



PRO  **EN**
GROUP OF COMPANIES

Annual Report

April 2023 - March 2024

www.proven.com.mm

Proven Group of Companies Annual Report

The Annual Report of Proven Group of Companies is presented to our stakeholders on the activities of Proven Group of Companies from April 2023 to March 2024.

This Annual Report is prepared in line with the international financial reporting standards which Proven Group of Companies has to comply under its business scope and nature of the business operation particularly AA1000 | GRI | SDGs and Integrated Reporting.



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Board of Directors' Report



Chairman's Foreword



May I commence my foreword by extending warm wishes to our esteemed shareholders, members of the Board of Directors and all our associates.

Our Group has firmly established a significant milestone over the past 28 years. Toyo Battery and Lion Battery have become well-popular brands, widely accepted and appreciated by the public. This success is the result of the dedication and collaborative efforts of the Board of Directors, management team, and employees working together hand in hand.

A key factor to our success has been the accurate analysis of various situations amidst the hurdles of COVID-19, changes in financial policies, and other challenges. Our timely adaptation to these conditions has led to positive results.

In the Corporate Management System, key principles such as integrity, transparency, accountability, minimising environmental impact, and supporting the community are essential. Proven Group, with guidance from consultants and continuous development year after year, alongside active management participation, was ranked 13th in the Seventh Pwint Thit Sa's Transparency in Myanmar Enterprises (TiME) report.

Additionally, the third factory (Plant 3) has been constructed as part of our group's expansion, and it is expected that manufacturing and sales will increase within the next three years.

In conclusion, I wish our shareholders and customers happiness and good health, and I assure you that the Board of Directors is committed to working even harder.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tun Myint', written in a cursive style.

Tun Myint
Chairman

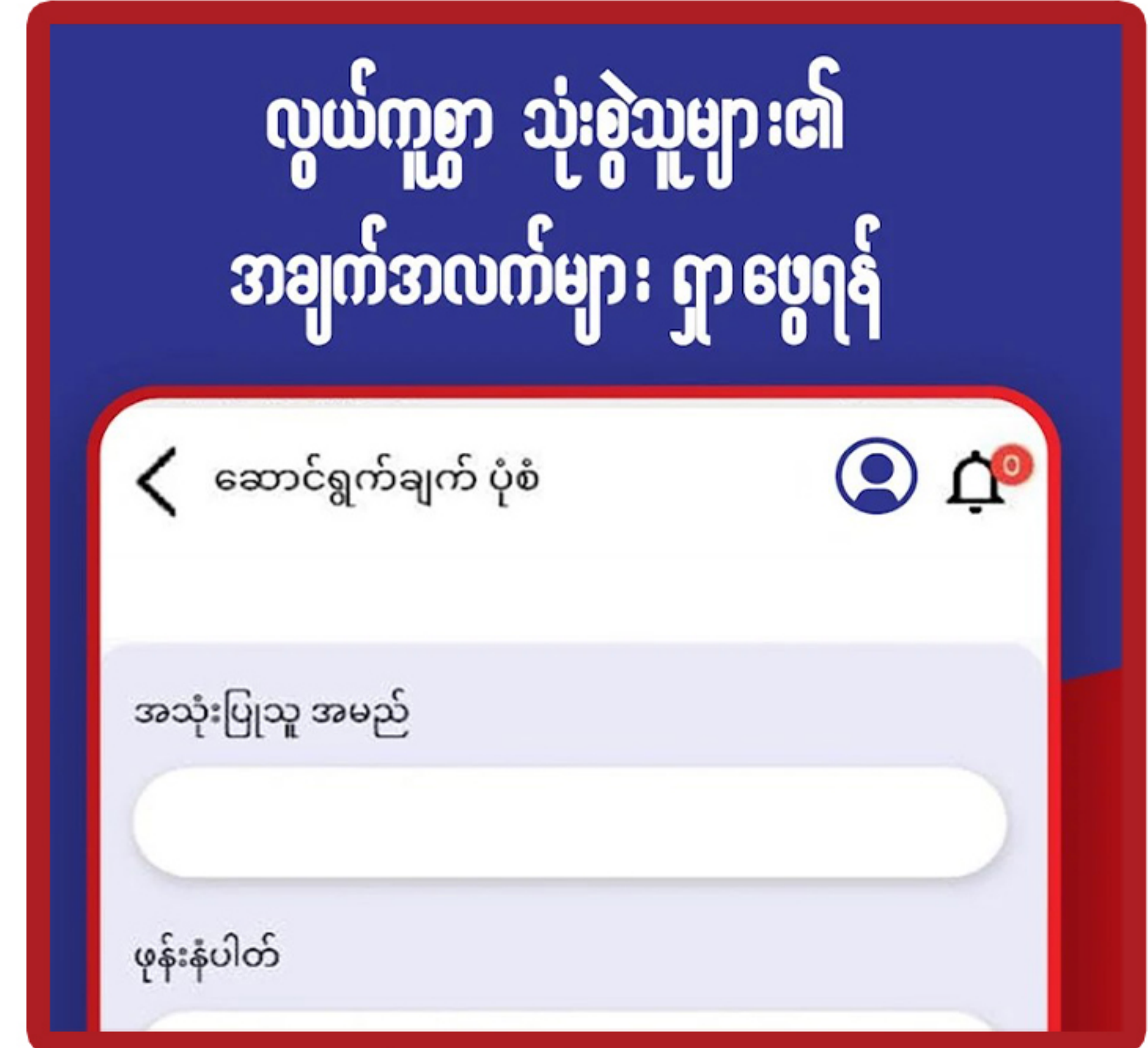
Highlights of 2023-2024

Ground-Breaking Ceremony for New Factory (Plant-3)



Groundbreaking ceremony of the third factory, which will become the largest, of Proven Group of Companies in Myaung Ta Kar Industrial Zone on 26 November 2023

Merchant Application



Launch of Merchant Application for easy access of the customers

Management Retreat



Management Retreat at Hotel RIA, Ngwe Saung, between 20 to 22 May, 2023

World Environment Day



Tree planting ceremony at BEPS No. (24), Shwe Pyi Thar Township, Yangon Region, in commemoration of World Environment Day on 5 June, 2023

CSR Steering Committee



Organization of CSR Steering Committee of Proven Group on 1 Dec, 2023, to coordinate the social responsibilities of Proven Group of Companies and its affiliate companies

Mass Blood Donation Campaign



Mass Blood Donation Campaign at National Blood Bank on 1 March, 2024, by Proven Group of Companies and affiliate companies such as Proven Distribution Co., Ltd, Proven Technology Industry Co., Ltd, Proven Poly-World Co., Ltd, Proven International Co., Ltd and Yangon Metal Industry Co., Ltd

Chapter (1)

PROVEN GROUP OF COMPANIES



1.1 Corporate Profile

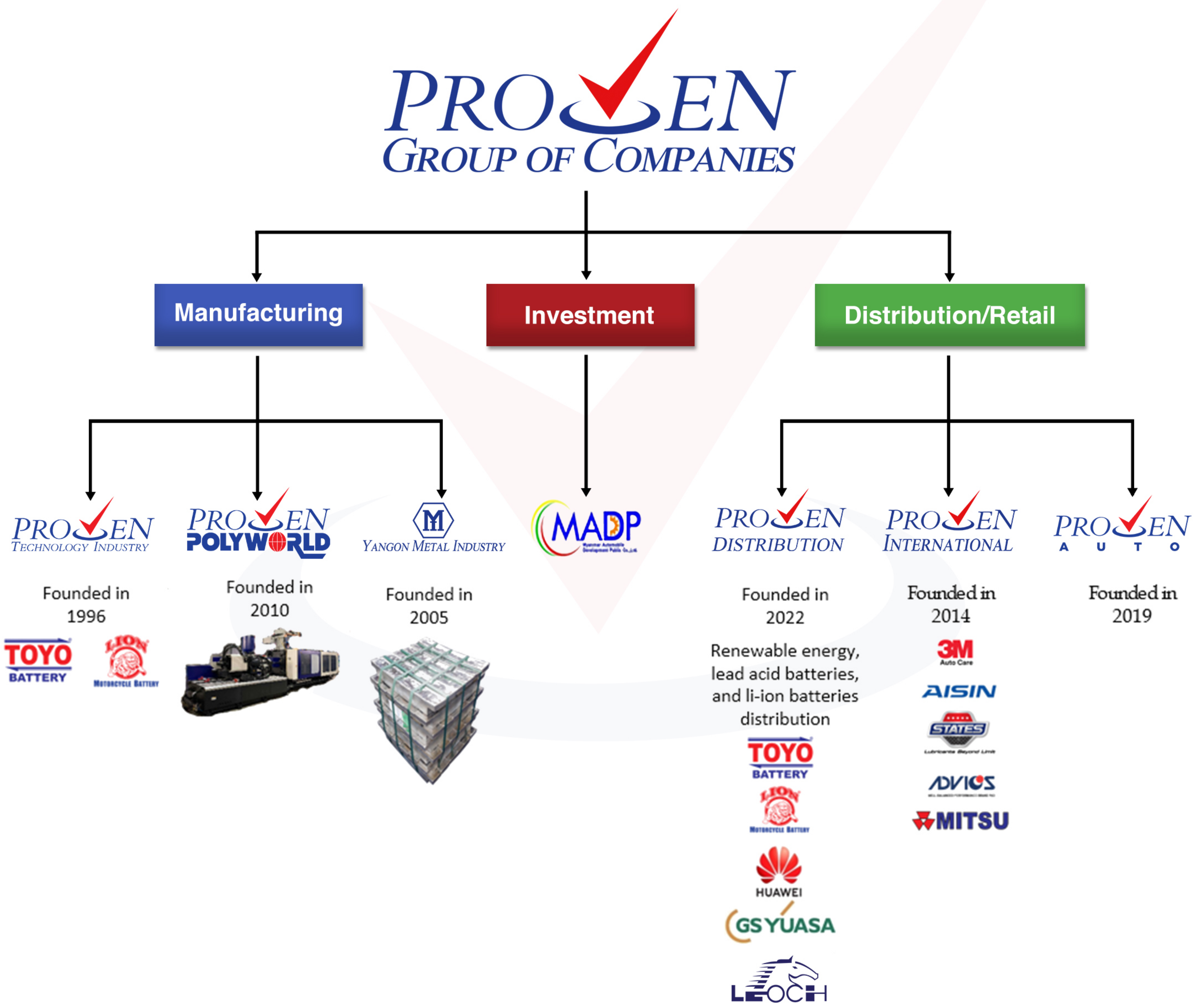
PROVEN GROUP OF COMPANIES is a group of companies specializing in the import and distribution of TOYO and LION lead-acid batteries for motor vehicles, motorcycles, industrial applications, and specialized purposes. Our offerings also include secondary lead smelting, plastic injection, lubricants, grease, coolants, automotive parts and accessories, as well as solar panels and inverters for renewable energy. PROVEN started to manufacture batteries in 1996 and has since expanded its business to include various aspects of battery manufacturing and distribution.

PROVEN GROUP OF COMPANIES adheres to international standards and procedures for manufacturing quality, including ISO:45001 for workplace safety and health management, ISO:14001 for environmental management, and International Automobile Task Force (IATF) standards. We are set to become an IATF-certified battery manufacturer in April 2024. We are also committed to Responsible Care, focusing on developing safe chemical management practices and implementing the best processes for environmental protection, health and safety, and security.

PROVEN GROUP OF COMPANIES is a member of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and the Myanmar Industries Association (MIA), as well as a member of Responsible Care, an initiative of chemical manufacturers focusing on workplace safety, health, and environmental protection. We are also actively involved in the Myanmar Sustainability Business Network and the Advisory Panel of the Business Integrity Group, Yever.

