses under the PROVEN GROUP OF COMPANIES have attained to be certified by ISO 9001: 2015 quality management system, the ISO 14001: 2015 environmental management system, and the ISO 45001: 2018 occupational health and safety system. Additionally, external auditors have annually validated the group of companies through online and on-site audits to verify compliance with requirements.

ISO 14001: 2015 EMS Certificate	ISO 45001:2018 OSH Certificate
	
ISO 9001: 2015 QMS Certificate	ASEAN-OSHNET Best Practices Award 2016
	

2.4 BUSINESS PROFILE OF PROVEN GROUP OF COMPANIES

The scope of the PROVEN GROUP OF COMPANIES is as follows:

2.4.1 PROVEN DISTRIBUTION CO., LTD

PROVEN DISTRIBUTION is located at No. (F / S-14), Shwe Sapal Yeik Mon Housing, Ba Yint Naung Road, Kamayut Township, Yangon. U Than Htaik Lwin, Chief Executive Officer, is responsible for managing and distributing TOYO and LION brand batteries made by PROVEN TECHNOLOGY INDUSTRY across Myanmar.

2.4.2 PROVEN TECHNOLOGY INDUSTRY CO., LTD

PROVEN TECHNOLOGY INDUSTRY is located No. (94,136,137), (42) Ward, Industrial Zone (1), Khayay Road, Shwepyithar Township, Yangon. It is managed by Chief Executive Officer U Than Htaik Lwin and manufactures batteries under the TOYO and LION brands.

2.4.3 PROVEN POLYWORLD CO., LTD

PROVEN POLYWORLD is located at No. (114), Khayay Road, (42) Ward, Industrial Zone (1), Shwepyithar Township, Yangon. Managing Director U Aye Ko is in charge of the manufacturing of battery containers and plastic products.

2.4.4 PROVEN INTERNATIONAL CO., LTD

PROVEN INTERNATIONAL is located at No. K8-K9; Thiri Yadanar Wholesale Market, No. (3) Road, Mingaladon Township, Yangon. Managing Director U Aung Thu Si directs and supervises the company's operations, which include the import, distribution, and sale of State and AISIN engine oil, as well as 3M brand Auto Care products.

2.4.5 YANGON METAL INDUSTRY CO., LTD

YANGON METAL INDUSTRY is located at No. (261, 262, 263), Parami Road, Myaung Taka Industrial Zone, Hmawbi Township, Yangon. U Tint Myo Naing, Managing Director, is in charge of secondary lead smelting in the battery manufacturing process.



**CHAPTER (3)
LEADERSHIP**

CHAPTER (3) LEADERSHIP

The Board of Directors and management team play a critical leadership role in balancing PROVEN Group of Companies' sustainable development and corporate success.

3.1 Management Team



U Than Htaik Lwin graduated with B.Sc (Management, Marketing and Small Business Management) Degree from Bemidji State University in the USA. He is a Certified Director who has accomplished the Corporate Governance Programme Training Course, jointly organized by IFC and the Myanmar Institute of Directors (MIoD).

U Than Htaik Lwin took the responsibility of the general manager of PTIC company in 2005, the chief operating officer (COO) in 2010, and the managing director in 2016. He founded the Proven Group and is presently serving as its CEO.

Additionally, he serves as a representative director for the subsidiaries of Proven Group and Myanmar Automobile Development Public Co., Ltd. He has been elected as a president of the Yangon Region Young Entrepreneurs Association (YRYEA), the Yangon Region Automotive Component, Spare Parts and Accessories Association (ACSAA), and Myanmar Automobile Develop Public Company Limited. In 2019, he was presented with the Young Alumni Award at Bemidji State University's (100th) anniversary celebration and gala dinner.

Due to his tremendous efforts, PROVEN TECHNOLOGY INDUSTRY, a member of the PROVEN GROUP OF COMPANIES, was awarded the 2016 ASEAN-OSHNET BEST PRACTICES AWARD, the ASEAN Regional Award for Occupational Safety and Health in the ASEAN Region.

Additionally, with his tireless endeavours, PROVEN GROUP OF COMPANIES was ranked 18th in the sixth Pwint Thit Sa/Transparency in Myanmar Enterprises (TIME) report. It was featured on the 200 companies that pay the most commercial tax and the 300 companies that produce the most income tax.



Daw Mya Mya Than obtained a Bachelor of Science degree in Physics from Mawlamyine University. In 1996, she co-founded PTIC with her husband, U Ohn Lwin.

She has served as the Director of PTIC (Finance) for several years. Currently, she is working as a Part-Time Executive Director (Finance).



U Myo Thit Aung holds a Master of Commerce Degree from the Yangon University of Economics, a diploma in ESHRM from RV-Singapore, and a diploma in financial reporting from Financial Reporting International (UK).

He joined PTIC as a financial officer in 2001 and was appointed to the Board of Directors in 2008. At the moment, he is jointly managing Proven Group's management and accounting functions.

He is a Certified Director who has accomplished the Corporate Governance Program Training Course, jointly organized by IFC and the Myanmar Institute of Directors (MIoD).



U Aye Ko has over 20 years of expertise in lead-acid battery manufacturing, quality management, and technological development, and has been instrumental in innovating Myanmar's battery manufacturing industry.

He is the Production Director of the Proven Technology Industry and jointly works as the Production Director of YMI and PPW.



Since 2007, U Kyaw Nyunt has served as a consultant to the PROVEN GROUP OF COMPANIES. He graduated from Yangon Methodist High School in 1941. He attained a Bachelor of Arts Degree in 1968 and a Diploma in Statistics. He studied advanced accounting and finance at Strathclyde University in the United Kingdom and is a Certified Public Accountant (CPA), ASEAN Certified Accountant (ACPA), and ASEAN Chartered Practicing Accountant.

From 1958 to 1995, he worked as the Government Auditor at the Auditor General's Office of Myanmar, then as the State Auditor Officer in Shan State from 1988 to 1992, retiring as the Deputy Director. He has significant auditing expertise in the energy, mining, marine transport, and social security sectors.

He serves as a member of the Myanmar Accountancy Council (MAC) and a patron of the Myanmar Institute of Certified Public Accountants (MICPA) for community initiatives. Along with offering advisory services, he also functions as an insolvency practitioner and official liquidator.

