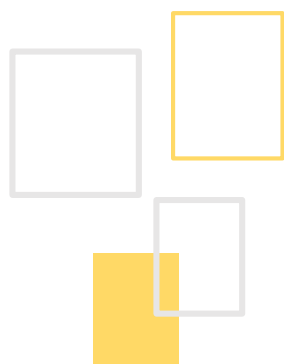


Annual Report 2020

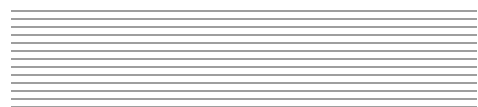
Sakol Energy Public Company Limited

WE MAKE
THE CLEANER WORLD



SKE GROUP

PURPOSE

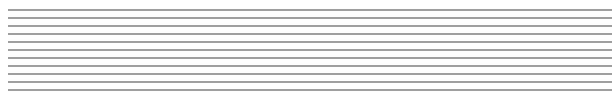


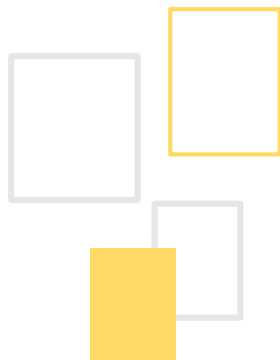
WE MAKE

THE

CLEANER WORLD

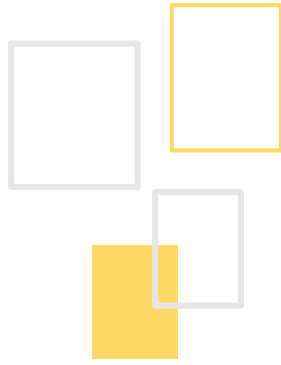
Investors regard the information of the company issuing additional securities from the annual registration statement. (Form 56-1)
Of the company disclosed on www.sec.or.th or company's website www.sakolenergy.com





Content

Vision / Mission	05		
Core Value	06	Securities and Shareholders Information	83
Message from Chairman	07	Policies on dividend payment	87
Message from Chief Executive Officer	09	Organization Chart	88
Report of Audit Committee	11	Policies on good corporate governance	101
Detail of Sakol Energy Public Company Limited Board of Director	13	Corporate Social Responsibilities	124
Key Activities of the Year 2020	28	Internal Control and Risk Management	132
Policy and Nature of Business	31	Key financial information	156
Objectives of the Business	33	Management Discussion and Analysis: MD&A	165
Nature of Business	34	Independent Auditor's Report	179
Risk Factors	70	Financial statements	184
General Information and Other Important Information	80	Notes to Consolidated Financial Statement	195



SKE GROUP

Mission/ Vision



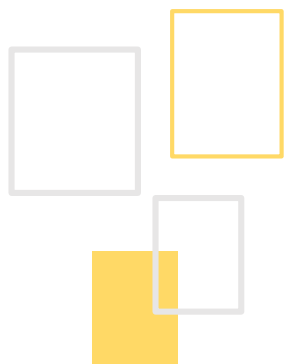
MISSION



VISION

Focus on becoming the leader in providing the energy services of the country.





SKE GROUP

Core Value



CORRECT

C

CHALLENGE

We have courage to **Challenge** for the future.

O

ONE

We are **One** for all and all for one goal.

R

RESPECT

We value **Respect** and diversity for better working.

R

RESULT

We work to pursue the best **Result**.

E

EVOLVE

We have **Evolved** into society of lifelong learning for growing together.

C

COMMUNICATION

We believe systematic **Communication** leads to the understanding of each other.

T

TEAMWORK

Our success comes from SKE **Teamwork**.





“

For the year 2021, the Company is committed to adhere to its business plan and vision which is “Clean Energy and Sustainability for All.”

DL Lavansiri

Prof. Emeritus Dr. Direk Lavansiri

President of Board of Directors

”

Message from Chairman

Dear Shareholders,

The year 2020 was the year in which the world encountered crisis over crisis in all aspects, including economy, healthcare, politics and society. No sector was exempted from impact of the situation. Although Thailand responded to the situation well, overall economy was affected with GDP at a minus of 6.1%, the lowest GDP in 22 years. One of the key factors was the COVID-19 pandemic which had caused a slowdown in the world trade, resulting in decline in export sector to minus 6.6%. As a result, energy consumption in logistics and industrial sectors decreased with 11.5% decrease in petroleum products consumption, 28.5% decrease in NGV consumption, 8.2% decrease in industrial natural gas consumption, and 2.9% decrease in electricity consumption. It was the most challenging year to operate the business in such time of crisis. The Company had implemented the Business Continuity Plan (BCP) to adapt to the situation with technological integration to support the change in operational platform from office to work from home. This initiative was rather satisfactory considering the Company's financial growth whereby profit increased by over 30% from the 2019.

For the year 2021, the Company is committed to adhere to its business plan and vision which is "Clean Energy and Sustainability for All." The Company will continue to develop and conduct feasibility studies on potential investments in renewable energy and other alternative energy power plant projects in order to reach the Company's goal. The Company's goal is to grow and generate 1 billion baht of annual revenues or has at least 30 megawatts of operating power plants that have reached their commercial operation dates within the year 2022. In addition, the Company aspires to cultivate good corporate culture and social values for employees and has therefore established a new

corporate value "FOR : Fight for one result" as standard practice. The Company has prepared itself as an organization and its personnel to be ready for changing technology and innovations that will propel the year 2021 from analog into a full digital era. This year, the Company will start digital transformation with target completion within 2022. The purpose of digital transformation is to prepare the organization for new technology which will play an important role and have significant impact in every aspect.

On behalf of Sakol Energy Public Company Limited, I wish to express my gratitude and appreciation to all shareholders, customers, trade partners and stakeholders who have been providing continuous support and assistance in the Company's operations at a time of major economic crisis in the year 2020.

Lastly, the Company affirms our commitment to operate the business under good corporate governance principles and good management practice for corporate sustainability. We wish to take this opportunity to thank the Board of Directors, management, employees and all personnel who had dedicated to performing their duties efficiently and responsibly, enabling the Company to overcome the year of all-encompassing crisis. This cooperation will bring about steady and sustainable growth of our organization.



Prof. Emeritus Dr. Direk Lavansiri

President of Board of Directors



Message of Chief Executive Officer

“

Our business commitment is to work with clear goals, good governance and for the benefits of all stakeholders.



Mr. Chutchai Sumethchotimetha
Chief Executive Officer

”



Message of Chief Executive Officer

Dear Shareholders,

The operating performance of Sakol Energy Public Company Limited or SKE in the year 2020 reflected the organization's readiness and capabilities in crisis management. During the lock down between February to April 2020, the Company had shifted to working from home for over 2 months by adjusting work process to correspond with the need to work from home for continuity of business operations according to the business continuity plan (BCP). In respect of the management (factory and power plant), the Company had issued strict access control procedures in respect of its employees and visitors. The Company conducted screening and checked travelling history during such period. No personnel, staff or visitors were found to be infected with Covid-19. The operation department was able to achieve its targets as set out under the Company's annual business plan.

In respect of operating performance in the year 2020, the Company achieved growth in terms of both revenues and profits. Our revenue structure had changed to the followings: revenue from sale of electricity 54%; revenue from NGV filling 45%; and revenue from sale of CBG 3%. Such change reflected situation of each business. The Company used this information to analyze and develop the business plan for the year 2021. NGV gas filling business had directly been affected from economic recession, particularly in the tourism and export industry, resulting in a significant decrease in the country's energy consumption. The NGV consumption had reduced by more than 28.5%. Although there is a guaranteed minimum quantity of NGV under the contract, the Company still has to adjust its operational plan to correspond with receding energy consumption as a result of the economic situation, including adjustment of personnel deployment and repair and maintenance plan, in order to sustain the business profitability.

For the year 2021, the Company will proceed according to its business strategy, which is to increase total revenue to billion baht per year by investing in related business or renewable energy of not less than 30 megawatts within the year 2022. The Company expects to reach the target in the year 2021 through opportunities from government's policy and private sector's demand for energy. An opportunity in the government sector includes a policy to open bidding for electricity purchase from community power plants. The government plans to purchase 75 megawatts of biomass energy and 75 megawatts of biofuel energy across the country. The bidding will be carried out in June 2021. In respect of private sector, industries with electricity as their cost began to pay attention to reducing such cost, offering an opportunity for the Company to invest in installation of solar power system for companies in such industries. Some companies have already engaged the Company to start the investment. The Company's business model includes design and construction or investment in power generation system and collect fees based on actual units used at discounted prices. In addition, there are government organizations which foresee the benefits of solar power system in reducing expenses in the long run and growing popularity among households.

Lastly, on behalf of the Executive Committee, I would like to thank you our customers, shareholders, business partners, and benefactors who have always been providing cooperation to us. Our business commitment is to work with clear goals, good governance and for the benefits of all stakeholders. Our performance in the past 4 years is evident that despite various major obstacles, we were able to overcome them and moving towards better directions. From now onwards, there are opportunities for SKE to achieve the goals. Please continue to follow us. Thank you very much.



Mr. Chutchai Sumethchotimetha

Chief Executive Officer





“

The Audit Committee is confident that the internal control system of the company is sufficient and effective and The annual financial reports is accurate, Full disclosure of financial reporting standards.

On behalf of the Audit Committee

Pol.Gen.

Worapong Chewprecha

Chairman of Audit Committee

”



Report of Audit Committee

The Audit Committee of Sakol Energy Public Company Limited has 4 directors consisting of (1) Pol. Gen. Worapong Chewprecha, the Chairman of the Audit Committee (2) Mr. Witoon Simachokedee, the member of the Audit Committee (3) Mrs. Rawitha Pongnuchit, the member of the Audit Committee and (4) Mr. Attawoot Papangkorn, the member of the Audit Committee. And Ms. Pimol Chonchanachai, the position of Internal Audit Manager, is the secretary of the Audit Committee. The Audit Committee performs its duties within the scope of duties and responsibilities as assigned by the Board of Directors which is in line with the regulations of the Stock Exchange of Thailand. The Audit Committee gives importance about reviewing financial statements, Good corporate governance, Risk management systems, Internal control system and internal audit, And Review the company to comply with the law Securities and Exchange Stock market requirements Or laws related to the business of the company Verification of accuracy And the effectiveness of information technology related to operations Financial report And compliance with regulations and laws, including the appointment of auditors

In the accounting period of 2020, the meeting of the Audit Committee held 5 times where the auditor and internal auditor attended the meeting, the details can be summarized as follows:

1. Review the financial statements for the year 2019 and year 2020. The Audit Committee has agreed with the auditor that Such financial statements are as accurate as they should be in accordance with accounting standards and financial reporting standards.

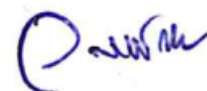
2. Review of internal control system and internal audit for evaluation of sufficiency and appropriation and efficiency of the internal control system by considering of the internal audit report and assessment form on sufficiency of the Company. In year 2020, the Company did not find any significant mistakes. The Company had appropriate measures to protect its assets and also disclosed information accurately, completely and reliable. Therefore, the Audit Committee is of the view that the Company has the internal control system significantly, appropriately and efficiently.

3. Review and provide opinion on the related party transactions or transactions that may have conflict of interest including disclosure of information in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission of which the auditor has disclosed information relating to financial statements and footnote to the financial statements and the Audit Committee was of the same view with the auditor and such transactions are reasonable and the information have been disclosed accurately and completely.

4. Select and nominate auditor and determine audit fees for the year 2019 to propose to the Board of Directors to subsequently propose it for approval by the 2019 Annual General Meeting of shareholders of which the Audit Committee has considered the credentials, independency and appropriation of audit fees and has resolved to appoint KPMG Phoomchai Audit Limited to act as the auditor of the Company for the year 2020 with the annual audit fees of Baht 2,650,000.-

In summary of 2020, The Audit Committee is confident that the internal control system of the company is sufficient and effective and The annual financial reports is accurate, Full disclosure of financial reporting standards.

On behalf of the Audit Committee



Pol.Gen. Worapong Chewprecha
Chairman of Audit Committee



Board of Directors



1.

Prof. Emeritus Dr.Direk Lavansiri

Chairman / Independent Director

2.

Mr. Chutchai Sumethchotimetha

Director

5.

Mr. Thanapon Sumethchotimaytha

Director

9.

Mrs. Rawittha Pongnuchit

Independent Director

3.

Mrs. Aree Sumethchotimetha

Director

6.

Mrs. Tanipa Puangjumpa

Director

10.

Assistant professor Dr. Attawoot Papangkorn

Independent Director

4.

Mr. Jakkraphong Sumethchotimetha

Director

7.

Pol.Gen. Worapong Chewprecha

Independent Director

8.

Dr. Witoon Simachokedee

Independent Director

6

Board of Audit Committee



1.
Pol.Gen. Worapong Chewprecha
Chairman of Audit Committee

2.
Dr. Witoon Simachokedee
Audit Committee

3.
Mrs. Rawittha Pongnuchit
Audit Committee

4.
Assistant professor Dr. Attawoot Papangkorn
Audit Committee

Board of Executive Committee



1.

Mr. Chutchai Sumethchotimetha

Chief Executive Officer

2.

Mrs. Aree Sumethchotimetha

Senior Vice President

3.

Mr. Jakkraphong Sumethchotimetha

Managing Director

4.

Mr. Thanapon Sumethchotimaytha

Chief Operating Officer

5.

Mrs. Napaporn Sathitthammaporn

Chief Financial Officer

Board of Nomination & Remuneration



1.

Mrs. Rawittha Pongnuchit

Chairman of the nomination and Remuneration Committee

2.

Assistant professor Dr. Attawoot Papangkorn

Audit Committee

3.

Mr. Piya Vittayavarotkit

Audit Committee

Detail of Board of Directors and Executive

Prof. Emeritus Dr.Direk Lavansiri

Chairman / Independent Director

Age 71 Years

Education / Training

- Ph.D. of Civil Engineering, Oregon State University, United States of America
- Director Certification Program (DCP) 76/2006 IOD
- Director Accredited Program (DAP) 56/2006 IOD

Shareholding Ratio (%)⁽¹⁾

- None -

Family Relation between the Director and Executives

- None -

Work Experience

- 2017 - Present Chairman / Independent Director Sakol Energy Public Company Limited
- 1984 - Present Director Genie Engineering Consultants Co., Ltd.
- 2008 - 2014 President of Energy Regulatory Committee Energy Regulatory Commission



Mr. Chutchai Sumethchotimetha

Director / Chief Executive Officer

(Authorized director)

Age 66 Years

Education / Training

- Master degree (Public Administration) National Institute of Development Administration Training profile
- Director Accredited Program (DAP) 132/2016 IOD
- Certificate of Senior Executives of Justice Process, 11th Generation, Thailand Justice Institute
- Health Ambassador, 2nd Generation, Chulabhorn Royal Academy
- Security Management and Leadership for Executives Programme, 1st , National Defence College of Thailand

Shareholding Ratio (%)⁽¹⁾

- No. of share "SKE": 294,114,803 (31.625%)

Family Relation between the Director and Executives

- Husband of Mrs. Aree Sumethchotimetha
- Father of Mr. Thanapon Sumethchotimaytha and Mr. Jakkraphong Sumethchotimetha

Work Experience

- 2016 - Present Director / CEO Sakol Energy Public Company Limited
- 2014 - Present Director SK 15 Co.,Ltd
- 2014 - Present Director SKE Development Co., Ltd.
- 2018 - Present Director Mae Krating Power Co., Ltd.