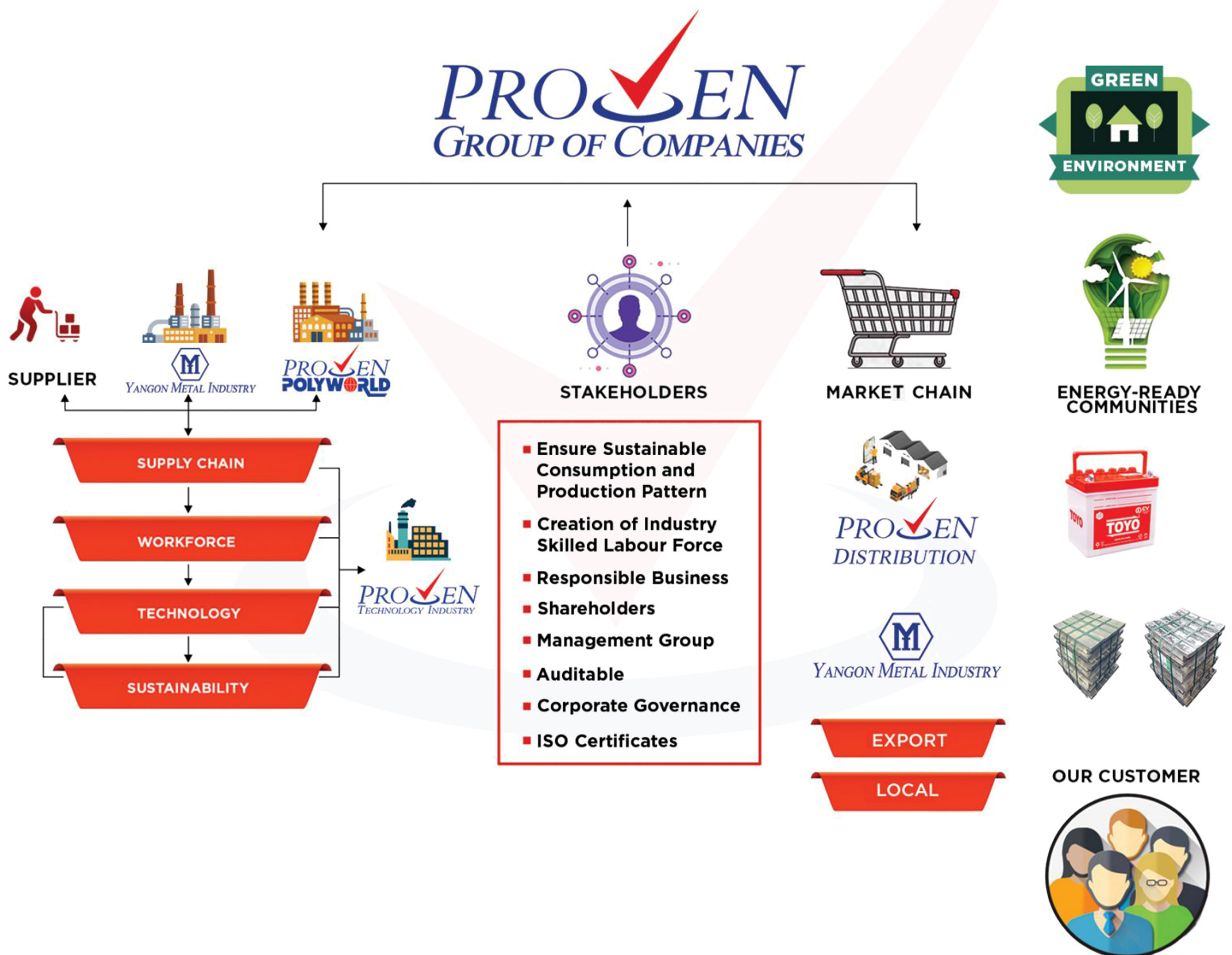
1.1.1 Structure

PROVEN GROUP OF COMPANIES is structured as follow to maintain leadership in the energy storage sector, effectively respond to and address the changing rapidly and continuously situations and challenges, and ensure sustainability and balance:



1.1.2 Business Model

PROVEN GROUP OF COMPANIES is involved in the secondary smelting of used lead, lead-acid battery manufacturing, plastic injection, and the import of lubricants, grease, coolants, automotive parts and accessories, as well as solar projects. Our group's Business Model is as follows:



1.1.3 Vision, Mission, Values and Commitment

During the Board of Directors meeting in 2023, PROVEN GROUP OF COMPANIES reviewed its Vision, Mission, Values, and Commitment and decided to uphold these practices until 2025 as follows:

Our Vision



To maintain a leading position in the lead-acid battery production and distribution sector in Myanmar.

To support the growth of the automotive assembly and manufacturing sectors in Myanmar, and to become a regionally recognized Myanmar brand.

Our Mission



To achieve customer satisfaction and continuous quality improvement through successful solutions.

To become the top brand in the automobile and automotive battery market in Myanmar.

To increase exports and become the market leader in the domestic market.

To become a GROUP OF COMPANIES that offers goods and related services to the energy storage sector.

Our Values



P Professional

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

R Reliability

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

O Open Minded

-To continuously embrace innovation and new ideas.

V Value Creation

-To achieve mutually beneficial outcomes across various sectors in collaboration with distributors, colleagues, and shareholders.

E Embrace Change

-To build strength by consistently supporting positive changes.

N Novelty and Innovation

-To undertake actions that contribute to society through innovative inventions.

Our Commitment

PROVEN GROUP OF COMPANIES is always committed to offering high quality products and services to our valued customers.

PROVEN GROUP OF COMPANIES provides a complete guarantee for our products and offers battery-related services across regions, states, and major cities in Myanmar.

1.1.4 International Certificates and Awards

Factories and companies under the PROVEN GROUP OF COMPANIES have achieved ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environmental Management System, and ISO 45001:2018 for Occupational Safety and Health Management System. Their annual activities are regularly audited online and on-site by external auditors to ensure validation.

Moreover, we comply with the requirements from the International Automobile Task Force (IATF) and are set to become an IATF-certified battery manufacturing company in April 2024.

PROVEN TECHNOLOGY INDUSTRY CO., Ltd, an affiliate of PROVEN GROUP OF COMPANIES, received the ASEAN-OSHNET BEST PRACTICES AWARD, a regional level award, in 2016 for its best practices in the context of workplace safety and health.



ISO 14001:2015 EMS Certificate



ISO 45001:2018 OSH Certificate



ISO 9001:2015 QMS Certificate



ASEAN - OSHNET Best Practices Award 2016

1.1.5 Future Plans

PROVEN GROUP OF COMPANIES will establish and implement the following goals for the fiscal year 2024-2025:

(A) Short-term

- (1) Given the current circumstances, we plan to open additional local retail stores and service centres in major cities to maintain service continuity in high travel restriction areas, to ship products using delivery services and to expand authorized service centres for battery services.
- (2) In competitive markets with risk of loss, the management team will implement strict monitoring and take timely corrective measures as appropriate.
- (3) Continue to make necessary preparations to minimize the impact on employees from natural and man-made disasters.
- (4) The company's annual share values will be evaluated through systematic calculations and reported to the Board of Directors.

(B) Long-term

- (1) Efforts will be made to market PROVEN GROUP OF COMPANIES' products internationally, while ensuring a continuous flow of raw materials and finished goods from abroad.
- (2) Utilize a Consolidated Reporting System in financial management and accounting.
- (3) Establish a Learning and Development Center to standardize management quality, cultivate high standards, and develop future leaders within all affiliate companies.

1.1.5 Future Plans

(B) Long-term

- (4) Recruit relevant experts for mid-level management and higher positions across various companies.
- (5) Identify and apply the latest manufacturing technologies, and acquire advanced machinery to increase production and reduce manufacturing
- (6) Develop a Corporate Culture step by step to fully implement the corporate Governace System.
- (7) Continue to implement the United Nations Sustainable Development Goals related to environmental Protection.



1.2 1.2 Business Scope

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

1.2.1 PROVEN GROUP OF CO., LTD

PROVEN GROUP OF CO., LTD is located in Kamaryut Township, Yangon. U Than Htaik Lwin acts as the Group CEO and coordinates activities across the main group and its affiliate companies. Details about PROVEN GROUP OF COMPANIES are available at www.proven.com.mm.

1.2.2 PROVEN TECHNOLOGY INDUSTRY CO., LTD

PROVEN TECHNOLOGY INDUSTRY, located in Shwe Pyi Thar Township, Yangon, and is led by Managing Director U Than Htaik Lwin. The company manufactures TOYO and LION batteries.

Details about PROVEN TECHNOLOGY INDUSTRY CO., LTD are available at Proven Technology Industry Co., Ltd | Proven Group Of Companies Ltd.

1.2.3 PROVEN DISTRIBUTION CO., LTD

PROVEN DISTRIBUTION, CO., LTD is located in Kamaryut Township, Yangon, led by Managing Director U Than Htaik Lwin. The company handles nationwide distribution of TOYO and LION batteries manufactured by PROVEN TECHNOLOGY INDUSTRY, as well as Jinko solar panels and accessories, and Huawei Inverters. It also provides the installation of Solar Inverters and Lithium-Ion Batteries.

Details about PROVEN DISTRIBUTION CO., LTD are available at Proven Distribution Co., Ltd. | Proven Group Of Companies.

1.2.4 PROVEN POLYWORLD CO., LTD

PROVEN POLYWORLD CO., LTD is located in Shwe Pyi Thar Township, Yangon, led by Managing Director U Aye Ko. It carries out the production of battery casing and plastic materials.

Details about PROVEN POLYWORLD CO., LTD are available at Proven Polyworld | Proven Group Of Companies.

1.2.5 PROVEN INTERNATIONAL CO., LTD

PROVEN INTERNATIONAL is located in Mingalardon Township, Yangon, led by Managing Director U Aung Thu Si. It imports and distributes automobile parts and accessories such as STATE and AISIN engine oil, ADVICS brake parts for motorcycles, and belts for agricultural machines, motorcycles spare parts and 3M Products for Auto Care.

Details about PROVEN INTERNATIONAL CO., LTD are available at Proven International | Proven Group Of Companies.

1.2.6 YANGON METAL INDUSTRY CO., LTD

YANGON METAL INDUSTRY CO., LTD is located in Myaung Ta Gar Industrial Zone, Hmawbi Township, Yangon, led by Managing Director U Tint Myo Naing. It carries out secondary smelting and recycling of lead for batteries and distribute it in global markets.

Details about YANGON METAL INDUSTRY CO., LTD are available at Yangon Metal Industry | Proven Group Of Companies.