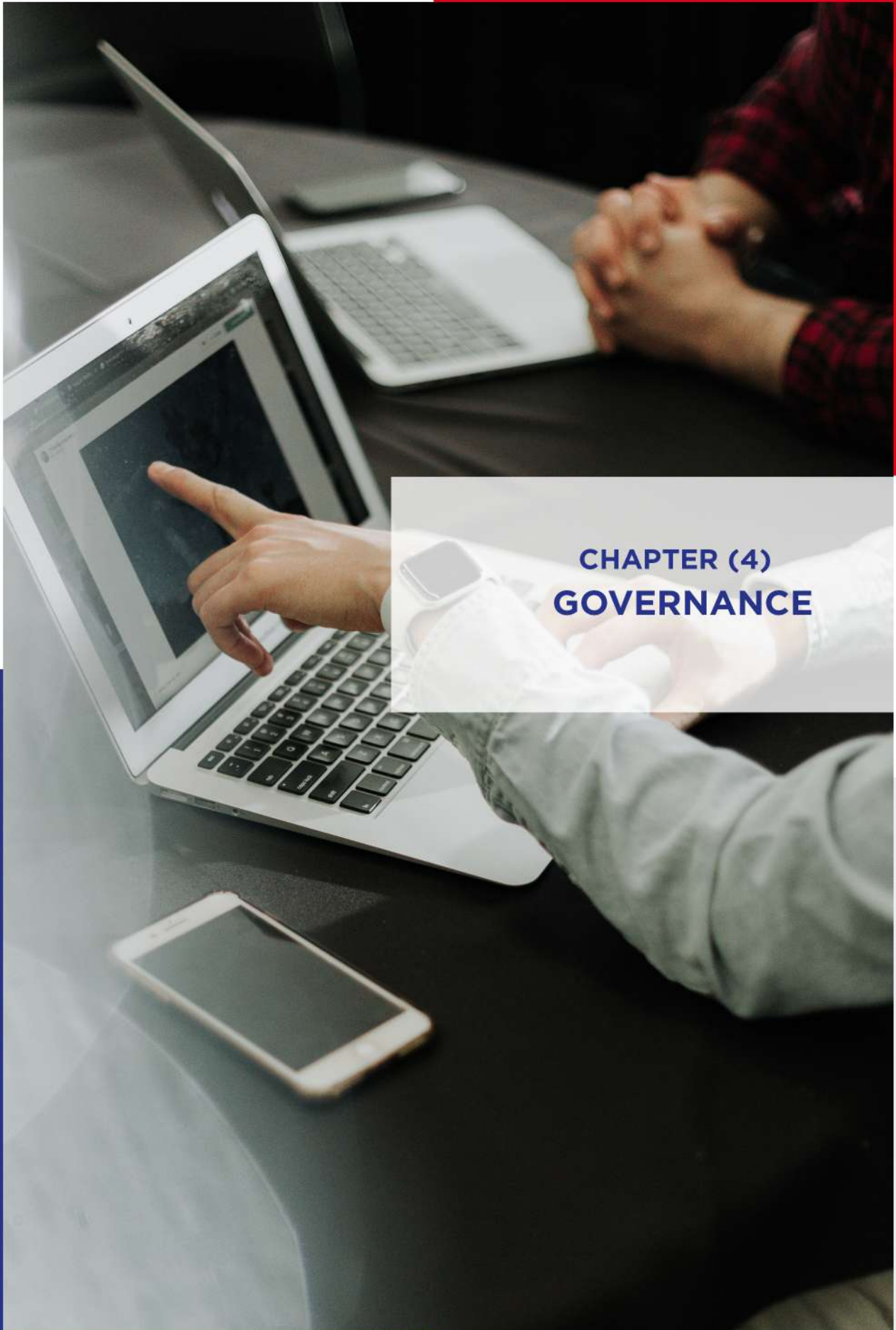


U Aung Nyunt has been appointed as a corporate governance consultant since August 2020. He graduated from Myoma High School in 1944. He earned a Bachelor of Commerce (Accounting) degree in 1964 and a Registered Accountant (Full-fledged) degree (now C.P.A.) in 1965.

He worked for Myanmar Timber Enterprise's Finance, Accounting, and Planning Department for over 41 years from 1966 to 2007, retiring as a general manager (Project). He worked as a director (Finance) of National Industrial Holding Corporation Limited (NIHL) (public company) for two and a half years in 1991 as a joint responsibility. He worked as a part-time director of Myanmar Timber Enterprise in Myanmar Forest Products Joint Venture Corporation Limited (Forest J.V) (Public Company), Myanmar-Korea International Trade Company (MKTI), Myanmar Seal Co., Ltd. (M.S.L.), and International Business Center Co., Ltd. (I.B.C.) from 1995 to 1996.

From 2008 to 2013, he worked as a Certified Public Accountant for the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), the Myanmar Engineering Society (M.E.S.), the NGO-Japan Seeds Asia Project, the Board of Trustees and Treasury of ShweSanDaw Pagoda in Pyay, and the International Business Center Limited (I.B.C.) as "Aung Nyunt and team" for six years, and has issued audit reports.

He attended financial management conferences in nine countries as part of his official duties. In April 2018, he also participated in the IFC and Myanmar Institute of Directors' Audit Committee Master Program (MIoD).



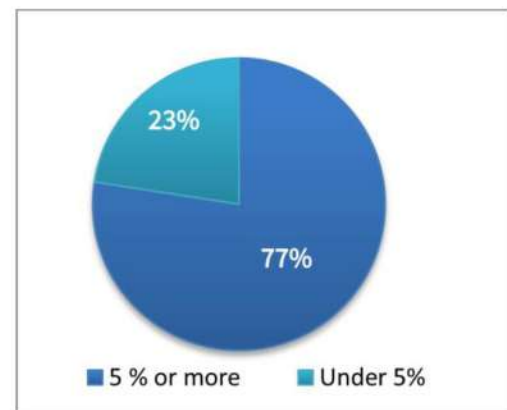
CHAPTER (4)
GOVERNANCE

4.1 OWNERSHIP STRUCTURE

The ownership structure of PROVEN GROUP OF COMPANIES is shown in the table below:

Sr.	Shareholders owning 5% or more of the share	Role	Type
1	U Tun Myint	Chairman	Non-Executive
2	U Than Htaik Lwin	Managing Director	Executive
3	Daw Mya Mya Than	Director	Executive
4	U Aung Aung	Director	Non-Executive
5	U Myint Zaw	Director	Non-Executive
6	U Zaw Myo Myint	Director	Non-Executive