Mrs. Aree Sumethchotimetha

Director / Senior Vice President

(Authorized director)

Age 65 Years

Education / Training

- Master degree (Faculty of Political Science)
- Director Accredited Program (DAP) 132/2016 IOD

Shareholding Ratio (%)⁽¹⁾

- No. of share "SKE": 206,756,858 (22.232%)

Family Relation between the Director and Executives

- Wife of Mr. Chutchai Sumethchotimetha
- Mother of Mr. Thanapon and Mr. Jakkraphong Sumethchotimetha

Work Experience

- 2016 - Present Director / Senior Vice President Sakol Energy Public Company Limited
- 2014 - Present Director SK 15 Co.,Ltd
- 2014 - Present Director SKE Development Co., Ltd.



Mr. Jakkraphong Sumethchotimetha

Director / Managing Director / Company's secretary

(Authorized director)

Age 35 Years

Education / Training

- Master of International Marketing (MA), London Metropolitan University, London, UK
- Director Accredited Program (DAP) 132/2016 IOD
- Driving Strategic Success with IT Governance (ITG) 3/2016 IOD
- Anti-Corruption Practice Guide ACPG 34/2016 IOD
- Certificate program of new executives for peaceful preservation, 1st Generation, Royal Police Cadet Academy
- Certificate of Business Development Project KTB-MMS Customer, 2nd Generation, Krungthai Public Company Limited
- Intermediate Certificate course of Young Leadership in Democratic Governance, 9th Generation, King Prajadhipok's Institute

Shareholding Ratio (%)⁽¹⁾

- No. of share "SKE": 1,729,661 (0.186%)

Family Relation between the Director and Executives

- Son of Mr. Chutchai and Mrs. Aree Sumethchotimetha

Work Experience

- 2016 - Present Director/ Managing Director Sakol Energy Public Company Limited
- 2018 - Present Director Mae Krating Power Co., Ltd.

Mr. Thanapon Sumethchotimaytha

Director / Chief Operating Officer

(Authorized director)

Age 39 Years

Education / Training

- Bachelor's Degree (International Marketing) Bournemouth University
- Director Accredited Program (DAP) 127/2016 IOD

Shareholding Ratio(%)⁽¹⁾

- No. of share "SKE": 930,661 (0.10%)

Family Relation between the Director and Executives

- Son of Mr. Chutchai and Mrs. Aree Sumethchotimetha

Work Experience

- 2016 - Present Director/ Chief Operating Officer Sakol Energy Public Company Limited
- 2014 - Present Director SK 15 Co.,Ltd
- 2014 - Present Director SKE Development Co., Ltd.
- 2018 - Present Director RE BioFuel Co., Ltd
- 2018 - Present Director Mae Krating Power Co., Ltd.



Mrs.Tanipa Puangjumpa

Director

(Authorized director)

Age 58 Years

Education / Training

- Master degree (Public and Private Sectors Management Program) National Institute of Development Administration
- Director Accredited Program (DAP) 134/2017 IOD

Shareholding Ratio (%)⁽¹⁾

- None -

Family Relation between the Director and Executives

- None -

Work Experience

- 2016 - Present Director Sakol Energy Public Company Limited
- 2014 - Present Director SK 15 Co.,Ltd
- 2014 - Present Director Sakol Energy Biomass Power 15 Co., Ltd
- 2014 - Present Director Global Refinery Co., Ltd.
- 2013 - Present Director Global Inter Co., Ltd.
- 2015 - Present Director GI Green Palm Oil Co., Ltd.
- 2006 - Present Director GI Green Power Co., Ltd.
- 2015 - Present Director Donsak Ville Co., Ltd.
- 2014 - Present Director The Lofty Warehouse Co.,Ltd.
- 2007 - Present Director T.S.Palm Oil Co., Ltd.
- 2008 - Present Director Thai Alternative Energy Group Co., Ltd.



Pol.Gen. Worapong Chewprecha

Independent Director / Chairman of Audit Committee

Age 66 Years

Education / Training

- Master degree (Public Administration), Honored, National Institute of Development Administration
- Director Certification Program (DCP) 218/2016 IOD

Shareholding Ratio (%)⁽¹⁾

- None -

Family Relation between the Director and Executives

- None -

Work Experience

- 2016 - Present Independent Director / Chairman of Audit Committee Sakol Energy Public Company Limited
- 2009 - Present Director Silver Shield Public Company Limited
- 2013 - 2015 Deputy Commissioner-General



Dr.Witoon Simachokedee

Independent Director

Age 66 Years

Education / Training

- Doctoral Degree, Ph. D. of Public Administration (Public and Private Sector Management), Ramkamhaeng University
- Doctoral Degree, Honorable Ph. D. of Engineering in Safety Technology Engineering and Occupational Health, Suan Sunandha Rajabhat University
- Doctoral Degree, Honorable Ph. D. of Engineering in Safety Engineering, Kasetsart University
- Doctoral Degree, Honorable Ph. D. of Science, King Mongkut's University of Technology North Bangkok
- Director Certification Program (DCP) 11/2009 IOD
- Financial Statements for Directors (FSD) 4/2009 IOD
- Role of the Chairman Program (RCP) 23/2010 IOD

Shareholding Ratio (%)⁽¹⁾

-None -

Family Relation between the Director and Executives

-None -

Work Experience

- 2016 - Present Independent Director / Audit Committee Sakol Energy Public Company Limited
- 1994 - Present Director Delta Electronics (Thailand) Public Co., Ltd.
- 2009 - 2014 Permanent Secretary, Ministry of Industry



Mrs.Rawittha Pongnuchit

Independent Director / Audit Committee/ Chairman of the nomination and Remuneration Committee

Age 70 Years

Education / Training

- Master of Political Science, Thammasat University
- Director Certification Program (DCP) 59/2005 IOD

Shareholding Ratio (%)⁽¹⁾

-None -

Family Relation between the Director and Executives

-None -

Work Experience

- 2016-Present Independent Director / Audit Committee / Chairman of the nomination and Remuneration Committee Sakol Energy Public Company Limited
- 1994 - Present Director Pranda Jewelry Public Co., Ltd.
- 2007 - Present Director Synnex (Thailand) Public Co.,Ltd.
- 2004 - Present Director Solartron Public Co., Ltd.
- 2013 - Present Director Chankam Residence Co., Ltd.
- 2011 - Present Director Phutra Corporation Co., Ltd.
- 1992 - Present Director Namheng Concrete (1992) Co., Ltd.



Assistant professor Dr. Attawoot Papangkorn

Independent Director / Audit Committee/ Nomination and Remuneration Committee

Age 35 Years

Education / Training

- DBA in Business and Administration major in Management (Corporate governance) University of The Thai Chamber of Commerce
- Director Accredited Program (DAP) 134/2017 IOD
- Risk Management Program For Corporate Leaders (RCL) 14/2018 IOD

Shareholding Ratio (%)⁽¹⁾

-None -

Family Relation between the Director and Executives

-None -

Work Experience

- 2016 - Present Independent Director / Audit Committee/ nomination and Remuneration Committee
Sakol Energy Public Company Limited
- 1992 - Present Director Sajjapong Lawyer Office Co., Ltd.
- 2015 - Present Director Mitr Theeyu Co., Ltd.
- 2015 - Present Director Sapsitthi Co.,Ltd
- 2010 - Present Director Pinklao-Banglumpoo Co., Ltd.
- 2015 - Present Director Host Orlogiry Co., Ltd.
- 2017 - Present Director Nawattakam 986 Co., Ltd.
- 2017 - Present Director System 986 Co., Ltd.



Mrs.Napaporn Sathitthammaporn

Chief Financial Officer

Age 44 Years

Education / Training

- Master of Business Administration, University of Bath, United Kingdom
- Master of Accountancy, Chulalongkorn University
- Postgraduate Diploma in Audit, Thammasat University
- Bachelor of Accountancy (Second-Class Honors), Bangkok University
- CFO Focus on Financial Reporting Thailand Federation of Accounting Professions
- Financial Reporting Standard No. 9 (TFRS 9)
- Short-Course Quick Nano-MBA Online CBS Academy Chulalongkorn Business School
- CFO Refresher Course No 1 The Stock Exchange of Thailand
- TLCA CFO Professional Development Program Thai Listed Companies Association

Shareholding Ratio (%)⁽¹⁾

-None -

Family Relation between the Director and Executives

-None -

Work Experience

- 2019 - Present Chief Financial Officer Sakol Energy Public Company Limited
- 2019 - Present Director RE BioFuel Co., Ltd.
- 2018 - Present Advisor PKF Audit (Thailand) Ltd.
- J2017 - Present Sub-Committee member of the Dignitary Sub-Committee on Audit Test Performance
Thailand Federation of Accounting Professions
- 1996 - 2018 Partner KPMG Phoomchai Audit Ltd.

Remark : ⁽¹⁾It is the information from the share register book closing date (XO) as of 6 January 2021





Key Activities of the Year 2020



Key Activities of the Year 2020

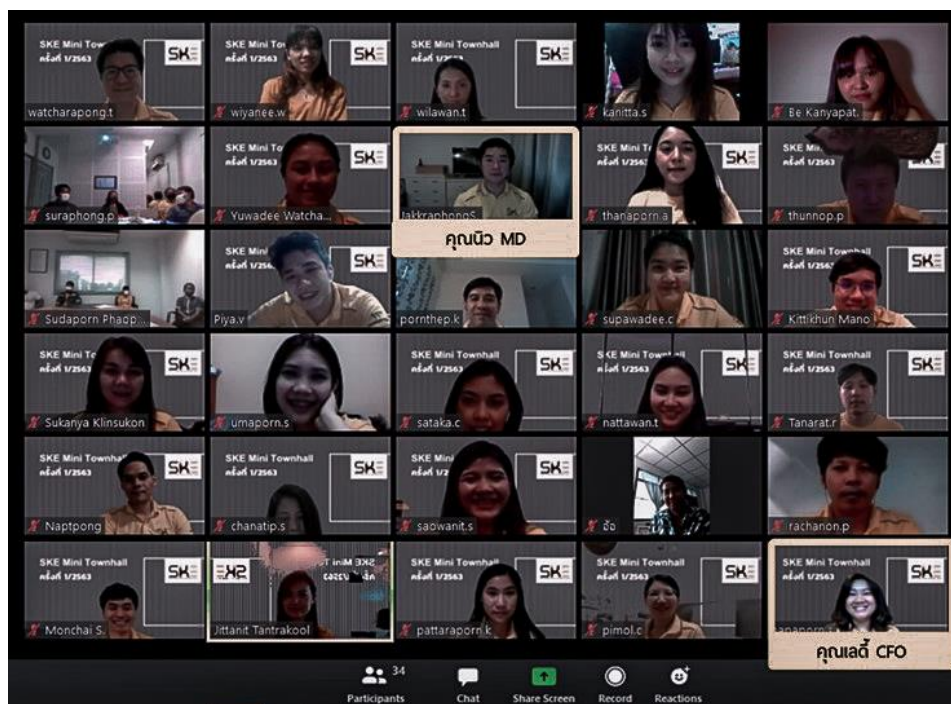
The Company held the Annual General Meeting of Shareholders for 2020. (6 August 2020)

At the Golden Tulip Sovereign Hotel, Bangkok



Remote working management (17 March 2020)

Work from Home



Ganesha sacrifice ceremony (22 August 2020)

At the Private Mother Station of Saraburi Province



SKE Leadership Acceleration Program Module 2 (SKE LAP2) (15 December 2020)

Leadership development plan "SKE Leadership Acceleration Program Module 2" By SKE in collaboration with NEXTER Academy by SCG





Policy and Nature of Business





Policy and Nature of Business

Sakol Energy Public Company Limited performs the energy business operation of Private Mother Station (PMS) 2 stations and subsidiaries performs the business operation of conduct on. producing and selling of compressed bio-methane gas (CBG) and biomass power plant with the installed capacity of 9.9 MW.

The main business of the company is Private Mother Station (PMS) by providing the services of compressing NGV to the natural gas transportation vehicles of PTT PCL (“PTT”) to transport to the Private Mother Station (PMS) outside the gas pipeline or Daughter Station including performing the operation in improving the quality of natural gas in order to conform to the required standards prior to the use in other parts. The customer is PTT.

At present, the Company owns 2 Private Mother Stations (PMS); Private Mother Station of Pathum Thani Province and Private Mother Station of Saraburi Province. The contract is made for hiring to compress natural gas along with establishing Private Mother Station (“Gas compressing hire contract”) with PTT.



“ Have total income equal to 1,000 million baht or power plants of 30 MW ”



Business Strategy

- Organic Growth
- Non-Organic Growth
- Strategic Partnership

Sakol Energy Public Company Limited

Sakol Energy Public Company Limited performs the business operation of Private Mother Station (PMS) by providing the services of compressing NGV to the natural gas transportation vehicles of PTT PCL (“PTT”) to transport to the Private Mother Station (PMS) outside the gas pipeline or Daughter Station including performing the operation in improving the quality of natural gas in order to conform to the required standards prior to the use in other parts. The customer is PTT.

At present, the Company owns 2 Private Mother Stations (PMS); Private Mother Station of Pathum Thani Province and Private Mother Station of Saraburi Province. The contract is made for hiring to compress natural gas along with establishing Private Mother Station (“Gas compressing hire contract”) with PTT.

Private Mother Station Pathum Thani Province, it is located in Chiang Rak Noi Sub-District, Samkhok District, Pathum Thani Province in the area of 8 rai, 3 ngarn, 64 square wa to serve the demand of NGV using in the metropolitan areas. The natural gas compressing force is not lower than 200 tons per day with the reservation of production for 25% throughout the contract term (totaling the natural gas compressing force and the reservation force of 250 tons per day). The Company made the additional contract to PTT to compress the natural gas additionally for another 100 tons per day. The total capacity of natural gas compressing was in the maximum of 350 tons per day. NGV can be compressed to at least 10 natural gas transportation vehicles simultaneously with the filling rate of not less than 12 tons per hour and can produce the gas for 24 hours throughout 365 days per year.

Private Mother Station of Saraburi Province, it is located on Tha Maprang Sub-district, Kaeng Khoi District, Saraburi Province in the area of 18 rai 2 ngarn 61 square wa to serve the demand of NGV using in the northeastern region. The natural gas compressing force is not lower than 320 tons per day with the reservation of production for 25% throughout the contract term (totaling the natural gas compressing force of 400 tons per day). NGV can be compressed to at least 10 natural gas transportation vehicles simultaneously with the filling rate of not less than 12 tons per hour and can produce the gas for 24 hours throughout 365 days per year.