1.2.7 PROVEN AUTO CO., LTD

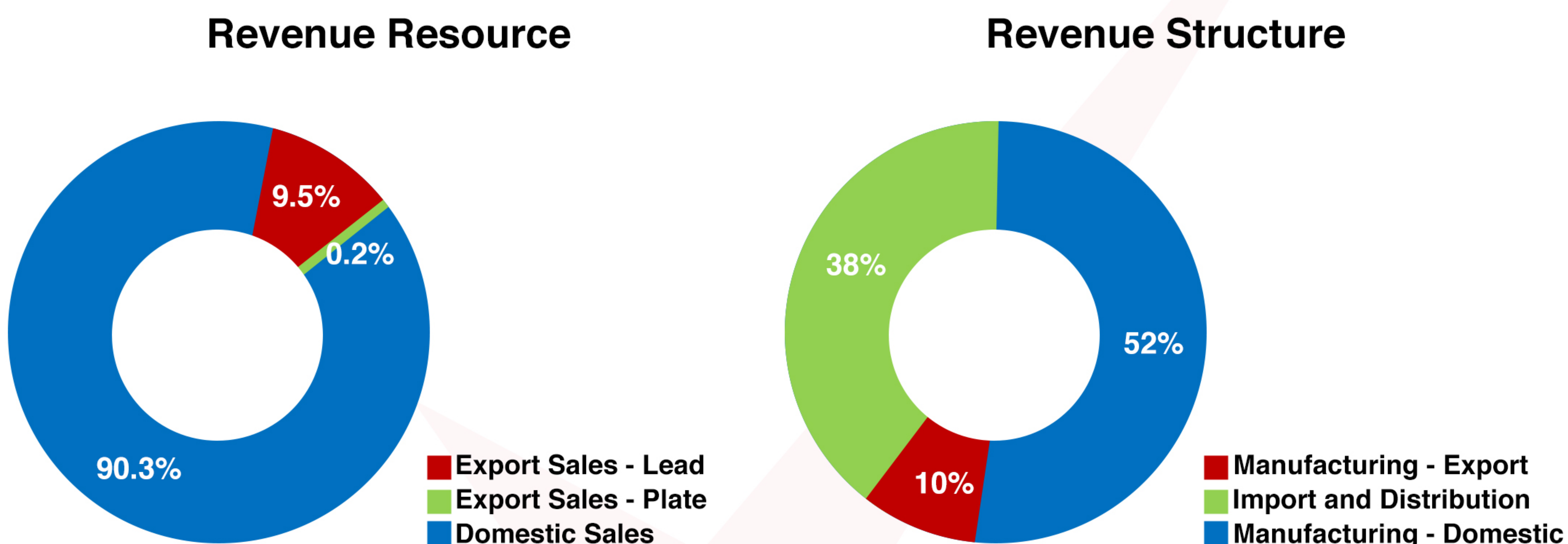
PROVEN AUTO CO., LTD is located in Kamaryut Township, Yangon, led by Managing Director U Than Htaik Lwin. It was founded to handle the import and distribution of automobile-related products.

PROVEN AUTO CO., LTD is available at Proven Auto Co., Ltd. | Proven Group Of Companies.

1.3 Revenue

1.3.1 Revenue

Revenue of PROVEN GROUP OF COMPANIES during April 2023 – March 2024 is stated as follows:



1.3.2 Company's Capital and Debt Structure

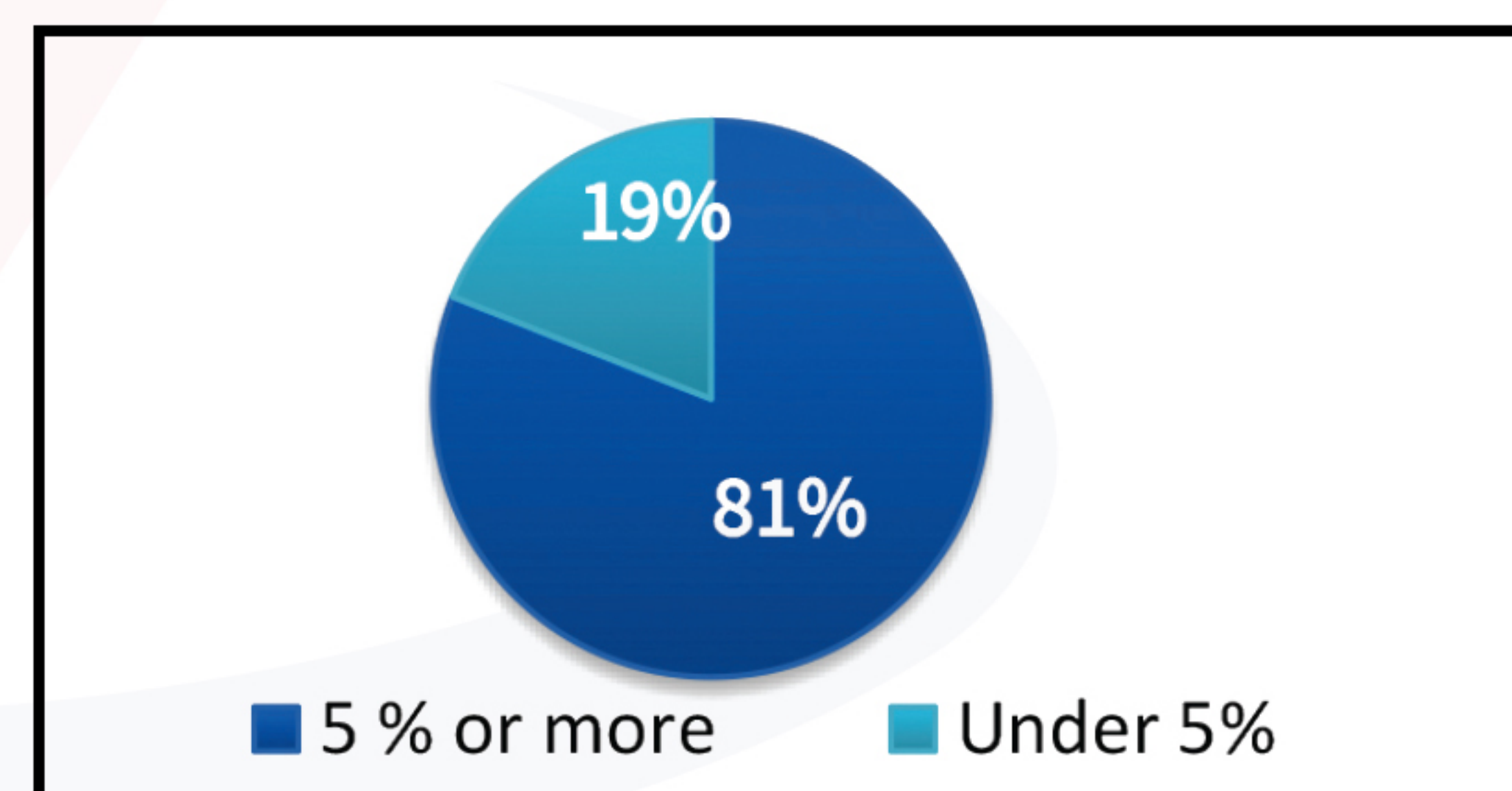
The Board of Directors reviews the company's gross revenue and adjusts investment project loans as needed. The Board conducts a thorough financial analysis and maintains a balanced revenue-to-loan ratio following detailed discussions, based on recommendations from the Business Development Committee.

1.4 Ownership

The shares owned by PROVEN GROUP OF COMPANIES during April 2023 – March 2024 are as follows:

No.	Holding more than 5% of shares	Position
1	U Zaw Myo Myint	Non-Executive Director
2	U Than Htaik Lwin	CEO
3	U Aung Aung	Non-Executive Director
4	U Myint Zaw	Non-Executive Director
5	U Tint Myo Naing	Non-Executive Director
6	Daw Mya Mya Than	Executive Director

No.	Ownership	Number
1	5% or more	6
2	Under 5%	18
	Total	24



1.5 Actions related to COVID-19 and other infectious diseases

PROVEN GROUP OF COMPANIES undertook the following actions related to COVID-19 and other infectious diseases during the fiscal year April 2023 – March 2024:

- (A) Issued guidelines and notices concerning seasonal illnesses, including heat stroke, COVID-19, chikungunya, and seasonal influenza;
- (B) Redistributed occasional announcements from Ministry of Health occasionally;
- (C) Ensured eligibility and registration in social security projects.

1.6 Responses to Challenges

With an unwavering commitment to sustainable and balanced development as an ethical group of companies, PROVEN GROUP OF COMPANIES undertook the following actions, in line with business ethics, for both the company and its employees, in response to ongoing situations:

- (A) Utilizing land and water transport for the import and distribution of goods:
- (B) Opting for air travel or other suitable plans for locations difficult to access due to travel conditions, and postponing visits to certain areas.

1.7 Recent Developments

1.7.1 IATF

To advance one of Our Visions at Proven Group of Companies—maintaining a leading position in Myanmar’s lead-acid battery production and distribution industry—and to achieve customer satisfaction exceeding ISO 9001 standards, Business and Process Risk Management, and Product Quality Management, we have been successfully reviewed and will receive the International Automotive Task Force (IATF) certification in April 2024.

1.7.2 Plant (3) and Mawlamyine Sales Center Construction

To achieve a higher production rate in the lead-acid battery manufacturing industry and to take advantage of evolving production technology, Plant (3) is being constructed on 8.05 acres of land in the Myaung Ta Gar Industrial Zone in Yangon Region. The plant is expected to begin operations in 2025.

Due to ongoing situations and increased travel restrictions, a new local sales and service center is being constructed in Mawlamyine. This will help avoid disruptions in sales and battery services and maintain connections with nearby regions.

1.7.3 Factory Extension

Yangon Metal Industry Co. Ltd has expanded its original factory to 8,500 square meters. The extension features a 100% process water system, using refined water for factory washing and other purposes, which then produces only domestic water.

The factory extension will increase Yangon Metal Industry Co. Ltd’s production by 30% compared to previous levels.

1.7.4 10th Anniversary Report of Proven International Co., Ltd

Proven International Co., Ltd, which imports and distributes automobile parts and accessories such as STATE and AISIN engine oil, ADVICS brake parts for motorcycles, and belts for agricultural machines, motorcycles spare parts and 3M Products for Auto Care, successfully celebrated its 10th anniversary on 20 January, 2024, at Lotte Hotel.

Over the past 10 years, Proven International Co., Ltd has worked to secure markets for various brands. The company is committed to three values: building customer loyalty and care, collaborating closely with prestigious international suppliers to get the best value and quality products, and trusting employees who are friendly and professional. In addition to its engagement in community projects, the company has strived to achieve the international quality standard ISO 9001:2015 to better align its products and services with the diverse needs of its customers.

1.7.5 Office Relocation of Proven Distribution Co., Ltd

To enhance sales and customer service and to improve product displays, including showcasing future products, Proven Distribution Co., Ltd has relocated from its previous shared office with Proven Group of Companies Co., Ltd to Building 21, Shwe Pone Nyet Yeik Mon Housing, Bayint Naung Road, Kamaryut Township, effective 23 January, 2024.

1.7.6 Future Office Location of Proven Group of Companies Ltd

To stand still as an organization in the energy storage sector, including renewable energy production, and to continuously adapt to evolving battery technology while becoming a hub for human resources in these sectors, Proven Group of Companies Ltd plans to establish its future office on a 1.154-acre site within Pun Hlaing Housing, Hlaing Thar Yar Township, Yangon Region.

1.8 Future Plans

PROVEN GROUP OF COMPANIES will establish and implement the following goals for the fiscal year 2024-2025:

(A) Short-term

Market

- (1) Expansion of local sales and service centers in major cities.
- (2) Construction of a new battery factory following reinvestment during the fiscal year 2024-2025

Human Resources

- (1) Implement a modern HR management system and HR Software across all affiliate companies of Proven Group in 2024
- (2) Continue to take necessary measures to minimize the impact on employees from infectious diseases, including COVID-19, and man-made disasters.
- (3) Calculate the annual company share value systematically and report the findings to the Board of Directors.
- (4) Develop and establish new visions and missions based on current and future conditions.