Sr.	Ownership Status	Number
1	5 % or more	6
2	Under 5%	19
	Total	25



4.2 GOVERNANCE STRUCTURE

The governance structure of PROVEN GROUP OF COMPANIES is as follows:



4.3 Board of Directors

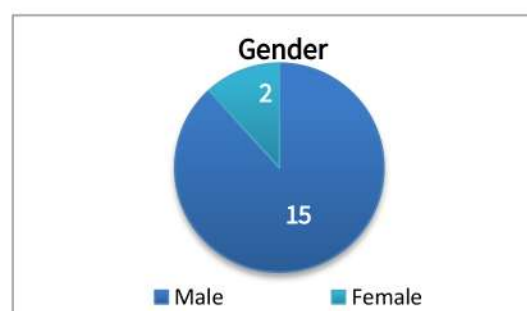
The Board of Directors is the most responsible team in the PROVEN GROUP OF COMPANIES' corporate governance structure. It serves as the steering body for such governance.

The Board of Directors not only leads but actively monitors the PROVEN GROUP OF COMPANIES' sustainable development area.

4.3.1 The Structure of the Board of Directors

The Board of Directors, which has a total of 17 members, is formed of the following: four executive directors and thirteen non-executive directors:

Name	Date of First Appointment	Last Re-election	Type	Board
U Tun Myint	1996	2020	Non-Executive	Chairman
U Kyain Myint (U Htay Yu - proxy)	1996	2020	Non-Executive	Member
U Kyi Gwan	1996	2020	Non-Executive	Member
U Myo Lwin	1996	2020	Non-Executive	Member
U Aung Aung	1996	2020	Non-Executive	Member
U Myint Naing	2002	2020	Non-Executive	Member
U Myint Zaw	2008	2020	Non-Executive	Member
Daw May Yi	2008	2020	Non-Executive	Member
U Nyan Thit Hlaing	2008	2020	Non-Executive	Member
U Zaw Myo Myint	2011	2020	Non-Executive	Member
U Tint Myo Naing	2017	2020	Non-Executive	Member
U Sai Hla Win	2017	2020	Non-Executive	Member
U Myo Min Tun	2019	2020	Non-Executive	Member
Daw Mya Mya Than	1996	2020	Executive	Member
U Than Htaik Lwin	2008	2020	Executive	Member
U Aye Ko	2005	2020	Executive	Member
U Myo Thit Aung	2008	2020	Executive	Member
U Kyaw Nyunt	2007	2020	Advisor	-
U Aung Nyunt	2020	2020	Advisor	-



4.3.2 The Duties of the Board of the Directors

The Board of the Directors of PROVEN GROUP OF COMPANIES is -

- (1) Leading and controlling PROVEN GROUP OF COMPANIES and regularly overseeing PROVEN GROUP OF COMPANIES' management and commercial operations
- (2) Deliberating and authorizing by thoroughly evaluating all decisions that may have a negative financial or income impact.
- (3) In particular, verifying and approving dividends and rewards, financial statement publishing, major projects, purchasing and selling expensive items, and director election.
- (4) Consulting on financial decisions, strategies, projects, and the status of the battery market.
- (5) Constantly observing and advising on the manufacturing industry's working environment, as well as the safety and health of the society.

4.3.3 The Delegation of the Board of the Directors

There is a strong sense of independence within the Board of Directors, as evidenced by the board's majority of non-executive directors. In addition, with non-executive directors from a range of educational backgrounds, gender, age, ethics, and business experience, the board of directors fosters a diversity of ideas and independent thinking.

Additionally, since the Audit and Risk Management Committee (ARMC) and the Nomination and Remuneration Committee (NRC) are comprised of non-executive directors, while, it is clear that the board of directors' decisions is made for the benefit of the company rather than the individual.

4.3.4 The Meetings of the Board of the Directors

The Board of Directors of the PROVEN GROUP OF COMPANIES was able to hold meetings four times in the year 2020-2021.

Name	Board Meeting
Total Number of Meeting held	4
Executive Directors	
U Than Htaik Lwin	4
Daw Mya Mya Than	4
U Myo Thit Aung	4
U Aye Ko	4
Non-Executive Directors	
U Tun Myint	4

U Aung Aung	4
U Myint Zaw	3
U Zaw Myo Myint	4
U Tint Myo Naing	4
U Kyain Myint (U Htay Yu)	4
U Myint Naing	4
Daw May Yi	4
U Kyi Gwan	4
U Sai Hla Win	4
U Nyan Thit Hlaing	4
U Myo Min Tun	4
U Myo Lwin	2
Advisors	
U Kyaw Nyunt	3
U Aung Nyunt	4

4.3.5 Annual General Meeting

The 19th Annual General Meeting was held on 9th January 2021 through Zoom Application and was attended by 23 shareholders. The shareholders agreed and approved at the annual general meeting on endorsing the directors' report, financial statements, and audit reports, distribution of dividends, electing the chairman and directors, appointing the chief executive officer, managing directors, executive directors, and consultants, confirming the Covid-19 prevention donation, and re-appointing external auditors for the fiscal year 2021-2022, etc.

Decisions	Vote of Confidence	Dissenting Vote	Neutral Vote
Approval of the report of the directors, financial statements and audit reports	100%	-	-
Distribution of Dividends	100%	-	-
Future Activities and investments	100%	-	-
Election of chairman and Board of Directors for the year 2020-2021	100%	-	-
Appointment of consultants	100%	-	-
Approval of donations for the Prevention and Treatment Fund	100%	-	-
Re-appointment of external auditors	100%	-	-

4.4 The Compositions of the Committees of the Board of the Directors

The Board of Directors has formed the following committees:

- (a) Nomination and Remuneration Committee
- (b) Audit and Risk Management Committee
- (c) Business Development Working Committee
- (d) Business Continuity Committee

4.4.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises four members: three non-executive directors and one consultant. It is responsible for selecting the directors into a Board of Directors consisting of diverse individuals with experience in disciplines such as education, finance, and economics.

Name	NRC
U Myo Lwin	Chairman
U Kyi Gwan	Member
U Myint Naing	Member
U Kyaw Nyunt	Member

It is responsible for establishing the remuneration policy for executive directors, directors, and senior executives, as well as quantifying wages and establishing the remuneration policy for the whole workforce, and making recommendations to the boards of directors on such subjects.