Subsidiaries

1. SK 15 Company Limited

SK 15 Company Limited was incorporated on 11 September 2014 to conduct property for lease business. Its head office is located in Chatuchak District, Bangkok. As of 31 December 2020, the total registered capital of SK 15 Company Limited is Baht 140,000,000, divided into 1,400,000 shares at the par value of Baht 100 per share and all of the company's shares have been fully paid-up. The Company holds 99.99% shareholding of the total registered

and paid-up capital of SK 15 Company Limited. At present, SK 15 Company Limited owns land in Nakhonsawan Province of 57 Rai, and the company has prepared to use the remaining land for development of future projects.

2. SKE Development Company Limited

SKE Development Company Limited (former name is Sakol Energy Biomass Power 15 Company Limited) was incorporated on 21 October 2014 to conduct feasibility study on biomass power plant business. Its head office is located in Chiang Rak Noi, Samkhok, Pathum Thani. As of 31 December 2020, the total registered capital of Sakol Energy Biomass Power 15 Company Limited is Baht 62,000,000, divided into 620,000 ordinary shares at the par value of Baht 100 per share and all of the company's shares have been fully paid-up. The Company holds 99.99% shareholding of the total registered and paid-up capital of Sakol Energy Biomass Power 15 Company Limited. At present, Sakol Energy Biomass Power 15 Company Limited owns land in Songkhla Province of 101 Rai

3. RE BioFuels Company Limited

RE Biofuels Company Limited was incorporated on 17 July 2017 to conduct on. producing and selling of compressed bio-methane gas Its head office is located at 252/108 (B) Muangthai-Phatra Complex 21 th floor Rachadaphisek Rd., Huai kwang, Bangkok 10310 As of 31 December 2020, RE BioFuels Company Limited's registered capital was Baht 21,000,000, divided into 210,000 ordinary shares at the par value of Baht 100 per share and all of the shares are fully paid-up. The Company has 76% shareholding in RE BioFuels Company Limited. At present, RE BioFuels Company Limited has in production and distribution of compressed biomethane gas business, with the production capacity of 9,000 kilograms per day. Compressed biomethane gas is produced from biogas in waste water from cassava manufacturing plant. Such biogas passes the process of quality improvement and compression to create compressed biomethane gas with a similar quality as NGV. And sell to the main customer group, which is a group of transportation operators that use natural gas (NGV) as fuel.

4. Maekrating Power Company Limited

Mae Krating Power Company Limited was incorporated on 3 July 2012 to conduct biomass power plant business by using biomass as fuel, having its head office at 444 Olympia Thai Tower, 6 th floor, Ratchadaphisek Road, Samsennok, Huay Kwang, Bangkok 10310. On 26 June 2018, Mae Krating Power Company Limited has its registered capital of Baht 282,300,000 dividing into ordinary shares of 28,230,000 shares with the par value of Baht 10 each and has the paid-up capital in full. The Company holds 80% shares of total paid-up capital. At present, Mae Krating Power Company Limited conducts biomass power plant business with the installed capacity of 9.9 MW to sell electricity in the maximum selling capacity of 8.0 MW to Provincial Electricity Authority.

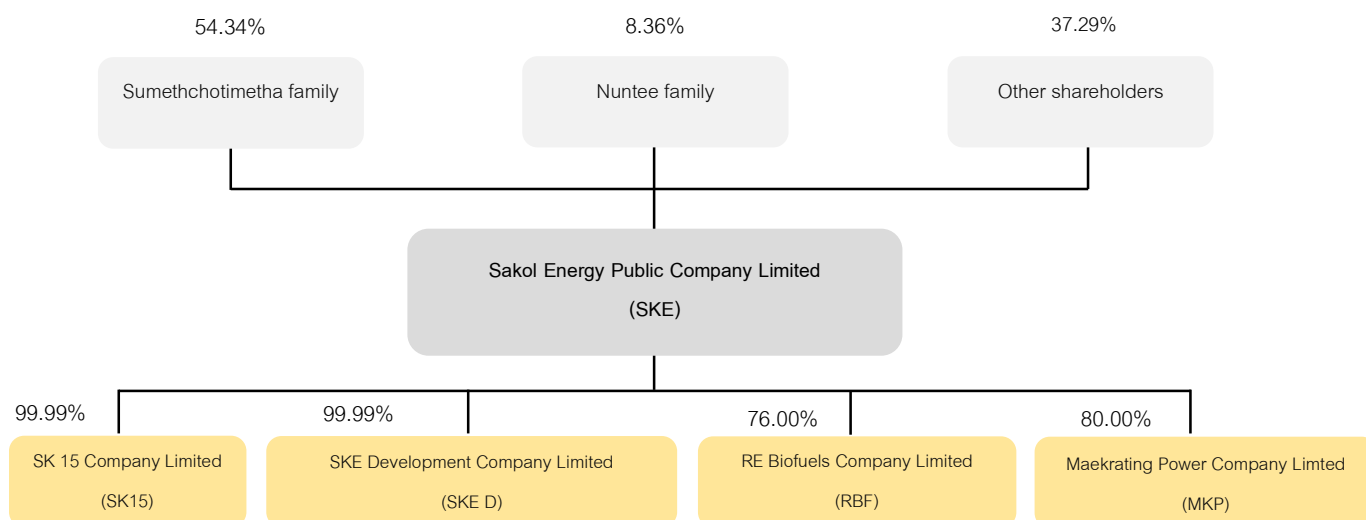


Key milestones and development of the Company



Shareholding Structure

Set out below is the shareholding structure and shareholding in the Company



Remark: It is the information from book closing date as of 6 January 2020

The details of the Company's shareholding in subsidiaries as of 31 December 2020

Company Name	Paid-up Capital (Baht)	Shareholding (%)	Core Business
SK 15 Company Limited	140,000,000	99.99	Property for lease
SKE Development Company Limited	62,000,000	99.99	Awaiting sale of land
RE Biofuels Company Limited	21,000,000	76.00	Production and distribution of compressed biomethane gas with the production capacity of 9,000 kilograms per day
Mae Krating Power Company Limited	282,300,000	80.00	Produce and sell the electricity by using biomass.



Relationship with businesses of major shareholders

There is relationship with businesses of major shareholders. Please refer Item “Related Party Transactions” for more details.

As of 5 January 2020 details on the Company's major shareholders' shareholdings in other companies are as follows:

1. Names of company or business related to Sumethchotimetha family^{1/}

	Company Name	Type of Business	Shareholding by Sumethchotimetha family
1	N15 Technology Company Limited	Nonhazardous industrial waste disposal and waste-to-energy plant in Amata Nakorn Industrial Estate	96.25%
2	Thala marine Company Limited	Purchase and sale of lignite and lumber	99.80%
3	B.P. 15 Company Limited	Manufacturer and distributor of wood pellet	91.33%
4	PTC Holding Company Limited	Mining / sale of coal / sale of biomass and office lease	100.00%
5	Tarntanakom Company Limited	Transportation of agricultural products, containers, coal and cement	100.00%
6	Tarnsuwan Company Limited	Transportation of agricultural products, containers, coal, cement and natural gas (NGV)	99.92%
7	T Line Transport Company Limited	Container truck transportation	100.00%
8	CSK Inventory Company Limited	Warehouse lease	70.00%
9	CSK Inventory Services Company Limited	Warehouse management service	70.00%
10	Trans Energy Company Limited	Contractor for construction of factory and office	10.00%
11	CSK Waste Recycling Company Limited ^{2/}	Waste recycling. At present, the company has not started the operation.	25.00%(direct shareholding) 60.00% (indirect shareholding through CSK Inventory Company Limited)
12	Thai Biogas Technology Company Limited	Project for napier grass as energy crop for power production	50.00%
13	TC Power Resources Company Limited	Mining	50.00%

Remark: ^{1/} Sumethchotimetha family consists of: 1. Mr. Chutchai Sumethchotimetha, 2. Mrs. Aree Sumethchotimetha, 3. Miss Intira Sumethchotimetha, 4. Mr. Thanapon Sumetchotimaytha, 5. Mr. Rapeepat Sumethchotimetha and 6. Mr. Jakkraphong Sumethchotimetha



2. Names of company or business related to Nunttee family

	Company Name	Type of Business	Shareholding by Nunttee family
1	Global Refinery Company Limited ^{1/}	In process of studying and setting-up of palm oil refinery plant project	-
2	Global Inter Company Limited ^{1/}	Storage tank for palm oil and storage tank for related products	39.33%
3	GI Green Palm Oil Company Limited	Sale and purchase of palm oil and sale and purchase of palm oil related products	17.00%
4	GI Green Power Company Limited ^{1/}	Manufacturer and distributor of biodiesel	0%(direct shareholding) 90.00% (indirect shareholding through Global Inter Company Limited)
5	Donsak Ville Company Limited ^{1/}	Provision of accommodation	97.00%
6	The Lofty Warehouse Company Limited	In process of studying and setting-up of warehouse	90.00%
7	Thai Alternative Energy Group Company Limited 1/	Holding company focusing on investment in energy business	100.00%
8	T.S.Palm Oil Company Limited ^{2/}	Sale and purchase of palm oil and sale and purchase of palm oil related products	13.75%
9	Legal Chancery Countcil Company Limited	Legal Service	100.00%
10	Global Pellets Company Limited	Sale and purchase of wood pellets	40.00%
11	Global Bistro Management Company Limited	Restaurant	84.99%
12	Palm Biz Corporation Company Limited	Conduct main business in relation to providing information and marketing plan of palm oil business	95.00%
13	TC Power Resources Company Limited	Mining	50.00%
14	Domus Realestate Development Company Limited	Land trading, land and house agent, land allotment, land and house, commercial building, procurement of land and equipment	0.05%
15	Thai Biogas Technology Company Limited	Pilot project of power producing from napier grass	30.00%

Remark: Nunttee family consists of: 1. Mr. Thanakorn Nunttee 2.Mrs.Thanaporn Nunttee 3. Miss Kantanika Nunttee 4.Mr. Thanapat Nunttee 5.Mr.Monthon Nunttee 6. Mrs. Tanipa Puangjumba

^{1/} Mrs. Tanipa Puangjumba is a director of the company.

^{2/} Inactive and/or planned for close down.





Nature of Business



Nature of Business

Revenue structure of the company and subsidiaries

Total revenue structure of the company and subsidiaries for the fiscal year ending 31 December 2018-2020, the details of which are as follows:

Business	Operated by	% of shares held by the company	2018		2019		2020	
			Baht Million	%	Baht Million	%	Baht Million	%
1.Sale & service gas-related business			297.07	91.31	238.57	60.54	207.66	38.91
1.1 Private Mother Station (PMS) ⁽¹⁾	Sakol Energy PCL.		201.15	61.83	169.66	43.05	168.53	31.58
1.2 Natural gas quality improvement ⁽²⁾	Sakol Energy PCL.		95.92	29.48	68.91	17.49	39.13	7.33
2.Revenue from financial lease			20.62	6.34	19.73	5.01	18.75	3.51
2.1 Adjustment of Revenue according to Financial Reporting Standard No.16	Sakol Energy PCL.		20.62	6.34	19.73	5.01	18.75	3.51
3.Revenue from electricity sales					108.39	27.50	286.52	53.69
3.1 Mae Krating Biomass Power Plant	Mae Krating Power Co., Ltd.	80.00			108.39	27.50	286.52	53.69
4. Revenue from compressed bio-methane gas sales					10.40	2.64	17.20	3.22
4.1 Bio-methane gas	RE Biofuel Co., Ltd.	75.95			10.40	2.64	17.20	3.22
5.Other Business			7.66	2.35	17.01	4.32	3.53	0.66
5.1 Profit from sale of mutual fund								
5.1.1 Profit from sale of mutual fund	Sakol Energy PCL.		1.92	0.59	0.11	0.03	0.05	0.01
5.1.2 Profit from sale of mutual fund	Mae Krating Power Co., Ltd.	80.00			0.08	0.02		
5.1.3 Profit from sale of mutual fund	SK15 Co., Ltd.	99.99			0.13	0.03	0.04	0.01
5.1.4 Profit from sale of mutual fund	SKE Development Co., Ltd. ⁽³⁾	99.99			1.04	0.26	0.14	0.03
5.2 Interest income								
5.2.1 Interest income from financial institutions	Sakol Energy PCL.		0.29	0.09	0.30	0.08	0.02	-
5.2.2 Interest income from financial institutions	Mae Krating Power Co., Ltd.	80.00	0.11	0.03	0.08	0.02	0.09	0.02
5.2.3 Interest income from financial institutions	RE Biofuel Co., Ltd.	75.95	0.12	0.03				
5.2.4 Interest income from other parties	Sakol Energy PCL.				0.09	0.02	0.42	0.08
5.2.5 Interest income from other parties	RE Biofuel Co., Ltd.	75.95			0.09	0.02	0.00	0.00
5.2.6 Interest income from other parties	SK15 Co., Ltd.	99.99			0.14	0.04	0.00	0.00
5.2.7 Interest income from other parties	SKE Development Co., Ltd. ⁽³⁾	99.99					0.02	-
5.3 Utility income								
5.3.1 Utility income	Sakol Energy PCL.		0.51	0.16	0.53	0.13	0.44	0.08
5.3.2 Utility income	Mae Krating Power Co., Ltd.	80.00	0.20	0.06	0.50	0.13		
5.4 Unrealized gain on exchange	RE Biofuel Co., Ltd.	75.95	0.18	0.06	0.91	0.23		
5.5 Gain from amortization of negative goodwill (Mae Krating Power Plant Project)	Sakol Energy PCL.		3.50	1.08				
5.6 Funding from the Department of Alternative Energy Development and Efficiency, Ministry of Energy	RE Biofuel Co., Ltd.	75.95	0.00	0.00	12.00	3.04		
5.7 Other income								
5.7.1 Other Income	Sakol Energy PCL.		0.83	0.26	0.95	0.24	1.77	0.33
5.7.2 Other Income	Mae Krating Power Co., Ltd.	80.00			0.03	0.01	0.45	0.08
5.7.3 Other Income	SK15 Co., Ltd.	99.99			0.02	0.01		
5.7.3 Other Income	SKE Development Co., Ltd. ⁽³⁾	99.99			0.01	-	0.09	0.02
Total Revenue			325.35	100	394.10	100	533.66	100

Remark: (1) stations of Private Mother Station (PMS) consist of NGV Private Mother Station Chiang Rak Noi, Pathum Thani and NGV Private Mother Station Saraburi

(2) Revenue from natural gas quality improvement business included in the business revenue Private Mother Station Chiang Rak Noi, Pathum Thani and Private Mother Station Saraburi

(3) former name is Sakol Energy Biomass Power 15 Company Limited



SKE GROUP

Private Mother Station (PMS)

Private Mother Station: PMS

Sakol Energy Public Company Limited is Private Mother Station (PMS) operator, providing natural gas compression service for NGV trailer trucks of PTT Public Company Limited (“PTT”) which distribute NGV to Private Mother Station (PMS) which are not along natural gas pipelines or Daughter Station, including improving natural gas quality to meet the regulators' standards. PTT is the Company's customer.