(B) Long-term

Market

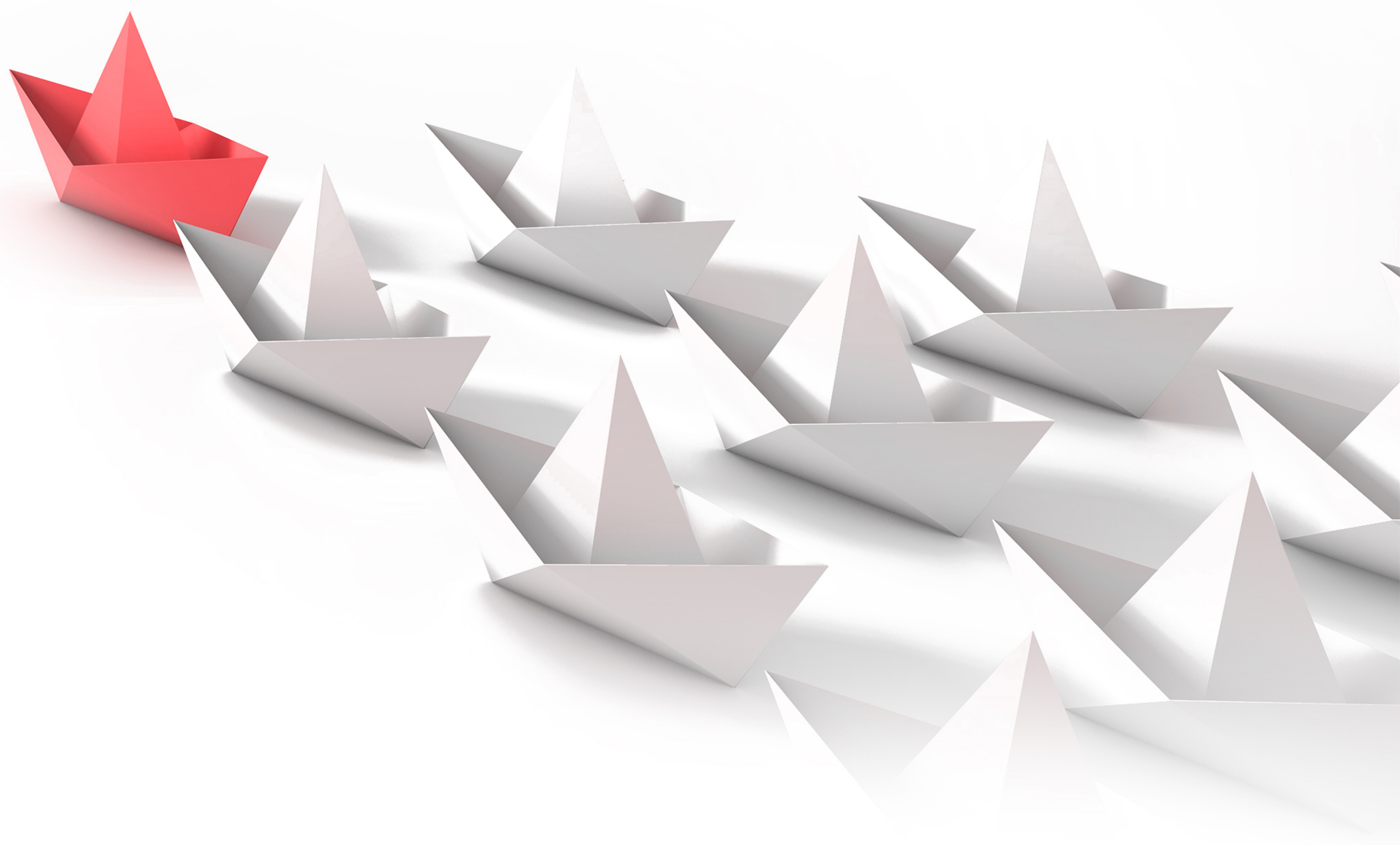
- (1) Implement an ERP system to expand the PROVEN GROUP OF COMPANIES' markets to foreign countries and ensure continuous accessibility to finished goods and raw materials imported from abroad.
- (2) Utilize a Consolidated Reporting System in financial management and accounting.

Human Resources

- (1) Establish a Learning and Development Center to standardize management quality, cultivate high standards, and develop future leaders within affiliate companies.
- (2) Recruit relevant experts for mid-level management and higher positions across various companies.
- (3) To develop a management system based on employee performance, Key Performance Indicators will be identified by the Performance Appraisal Software System.
- (4) Identify and apply the state of the earth manufacturing technologies, and acquire advanced machinery to increase production and reduce manufacturing costs.
- (5) Develop a Corporate Culture step by step to fully implement the corporate Governace System.
- (6) Develop the business activities of PROVEN GROUP OF COMPANIES in compliance with laws, regulations, orders, and directives related to environmental protection, workplace safety and health.

Chapter (2)

Corporate Governance



Leadership and Management

To respond to and resolve challenges in a timely and systematic manner, and to manage, control and decide on business operations using a Unified Platform, the management system of PROVEN GROUP OF COMPANIES is structured as follows:



2.1 Message from CEO



Dear esteemed shareholders,

Mingalabar! First of all, I would like to wish you all the best in health and happiness.

It can be said that the fiscal year 2023-2024 was as highly challenging one. You may have observed an unexpected series of collapses of some business groups during this period.

Amid these many challenges, I would like to highlight that Proven Group of Companies successfully navigated them thanks to the trust, understanding and continuous support from our shareholders, the dedication of our management team, and the cooperation of our responsible employees.

In the current layout, Proven Group of Companies has refined previous policies, replacing or modifying them with more robust and precise guidelines. Our focus has been on achieving a greater positive impact on human resources.

I would like to highlight that Proven Group of Companies has continuously enhanced our efforts on strategies and guidelines for Good Corporate Governance, Sustainability, and Corporate Culture year after year.

As a result, Proven Group of Companies was ranked 13th in the “Pwint Thit Sa” Transparency in Myanmar Enterprises report, within the top 20 companies.

We are not resting on our laurels and continue to advance the business of the Group of Companies. Regarding Corporate Social Responsibility, we have organized a steering committee with top management from our respective companies. This committee sets policy guidelines, coordinates CSR-related activities, and makes decisions. I am also pleased to report that several of these initiatives have been implemented continuously.

Dear esteemed shareholders,

At Proven Group of Companies, we believe in turning challenges into opportunities and remain committed to our development. Despite current challenges, the top management of our respective companies is consistently striving to maintain our development momentum and stay on the right development path. I would also like to highlight that the Group is working to support Learning and Development programs to support these efforts.

While Proven Group of Companies remains dedicated to sustainable development, it is essential to have a main hub to gather evolving growth rates and trends amid changing situations. Therefore, we have purchased land in Pun Hlaing Housing, Hlaing Thar Yar Township, Yangon Region, to establish the headquarters of the Proven Group of Companies to address these needs.

In conclusion, the fiscal year 2024-2025 continues to present challenges for Proven Group of Companies, regarding human resources and technological gaps. We are currently facing difficulties in acquiring management-level personnel and labor resources.

At the same time, there is a significant need for human resources equipped to keep pace with evolving technological developments. We are working to bridge these gaps with the support of our respective management teams and the powerful cooperative mindset of our current employees.

Thank you all!

Than Htaik Lwin

CEO

2.2 Board of Directors

2.2.1 Board Structure

To ensure independence of the Board of Directors, it is primarily composed of non-executive directors. This composition features a diverse range of qualifications, genders, ages, races, and business experiences.

The Board of Directors encourages diverse and open ideas and decision-making. They are dedicated to achieving strong results for the Group of Companies.

2.2.2 Board of Directors

With extensive experience and performance, the Board of Directors has been guiding the company to uphold ethical standards across various areas and maintain international quality in products and processes.



Board of Directors



U Tun Myint
Chairman



Daw Mya Mya Than
Executive Director



U Than Htaik Lwin
Chief Executive Officer



U Aye Ko
Executive Director



U Myo Thit Aung
Executive Director



U Myo Lwin
Non-Executive Director



U Kyi Gwan
Non-Executive Director

ဒါရိုက်တာ အဖွဲ့



U Myint Naing
Non-Executive Director



Daw Wan Mary
Non-Executive Director



U Kyein Myint
Non-Executive Director



U Tint Myo Naing
Non-Executive Director



U Aung Aung
Non-Executive Director



U Myint Zaw
Non-Executive Director



U Myo Min Tun
Non-Executive Director



U Nyan Thit Hlaing
Non-Executive Director



U Zaw Myo Myint
Non-Executive Director



U Sai Hla Win
Non-Executive Director

2.2.3 Directors Training Programme

As Proven Group of Companies always encourages competition and lifelong learning, the Group of Companies has arranged learning opportunities for its Directors.

Accordingly, the following directors attended the Directors Training Programme organized by MloD:

Name	Training	Training Organization	Duration	Note
U Myo Thit Aung	Director Certification Program	MloD	၂၀၂၃ ခုနှစ်	In Class
U Tint Myo Naing	Director Certification Program	MloD	၂၀၂၃ ခုနှစ်	In Class
U Aye Ko	Director Certification Program	MloD	၂၀၂၃ ခုနှစ်	In Class
U San Lwin	Director Certification Program	MloD	၂၀၂၃ ခုနှစ်	In Class
U San Lwin	Finance for Director	MloD	၂၀၂၃ ခုနှစ် ဖေဖော်ဝါရီလ	Online

2.2.4 Board of Directors Meetings

To offer timely guidance, leadership, and direction for the policy, administration, and management of the Group of Companies from April 2023 to March 2024, the Board of Directors of Proven Group of Companies held the meetings as follows:

Board of Directors Meetings from April 2023 to March 2024					7 Times
No.	Name	First Elected	Last Elected	Position	Number of Attendance
1	U Tun Myint	1996	2020	Chairman	7
2	U Than Htaik Lwin	2008	2020	Chief Executive Officer	7
3	Daw Mya Mya Than	1996	2020	Executive Director	7
4	U Myo Thit Aung	2008	2020	Executive Director	7

Board of Directors Meetings from April 2023 to March 2024					7 Times
No.	Name	First Elected	Last Elected	Position	Number of Attendance
5	U Zaw Myo Myint	2011	2020	Non-Executive Director	7
6	U Aung Aung	1996	2020	Non-Executive Director	7
7	U Myint Zaw	2008	2020	Non-Executive Director	7
8	U Nyan Thit Hlaing	2008	2020	Non-Executive Director	7
9	U Kyein Myint	1996	2020	Non-Executive Director	7
10	U Myint Naing	1996	2020	Non-Executive Director	7
11	Daw Wan Mary	2008	2020	Non-Executive Director	7
12	U Kyi Gwan	1996	2020	Non-Executive Director	6
13	U Myo Lwin	1996	2020	Non-Executive Director	5
14	U Sai Hla Win	2017	2020	Non-Executive Director	7
15	U Tint Myo Naing	2017	2020	Non-Executive Director	7
16	U Aye Ko	2005	2020	Non-Executive Director	7
17	U Myo Min Tun	2019	2020	Non-Executive Director	7

2.2.5 Annual General Meeting

According to the initial agreement of the Board of Directors, the 2023 – 2024 annual general meeting of the Proven Group of Companies is scheduled to be convened in August 2024.

2.3 Management Team



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

In 2005, he was appointed General Manager of Proven Technology Industry Company (PTIC). In 2010, he became Chief Operating Officer (COO) and in 2016, he served as Managing Director. He has also taken on the role of Group CEO since the foundation of Proven Group.

He acts as the Representative Director for affiliate companies of Proven Group and Myanmar Automobile Development Public Co., Ltd. Additionally, he is the Chairman of the Yangon Region Young Entrepreneurs Association, the Yangon Region Automotive Components, Spare Parts & Accessories Association, and the Myanmar Automobile Development Public Co., Ltd. In 2019, he received the Young Alumni Award at Bemidji State University's 100th Anniversary Gala Dinner.

He led Proven Technology Industry Co., Ltd (PTIC), an affiliate of Proven Group of Companies, to achieve the ASEAN-OSHNET BEST PRACTICES AWARD, a regional accolade, in 2016 for excellence in environmental protection, and workplace safety and health. Under his leadership, Proven Group achieved rankings of 18 in 2020 and 13 in 2022 in Pwint Thit Sa's Transparency in Myanmar Enterprises (TiME) report.

He also serves as an Executive Committee (EC) member of UMFCCI, Joint General Secretary of the Myanmar Industries Association (MIA), and is one of the founders and current General Secretary of the Myanmar Barcode Association.

2.3 Management Team



Daw Mya Mya Than graduated with a B.Sc (Physics) from Maw-lamyine University. She co-founded Proven Technology Industry Co. Ltd (PTIC) in 1996, together with her husband U Ohn Lwin.

She took on the position of Executive Director of Finance at Proven Technology Industry Co., Ltd (PTIC) for 26 years. Currently, she serves as a part-time Executive Director (Finance) of Proven Group.