Due to the three-year term limit for members of the Board of Directors, the oldest one-third of all members retires, and new directors are elected at the annual general meeting.

The Nomination and Remuneration Committee carefully selects new directors from the proposed shareholders in line with the appropriate education, age, and experience stipulated in the Myanmar Companies Law, particularly those with extensive experience in the financial, business, and administration sectors of the battery industry, which is the company's primary business. Specifically, the diversity of the Company's Board of Directors is considered.

The Board of Directors has approved the Nomination and Remuneration Committee's policies and procedures.

The following meetings of the Nominations and Payment Setting Committees were conducted in 2020-2021:

Name	Nomination & Remuneration Committee Meeting
Total number of meetings held	2
Non-Executive Directors	
U Myint Naing	2
U Kyi Gwan	2
U Myo Lwin	2
Advisors	
U Kyaw Nyunt	2

4.4.2 Audit and Risk Management Committee

The Audit and Risk Management Committee, comprised of two non-executive directors and two consultants, was established with four members. Along with providing independent advice on matters relating to the company's potential risk, compliance with the law and Board of Director's directives, control, and the administrative framework, the committee is also responsible for other necessary responsibilities, such as financial statement preparation.

NAME	ARMC
U Sai Hla Win	Chariman
U Kyaw Myint	Member
(U Htay Yu - proxy)	Member
U Kyaw Nyunt	Member
U Aung Nyunt	Member

Before financial statements are submitted to the Board of Directors, they must be reviewed by the Audit and Risk Management Committee. Fraud must be prevented, and if they do occur, it must be investigated immediately. Collaboration with other committees and management is necessary to avoid possible risks to the organization, raise awareness, and implement relief measures.

Clear standards have been established to implement the Audit and Risk Management Committee's policies and duties.

The committee meetings of the Audit and Risk Management Committee for 2020-2021 were held as follows.

Name	Audit & Risk Management Committee Meeting
Total number of Meeting held	8
Non-Executive Directors	
U Kyain Myint (U Htay Yu)	8
U Sai Hla Win	8
Advisors	
U Kyaw Nyunt	8
U Aung Nyunt	8

4.4.3 Business Development Committee

The Business Development Committee was organized with a total of seven members including the two executive directors and four non-executive directors, one consultant.

Name	BDC
U Aung Aung	Member
U Myint Zaw	Member
U Nyan Thit Hlaing	Member
U Zaw Myo Myint	Member
U Than Htaik Lwin	Member
U Myo Thit Aung	Member
U Aung Nyunt	Member

The primary responsibility is to ensure the sustainability and development of PROVEN GROUP OF COMPANIES' operations, including the expansion of production and industrial work, the change of technology and procedures, the acquisition and sale of significant fixed assets, and the monitoring of external investments. All members of the business development committee attended all meetings and participated in open discussions. The Committee meetings of the Business development committee for 2020-2021 were held as follows.

The committee meetings of the Business Development Committee for 2020-2021 were held as follows.

Name	Business Development Committee Meeting
Total number of meetings held	4
Executive Directors	
U Than Htaik Lwin	4
U Myo Thit Aung	4
Non-Executive Directors	
U Aung Aung	4
U Myint Zaw	4
U Zaw Myo Myint	4
U Nyan Thit Hlaing	4
Advisors	
U Aung Nyunt	4

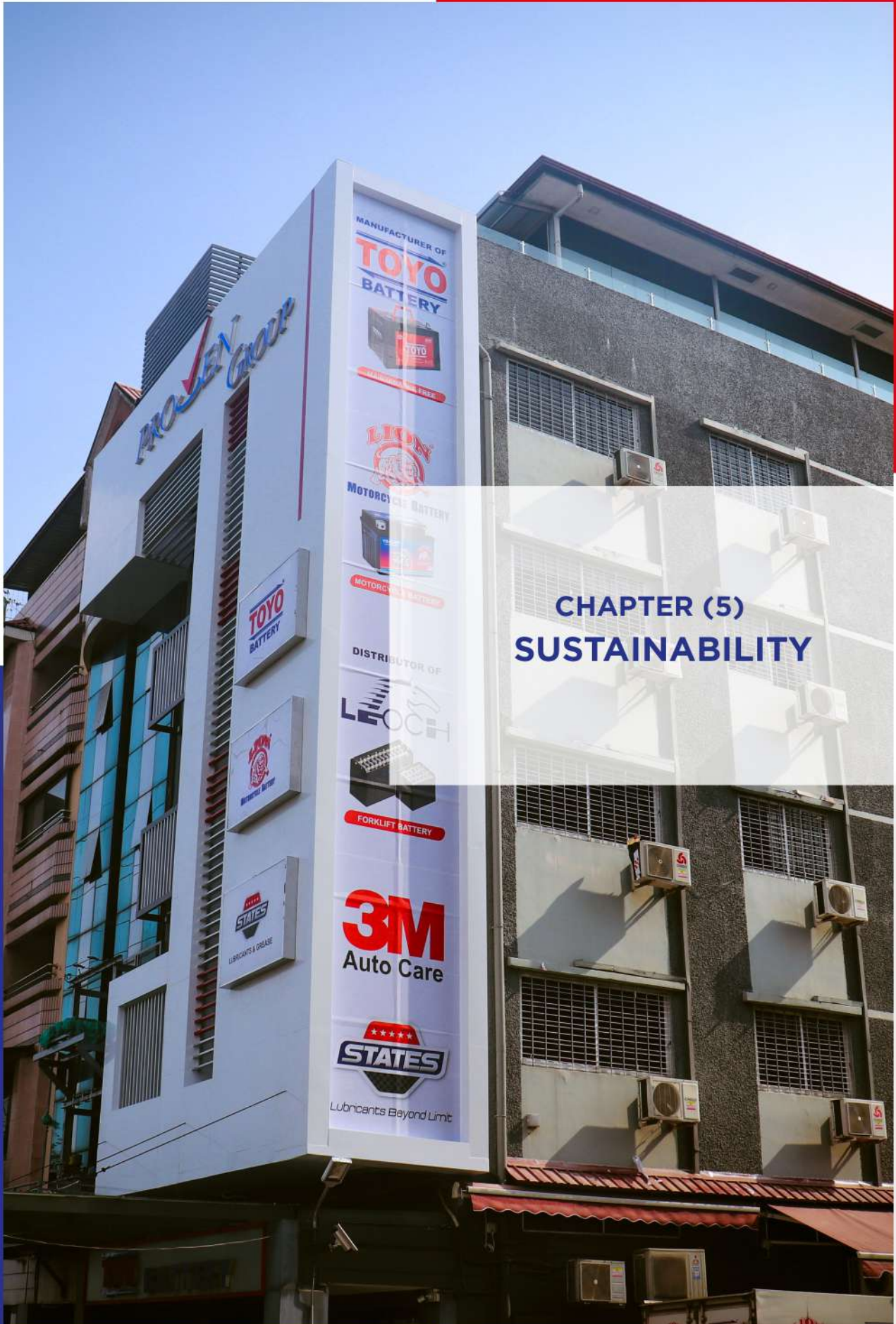
4.4.4 Business Continuity Committee

The Business Continuity Committee was formed in September 2020. The purpose is to regulate the company's activities and to adhere to the Covid-19-related orders and instructions issued by the Ministry of Health and relevant authorities.