Present, the Company's Private Mother Station (PMS) have 2 stations.

- Private Mother Station Pathum Thani Province
- Private Mother Station of Saraburi

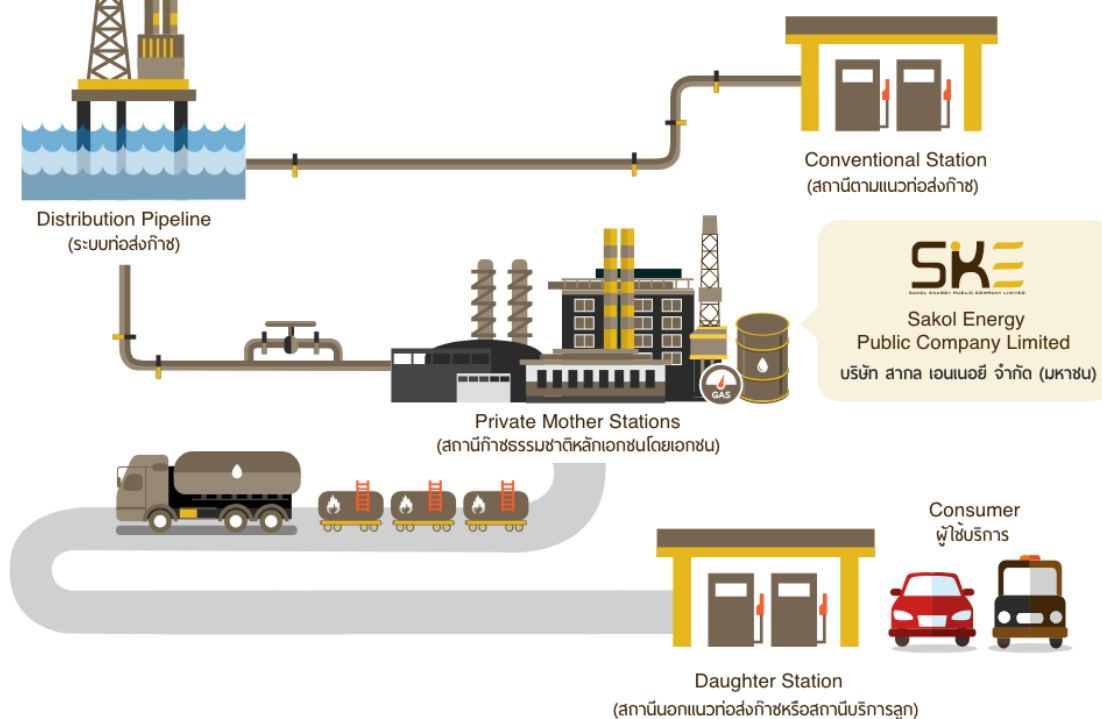


Diagram illustrating the Company's business operation

- Remarks: 1. Private Mother Station (PMS) is a station located along the pipeline which compresses and improves quality of natural gas and fuels in NGV trucks for transportation to daughter stations.
2. Daughter Station is a station located off the pipeline and must receive natural gas supplied from NGV trucks supplied by mother stations and dispenses such natural gas to users.
3. Conventional Station is a station located along the pipeline which improves quality of natural gas and sells to users.



Natural gas compression process by Private Mother Station (PMS)

1. Natural gas passes through pipeline to the main natural gas private mother station (PMS) through gas metering to measure the quantity of gas to the private mother station (PMS);
2. Natural gas has high heat pressure which shall be required to improve the quality of gas by mixing carbon dioxide (CO_2) or nitrogen (N_2) with natural gas to meet the standard heat pressure of motor vehicles as required by Department of Energy.
3. Low-pressured natural gas coming from pipeline through gas metering will enter compressor to create the level of compression as required; and
4. High-pressured natural gas will be passed to filling panel for filling into natural gas trailer trucks for transportation to daughter station.

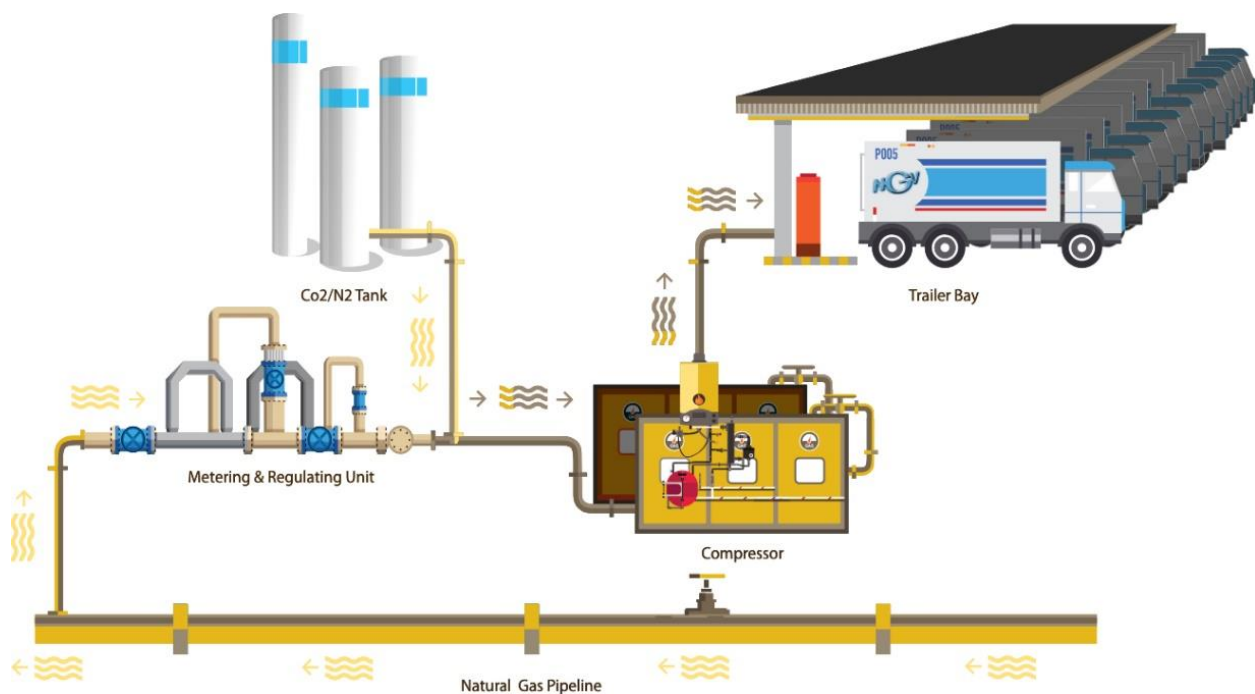


Diagram illustrating of natural gas compression process



Installed capacity and actual production of compressed natural gas

	2015	2016	2017	2018	2019	2015
<u>Pathum Thani Station</u>						
Installed capacity of compressed natural gas (ton per year)	157,899	157,899	157,899	157,899	157,899	157,899
Actual production of compressed natural gas (ton per year)	91,029	97,944	89,178	88,954	76,108	68,076
Actual production of compressed natural gas (ton per day)	249	268	244	244	209	186
Capacity utilization rate (%)	58%	62%	56%	56%	48%	43%
<u>Saraburi Station</u>						
Installed capacity of compressed natural gas (ton per year)	166,549	166,549	166,549	166,549	166,549	166,549
Actual production of compressed natural gas (ton per year)	122,718	120,323	121,661	115,724	106,054	79,369
Actual production of compressed natural gas (ton per day)	336	329	333	317	291	217
Capacity utilization rate (%)	74%	72%	73%	70%	64%	48%
<u>Total</u>						
Installed capacity of compressed natural gas (ton per year)	324,448	324,448	324,448	324,448	324,448	324,448
Actual production of compressed natural gas (ton per year)	213,747	218,267	210,839	204,677	182,162	147,445
Actual production of compressed natural gas (ton per day)	586	596	578	561	499	403
Capacity utilization rate (%)	66%	67%	65%	63%	56%	45%

Source: SKE

Remark: Installed capacity of compressed natural gas production is the maximum capacity of compressor.

SKE GROUP

Compressed Biomethane Gas (CBG)

Producing and selling of compressed bio-methane gas station business

RE Biofuels Company Limited ("RBF") conduct its business on producing and selling of compressed bio-methane gas of which this gas has quality similar to the natural gas vehicle (NGV). The process of biogas producing consists of the receiving of biogas from fermentation tank and transfer to machinery to improve the quality of gas to produce the gas that has quality which is suitable for using in vehicle and it shall have quality in accordance with the regulations under the notification of Department of Energy

The maximum capacity of compressed bio-methane gas production is 9,000 kilograms per day. The gas station of RBF can support many types of vehicles such as private car, public transport, large truck and track for gas transportation for transferring of gas to other selling points or using of gas as fuel in industrial facilities.

The facility and gas station are located at Lam Thamenchai District, Nakhon Ratchasima Province which are close to tapioca starch factory of which such factory can supply wastewater and waste from production. The waste waters from the tapioca starch factory are raw material of biogas fermentation tanks whereby such biogas fermentation tanks are under supervision of a company which experts in fermentation and production of biogas. The produced gas will sell to RBF for producing and selling as compressed bio-methane gas.

Bio-methane gas "CBG"

Bio-methane gas with a similar quality as "NGV".

Therefore, can be used in vehicles and can be used as fuel in industrial plants.

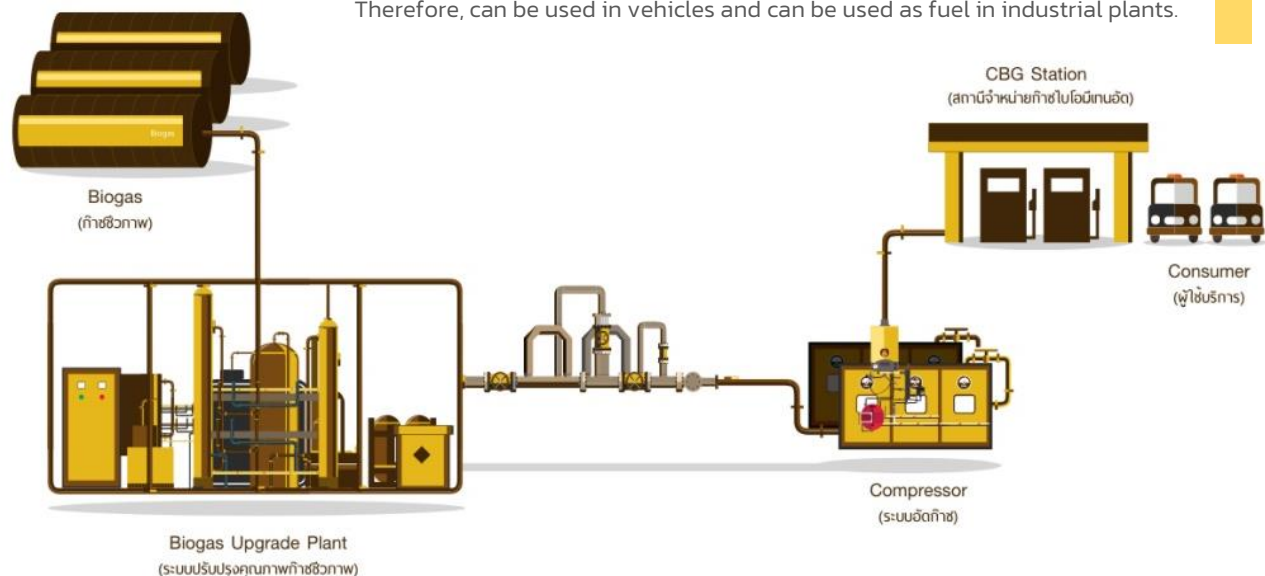


Diagram illustrating of produce CBG

RE Biofuels Company Limited (RBF)



SKE GROUP

Biomass Power Plant

Biomass Power Plant Business of Mae Krating

Currently, the factory has been constructed and the machinery has been installed. Only the civil work is still in the construction system, such as fences, gutters, roads within the project etc.

In August 2019, Mae Krating Biomass Power Plant Able to produce electricity for sale to the Provincial Electricity Authority Continuously until present

Power purchase rate

4.57 baht / unit

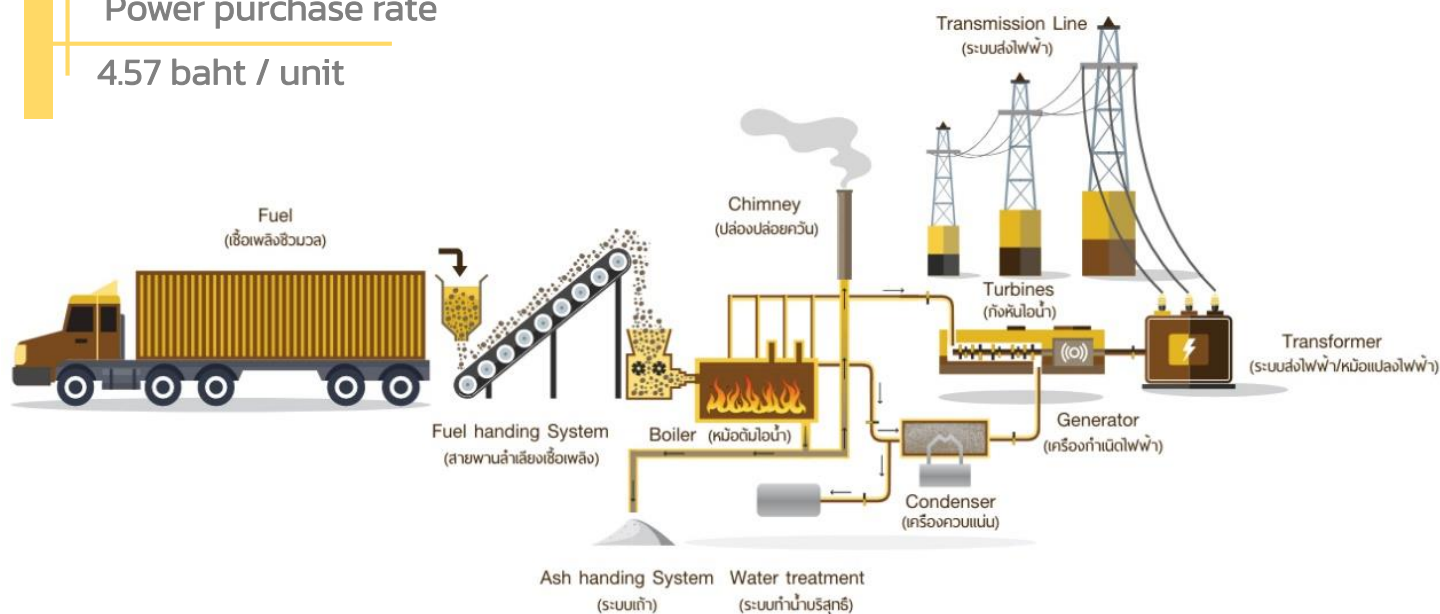


Diagram illustrating of produce the electricity

Maekrating Power Company Limited



Marketing and Competitions

Private Mother Station: PMS

1. Competitive strategy

(1) Reduction of loss quantity (Gas Loss)

Under the terms and conditions of the Gas Compression Contract with PTT, the Company must compress natural gas in the quantity determined thereunder and minimize loss quantity (not exceeding 1%) in order not to be subject to penalty under the contract. Most of the time, the Company's quantity of gas loss does not exceed 1%. In addition, the Company delivers natural gas according to the schedule under the contract. Such performance creates credibility which shall be beneficial to the Company in being awarded concession by PTT, if Private Mother Station (PMS) is opened for bidding in the future.