U Myo Thit Aung holds a Master of Commerce from Yangon University of Economics, Diploma in ESHRM from RV- Singapore and a Diploma in Financial Reporting (UK).

He joined Proven Technology Industry Co., Ltd (PTIC) as Finance Manager in 2001 and was appointed as Director in 2008. He is also currently responsible for the management and accounting of Proven Group.

He is a Certified Director, having completed the Corporate Governance Programme training organized by the IFC and the Myanmar Institute of Directors (MloD).



U Aye Ko has over twenty years of experience in the production, quality control, and technical development of lead-acid batteries, and has contributed to the transformation of the battery industry in Myanmar.

He is currently Managing Director of Proven Polyworld Co., Ltd as well as Production Director of Proven Technology Industry Co., Ltd and Yangon Metal Industry Co., Ltd.

2.3 Management Team



U Thant Zaw Oo obtained a B.Sc (Maths) from Dagon University. He attended management training in Japan jointly organized by UMFCCI and HIDA.

He began his career in sales and marketing at Proven Technology Industry Co., Ltd in 1998 and has since served in various roles. In 2021, he was appointed as Director of Sales and Marketing, responsible for Proven Distribution Co., Ltd.

He is a Certified Director, having completed the Corporate Governance Programme training organized by the IFC and the Myanmar Institute of Directors (MloD).



U Kyaw Nyunt was appointed as a Consultant for Proven Group of Companies in 2007. Born in Yangon in 1941 and educated at Methodist High School, he graduated with a B.A degree in 1968 and holds a Diploma in Accounting. He studied Advanced Accounting and Finance at the University of Strathclyde in England and is a member of CPA, ACPA, and ASEAN Chartered Practising Accountants.

He served as a Deputy Director in the Office of the Auditor General in 1983 and as a Government Auditor in Shan State in 1988. He retired from his Deputy Director position in the Office of the Auditor General in 1995 and founded Kyaw Nyunt & Associates, an external audit firm. He has extensive experience of auditing in sectors such as energy, mining, marine transport, and social security.

In his organizational roles, he has been a member of the Myanmar Accountancy Council and a patron of MICPA. Besides his consultancy work, he also acts as an insolvency practitioner and official liquidator. He is the author of the book “Corporate Governance”.

2.3 Management Team



U Aung Nyunt was appointed as a consultant for Corporate Governance in August 2020. Born in 1944, he studied at Myoma High School and graduated with a B.Com (Accounting) in 1964, followed by a Registered Accountant (Full-fledge) qualification (now CPA) in 1965. From 1966 to 2007, he served nearly 41 years at Myanmar Timber Enterprise in the Finance Department and Planning Department, retiring as a General Manager (Planning).

In 1991, he co- served as Director (Finance) for about two and a half years at National Industrial Holding Company Limited (NIHL), a public company. From 1995 to 1996, he was a part-time Director of Myanmar Timber Enterprise at Myanmar Forest Products Joint Venture Corporation Limited (Forest J.V), Myanmar Korea Timber International Company Ltd (MKTI), Myanmar Seal Company Limited (M.S.L), and International Business Centre (I.B.C) Co Ltd. From 2008 to 2013, he worked as a certified public accountant for the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), Myanmar Engineering Society (MES), NGO-Japan Seeds Asia Project, Board of Trustees of Shwe San Taw Pagoda in Pyay, and International Business Centre Company Limited (I.B.C), under the name Aung Nyunt and Associates (Auditors). During his career at the Ministry, he participated in various Financial Management Seminars in nine different countries. In April 2018, he attended the Audit Committee Master Programme, organized by the IFC and the Myanmar Institute of Directors (MloD).

2.4 Committees of Board of Directors

2.4.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of 5 members, including 4 Non-Executive Directors and 1 consultant:

Name	Position	Responsibility
U Nyan Thit Hlaing	Non-Executive Director	Chairman
U Myo Lwin	Non-Executive Director	Member
U Kyin Gwan	Non-Executive Director	Member
U Myint Naing	Non-Executive Director	Member
U Kyaw Nyunt	Consultant	Member

Meetings of the Nomination and Remuneration Committee for the fiscal year 2023-2024 were held as follows:

Total number of meetings from April 2023 to March 2024	1
	Attendance
U Nyan Thit Hlaing	1
U Myo Lwin	-
U Kyin Gwan	1
U Myint Naing	1
U Kyaw Nyunt	1

The Nomination and Remuneration Committee performed the following duties:

- (1) Discuss the draft Succession Plan Policy;
- (2) Recommend revised remuneration and Sitting Fees for Executive Directors, Directors and top management;
- (3) Propose Thingyan Thingyan bouse, a one-month bonus for 2023-2024, and an increase in employee salaries for the fiscal year 2024-2025;
- (4) Distribute dividends among shareholders for the fiscal year 2022-2023;
- (5) Appoint new directors from nominated shareholders who have significant experience and meet the eligibility requirements of the Myanmar Companies Law.

2.4.2 Audit and Risk Management Committee

The Audit and Risk Management Committee is composed of 5 members including 3 Non-Executive Directors and 2 consultants.

Name	Position	Responsibility
U Kyein Myint (Represented by U Htay Yu)	Non-Executive Director	Chairman
U Sai Hla Win	Non-Executive Director	Member
U Myint Zaw	Non-Executive Director	Member
U Kyaw Nyunt	Consultant	Member
U Aung Nyunt	Consultant	Member

2.4.2 Audit and Risk Management Committee

Meetings of the Audit and Risk Management Committee for the fiscal year 2023-2024 were held as follows:

Total number of meetings from April 2023 to March 2024	2
	Attendance
U Kyein Myint (Represented by U Htay Yu)	2
U Sai Hla Win	2
U Myint Zaw	2
U Kyaw Nyunt	2
U Aung Nyunt	2

The Audit and Risk Management Committee performed the following duties:

- (1) Analyse how affiliate companies adhere to the findings of the Internal Audit;
- (2) Assign tasks to analyse consistency with taxation laws;
- (3) Assign tasks to compile a draft audit policy;
- (4) Reexamine financial statements for submission to the Board of Directors;
- (5) Handle tasks related to Risk Management

2.4.3 Business Development Committee

The Business Development Committee is composed of 7 members, including 2 Executive Directors, 4 Non-Executive Directors and 1 Consultant.

Name	Position	Responsibility
U Aung Aung	Non-Executive Director	Chairman
U Myint Zaw	Non-Executive Director	Member
U Nyan Thit Hlaing	Non-Executive Director	Member
U Zaw Myo Myint	Non-Executive Director	Member
U Than Htaik Lwin	Executive Director	Member
U Myo Thit Aung	Executive Director	Member
U Aung Nyunt	Consultant	Member

Total number of meetings from April 2023 to March 2024	6
	Attendance
U Nyan Thit Hlaing	6
U Myint Zaw	6
U Aung Aung	6
U Zaw Myo Myint	6
U Than Htaik Lwin	6
U Myo Thit Aung	6
U Aung Nyunt	6

The Business Development Committee performed the following duties:

- (1) Coordinate issues related to the Future Head Office of PROVEN GROUP OF COMPANIES;
- (2) Coordinate matters related to business stability and improvement, expansion of the company's business and products, transformation of technology and tools, and investment.

2.4.4 Business Continuity Committee

The Business Continuity Committee is formed as follows:

Distribution	Production (Factory)
1. Managing Director	1. Managing Director
2. Director (Admin and Accounting)	2. Director (Admin and Accounting)
3. General Manager	3. Director (Production)
4. Manager (Admin)	4. Factory Manager
5. Manager (Human Resources)	5. Manager (Admin)
6. Manager (Sales)	6. Manager (Human Resources)
7. Manager (Accounting)	7. Manager (Production)
8. Management Representative	8. Accountant
	9. Management Representative

The Business Continuity Committee performed the following duties:

- (1) Modifying Business Continuity Plans (BCP) that were previously developed.

Chapter (3)

Corporate Social Responsibility



Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a self-regulating business model that ensures a company is accountable to itself, its stakeholders, and the public.

Most people prefer to work with and recommend businesses that contribute positively to the society. Therefore, Corporate Social Responsibility (CSR) is instrumental in enhancing a company's image and reputation.

Among the various types of Corporate Social Responsibility (CSR), philanthropic efforts, voluntary work, environmental and sustainability initiatives, and humanitarian activities are found to be primarily undertaken by other companies and businesses.

3.1 Corporate Social Responsibility (CSR) of Proven Group of Companies

Profits collected from different businesses of Proven Group of Companies will be allocated to short-term, long-term and provisional funding for health, education, economic development, and social sectors benefiting those in real need, including employees' children.

Proven Group of Companies has been implementing the following Corporate Social Responsibility (CSR) activities according to a structured approach:

(A) Steering Committee

The Steering Committee is established with the following objectives:

- (1) Assume the role of the steering committee overseeing and guiding the Corporate Social Responsibility (CSR) activities of Proven Group of Companies and its affiliate companies;
- (2) Coordinate and streamline the Group of Companies Corporate Social Responsibility (CSR) policies and procedures across Proven Group of Companies and its affiliate companies;

- (3) To uphold the reputation and sustainability of the Corporate Social Responsibility (CSR) initiatives of the Group of Companies.

(B) Task Force

The following Task Forces have been established by respective affiliate companies:

(aa) Manager (Other Managers)	Chairman
(bb) Other Managers	Member
(cc) Manager (HR)	Secretary

3.2 Corporate Social Responsibility (CSR) Activities

Since its founding, Proven Group of Companies has actively engaged in Corporate Social Responsibility. The following CSR initiatives were undertaken during the fiscal year 2023–2024:

(A) World Environment Day Activities

Led by the CEO of Proven Group of Companies, along with Sales Representatives and responsible personnel from affiliate companies, a tree planting ceremony was held at BEPS (24), Shwe Pyi Thar Township, Yangon Region, on 5 June, 2023 to celebrate World Environment Day. Khayay, Thapyay and Kant Kaw trees were planted collectively, to enhance the school environment.



(B) Educational Support for Employees' Children and School Donations

The CEO of Proven Group of Companies provided exercise books, pencils, lunch boxes, and raincoats to 117 children of employees from Proven Group of Companies and its affiliate companies who are joining the 2023–2024 school year.



On 27 February, 2024, Yangon Metal Industry Co., Ltd, an affiliate of Proven Group of Companies, donated desks and chairs valued at Kyats 5 million to support students at BEPS (24) in Shwe Pyi Thar Township. Additionally, they donated photocopiers and copier papers worth Kyats 5.6 million to Myaung Ta Kar San Pya Village High School.



(C) Mass Blood Donation Campaign

Proven Group of Companies and its affiliate companies collectively donated blood at the National Blood Bank on 1 March, 2024.