Distribution	Factory
1. Managing Director	1. Managing Director
2. Director (Finance and Account)	2. Director (Finance and Account)
3. General Manager	3. Director (Production)
4. Manager (Admin)	4. Factory Manager
5. Manager (HR)	5. Manager (Admin)
6. Manager (Sales and Marketing)	6. Manager (HR)
7. Manager (Finance)	7. Manager (Production)
8. Management Representative	8. Accountant
	9. Management Representative

The meetings were scheduled in September and October 2020, and the committee would decide on daily operations through the Closed Group Chat.

Additionally, the Facebook Community (Closed Groups) was created to disseminate work-related information in a timely manner, reply to any inquiries, and summarize the company's highlights. Business Continuity Committee held four meetings.



CHAPTER (5) SUSTAINABILITY

5.1 The Sustainability Policy of the PROVEN GROUP OF COMPANIES


PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that are constantly learning to adhere to sustainable development. Since around 1996, when Toyo and Lion Battery Productions were established, we have laid great emphasis on sustainable development. When the PROVEN GROUP OF COMPANIES was formed, sustainable development policies were developed and implemented. These policies can be accessed at www.proven.com.mm.


5.1.1 Appointment of Sustainable Officer




Since September 2021, in order to take more concrete efforts towards the sustainable developments of the Group of Companies, the Proven Group of Companies appointed a Sustainable Officer under the Group of Companies.

5.2. PROVEN GROUP OF COMPANIES and the United Nations' Sustainable Development Goals


PROVEN GROUP OF COMPANIES is making sure that every business activity of the group of companies contributes to the United Nations' Global Goals for Sustainable Development. PROVEN GROUP OF COMPANIES has met 10 of the 17 United Nations Sustainable Development Goals and 30 of the 169 Targets through its business activities. Additionally, the group of companies will carefully design its business activities to fulfil the rest of the United Nations Sustainable Development Goals and Targets.


	Sustainable Development Goals and Targets
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of United Nations Sustainable Development Goal (1) by setting employee salaries based on the government's minimum wage, taking the annually-changing Consumer Price Index (CPI) into consideration. We also provide interest-free home loans for our staff.</p>	<p>1.1 1.2 1.4 1.5</p>


	Sustainable Development Goals and Targets
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of United Nations Sustainable Development Goal (3) by ensuring that there is no consumption of drugs and substances, alcohol and that there is no harm to the health of the staff as a result of the chemicals used in the manufacturing process of the factories under PROVEN GROUP OF COMPANIES.</p>	<p>3.5 3.9 3A</p>


<p>6 CLEAN WATER AND SANITATION</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (6) by carrying out treatment for the industrial wastewater that came out of its manufacturing process. PROVEN GROUP OF COMPANIES also ensures that there is no harm to the water, air, and environment by the industrial chemicals.</p>	<p>6.3</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (8) by ensuring that we do not practise forced and child labour, continuously providing decent work and a safe and healthy environment for the staff, and making them enjoy their labours' rights that are in line with the existing labour laws.</p>	<p>8.5 8.6 8.7 8.8</p>
<p>9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (9) by formulating and implementing policies to become a sustainable and resource-efficient group of companies.</p>	<p>9.2 9.4</p>


PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (9) by formulating and implementing policies to become a sustainable and resource-efficient group of companies.	9.2 9.4
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<p>10 REDUCED INEQUALITIES </p>	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (10) by adjusting employee salaries with the annually-changing Consumer Price Index (CPI), ensuring income security, raising the pay uniformly and contributing to social security schemes.	10.1 10.3 10.4

<p>11 SUSTAINABLE CITIES AND COMMUNITIES </p>	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (11) by adjusting employee salaries with the annually-changing Consumer Price Index (CPI), ensuring income security, providing interest-free home loans to staff to purchase safe and healthy housing at reasonable prices, and providing interest-free loans which can be repaid by monthly instalments to the staff who are having financial difficulties resulting from various reasons.	11.1 11.5

<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </p>	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (12) by being certified by ISO 14001, environmental management system, in its factories and industries and ensuring that no harm to the environment occurs due to manufacturing processes or chemical use. Additionally, PROVEN GROUP OF COMPANIES has established a goal to reduce	12.2 12.4 12.5 12.6 12.7

16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Sustainable Development Goals and Targets
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (16) by upholding a code of conduct prohibiting the giving or accepting of bribes, policing corporate management and ensuring that there is transparency and no discrimination at all levels, providing decision-making capacity at all management levels, and organizing workers' organizations in accordance with the existing labour laws.</p>	<p>16.5 16.6 16.7 16.10 16B</p>

17 PARTNERSHIPS FOR THE GOALS 	Sustainable Development Goals and Targets
<p>PROVEN Company OF COMPANIES attempted to comply with the United Nations' Sustainable Development Goal (17) by consistently attempting to maintain its integrity as a sustainable group and by appointing a Compliance and Sustainability Officer in accordance with those sustainable development measures.</p>	<p>17.5 17.6 17.7 17.10 17B</p>

5.3 Social, Environmental and Economic Sustainability of the PROVEN GROUP OF COMPANIES

PROVEN GROUP OF COMPANIES attempts to distinguish itself not as a collection of businesses conducting economic activity but as a sustainable group with ethics. As a result, the group focuses on sustainability concerning the labour, which is the primary pillar of a group of companies, the environment in which the industries operate, and the profit generated by the business.