Remark: Quantity of gas loss is difference between quantity of gas measured by meter before entering Private Mother Station (PMS) and quantity of gas measured by meter before dispensing to natural gas trailers

(2) Continuous improvement and development of equipment or parts used in the business

Since most equipment or parts used in the natural gas station are costly because they must be imported from overseas, the Company must improve and develop equipment or parts such as spare parts used in compressor. The Company hires a local manufacturer to produce such equipment or parts to reduce importation from overseas. As a result, the Company can decrease its operating costs and increase its competitiveness.

(3) Site selection in advance

Location of the site is an important factor in setting up private mother stations as it needs to be along the natural gas distribution pipelines of PTT. The Company purchases land in advance in the area along the distribution pipelines of PTT for the purpose of bidding for concession of private mother stations in the future. The land owned by the Company is located along the natural gas distribution pipelines of PTT which creates competitive edge to the Company in bidding for future projects.

(4) To business relating to natural gas compression and energy business

At present, the Company has a plan to expand to business relating to natural gas compression and energy business in order to diversify its business. The business relating to natural gas compression includes natural gas transportation service, gas station, conventional ex-pipeline, compressed bio-methane gas (CBG), biomass power plant, conversion of agricultural products to energy etc. Since the Company sees potential in expanding from its existing business, the Company is now in process of negotiating to set-up conventional ex-pipeline with PTT.

2. Characteristics of customer and target customer

The Company's customer is PTT Public Company Limited. NGV trailer trucks, pursuant to the terms and conditions of natural gas transportation service contract with PTT, will come to the Company's stations for fueling of compressed natural gas pursuant to the terms and conditions of the natural gas transportation contract between the Company and PTT. The schedule of NGV trailer trucks arriving at the Company's stations on a monthly and weekly



basis are prepared in advance. The schedule may be subject to changes by PTT. In the event of urgency, PTT may notify the Company 1 – 3 days in advance to revise and plan for transportation and traffic of NGV trucks from PTT to the Company's stations

3. Pricing Policy

The Company's pricing policy under the gas compression and private mother station (PMS) set-up contract consists of 2 parts: (1) availability payment (AP), a fixed compensation during the whole period of the contract term; and (2) energy payment, a variable compensation, such as price of electricity, exchange rates and consumer price index. In case there is improvement of natural gas quality, fees will be charged for such additional service. Fees for improvement of natural gas quality consists of 2 parts: (1) availability payment 2 (AP2), a fixed compensation during the whole period of the contract term; and (2) energy payment 2 (EP2), a variable compensation, such as price of electricity, producer price index: freight trucking, and consumer price index. The Company will collect fees with PTT based on the actual quantity of compressed natural gas in each month. In the event the actual monthly quantity of compressed natural gas is lower than the monthly quantity guaranteed by PTT, PTT agrees to pay fees only in the form of availability payment (AP) on the shortfall of the guaranteed monthly quantity

4. Sale and distribution channel

Process of compress natural gas

1. Natural gas transportation service provider of PTT examines if gas container is in proper working conditions



2. Natural gas transportation service provider of PTT takes gas container to filling station (trailer bay)



3. The Company compresses natural gas



4. The Company records quantity of compressed natural gas in order to issue delivery slip to natural gas transportation service provider of PTT



5. Natural gas transportation service provider of PTT takes gas container which has been filled with natural gas to parking space ready for further delivery to customer



6. Natural gas transportation service provider of PTT transports compressed natural gas from the Company's station to daughter station or service station

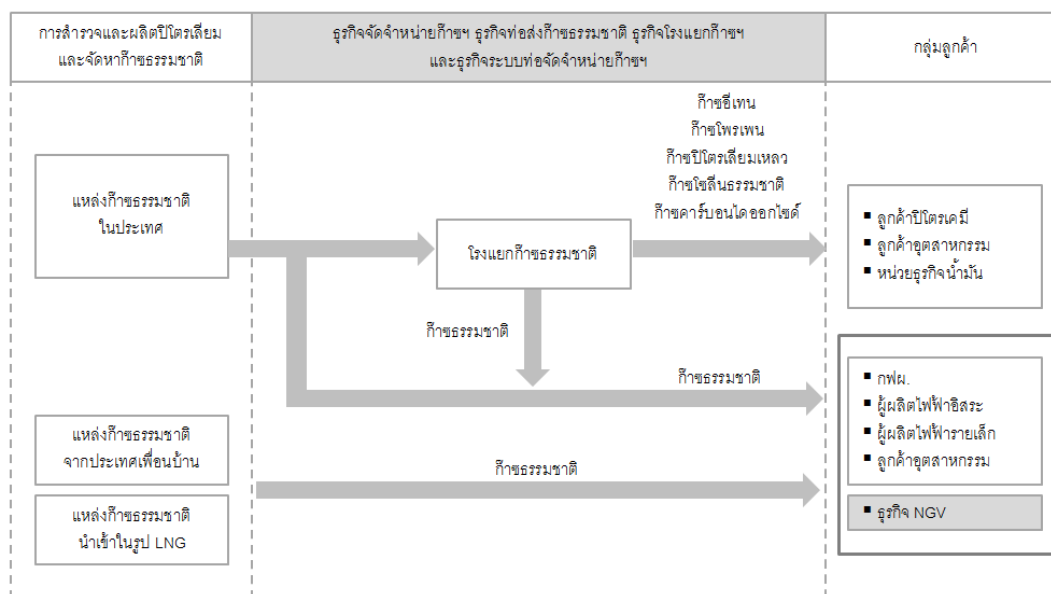


The above compression process of natural gas for NGV trucks is in accordance with terms and conditions of natural gas compression contract with PTT. Pathum Thani Private Mother Station has minimum compressed natural gas capacity of 200 tons per day and reserved capacity of 25% for the whole term of the contract, with additional quota from PTT to compress natural gas of another 100 tons per day. Saraburi Private Mother Station has minimum compressed natural gas capacity of 320 tons per day and reserved capacity of 25% for the whole term of the contract. The Company's staff and PTT's staff jointly examine the production quantity of compressed natural gas at the end of each month at Metering and Regulating Station. PTT agrees to pay service compensation on a monthly basis in the amount equivalent to the actual quantity of compressed natural gas filled in its NGV trucks and the invoice for service will be paid within 30 days from the date of submission of the invoice.

5. Industry Outlook and Competition

Natural gas industry outlook

As the Company operates private mother station (PMS) business providing natural gas compression service to natural gas trailers of PTT for transportation to daughter stations, demand for natural gas is a key factor to growth of this business. The natural gas industry outlook in Thailand is as follows:



Procurement and usage of natural gas

At present, main sources of natural gas in Thailand can be divided into the following two sources (In 2018 EPPO):

- Domestic production accounts for 72% of the total production quantity. Natural gas is from:
 - Gulf of Thailand which includes Erawan field, Bongkot field, Arthit field, Benjamas field, Tarntawan and Platong gas field.
 - Joint development area, namely Malaysia-Thailand joint development area (JDA)
 - Inland area such as Nam Phong field, Nam Phong Sub-district, Khon Kaen Province and Pu Hom field, Udonthani Province.
- Importation from overseas accounts for 28% of the total production quantity. Natural gas is from:
 - Importation from Burma such as Yadana gas field, Yetagun gas field, and Zawtika gas field accounts for 16% of the total production quantity.
 - Importation from overseas, namely Middle West, South America, and Australia, in the form of Liquefied Natural Gas (LNG) accounts for 12% of the total production quantity.

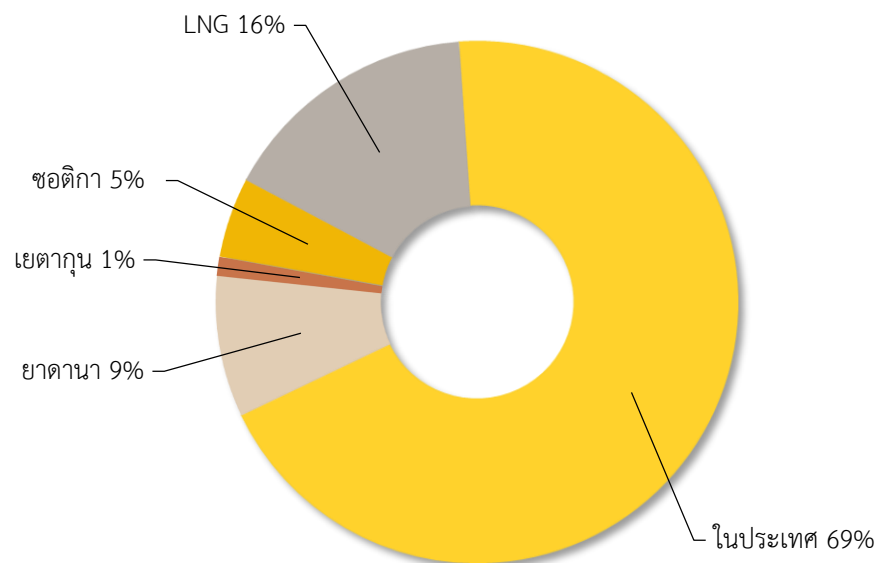
PTT is the operator of the natural gas business. It is the natural gas buyer from the natural gas seller under natural gas purchase contracts both domestically and internationally. For importing liquefied natural gas (LNG)



from abroad, PTT has established PTTLNG Company Limited (PTTLNG) to carry out the construction of a jetty and a terminal for Map Ta Phut LNG Terminal to meet future demand for natural gas.

In 2019 (January-November), gas production in Thailand was 3,618 cubic feet per day. The rest is imported from abroad. Burma's imports are 762 cubic feet per day and imported LNG 678 cubic feet per day. Total supply of natural gas is 5,058 cubic feet per day. First LNG imports were made in May 2011.

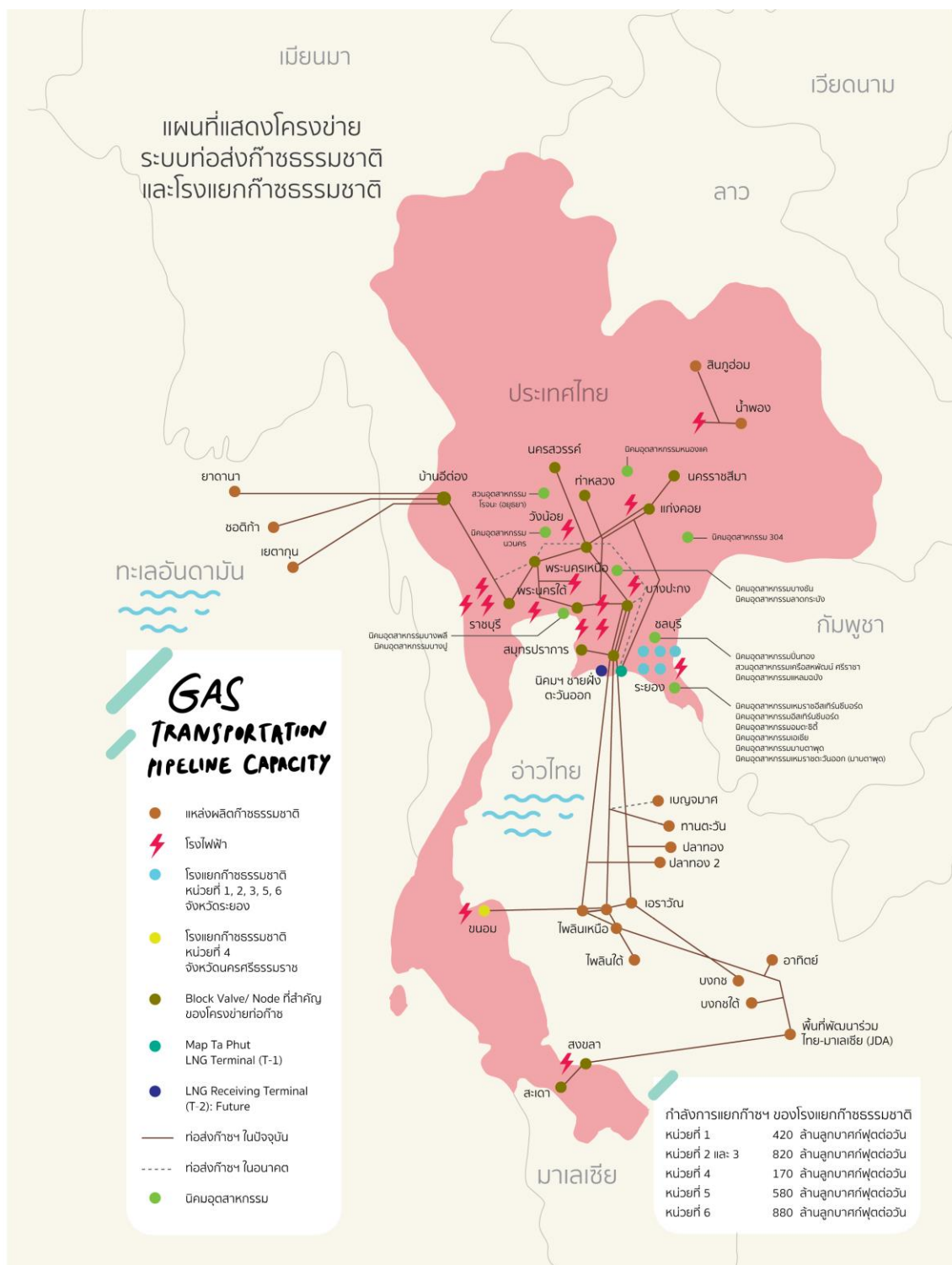
กราฟแสดงการจัดหาก๊าซธรรมชาติในประเทศไทยปี 2563



Source: Energy Policy and Planning Office, Ministry of Energy

Gas Pipeline Network in Thailand

PTT has constructed gas pipeline for approximately 493 kilometers long to connect from the natural gas pipeline system to industrial customers nationwide.