4.1 Sustainability Strategy

As PROVEN GROUP OF COMPANIES is a group involved in secondary smelting of lead, production and distribution of lead-acid batteries, plastic injection and blow molding, renewable energy, and the import and distribution of automobile spare parts and accessories, the following five strategies have been established to align with these business activities:

- (1) Environmental Stewardship
- (2) Responsible Supply Chain
- (3) Community Engagement
- (4) Innovation and Continuous Improvement
- (5) Transparency and Accountability

4.2 Environment

PROVEN GROUP OF COMPANIE acknowledges that its current businesses, such as battery production and secondary smelting of lead, have an impact on the environment for the following contexts:

- (A) Green House Gas Emission
- (B) Energy consumption
- (C) Waste management and chemical spills
- (D) Workplace and Environmental Air Quality and Waste Water Management

4.2 Environment

4.2.1 Green House Gas Emission

Greenhouse gas emissions from PROVEN GROUP OF COMPANIES' operations, including battery production and secondary smelting of lead, are measured at each workplace to ensure compliance with the provisions and standards of the 2012 Environmental Conservation Law. The greenhouse gas emissions for the period from April 2023 to March 2024 are as follows, and currently have no significant impact on the environment:

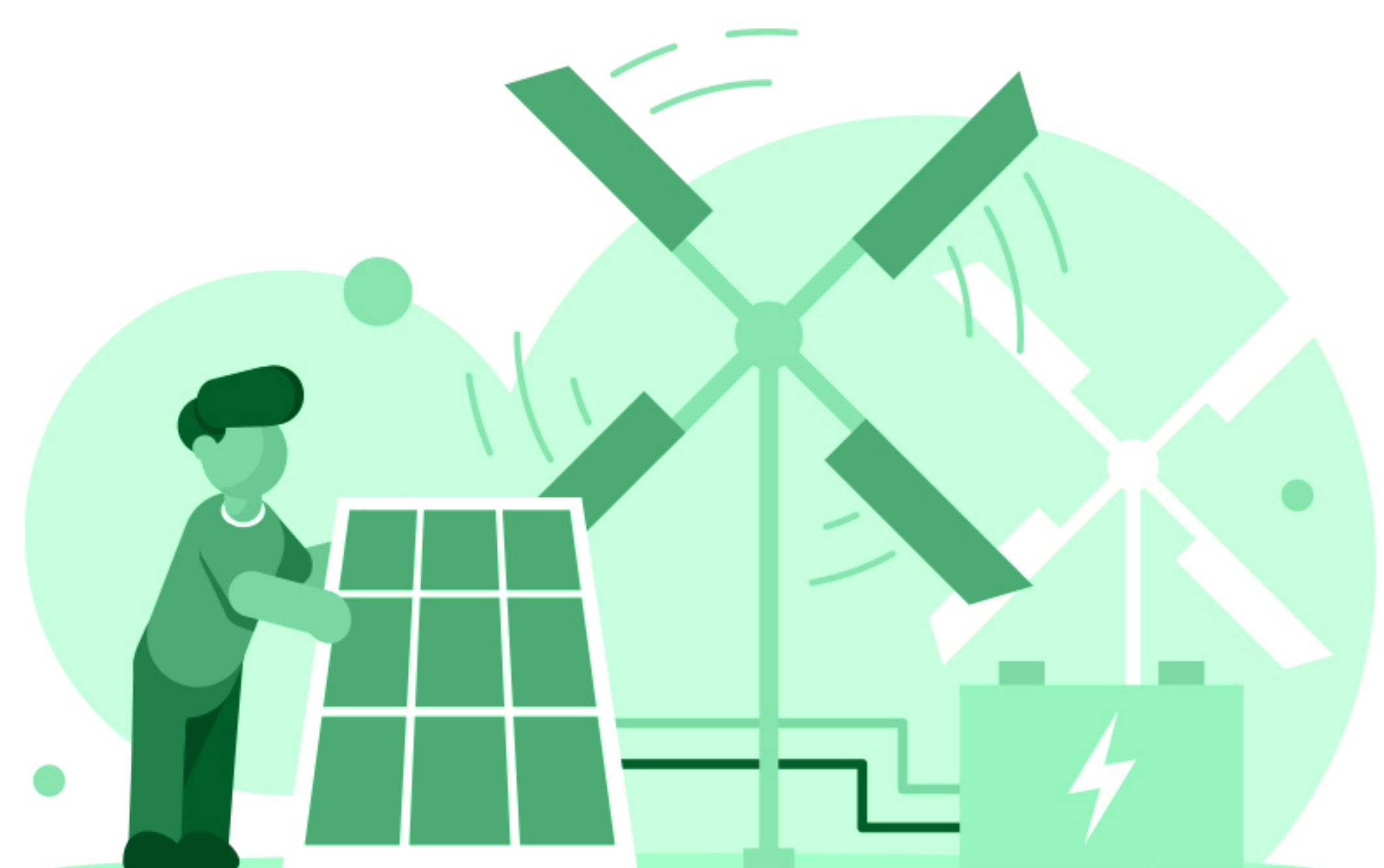
2,542 Tons CO2 Eq



4.2.2 Energy consumption

All work areas of PROVEN GROUP OF COMPANIES are committed to energy efficiency by utilizing solar electricity, a renewable energy source. The energy consumption for the period from April 2023 to March 2024 is as follows, and currently has no significant impact on the environment:

8,069,481 KWh



4.2 Environment

4.2.3 Waste Management and Chemical Spills

PROVEN GROUP OF COMPANIES adheres to the provisions and directives of existing environmental laws, including the GROUP OF COMPAINES's current practice of ISO 14001. The following waste materials from production and manufacturing processes are managed by our waste management system:

- (A) Hazardous Waste including Lead Waste
- (B) Paper Waste
- (C) Plastic Wastes

4.2.4 Workplace and Environmental Air Quality and Waste Water Management

In the battery manufacturing and secondary lead smelting areas of PROVEN GROUP OF COMPANIES, environmental air quality due to these processes is managed by 2015 National Environmental Quality (Emission) Guidelines to ensure the safety and health of workers and prevent hazards.

Similarly, water used in manufacturing processes and other operations is treated with a refining system that meets the required water quality standards set by existing environmental laws. The treated water is then reused within the workplace and for water the plants.



4.2.5 Environmental Activities Related to the United Nations' Sustainable Development Goals and Targets

 <p>6 CLEAN WATER AND SANITATION</p>	Sustainable Development Goals and Targets
<p>PROVEN GROUP OF COMPANIES operates by the United Nations Sustainable Development Goal 6 by treating industrial wastewater from its manufacturing processes, and ensuring that industrial chemicals do not harm water, air, or the environment.</p>	6.3
 <p>9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE</p>	Sustainable Development Goals and Targets
<p>To uphold its commitment to sustainable and harmonious development and enhance resource efficiency, Proven Group of Companies has established policies aligned with the targets of the United Nations Sustainable Development Goal 9.</p>	9.2 9.4
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Sustainable Development Goals and Targets
<p>PROVEN GROUP OF COMPANIES contributes to the targets of the United Nations Sustainable Development Goal 11 by adjusting employee salaries according to the annually changing Consumer Price Index to ensure income security. Additionally, the company offers interest-free home loans for staff to purchase safe and healthy housing at reasonable prices, and provides interest-free</p>	11.1 11.5

	Sustainable Development Goals and Targets
Proven Group of Companies' factories are certified under ISO 14001 for environmental management. An effective environmental management system is in place to mitigate hazards from chemicals, reduce waste, minimize environmental impacts from procurement processes, and promote resource efficiency, in alignment with Sustainable Development Goal 12.	12.2 12.4 12.5 12.6 12.7

4.3 Social

4.3.1 Workplace Safety and Health

Proven Group of Companies is certified under OSHMS ISO 45001 and complies with the provisions of the 1951 Factories Act and the 2019 Occupational Safety and Health Law.

As a group committed to achieving zero major and fatal incidents, the following measures are being implemented to create and promote safe and healthy working environments:

- (A) Establishing workplace safety and health committees in respective factories, workplaces, and departments.
- (B) Rotating managers of respective departments as chairpersons of these safety and health committees.
- (C) Providing corporate safety and health training.

During the fiscal year from April 2023 to March 2024, the following workplace accidents have occurred:

- (A) First Aid Level Accident (9)Nos;
- (B) Minor (6)Nos;
- (C) Serious (2)Nos;
- (D) Major (-)Nos;

No major or fatal injuries occurred at Proven Group of Companies during the fiscal year from April 2023 to March 2024.

4.3.2 WORKERS' RIGHTS

(A) Freedom of Association

Proven Group of Companies complies with the ILO (International Labour Organization) Conventions ratified by Myanmar. In line with provisions related to freedom of association, Basic Labour Organizations are permitted to be freely formed at every workplace by the provisions of the 2011 Labour Organization Law and its regulations.

(B) Child Labour

Proven Group of Companies is committed to sustainability, harmonious development and ethical conducts. It strictly prohibits the use of child labor at all workplaces, considering it unethical. Moreover, Supplier Codes of Conduct have been established within the Proven Group of Companies' supply chain, explicitly prohibiting the use of child labor.

There were no incidents of child labour during the fiscal year 2023-2024.

(C) Forced Labour

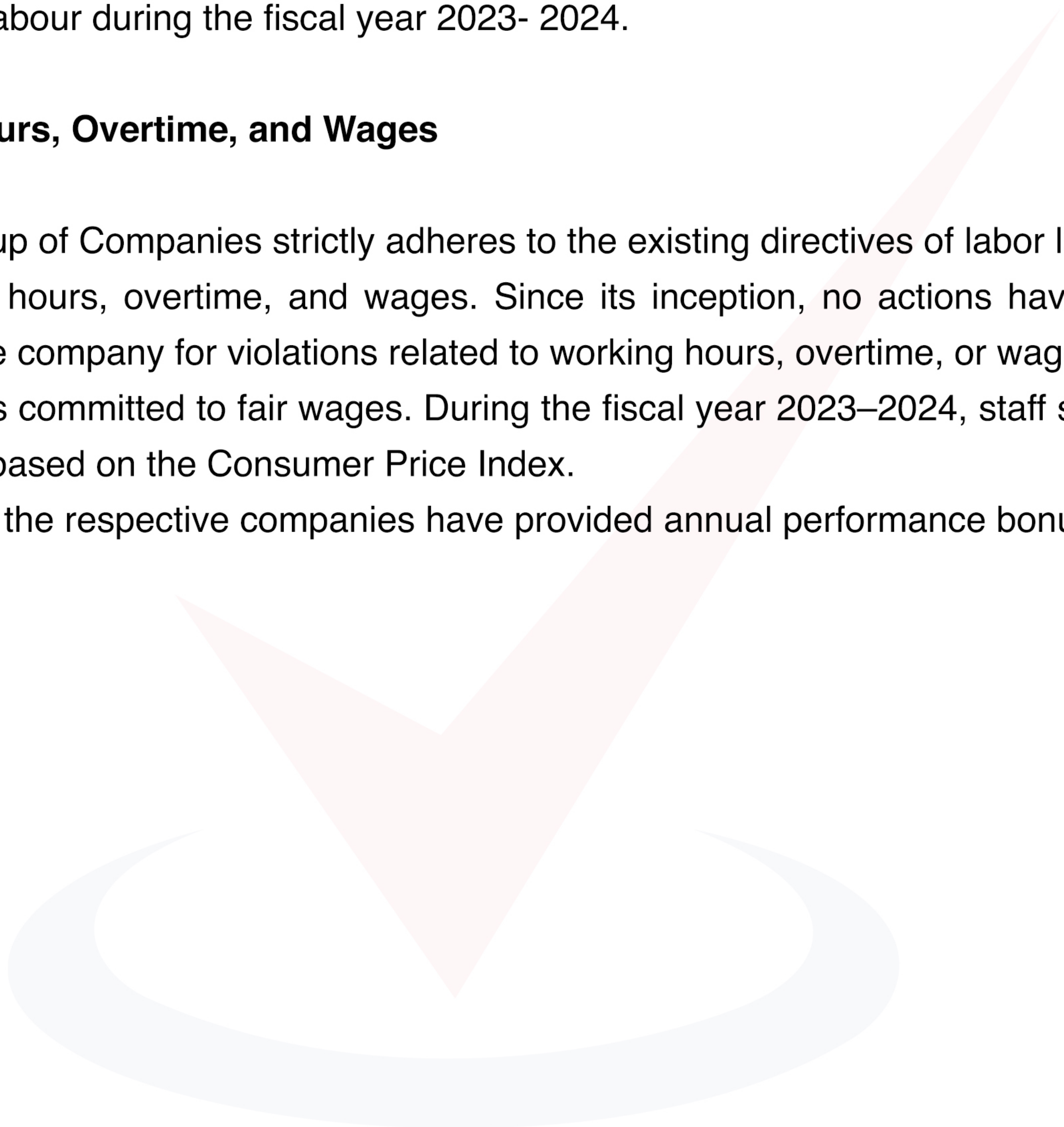
Proven Group of Companies is dedicated to sustainability, harmonious development and ethical conduct. As such, it strictly prohibits unethical forced labour. There were no incidents of forced labour during the fiscal year 2023- 2024.