5.3.1 Activities relating to Social Sustainability

5.3.1.1 Skill Development

Proven Group of Companies provides several training cycles for staff training to build an organization with skilled human resources and continually develop fresh ideas based on up-to-date knowledge. As a result, all employees have the opportunity to participate in various training programs including management, skill development, workplace safety and health, ISO, and business ethics added up to at least (700) hours each year.

5.3.1.2 Workplace safety and Health

PROVEN GROUP OF COMPANIES is continuously attempting to have zero major and fatal accidents under the 2019 Occupational Safety and Health Law. For this reason, the group makes not only the companies' staff but also the contractor hired for the work of the group of companies follow the workplace safety and health rules and regulations.

The group is creating and uplifting safe and healthy workplace environments as follows.

- (1) Organizing the workplace safety and health committees
- (2) Appointing the department managers as a chairperson at those committees alternatively.

There were the following workplace occupational accidents in the PROVEN GROUP OF COMPANIES during 2020-2021.

- | | |
|-------------------------|------------|
| (1) First-aid Accidents | Five cases |
| (2) Minor Accidents | Six cases |

In 2020-2021, the PROVEN GROUP OF COMPANIES does not have serious, major and fatal accidents.

5.3.1.3 Social Security

PROVEN GROUP OF COMPANIES is implementing the social security activities as follows.

- (1) Registering at the social security office
- (2) Opening the clinics at the factories
- (3) Giving annual medical check-ups
- (4) Giving milk, banana and fresh food as the necessary nutrition.

5.3.1.4 Human Resource

PROVEN GROUP OF COMPANIES is implementing the human resource development to have the following outcomes.

- (1) Turnover below (5%)
- (2) Absenteeism below (7%)
- (3) Women employee ratio (30%)
- (4) More than 90% of the staff is covered for Covid-19 Vaccination.
- (5) Full benefit of the social security for all the reported cases.

5.3.2 Environment Sustainability

Using the goal of causing no harm to society and the environment in all sectors, the PROVEN GROUP OF COMPANIES conducts operations such as disposing of wastewater from battery manufacturing companies by going through a pre-screening process and a wastewater treatment system. Additionally, Yangon Metal Industry Co., Ltd. was established and conducted activities such as secondary smelting lead by purchasing discarded batteries, collecting lead dust generated from plate cutting and cleaning process by lead dust collector, removing acid vapour from the air with an acid vapour collecting system, and measuring the air quality every three years by inviting the Occupational Health Division.

5.3.3 Economic Sustainability

As PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that constantly adheres to sustainable development, we are earning only fair and just profits and managing those profits in the following manner:

- (1) Operating the sustainable development activities of PROVEN GROUP OF COMPANIES
- (2) Investing in the future economic establishments of PROVEN GROUP OF COMPANIES
- (3) Distributing the dividends proportionately to the shareholders in accordance with the profit-sharing policy of the PROVEN GROUP OF COMPANIES
- (4) Giving the bonuses to the staff of the respective industries of the PROVEN GROUP OF COMPANIES

5.4 Risk Management

Due to the nature of the business that manufactures and sells batteries, the Audit and Risk Management Committee identified that the PROVEN GROUP OF COMPANIES may encounter the following risks.

- (1) Credit Sales
- (2) Production
- (3) Human Resource

The Audit and Risk Management Committee manages the aforementioned potential risks as follows

- (1) Setting procedures and policies for the Audit and Risk Management Committee
- (2) Encouraging and assisting the Management in establishing techniques that ensure there is the least debt for business activities that were sold on credit during Covid-19 and unstable conditions. Ensuring that there is no cancellation of production and, if there is, that there is the least loss in terms of human resources.

In accordance with the recommendations of the Audit and Risk Management Committee, the Management could manage the risks to become the least due to the detail-oriented plans.

Due to the nature of the business that manufactures and sells batteries, the Audit and Risk Management Committee identified that the PROVEN GROUP OF COMPANIES may encounter the following risks.

5.5 Society

PROVEN GROUP OF COMPANIES is establishing policies about philanthropic activities without expecting any profit or benefit in return as PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that constantly adheres to sustainable development.

PROVEN GROUP OF COMPANIES allocated MMK 30 million in the budget for the fiscal year 2020-2021 and used the funds to conduct the following philanthropic activities.

- (1) Donating the social organizations
- (2) Holding the Health Education Talks
- (3) Doing collective donation of blood
- (4) Planting the trees for the environmental conservation
- (5) Donating the oxygen and oxygen gas cylinders for the people who need oxygen during the COVID-19 third wave.

5.6 Engaging with stakeholders

The stakeholders associated with the PROVEN GROUP OF COMPANIES are shareholders, investors, customers, importers, staff, national government and authority organizations, local community organizations, and non-government organizations.

PROVEN GROUP OF COMPANIES responds to the issues relating to these stakeholders with the following techniques to have the sustainable development of the companies.

Stakeholders	How we connect	Activities	SDGs
Shareholders/investors	<ul style="list-style-type: none"> • Meetings • Emails and Phones • Letters • Company Website 	• Maintaining a good relationship with the founding shareholders.	17
		• Holding the 19 th annual general meeting in January 2021.	16
		• Attending the corporate	16
		management course held by the Myanmar Institute of Directors (MIOD) by the board of directors	16
		• Publishing 2020-2021 annual report.	

(1) Donating the social organizations



(2) Holding the Health Education Talks



(3) Doing collective donation of blood



(4) Planting the trees for the environmental conservation



- (5) Donating the oxygen and oxygen gas cylinders for the people who need oxygen during the COVID-19 third wave.



Stakeholders	How we connect	Activities	SDGs
Customers	• Email, Phone, and Letter	• Controlling the quality	7, 10
	• Social Media	• Opening the local sales and service centres	
	• Trade Fairs, Networking Events	• Opening the service centres, trained and endorsed by PROVEN.	4, 7
	• Workshops		12
Suppliers	• Company Websites	• Purchasing the discarded old battery for reuse	
	• Emails, Phone and Letters	• Quality and support of products/services	1, 8, 10, 16
	• Meetings	• Doing quick transactions and resolving the complaints politely	1, 8, 10, 16
	• Video-conferencing	• Making aware of the policies and code of conducts	9, 8
		Supplier development programs	

Stakeholders	How we connect	Activities	SDGs
Employees	• Annual Performance Appraisal	• Providing decent wages, assisting with advanced training, assisting with essential resources, establishing a safe work environment, providing natural disaster management and compliance with traffic laws training, and providing financial assistance for sickness	1, 2, 3, 4, 6, 8, 13
	• In-office Intranet, Internet, Email and Phone		
	• Complaint Mechanism		
	• Training, Induction		
	• Meetings	• Giving equal chance in hiring, training	