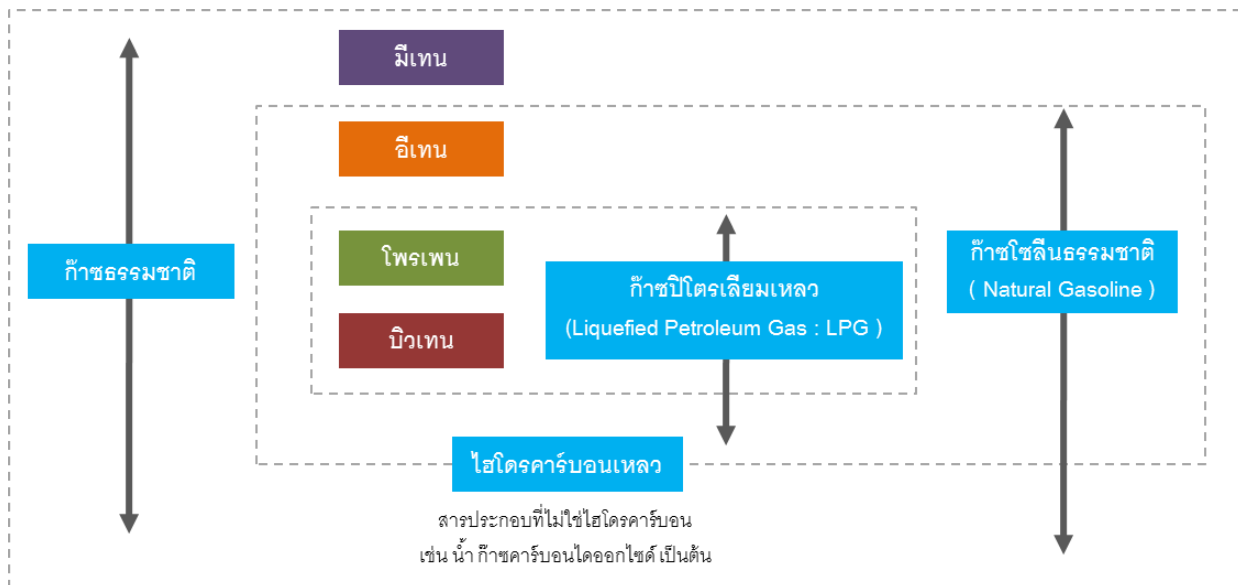


Source: Information form of the year 2018 of PTT Public Company Limited



Natural gas components and benefits

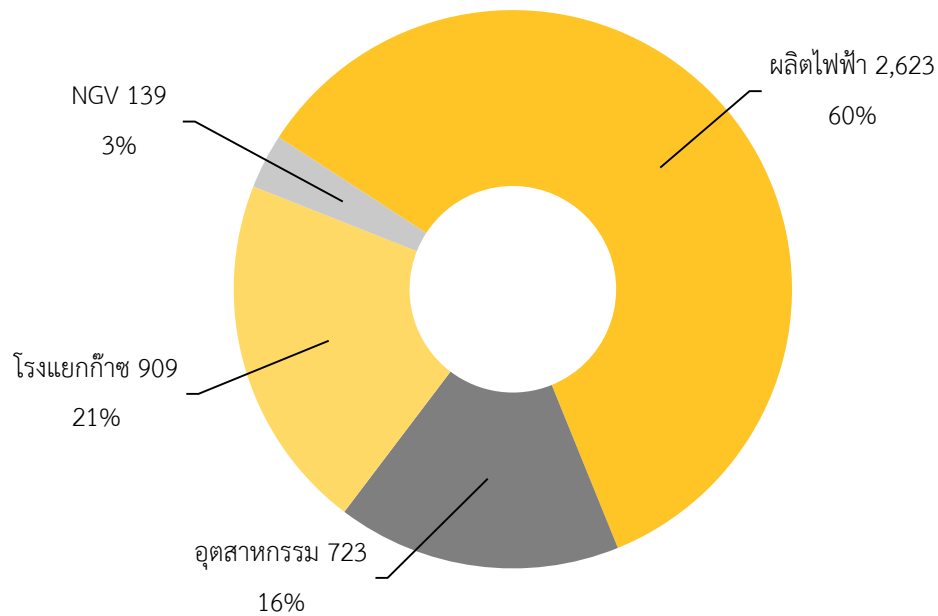
Natural gas consists of a variety of hydrocarbons such as methane, ethane, propane gas, butane gas, etc. There are also non-hydrocarbon compounds such as carbon dioxide, hydrogen sulphide gas, nitrogen gas and water, etc. the gas can be used as follows:



1. Methane (C_1): Used as a fuel for the production of electricity and heat in industrial plants. Used as raw material for chemical fertilizer production. When used in high pressure tanks, it is called "compressed natural gas (CNG)". It can be used as fuel in vehicles, or "natural gas for vehicles (NGVs)".
2. Ethane (C_2): Used as raw material in the petrochemical industry. It is a substitute for polyethylene resin (PE) for plastic bags, toothpaste tubes, plastic bottles, shampoos. Synthetic fibers to be processed into other products.
3. Propane Gas (C_3): Used as a raw material in the petrochemical industry. It is a precursor for the production of polypropylene (PP) resins for the production of synthetic rubber. Battery, battery and oil quality additives
4. Butane gas (C_4): Used as raw material in the petrochemical industry. It is the starting material for the additive to increase octane in gasoline, instead of lead (MTBE), synthetic rubber and ABS plastic.
5. Liquid petroleum gas ($C_3 + C_4$): Used as fuel or LPG in households, fuel In Cars, fuel for industrial heating Used as raw material in the petrochemical industry.
6. Carbon dioxide (CO_2): The product is derived from the process of extracting carbon dioxide from natural gas or for using in cast iron industry, food preservation, beverage industry (Soft drinks and beer), and for making fire extinguishers, raincoats, dry ice or to create smoke in the entertainment industry.

Natural Gas Usage

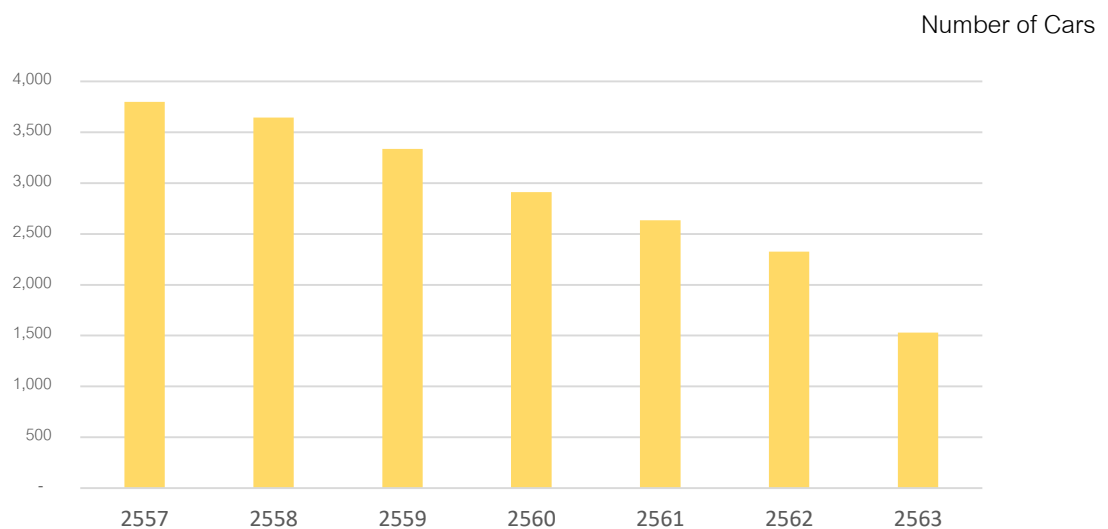
Natural gas usage of each branch matrix between 2020*



Note: Data for the year 2019 * is from January-November
Source: Energy Policy and Planning Office, Ministry of Energy

The use of natural gas in Thailand in 2020 was most used in electricity generation of 60%, the second was the gas separation plant for using as raw materials of various industries such as petrochemical industry, which accounts for 21%, the using of natural gas in factories was 16% and the using of natural gas for transportation (CNG) was 3%

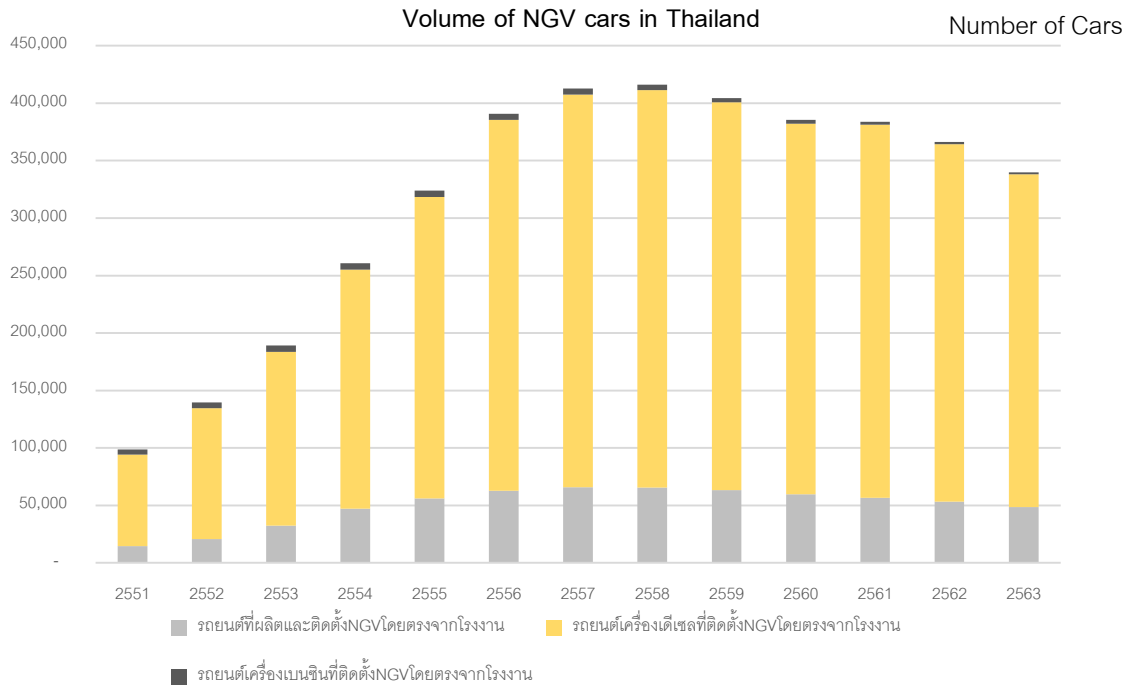
Volume of NGV cars in Thailand*



Note: Data for the year 2019* is from January-November
Source: Energy Policy and Planning Office, Ministry of Energy



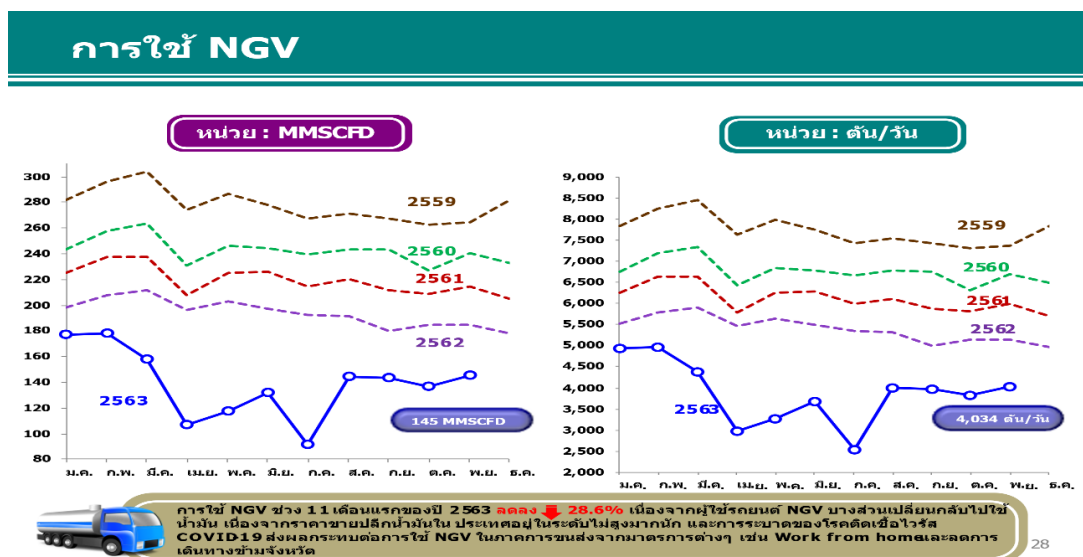
The amount of natural gas used for vehicles is decreasing every year. This is a result of the floating price adjustment of NGV to reflect the cost in 2016, causing the NGV price to increase from approximately 13 baht in 2016, moving up to the present, the average price in 2019 * 16.12 baht and the amount of NGV usage In 2019* at 2,150 million cubic feet



Source: Department of Transportation

สถานีบริการก๊าซ NGV และปริมาณการจำหน่าย NGV เฉลี่ยต่อเดือน

ปริมาณจำหน่าย NGV เฉลี่ย (ตันต่อเดือน)



Source: บริษัท ปตท. จำกัด (มหาชน)

Statistics from 2008 to 2017, NGV related industries continue to grow. The number of NGV vehicles increased from 98,581 units in 2008 to 416,204 units in December 2015 or an average annual growth rate of 23.76 percent. The average NGV sales volume increased from 90,133 tons per month to 253,568 tons per month or an average annual growth rate of 13.49%. The number of service stations in the year 2018 increased from 303 (in 2008) to 507. However, in 2015 - 2017, there will be a decrease in gas sales volume but the company is not affected much. From 520 tons of natural gas compression contract with PTT.

Competition

1) Private Mother Station: PMS

The investment in NGV private mother station (PMS) requires substantial amount of capital because the business requires large area of land which must connect with PTT's natural gas pipelines and the equipment used in the business, such as natural gas compressor and filling equipment, are costly. The business also requires engineering expert with particular knowledge and expertise as natural gas has high pressure. It can be dangerous without due care and engineering expert looking after the system.

The Company is equipped with capital for investment in respect of land and equipment required for operating private mother stations (PMS). It also has knowledgeable and experience personnel with expertise in engineering. Given such factors, the Company is a leading operator of natural gas private mother station (PMS) for PTT and the Company is one of the first private companies to operate this business. In addition, operating private natural gas mother station business is a concession business. The business operator must have thorough knowledge and experience with readiness in respect of investment capital and personnel. Therefore, there is a high barrier of entry for the business.

At present, there are 18 natural gas private mother stations (PMS) of which 14 stations are operated by PTT and 4 stations are operated by private operators. The Company had been appointed to operate 2 natural gas private mother stations, located in Pathum Thani Province and Saraburi Province. The number of stations operated by the Company accounts for 50% of the total number of stations operated by private operators. The other two private stations are operated by Scan Inter Public Company Limited and Winnergy Corporation Company Limited, the details of which are as follows:

Operator Name	Location of Station	Minimum Production	
		Quantity of Compressed Natural Gas per Contract	Expiration of Contract
Scan Inter Public Company Limited	Samkhok District, Pathum Thani Province	350 ton/day	2572
Winnergy Corporation Company Limited	Bangplee District, Samutprakarn Province	350 ton/day	2572

Source: SEC Filing (Form 56-1) of Scan Inter Public Company Limited.



At present, the Company does not have any direct competitor because the operation of natural gas private mother station (PMS) is pursuant to the natural gas compression contracts with PTT. However, upon expiry of the term of such contracts and if the contracts are not renewed, the Company may have competitors as it has to bid for operating natural gas private mother stations (PMS) in the future.