(D) Working Hours, Overtime, and Wages

Proven Group of Companies strictly adheres to the existing directives of labor laws regarding working hours, overtime, and wages. Since its inception, no actions have been taken against the company for violations related to working hours, overtime, or wages.

The group is committed to fair wages. During the fiscal year 2023–2024, staff salaries were increased based on the Consumer Price Index.

Additionally, the respective companies have provided annual performance bonuses as incentives.



4.3.3 HUMAN RESOURCES

In accordance with the human resources policy of maintaining a skilled and capable workforce, Proven Group of Companies offers extensive training opportunities for its employees.

Employees of the Group are provided with opportunities to attend a variety of courses annually, including management courses, advanced skills training, occupational health and safety, traffic safety, ISO, and business ethics.

Proven Group of Companies has set the following human resources targets:

- (A) Maintain the turn-over rate of permanent staff below 1.5%;
- (B) Keep absenteeism below 5%.

The human resources status of Proven Group of Companies from April 2023 to March 2024 is as follows:

Permanent employees	85%
Total number of employees	1,200+
Rate of Resignation	3%
Female employees	28%
Training	490+ Hours
Rate of Absenteeism	3%

4.3.3.1 Employee Engagement Survey

In March 2024, PROVEN GROUP OF COMPANIES, in collaboration with JobNet Group, conducted a survey among 209 employees at or above the Assistant Supervisor level. The survey assessed employees' willingness to cooperate and participate under current working conditions, their views on the actions and rules, including Corporate Governance implemented by the Group, and their willingness to take long-term responsibility within the Group of Companies.

The survey revealed the following findings:

- (a) Employees are satisfied with the current conditions;
- (b) They are willing to work long-term at Group of Companies;
- (c) There is a great working environment;
- (d) Company recognizes its employees.

4.3.4 Social Protection

Proven Group of Companies has implemented the following social security measures:

- (a) Registering employees in the social security scheme
- (b) Opening clinics at the factories
- (c) Conducting annual health checks
- (d) Distributing interest-free loans
- (e) Providing milk, bananas, and fresh food as nutritional supplements


Proven Group of Companies has established a policy of not expecting returns from its social and charitable activities, which includes the following:


- (f) Providing lunch for hospitalized patients
- (g) Donating to monasteries
- (h) Protecting the environment through tree planting and cleaning efforts
- (i) Donating oxygen tanks to those in need
- (j) Supporting Basic Education Schools with stationery and basic building repair needs
- (k) Facilitating mass blood donation by the employees of Group of Companies at National Blood Bank
- (l) Donating stationery to the children of the employees of Proven Group of Companies

Proven Group of Companies has conducted the following social and charitable activities using allowances from the fiscal year 2023-2024 financial projections:

Donations to charities	24 million Kyats
Beneficiaries	800+
Participation in social welfare events	12+

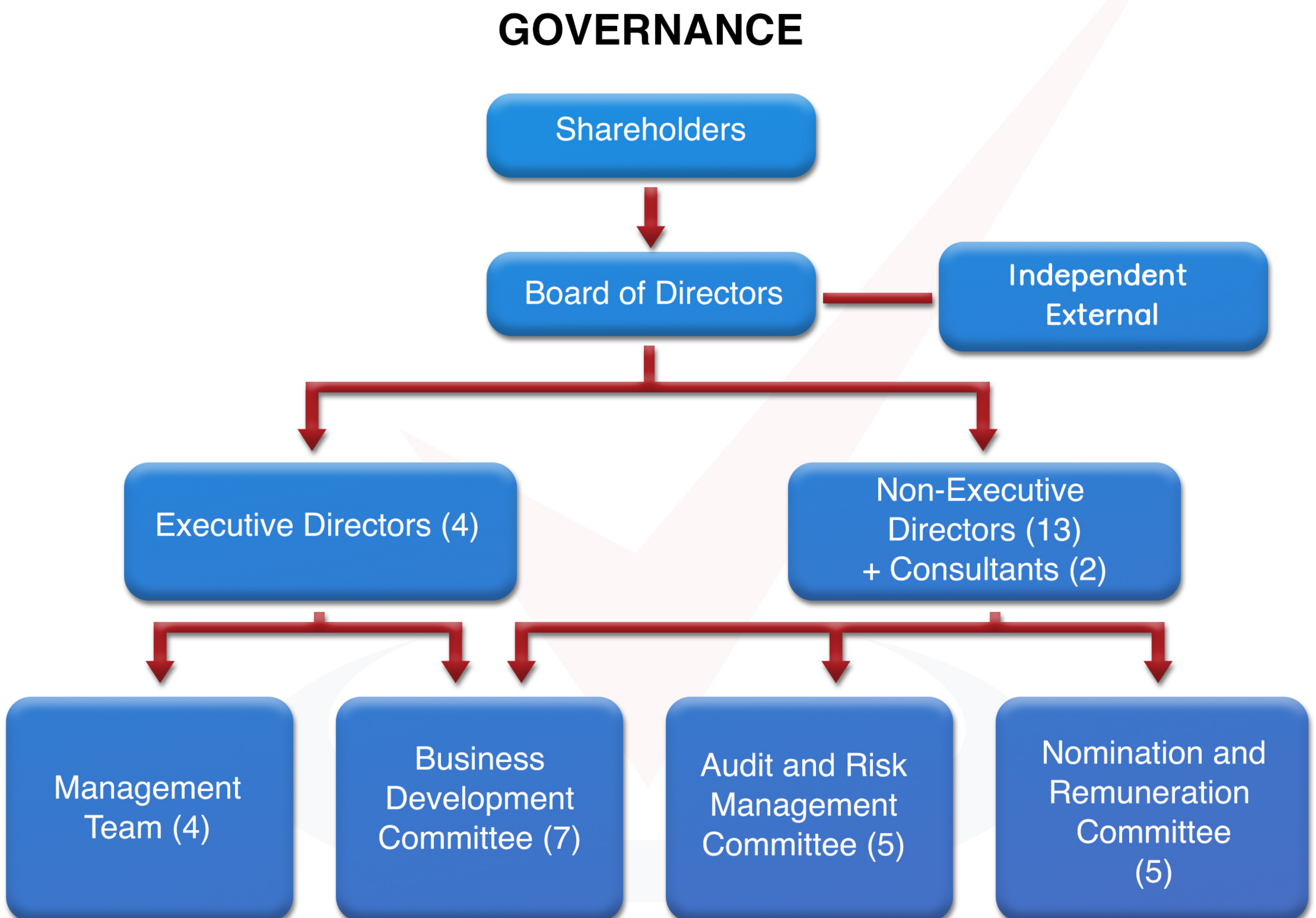
4.3.5 Social Activities Related to the United Nations' Sustainable Development Goals and Targets Sustainable

<p>1 NO POVERTY</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Based on the minimum wage set by the state and annual consumer indexes, Proven Group of Companies has adjusted employee wages and salaries and provided interest-free loans for home purchases, in line with United Nations Sustainable Development Goal 1.</p>	<p>1.1 1.2 1.4 1.5</p>
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Sustainable Development Goals and Targets</p>
<p>By preventing substance abuse, including drugs and psychotic materials, as well as safeguarding against alcohol abuse and industrial chemical hazards, Proven Group of Companies aligns with United Nations Sustainable Development Goal 3.</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 has contributed to the targets of United Nations Sustainable Development Goal 6 by treating industrial wastewater from its manufacturing processes and ensuring that industrial chemicals do not harm water, air, or the environment.</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 do not practice the use of forced and child labor, consistently taking actions to ensure decent work, workplace safety, and health within the GROUP OF COMPAINES. It also upholds workers' rights according to existing laws, in alignment with United Nations Sustainable Development Goal 8.</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>To uphold its commitment to sustainable and harmonious development and enhance resource efficiency, Proven Group of Companies has established policies aligned with the targets of the United Nations Sustainable Development Goal 9.</p>	<p>9.2 9.4</p>
<p>10 REDUCED INEQUALITIES</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies has adjusted wages and salaries according to current consumer indexes, ensured equal pay, and contributed to the social security scheme, in alignment with the targets of the United Nations Sustainable Development Goal 10.</p>	<p>10.1 10.3 10.4</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies' factories are certified under ISO 14001 for environmental management system. An effective environmental management system is in place to mitigate hazards from chemicals, reduce waste, minimize environmental impacts from procurement processes, and promote resource efficiency, in alignment with the targets of the United Nations Sustainable Development Goal 12.</p>	<p>12.2 12.4 12.5 12.6 12.7</p>
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies strives to meet the targets of United Nations Sustainable Development Goal 16 by ensuring all employees adhere to the Code of Conduct to prevent bribery, implementing Corporate Governance throughout the Group of Companies, and ensuring transparency and nondiscrimination at all levels. It also ensures appropriate decisionmaking powers at all management levels and allows the formation of worker organizations under existing labor laws.</p>	<p>16.5 16.6 16.7 16.10 16B</p>

4.4 Governance

As PROVEN GROUP OF COMPANIES continuously strives to become an ethical group, it has established and implemented corporate governance practices accordingly. The details of our corporate governance are outlined in Chapter 2.



PROVEN GROUP OF COMPANIES implemented the following corporate governance measures for the fiscal year April 2023 – March 2024:

- (1) Published the Supplier Code of Conduct as the first step in promoting ethical practices throughout the supply chain, reinforcing our commitment as a responsible business group.
- (2) Established the Group CSR, organized a steering committee, and launched CSR activities.

4.4.1 Code of Conduct

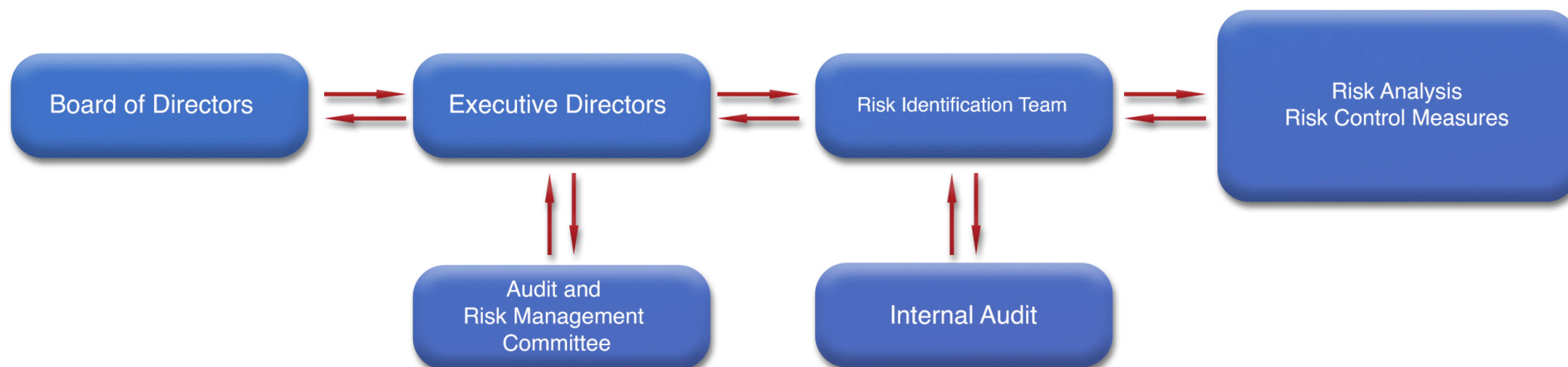
The Code of Conduct established by Proven Group of Companies as part of its Corporate Governance, provides guidelines for employees, management teams, and consultants to ensure ethical business practices are followed.