Stakeholders	How we connect	Activities	SDGs
	<ul style="list-style-type: none"> • Survey of the staff • Discussions • Ethics & Code of Conduct 	<ul style="list-style-type: none"> and promoting the staff without any discrimination against gender • Giving medical check-ups to the staff in the production • Letting the Covid-19 staff work from home • Arranging the supporting activities for all the staff 	<p>5, 10</p> <p>3</p> <p>3, 8</p> <p>3</p>
Government and Authorities	<ul style="list-style-type: none"> • Email, Phone and Letters • Complying with provisions and regulations • Attending the meetings 	<ul style="list-style-type: none"> • Giving the taxes • Renewing the license • Complying with provisions and regulations 	<p>10,</p> <p>16</p> <p>16</p> <p>16</p>
Associations, local community and non-government organizations.	<ul style="list-style-type: none"> • Meetings • Site visits • Trade Fairs and Discussions • Email and Phone • Company Website • Facebook 	<ul style="list-style-type: none"> • Being a member of Myanmar Industries' Associations (MIA), Myanmar Chemical Industries Associations (MCIA), Myanmar Automobile Manufacturers and Distributors Association (MAMDA), Yangon Region Automotive Components, Spare parts & Accessories Association (YACSAA) and Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) • Carrying out the blood donation activities • Donating the oxygen cylinders and oxygen • Encouraging the anti-corruption movement through the UN Global Compact continuously 	<p>12</p> <p>3</p> <p>3</p> <p>16</p> <p>13</p> <p>12</p> <p>12</p>

Stakeholders	How we connect	Activities	SDGs
		<ul style="list-style-type: none"> • Natural disaster management • Member of Responsible Care • Monitoring the process life cycle and taking corrective action in relation to waste production, treatment, and air pollution 	

Battery အမျိုးအစား
အလွယ်တကူရွေးဝယ်နိုင်



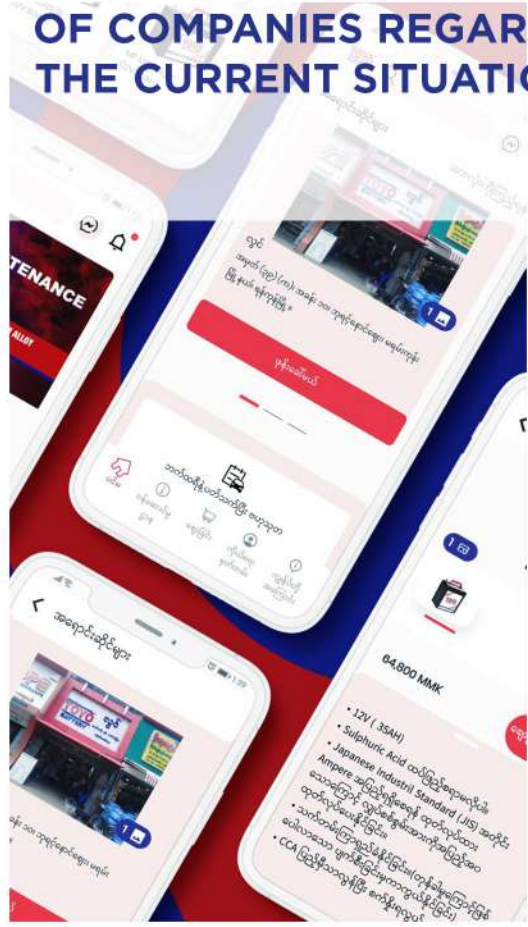
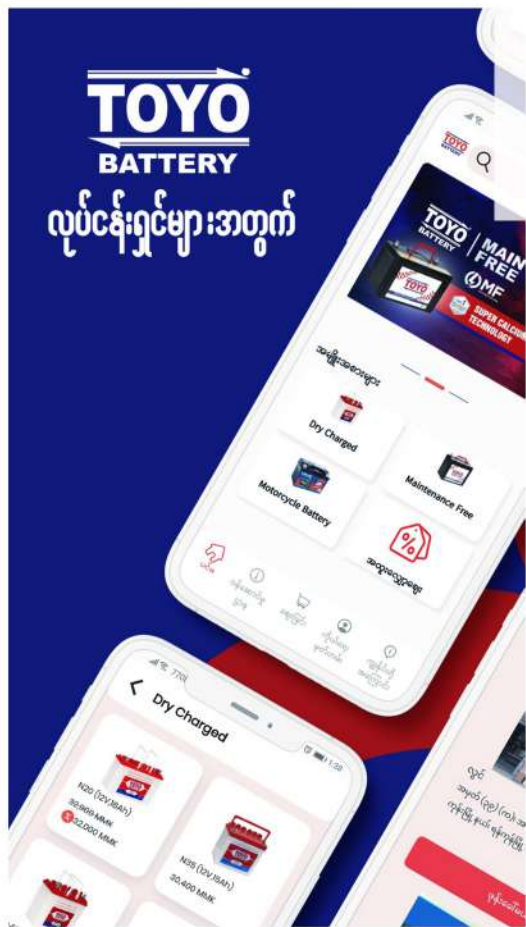
TOYO
BATTERY
အသုံးပြုသူများအတွက်



CHAPTER (6)

EFFORTS OF PROVEN GROUP
OF COMPANIES REGARDING
THE CURRENT SITUATIONS

TOYO
BATTERY
လုပ်ငန်းရှင်များအတွက်



6.1 The Covid-19 Prevention activities of PROVEN GROUP OF COMPANIES

PROVEN GROUP OF COMPANIES has been impacted by the second and third waves of Covid-19 that occurred in Myanmar in 2020 and 2021. Based on the lessons learned during the first wave of Covid-19 in 2019, the Board of Directors made the following decisions in consultation with the Managing Directors of the companies under PROVEN GROUP OF COMPANIES.

(1) The Activities of the Management Team

- a) Establishing a Business Continuity Committee (BCC) to ensure that businesses continue to operate without interruption owing to the Covid-19 epidemic.
- b) Managing, supervising and providing guidelines to BBC to ensure that the operations of the companies continue uninterrupted.
- c) Additionally, identifying potential risks to businesses, evaluating and providing mitigation and Management weekly and monthly for those risks.