Producing and selling of compressed bio-methane gas station business

1. Competitive Strategy

RBF has station which is close to raw material source and has sufficient raw material and modern machinery which is suitable to produce gas with high quality. In addition, there are no other competitors or other gas stations near the location of RBF's gas station. The road in front of the gas station is the main road of the District which can connect to other Provinces.

2 Type of Customers and Targeted Customers

Customers using the service are the customers who have vehicle using NGV such as private cars, trucks and public transports. In addition, it can provide the service to customers who need to use the gas in industrial facilities by containing the gas in truck for using.

The targeted customers of the Company are NGV customers in the nearby area and industrial plants that require natural gas as fuel.

3 Type of Customers and Targeted Customers

The determination of price shall be in accordance with the market price of the natural gas for vehicle that distribute at the station and gas price that distribute to factory.

4 Distribution and Distribution Channel

(1) RBF sells its gas through the station of RBF (2) sells by transporting of gas from the station to purchasing point of customer if required.

5 Industry Outlook and Competition

Producing and selling of compressed bio-methane gas station business is a new business in this country. Company's machinery has the highest capacity in the country. The factor that affects the growth of the business is the demand for gas of customers. By dividing the customer groups into two main groups: vehicles and industrial factories.

Vehicle customers is the group of customers which will use the gas as fuel of vehicle. At present, the this group of customers has a stable demand for gas since in the past, the price of fuel has been fluctuating. If the price of fuel increases, customers of the vehicle group will certainly have a higher level of demand for gas.

Industrial customers is the group of customers which will use gas as fuel in the factory production system. This group of customers has grown steadily because the cost of using gas as a fuel for production is lower than using

other types of fuel. The major factor that customers in industrial factories will use gas depends on the distance from the factory to the gas station which will affect the transportation cost of gas to the factory.

Biomass Power Plant Business of Mae Krating

1. Competitive Strategy

Because the products of the biomass power plant of Mae Krating is the electricity The Provincial Electricity Authority (PEA) is the only one customer.

2. Type of customers and Targeted Customers

Provincial Electricity Authority (PEA)

3. Pricing Policy

Pricing Determined from the power purchase announcement of the Provincial Electricity Authority (PEA).

4. Distribution and Distribution Channel

Produce the electricity to provide the Provincial Electricity Authority (PEA) through the electricity trading meter.

5. Industry Outlook and Competition

Mae Krating Biomass Power Plant Project Sell all electricity produced to PEA only Under the long-term power purchase agreement with PEA for a period of 20 years. Therefore, after the commercial operation, the company Therefore do not have to face competition in the search for other power buyers However, if bidding for new power plant projects in the future, the company still has to face competition with companies that produce and distribute electricity. And others. However, due to the success of the production and distribution of electricity Combined with the vision and readiness of personnel And good relations with business partners. The company believes that the company has the potential to compete in the future for the electricity production and distribution business Under the biomass power plant project (Solid fuel type), installed capacity of 9.9 MW

Product and Service Procurement

Private Mother Station: PMS

(1) Procurement of natural gas and inert gas for enhancing quality of natural gas

Since PTT will procure natural gas for the Company during the whole term of the NGV compression contract, therefore, natural gas is not considered as the Company's raw material. Although PTT bears the risk of natural gas procurement, the Company will be affected in case PTT cannot procure natural gas for the Company.

As heating value of natural gas procured by PTT is not appropriate for vehicles, the Company has to add appropriate quantity of inert gas such as carbon dioxide (CO₂) or nitrogen (N₂) to enhance quality of natural gas according to regulatory standard as prescribed for vehicles by the Department of Energy Business. The heating value as prescribed under the relevant regulations or Wobbe Index (W.I.) must be between 39 – 44 megajoule per square meter. Such inert gas are ones of the Company's raw materials. The Company has entered into purchase contract for carbon dioxide (CO₂) and nitrogen (N₂) with a sole local supplier, namely Linde (Thailand) Public Company



Limited for the contract term of 5 – 6 years. Although the Company has a sole supplier for inert gas, it has a supplier list of inert gas for comparison purpose.

(2) Procurement of machinery

The key machinery for operating private mother station (PMS) business is natural gas compressor and natural gas filling equipment. The Company purchased machinery from a local supplier for Pathum Thani Private Mother Station. For Saraburi Private Mother Station, the Company purchased capability and standard machinery from a reputable foreign supplier and hired a local company with expertise and experience to install such equipment.

(3) Procurement of equipment and spare parts

The Company purchases equipment and spare parts directly from foreign manufacturer and local distributor. However, in order to reduce the number of importation of such equipment and spare parts from overseas, the Company has engaged a local company to develop and improve such equipment and spare parts which have work efficiency equivalent to imported equipment and spare parts. As a result, the Company was able to reduce its costs of equipment and spare parts.

Producing and selling of compressed bio-methane gas station business

The raw material procurement of business derived from the purchase of biogas or raw gas from the fermentation tank, the fermentation tank received the raw material from the cassava starch in nearby area.

In respect of the machinery located in the gas station, it consists of two main parts which are improvement of gas quality part and gas station. The machinery of improvement of gas quality part which is procured and imported from overseas, is installed under the supervision of expert. The machinery of gas station is constructed by a company in the country including the installation of all machineries. For the maintenance of machinery, the Company plans to procure some spare parts from overseas and to reduce the cost of import of spare part from overseas, if some spare parts can procure in the country, all such spare parts will be purchased in the countries. In addition, the cost of labour in relation to the installation, improvement, maintenance of all machineries, the Company engages the expert to provide 24-hours services.

Biomass Power Plant Business of Mae Krating

The project has a gross power capacity of 9.9 MW, with plans to distribute electricity to the Provincial Electricity Authority's network of approximately 8 megawatts. The remaining 1.9 megawatts, which will be Used for various activities within the project. For electricity distribution to PEA, the project will send electricity through transformers of the project to adjust the voltage appropriately before feeding to the PEA. Therefore, the project has designed a substation within the project area. To adjust the voltage to be suitable for the use of electricity in each activity Before delivering the remaining electricity to the Provincial Electricity Authority's network The project has a

contract to connect the electricity to the network of Rong Kwang Power Station. The station is located in Rong Kwang District, Phrae Province, where the project has 1 connection point, which is in front of the project

Mae Krating Power Company Limited is aware of environmental quality. Therefore assigns Eco Collant Co., Ltd., an environmental consulting company There is also an environmental quality laboratory that is registered with the Department of Industrial Works. Ministry of Industry Register number Wor-262 is the operator to monitor the implementation of environmental protection and correction measures And the environmental impact monitoring measures proposed in the report And prepare a summary report every 6 months for submission to the Energy Regulatory Commission And related agencies continue.

Benefits from the Promotion Certificate of Board of Investments

The Company received the benefits from the investments by obtaining the promotion certificate of the Board of Investments under the Investment Promotion Act B.E. 2520 of which the Company shall comply with the terms and conditions as set out in the promotion certificate.

Benefits certify	No. of Certificate	Date	Starting Date and Expire Date	Benefits under the Promotion Certificate
The Company (Pathum thani branch)	1876(1)/2552	19 November 2009	<p>- October 9, 2009 to October 8, 2017, exemption from corporate income tax for net profits from operating activities</p> <p>- October 9, 2017 to October 8, 2022 has been a reduction in the corporate income tax on profits from investment at the rate of 50 per cent of the normal rate.</p>	<p>For the investment in natural gas station for vehicles</p> <ul style="list-style-type: none"> - Permission to bring an alien who is a skilled worker or expert and spouses and dependent persons of both types of persons shall come to the Kingdom for a number of periods of time and shall remain in the Kingdom for as long as the Committee deems appropriate. - Permission is granted to bring a foreigner who is a skilled worker or expert who granted permission to stay in Thailand under Section 25 to work in accordance with his / her position of work approved by the Board for the period of time permitted to live in the Kingdom. - Exemption of import duty on machinery as approved by the Board. - Exemption of corporate income tax on net income from promoted operations for a period of 8 years commencing from the date of commencement of business operations. - In the event of loss of business during the period of corporate income tax exemption under paragraph two company will be allowed to



Benefits certify	No. of Certificate	Date	Starting Date and Expire Date	Benefits under the Promotion Certificate
				<p>deduct the annual losses incurred during that time to deduct from the net profit that occurs after the corporate income tax exemption period with a period of not more than 5 years from the date of expiration By choosing to deduct from the net profit of any year or many years</p> <ul style="list-style-type: none"> - Dividends from the promoted businesses is exempted from corporate income tax according to Section 31 at the time of corporate income tax exemption. - The corporate income tax for the net profit be reduced to 50% from the normal rate for 5 years from the expiration of the exemption period. - The permission to deduct the expenses in relation to the transportation fees, electricity fees and water fees at 2 times from the actual expenses for the period of 10 years from the operating date. - The permission to deduct the investment cost of installation or construction of facilities at the rate of 25% of the investment cost in addition to the normal depreciation
The Company (Saraburi branch)	1059(1)/2554	18 January 2011	<p>- July 16, 2011 to July 15, 2019, exemption from corporate income tax for net profits from operating activities</p> <p>- July 16, 2019 to July 15, 2024 has been a reduction in the corporate income tax on profits from investment at the rate of 50 per cent of the normal rate.</p>	<p>For the investment in natural gas station for vehicles</p> <ul style="list-style-type: none"> - Permission to bring an alien who is a skilled worker or expert and spouses and dependent persons of both types of persons shall come to the Kingdom for a number of periods of time and shall remain in the Kingdom for as long as the Committee deems appropriate. - Permission is granted to bring a foreigner who is a skilled worker or expert who granted permission to stay in Thailand according to section 25 to work in accordance with his / her position of work approved by the Board for the period of time permitted to live in the Kingdom.



Benefits certify	No. of Certificate	Date	Starting Date and Expire Date	Benefits under the Promotion Certificate
				<ul style="list-style-type: none"> - Exemption of import duty on machinery as approved by the Board. - Exemption of corporate income tax on net income from promoted operations for a period of 8 years commencing from the date of commencement of business operations. - In the event of loss of business during the period of corporate income tax exemption under paragraph two company will be allowed to deduct the annual losses incurred during that time to deduct from the net profit that occurs after the corporate income tax exemption period with a period of not more than 5 years from the date of expiration By choosing to deduct from the net profit of any year or many years - Dividends from the promoted businesses is exempted from corporate income according to section 31 at the time of corporate income tax exemption. - The corporate income tax for the net profit be reduced to 50% from the normal rate for 5 years from the expiration of the exemption period. - The permission to deduct the expenses in relation to the transportation fees, electricity fees and water fees at 2 times from the actual expenses for the period of 10 years from the operating date. - The permission to deduct the investment cost of installation or construction of facilities at the rate of 25% of the investment cost in addition to the norma depreciation
Mae Krating Power Company Limited	61-1317-1-00-1-0	4 September 2018	- Exemption of corporate income tax on net income from promoted operations for a period of 8 years	<ul style="list-style-type: none"> - For the investment in Biomass Power Plant - Permission to bring an alien who is a skilled worker or expert and spouses and dependent persons of both types of persons shall come to



Benefits certify	No. of Certificate	Date	Starting Date and Expire Date	Benefits under the Promotion Certificate
			commencing from the date of commencement of business operations.	<p>the Kingdom for a number of periods of time and shall remain in the Kingdom for as long as the Committee deems appropriate.</p> <ul style="list-style-type: none"> - Permission is granted to bring a foreigner who is a skilled worker or expert who granted permission to stay in Thailand under Section 25 to work in accordance with his / her position of work approved by the Board for the period of time permitted to live in the Kingdom. - Exemption of import duty on machinery as approved by the Board. - Exemption of corporate income tax on net income from promoted operations for a period of 8 years commencing from the date of commencement of business operations. - In the event of loss of business during the period of corporate income tax exemption under paragraph two company will be allowed to deduct the annual losses incurred during that time to deduct from the net profit that occurs after the corporate income tax exemption period with a period of not more than 5 years from the date of expiration By choosing to deduct from the net profit of any year or many years - Dividends from the promoted businesses is exempted from corporate income tax according to sector 31 at the time of corporate income tax exemption. - The corporate income tax for the net profit be reduced to 50% from the normal rate for 5 years from the expiration of the exemption period. - The permission to deduct the expenses in relation to the transportation fees, electricity fees and water fees at 2 times

มาตรฐานที่บริษัทได้รับ

บริษัท	สาขา	ประเภทมาตรฐาน	
SKE	Phatumthani	ISO 9001: 2015	Management of International Quality and Standard for Private Mother Station (PMS)
		ISO 14001: 2015	Environmental management System: Private Mother Station: PMS
		TIS 18001 / OHSAS 18001:2007	Industrial product standard and Occupational health and safety management system: specification for Private Mother Station (PMS)
SKE	Saraburi	ISO 9001: 2015	Management of Quality System for Private Mother Station (PMS)
		ISO 14001: 2015	Environmental management System for Private Mother Station (PMS)
		TIS 18001/ OHSAS 18001:2007	Occupational health and safety management system: specification for Private Mother Station (PMS)
MKP	Bankok	ISO 9001: 2015	
MKP	Phrae	ISO 9001: 2015	

กฎหมายและกฎระเบียบที่เกี่ยวข้อง

บริษัท	กฎหมายที่เกี่ยวข้อง	หน่วยงานที่กำกับดูแล
SKE	Notification of Ministry of Energy regarding the rules and safety standard of natural gas station which under responsible of the Department of Energy Business B.E. 2550 issued under the Hazardous Substance Act B.E. 2535	Ministry of Energy
SKE	Fuel Control Act B.E. 2542	Deaprtment of Energy Business, Ministry of Energy.
SKE	Building Control (No.5) Act B.E. 2522	Ministry of Interior.
SKE	Town Planning Act B.E. 2518	Ministry of Interior.
SKE	Hazardous Substance Act, B.E. 2535	Ministry of Industry
SKE	Promotion and Conservation of National Environmental Quality Act, B.E. 2535	Ministry of Natural Resources and Environment
SKE	Land Transport Act B.E. 2522	Department of Land Transport, Ministry of Transport.
SKE	Highway act B.E. 2535 (1992)	Ministry of Transport and Ministry of Interior.
RBF	Notification of the Ministry of Energy on the criteria and standards of safety of natural gas stations that the Department of Energy has the authority and responsibility	Deaprtment of Energy Business, Ministry of Energy.