This Code of Conduct is based on values such as professionalism, honesty, discipline, and ethics, supporting Proven Group of Companies' commitment to sustainable and balanced development as an ethical business entity. (For more details on Proven Group of Companies' Code of Conduct, please refer to Code of Conduct I Proven Group Of Companies.)

4.4.2 Risk Management and Internal Control

To achieve sustainability and harmonious development, it is essential to continuously review and assess risks. Identifying both challenges and opportunities related to these risks is crucial for overcoming them.

To facilitate this process, the Audit and Risk Management Committee, comprising accounting and business experts, has been established. The Risk Management and Internal Control activities of Proven Group of Companies are as follows:



4.4.2 Risk Management and Internal Control

The Audit and Risk Management Committee follows ISO31000 (Risk Management) and has identified and carried out the following tasks step by step:

- Identification: Identification of risks, such as continuously analyzing the availability of raw materials and storing them in advance, if necessary, helps minimize the risk of inflation.

- Evaluation: Evaluation of the chain consequences and opportunities of raw materials shortages to address them and explore step-by-step solutions.

- Control: Similarly, when selling finished products in a competitive market, constantly monitor the risk of losing market share and respond cautiously to price hikes to maintain stability.

- Monitor and Continuous Improvement: Monitor and review risk situations to evaluate whether solutions are reasonable in reducing risks. Modify the approach as needed based on analysis and findings.

4.4.2.1 Corporate Risk Management (CRM)

The Boards of Directors of the respective companies are primarily responsible for Corporate Risk Management (CRM). Risk Assessment Teams, comprising managers from each company, anticipate, analyse, evaluate, and control potential risks arising from the Group's policies and business activities. They assess whether existing controls, policies, and procedures are adequate for addressing these issues. After coordinating with internal audit, proposed solutions and policy-related matters are reported to the respective Managing Directors.

The Managing Directors coordinate as needed and, along with the auditor, report potential risks to the management committee. The committee then proposes preventive measures, which are evaluated by the Board of Directors and implemented accordingly.

4.4.2.1 Corporate Risk Management (CRM)

The following potential risks have been identified for the fiscal year 2023-2024, and solutions are being sought to mitigate these risks.

(A) Supply Chain Risk

The main supplies include lead, acid, and packaging boxes. Risks are mitigated through constant coordination to prevent disruptions in imports, while adapting to changes in import and financial policies, concerning the lead imported from abroad.

(B) Market Risk

In competing with foreign-imported batteries in the market, risks include studying market demand, maintaining product quality, and providing excellent service. These risks are mitigated by conducting regular surveys and reporting findings to upper management through the Risk Management Team, which is organized by managers from the respective companies.

(C) Logistic Risk

Local distribution faces challenges such as product shortages due to transportation difficulties. To mitigate this logistic risk, we deliver more finished goods in advance and open sales branches and service centers in nearby towns. Additionally, occasional coordination between headquarters and sales stores helps address and manage transportation challenges.

(D) Currency Exchange Risk

It is essential to adhere to the Central Bank's financial policies when using foreign currency for import and export. Changes in policy can pose a risk of loss if there are mistakes in managing and aligning currency holdings with the updated policy. Ensuring consistency with the policy during such changes is crucial to mitigate this risk. Currency exchange risk was mitigated through careful discussions among financial experts and relevant management officers during policy changes.

4.4.2.1 Corporate Risk Management (CRM)

(E) Governance Risk

The following risks may arise when a private group of companies implements a corporate management system:

- (1) The risk of exceeding the normal procedures of the Board and a lack of interest in improving the internal control management system.
- (2) The risk of a lack of interest in learning modern management systems.
- (3) The risk of unwillingness to publish a complete annual report to shareholders.
- (4) The risk of reluctance to adhere to policies and avoiding bribery while communicating with suppliers and distributors.

These risks were mitigated through training provided by management consultants, business and administration consultants, and by organizing relevant committees.

(F) Other risks:

- (1) Environment Risk
- (2) Society Risk
- (3) Political Risk
- (4) Energy Risk

The Audit & Risk Management Committee coordinates with management teams in a manner similar to the analysis of other risks.

4.4.3 COMPLAINT MECHANISM

To uphold ethical standards, sustainability, and harmonious development, the top management of Proven Group of Companies is committed to good governance and transparency. As part of these efforts, a complaint mechanism has been established to address actions taken within the Group and the application of the Code of Conduct related to these matters. (For more details on the Complaint Mechanism of Proven Group of Companies, please refer to WHISTLE BLOWING POLICY AND COMPLAINT MECHANISM I Proven Group Of Companies.)

Complaints and actions taken are reported directly to the CEO on a monthly basis.

For matters related to the Group of Companies and concerns regarding the application of the Code of Conduct, you can report them using the following address, email, and phone number.

**Compliance and Sustainable Manager
Proven Group of Companies
compliance@proven.com.mm, 09 880 59 23 68
No. F/S-14, Bayint Naung Road, Shwe Sabai Yeik Mon, Kamaryut
Township, Yangon.**

During the fiscal year April 2023-March 2024, Proven Group of Companies did not receive any complaint reports related to violations, including those concerning existing labour law provisions or corruption.

4.4.4 FINANCE

Proven Group of Companies has achieved the following milestones for the fiscal year April 2023-March 2024.

60%≤ Nationwide distribution of Toyo and Lion batteries	3600+ Wholesale and retail shops selling Toyo and Lion batteries	25%≤ Users of Toyo and Lion batteries for motor vehicles and batteries for lighting purposes	10≤ Market share of engine oils and lubricants
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As Proven Group of Companies strives to be an ethical organization dedicated to sustainability and harmonious development, it has earned only reasonable and fair profits, which are managed as follows:

- (A) Implementing measures to ensure sustainability and harmonious development for Proven Group of Companies;
- (B) Investing in the future business ventures of Proven Group of Companies;
- (C) Distributing profits proportionately to shareholders in accordance with Proven Group of Companies' policy;
- (D) Awarding bonuses to employees working in various sectors of Proven Group of Companies.

Proven Group of Companies distributed annual bonuses to employees for the fiscal year April 2023 to March 2024 on 28 April, 2024.

4.4.5 ENGAGING WITH THE STAKEHOLDERS

The Stakeholders related to the Proven Group of Companies include shareholders/investors, users, importers, employees, state authorities, organizations, local communities and NGOs.



To facilitate sustainable and harmonious development, Proven Group of Companies engages stakeholders in the following ways to address relevant matters:

Stakeholders	How we connect	Actions taken	SDGs
Shareholders/ investors	<ul style="list-style-type: none"> • Meetings • Emails, phones, letters • Webpage 	<ul style="list-style-type: none"> • Maintaining good relation with founding shareholders • Holding Board of Directors' meetings • Directors attending training held by Myanmar Institute of Directors (MIOD) • Issuing annual reports 	16, 17
Customers	<ul style="list-style-type: none"> • Emails, phones, letters • Social media • Expos, gatherings • Workshops • Webpage 	<ul style="list-style-type: none"> • Quality control • Opening regional sales and service centres • Creating Proven-certified training and service centres • Buying old batteries for recycling 	4, 7, 10, 12
Suppliers	<ul style="list-style-type: none"> • Emails, phones, letters • Meetings • Video conferences 	<ul style="list-style-type: none"> • Quality support for goods/services • Fast payments and tactful handling of complaints • Sharing policies and code of conduct • Facilitating development programmes for importers 	1, 8, 9, 10, 16
Employees	<ul style="list-style-type: none"> • Annual performance reviews • Office internet, intranet, email and phone • Reporting • Training and worksite practice • Meetings • Staff evaluation • Discussions • Code of Conduct • Staff get-togethers, staff awards and gala dinner • Meeting as required between staff and relevant HR department 	<ul style="list-style-type: none"> • Fair pay, supporting skill training, providing relevant resources and safe workplace, managing natural disasters, conducting traffic rules compliance courses, and financial aid for sick employees • Ensuring equal rights for all gender, race or religion without discrimination in staff recruitment, training and promotion • Medical examination for employees in production sector • Providing supports for all employees 	1, 2, 3, 4, 6, 8, 13 3, 5, 8, 10
Government and Authorities	<ul style="list-style-type: none"> • Email, phone and letter • Adherence to Provisions and rules • Attending meetings • Enquiring and engagement 	<ul style="list-style-type: none"> • Paying taxes and fees • Renewal of licenses • Adherence to rules and regulations 	10, 16

4.4.6 Governance Activities Related to the United Nations' Sustainable Development Goals and Targets

<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies do not practise the use of forced and child labour, consistently taking actions to ensure decent work, workplace safety, and health within the GROUP OF COMPAINES. It also upholds workers' rights according to existing laws, in alignment with United Nations Sustainable Development Goal 8.</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>To uphold its commitment to sustainable and harmonious development and enhance resource-use efficiency, Proven Group of Companies has established policies aligned with the targets of the United Nations Sustainable Development Goal 9.</p>	<p>9.2 9.4</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES contributes to the targets of the United Nations Sustainable Development Goal 11 by adjusting employee salaries according to the annually changing Consumer Price Index to ensure income security. Additionally, the company offers interest-free home loans for staff to purchase safe and healthy housing at reasonable prices, and provides interest-free loans with monthly installment repayment options for employees facing financial difficulties.</p>	<p>11.1 11.5</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies' factories are certified under ISO 14001 for environmental management. An effective environmental management system is in place to mitigate hazards from chemicals, reduce waste, minimize environmental impacts from procurement processes, and promote resource efficiency, in alignment with the targets of the United Nations Sustainable Development Goal 12.</p>	<p>12.2 12.4 12.5 12.6 12.7</p>

4.4.6 Governance Activities Related to the United Nations' Sustainable Development Goals and Targets

<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies strives to meet the targets of United Nations Sustainable Development Goal 16 by ensuring all employees adhere to the Code of Conduct to prevent bribery, implementing Corporate Governance throughout the Group of Companies, and ensuring transparency and non-discrimination at all levels. It also ensures appropriate decision-making powers at all management levels and allows the formation of worker organizations under existing labor laws.</p>	<p>16.5 16.6 16.7 16.10 16B</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>Sustainable Development Goals and Targets</p>
<p>Proven Group of Companies is continually working to strengthen its position as an ethical organization committed to sustainability and harmonious development. To support this effort, a Compliance and Sustainability Manager has been appointed to ensure alignment with the United Nations Sustainable Development Goals and Targets 17.</p>	<p>17.5 17.6 17.7 17.10 17B</p>

Chapter (5)

BOARD OF DIRECTORS' REPORT



BOARD OF DIRECTORS' REPORT

A Board of Directors' report dated March 31, 2024, has been compiled in accordance with international financial reporting standards as stipulated by the Myanmar Companies Act.

(A) Risk Management

A detailed explanation of risk management is provided on page 56.

(B) Sharing of Dividends

Dividend distribution for the fiscal year 2023-2024 will be implemented based on the decision of the Board of Directors.

(C) Significant Changes in Business

During the fiscal year 2023-2024, purchase and distribution of solar energy appliances, construction of new Plant 3 by Proven Technology Industry Co., Ltd., separating office of Proven Distribution Co., Ltd., expansion of land and buildings by Proven Group of Companies Limited and business expansion with new investment in its affiliate companies.

(D) After the Financial Reports

There have been no remarkable changes since the financial reports were published.

(E) External Audit

In accordance with the Myanmar Companies Act, the Board of Directors will seek

shareholders' approval to appoint MNA Audit Firm as external auditors for Proven Group of Companies, Proven Distribution Co., Ltd, Proven Polyworld Co., Ltd, Proven International Co., Ltd and Yangon Metal Industry Co., Ltd, and AKO Audit Firm for Proven Technology Industry Co., Ltd for the fiscal year 2024-2025.

On behalf of the Board of Directors



Than Htaik Lwin
Chief Executive Officer



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GROUP OF COMPANIES



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