(2) Preventive Measures

- a) Delivering knowledge-sharing talks and displaying educational information brochures on Coronavirus prevention.
- b) Arranging the ferries and separating the staff with a fixed distance in the ferries
- c) Installing acrylic and providing hand sanitiser in the workplace
- d) Practising social distancing in the workplace and dining rooms
- e) Checking body temperature before entering the workplace and providing places to wash hands in each location, as well as requiring staff to wear face shields and masks at all times.
- f) Providing adequate face shields and masks, as well as handing out sanitisers to every staff member.
- g) Allowing employees to work in an assigned and rotation system and Work from Home.

(3) Supporting Activities

- a) Giving the basic food with the patient package, Vitamin C, and medicines.
- b) Paying advance salaries to workers required to quarantine, assisting and enabling the provision of essential medication, and providing medical loans to patients diagnosed with Covid-19 and their families.
- c) Providing oxygen, flow meters, and oximeters to workers and their families who need oxygen.
- d) Monitoring the oxygen level and changing the new oxygen cylinders daily for the Covid-19 positive staff by forming in-house medical care staff.

(4) Management Activities

- a) Granting medical leave to employees suspected of being Covid-19 positive and approving them to work from home.
- b) Reporting the condition of the Covid-19 positive staff to the respective medical care staff members.
- c) Arranging for all staff to get Covid-19 vaccines.
- d) Making an effort not to conduct any layoff or reduction in salary.

Activities relating to the external organizations

- a. Informing customers who tested positive for Covid-19 that the companies can provide oxygen.
- b. Donating oxygen to clients in need, as well as providing health treatment.
- c. Delivering orders through the companies' local branches, if orders cannot be completed from Yangon owing to logistical issues.
- d. Making additional efforts to ensure that raw materials arrive on time and adjusting the price, informing customers in advance of the price change owing to the changing monetary conditions, so that the production cycle does not come to a halt and there is no loss for the consumers.

6.2 Reacting to the challenges

Upholding the moral code of ethics, PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that adheres to sustainable development. As a result, from the period of political change in 2021 until the present, the PROVEN GROUP OF COMPANIES has taken upright political principles. It has adopted the following policies for its companies and employees per business ethics.

- (1) Making some of the days the office holidays for the safety of the staff.
- (2) Making some government holidays the substitute working days for the above-mentioned holidays to create the job opportunities.
- (3) Allowing working from home for the staff who have difficulties coming to the office.
- (4) Allowing the staff to take the long holiday with the permission of the different levels of managers during those periods.

PROVEN GROUP OF COMPANIES prepared for the regular and uninterrupted flow of money, based on the circumstances of domestic banks, the fluctuating currency market, and money exchanges.

Additionally, the group of companies amended its work plans to enhance future sales to cover the decreased output and sales owing to the present conditions.

CHAPTER (7)
FUTURE ACTIVITIES OF
PROVEN GROUP OF COMPANIES



Keeps You **Going...**

As PROVEN GROUP OF COMPANIES attempts to evolve into a responsible group of companies that adheres to sustainable development, we have established the following future activities.

a. Short Term

Market

- (1) PROVEN GROUP OF COMPANIES will strive to be certified by the International Automotive Task Force (IATF).
- (2) PROVEN will open more local sales and service centres in the major cities.
- (3) PROVEN will restructure the investments and build a new battery factory during the 2022-2023 financial year.

Human Resource

- (1) In 2022, the updated HR management and software will be introduced to be practised in all subsidiary companies in PROVEN GROUP.
- (2) PROVEN will try to accomplish the ERP system as fast as possible to do the timely decision-making processes.
- (3) PROVEN will make a concerted effort to minimize the impact of contagious diseases, including Covid-19, natural and man-made hazards on its employees.

PROVEN GROUP OF COMPANIES

- (1) In 2022, the PROVEN GROUP OF COMPANIES' organizational structure and investments will be restructured as a group.
- (2) Values will be calculated systematically and submitted to the board of directors to raise the value of the company's annual share.
- (3) New missions and visions will be established in light of existing and future circumstances.

Long Term

Market

Along with the expansion to international markets by exporting the products of PROVEN GROUP OF COMPANIES, Proven will use an ERP system to ensure the continuous flow of imported raw materials and finished materials.


- (1) Along with the expansion to international markets by exporting the products of PROVEN GROUP OF COMPANIES, Proven will use an ERP system to ensure the continuous flow of imported raw materials and finished materials.
- (2) IFRS system will be utilized in the financial management and audit sections.

Human Resource

- (1) The essential training courses will be arranged through the establishment of a Training and Development Center for all subsidiary companies to standardize the quality in governance and competency and produce future leaders.
- (2) The proficient technicians will be assigned to middle management and senior administration roles in the relevant firms.
- (3) Key performance indicators will be developed with the goal of building a management system that is based on staff performance.

PROVEN GROUP OF COMPANIES

- (1) PROVEN GROUP OF COMPANIES will be responsible for developing and implementing new manufacturing technologies and procedures, improving production rates, and acquiring new machinery to reduce production costs.
- (2) PROVEN GROUP OF COMPANIES will begin establishing the corporate culture necessary to implement the corporate governance system successfully.
- (3) Every business activity of the PROVEN GROUP OF COMPANIES shall be carefully conducted in line with existing environmental, occupational safety, and health laws, regulations, orders, and instructions.



CHAPTER (8)
REPORT OF
THE BOARD OF DIRECTORS

The report of the Board of Directors of 30th September 2021 was prepared in accordance with provisions of the Myanmar Companies Law and the International Financial Reporting Standards.

(1) Risk Management

The explanation of risk management is completely described on page (41).

(2) Dividend Distribution

The Board of Directors proposed no dividend to be distributed for the 2020-2021 financial year.

(3) Significant Changes in the State of Affairs

For the 2020-2021 fiscal year, the branch offices were consolidated to become a single company rather than separate entities. As a result, the previous years' investments were recorded individually, and the received loss and profit were included in the investment return.

(4) After-period of issuing the financial declaration

PROVEN would like to notify you that there have been no material events to the financial statement since it was issued.

(5) External Audit

In line with the Myanmar Companies Law, a resolution to rehire the KKK Audit Firm as the external auditor for the 2020-2021 financial year will be proposed by the board of directors to the shareholders at the annual general meeting.

On Behalf of the Board of Director



Than Htaik Lwin
Chief Executive Officer



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Toyo and Lion Battery Myanmar



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