บริษัท	กฎหมายที่เกี่ยวข้อง	หน่วยงานที่กำกับดูแล
RBF	Fuel Control Act B.E. 2542	Deaprtment of Energy Business, Ministry of Energy.
RBF	Fuel Trade Act B.E. 2543	Deaprtment of Energy Business, Ministry of Energy.
RBF	Notification of Department of Energy Business Re: Determining the Characteristics and Quality of Biometers for Motor Vehicles B.E.2561	Deaprtment of Energy Business, Ministry of Energy.
MKP	Energy Industry Act 2007	Energy Regulatory Commission Office
MKP	Factory Act 1992	Ministry of Industry
MKP	Building Control Act 2522 B.E.	Department of Civil and Town Planning
MKP	National Environment Protection and Promotion Act 1992	Ministry of Natural Resources and Environment
MKP	Energy Regulatory Commission Regulations on Electricity Development Fund B.E. 2535	Ministry of Natural Resources and Environment
MKP	Announcement of the Energy Regulatory Commission regarding remittance to the Power Development Fund For electricity business licensees in the category of electricity production license 1992	Ministry of Natural Resources and Environment

Environmental Impact

Sakol Energy Public Company Limited

The Company intends to provide quality services, together with taking care of the environment. It gives emphasis on management of environment including quality of air and water. The Company prepared environmental impact assessment report (EIA) prior to the construction of natural gas private mother stations (PMS). The Company's expert looks after each process of natural gas compression with due care in order to control pollution generated from compression process at the standard level. The Company has strict environmental policy which is in line with its business operation. In addition, the Company engages an external party to conduct annual audit. The annual audit covers of 4 areas which are: 1) measure concentration levels of dust particles and chemical substance in the work environment; 2) heat measure; 3) measure of light intensity; and 4) measure of average sound level. During the past, the Company and its subsidiaries never had any dispute or problem relating to environmental impact.

RE Biofuels Co. Ltd

RBF installs machine systems which have the standard and the certification on testing. Thus, it can ensure that it will not cause environmental impacts. In addition, the operation of the RBF supports to protect the environment due to the use of biogas derived from the waste water of the cassava starch factor, through the quality improvement process until it came out as a fuel for motor vehicles.

Mae Krating Power Co.,Ltd

Mae Krating Power Co.,Ltd operates a Biomass power plant for generating the electricity on the size capacity of 9.90 MW have passed the environmental impact assessment by preparing a report of Code of Practice : COP for produce the electricity by using biomass.

Non-delivery works

– None –





Risk Factors





Risk Factors

The risk factors for the group's Company and Subsidiary that may affect the return of investment of investors significantly can be summarized as follows:

Private Mother Station (PMS)

(1) Business Risk

Risk of reliance on major customer

The Company conducts its business with one major customer namely PTT which is a sole distributor of NGV of Thailand however, the Company has expertise in the business relating to natural gas therefore the Company recurrently provide the service to PTT by having a long-term hiring contract which is a contract in relation to natural gas compression and establishment of 2 private mother stations (PMS) consisting of:

1. Pathumthani Private Mother Station of which a contract has been entered on 17 March 2009 for a period of 20 years following the signing date. will expire in 2029.
2. Saraburi Private Mother Station of which a contract has been entered on 23 February 2011 for a period of 20 years following the date of which the Company has been awarded on 15 October 2010 therefore the contract will expire in 2030.

For ending on 31 December 2018, the Company has revenue generated by natural gas compression business of 297.07 million Baht or equivalent to 91.31% of the total revenue of which it considers that the main revenue of the Company has been generated from sole major customer therefore, if the contract is terminated or PTT terminates the contract, it will have significant negative impact to the operating result of the Company.

However, the Company has the risk management policy for this matter by strictly complying with the contract and delivering of the good quality of services on a regular basis therefore, by complying with this policy, the Company is continually engaged by PTT until present. In addition, the Business Development Department of the Company has studied on the possibility of development of other projects which are projects in relation to expansion for investment in business relating to energy sector to mitigate the concentration risk in the future.

Risk as a result of conditions in the contract with PTT

Pursuant to the contract in relation to the natural gas compression operating by the private mother station, it may have risk on the conditions in the contract with PTT consisting of:

- 1) The indemnification on any damage arising from the unable to compress the natural gas as guarantee save for PTT suspends to supply natural gas of which the Company shall indemnify the damage of the fulfilled volume of natural gas arising out of PTT needs to procure the compressed natural gas from other sources at the rate of 1.5 times of the compensation for the natural gas compression per day.
- 2) If there have the difference between the natural gas's volume from the meter before delivering to the station and the meter before delivering to the natural gas transportation, the difference which is above 1%, the Company shall compensate the loss for the difference of volume to PTT at the rate as determined



by PTT whereby PTT can offset this loss with the compensation for the natural gas compression however, if the Company can prove that the difference occurs due to the failure of the meter system for the volume of natural gas, PTT will negotiate to reduce such loss. During the past operation of the Company. The Company had a record on the compensation for the gas loss which was above 1 % and the Company had taken such gas loss as a cost in the financial statement.

- 3) PTT has its right to terminate the contract if the producer and/or concessionaire is lack of natural gas supply for PTT.
- 4) If any force majeure or any other event by third party occurs which is not a failure of any party and if it appears that there have any damages or losses completely to the gas pipeline of PTT and gas sub-pipeline of PTT and/or the natural gas mother station which cannot be restored to the good condition and workable as the standard of general industry and safety within 30 days from the date of such circumstance or other period as determined by both parties, it shall be deemed that the contract will be terminated automatically after the lapse of such 30 days or other period as agreed by both parties.

For the circumstance which the Company cannot compress the natural gas as per the minimum volume of natural gas compression guaranteed to PTT, the possibility of this circumstance is quite low due to for Saraburi Private Mother Station, the Company has natural gas compression contract at the minimum of 320 tons per day and has the installed capacity of 400 tons per day which is above the guaranteed minimum volume and for Pathumthani Private Mother Station, the Company has natural gas compression contract at the minimum of 200 tons per day and has the installed capacity of 350 tons per day which is above the guaranteed minimum volume. It can consider that the difference is excess and sufficient for the natural gas compression therefore the risk of natural gas compression is below the guaranteed minimum volume is quite low.

However, the Company has a risk management policy to mitigate such risk and give priority on the compliance with the contract with PTT including the delivery of good quality services on continually basis from the first date of operation and the Company also maintains the good relationship with PTT continually.

In addition, the Company also has other risk management plans to cover the risk from the unable to compress natural gas per guaranteed volume, the risk from force majeure of which the Company has maintenance plan for the natural gas compression machine on a regular basis and has a Business Continuity Management plan (BCM) to determine the management of organization in the critical crisis and the determination in relation to the business management for such circumstance that may occur of which all of risk managements are to ensure that the Company is ready for any risk that may occur due to the conditions of the contract with PTT therefore, it is why the Company is continually engaged by PTT until present.

For the early termination due to the damage in relation to the gas pipeline, if there is a gas pipeline within the station, the Company has a system to control the maintenance which is well established. For the part of gas



pipeline outside the station, it is under control of PTT whereby the main pipeline has many users including the power plants and factories therefore, the Company believes that PTT will maintain it very well. The damage of outside pipeline to the stage that the pipeline will be suspended is considered as the low risk.

Risk of reliance of organization or company to supply goods and services for the business

The Company conducts its business with 2 major organizations or companies to supply goods and services namely Provincial Electricity Authority which is a state-enterprise to distribute the electricity in Thailand and Linde (Thailand) Public Company Limited which is a leader of the supplier of industrial gas products in Thailand.

For the six months period ending 30 September 2017, the Company has cost from the natural gas compression service of which the main service costs include the electricity cost from the natural gas compression which has the electricity rate in accordance with the terms of Provincial Electricity Authority (PEA) on an actual basis and inert gas cost that has been used for the improvement of natural gas quality of 126.38 million Baht equivalent to 89.16% of the total cost of service therefore, it can consider that the service cost of the Company is from 2 major organizations or companies. If Provincial Electricity Authority and Linde (Thailand) Public Company Limited terminate the contract of electricity supply, sale and purchase contract of inert gas and other relevant contracts, it will have significant negative impact to the business operation of the Company.

If there has a circumstance that Linde (Thailand) cannot provide service in relation to the sale of industrial gas according to the contract, Linde (Thailand) Public Company Limited will indemnify the damage and penalty as set out in the sale and purchase contract for industrial gas or if there has a circumstance that Linde (Thailand) Co., Ltd. cannot provide service in relation to the sale of industrial gas according to the contract, the Company is able to procure other suppliers due to there have other 2-3 supplier of industrial gas that are ready to service the Company.

However, during the past period of business operation of the Company, the Company has complied with the contract strictly and was able to pay the electricity cost including the industrial gas cost according to the contract and the Company also believes that the contract can be renewed in the future.

Risk from the damage of natural gas compression equipment

Private Mother Station (PMS) at Sam Khok District, Pathumthani has 6 natural gas compression equipment and Private Mother Station (PMS) at Kaeng Khoi District, Saraburi has 6 natural gas compression equipment which are used for compressing of natural gas for NGV truck to deliver natural gas to daughter station. The mother station opens 24 hours for 365 days per year whereby the Company has agreed with PTT on the minimum volume of not less than 200 tons per day at Pathumthani Private Mother Station and the minimum volume of not less than 320 tons per day at Saraburi Mother Station. In addition, the Company shall have reserved capacity of not less than 12 tons per hour if the Company cannot comply with this commitment, the Company shall indemnify the damage arising from the difference to PTT at the rate of 1.5 times of the compensation for the natural gas compression therefore, if there have any damage to the private mother station or equipment for natural gas compression and the Company cannot



compress the NGV according to the agreement with PTT, the revenue of the Company will reduce and the expense will increase due to the compensation for such damage.

The Company carefully considers this risk therefore, during the past operation of the Company, the Company has maintained and repaired natural gas compression equipment at the private mother station (PMS) on continually basis in accordance with the monthly preventive maintenance plan for the whole year whereby the Company has a management and operation plan for safety and has rotation plan for natural gas compression equipment of which the average lifetime of each natural gas compression will be the same. Due to having the maintenance and repair plan on a regular basis, the past operation of the Company, the Company had not compensated any damage to PTT.

In addition, the Company has an insurance to cover risk of assets of the private mother station (PMS) at Pathumthani and Saraburi in the amount of 181.52 million Baht and 190 million Baht, respectively which will cover building of private mother station (PMS) including other construction and assets and equipment and third party that injured in the limited liability of not more than 10 million Baht per station. The Company has procured the additional insurance in accordance with the notification of Ministry of Energy re: the rules and procedure of the procurement of insurance according to the laws for any injured person due to the conducting of controlled business type 3 B.E. 2557 (2014) in the amount of not more than 5 million Baht per incident for each station.

Risk from accident in the private mother station (PMS)

In the private mother station (PMS) of the Company, it is considered as the part which generates revenue to the Company therefore, it may have risk if there has any accident occur in the station even the Company has insurance for risk of assets of t Pathumthani Private Mother Station and Saraburi Private Mother Station respectively of which such insurance amounts have been specified the insured assets in the sufficient amount to cover building of private mother station (PMS) including other construction and assets and equipment and third party that injured The Company has continued to procure the additional insurance in accordance with the notification of Ministry of Energy re: the rules and procedure of the procurement of insurance according to the laws for any injured person due to the conducting of controlled business type 3 B.E. 2557 (2014) for each station on annual basis.

However, from the past operation of the Company, there were no serious accidents in the private mother stations of the Company due to the Company has determined the measure for safety of the natural gas station for vehicle and the Company has complied with standard manual for natural gas service station as determined by PTT and has procured the employees to comply with those measure and manual strictly including having control of outsider when they come to use the service and the Company also has been certified in accordance with TIS 18001 standard which is a standard of industrial product relating to occupational health and safety management system for private mother station of which the Company has been certified for both of Pathumthani and Saraburi stations.



Risk form lack of natural gas

Due to the main business of the Company is natural gas compression of which this business is relevant to natural gas and is reliance on the natural gas generated by the pipeline of PTT, if there have any disruption on the pipeline of PTT and there have any temporally suspension on distribution of natural gas, the Company may not be able to provide natural gas compression service although this circumstance will not be penalized by PTT however the Company may have loss of revenue from normal business.

However, the possibility for the occurrence of such risk is quite low due to PTT has monitored the movement of supply and demand of natural gas in accordance with the movement of natural gas price in the world market and the policy of government sector including coordinating with sellers and customers to review and improve the supply plan of natural gas and LPG for short term and long term on a regular basis therefore it can handle any unpredictable circumstances including any impact when emergency and critical circumstance occurs whereby PTT has negotiated to procure natural gas from many sources in Thailand and has also negotiated to procure liquefied natural gas (LNG) from sellers in other countries around the world. PTT has determined the plan for procurement of additional natural gas by having the plan to expand the LNG terminal phase 1 to have input capacity for LNG of 11.5 million tons per year and to invest in pier and LNG terminal no. 2 to support the higher volume of LNG and to support the demand of natural gas in Thailand as well as to mitigate the risk that may occurs due to the lack of natural gas in the future of which the procurement of natural gas of PTT according to the sale and purchase contract for natural gas with onshore and offshore sellers, totaling 15 contracts, they have determined the guaranteed minimum purchasing volume which shall be taken by PTT if PTT cannot purchase natural gas in accordance with the guaranteed minimum purchasing volume as set out in the contracts, PTT shall pay the natural gas price in the part that PTT cannot take (Take or Pay). In addition, pursuant to the contract in relation to the natural gas compression by the private mother station (PMS), it states that if there have any change of laws, change of fuel price or lack of natural gas or natural gas is not sufficient for the domestic demand and either party may disadvantage or may have significant damage due to such party is obliged to continue to comply with terms of contract, the party who suffers from such damage can exercise its right to amend the contract and the parties shall have a meeting within 30 days upon request by other party. If the parties agree to amend the contract, the parties can amend and execute the amended contract.

Risk form lack of natural gas

Due to the main business of the Company is natural gas compression of which this business is relevant to natural gas and is reliance on the natural gas generated by the pipeline of PTT, if there have any disruption on the pipeline of PTT and there have any temporally suspension on distribution of natural gas, the Company may not be able to provide natural gas compression service although this circumstance will not be penalized by PTT however the Company may have loss of revenue from normal business.



However, the possibility for the occurrence of such risk is quite low due to PTT has monitored the movement of supply and demand of natural gas in accordance with the movement of natural gas price in the world market and the policy of government sector including coordinating with sellers and customers to review and improve the supply plan of natural gas and LPG for short term and long term on a regular basis therefore it can handle any unpredictable circumstances including any impact when emergency and critical circumstance occurs whereby PTT has negotiated to procure natural gas from many sources in Thailand and has also negotiated to procure liquefied natural gas (LNG) from sellers in other countries around the world. PTT has determined the plan for procurement of additional natural gas by having the plan to expand the LNG terminal phase 1 to have input capacity for LNG of 11.5 million tons per year and to invest in pier and LNG terminal no. 2 to support the higher volume of LNG and to support the demand of natural gas in Thailand as well as to mitigate the risk that may occurs due to the lack of natural gas in the future of which the procurement of natural gas of PTT according to the sale and purchase contract for natural gas with onshore and offshore sellers, totaling 15 contracts, they have determined the guaranteed minimum purchasing volume which shall be taken by PTT if PTT cannot purchase natural gas in accordance with the guaranteed minimum purchasing volume as set out in the contracts, PTT shall pay the natural gas price in the part that PTT cannot take (Take or Pay). In addition, pursuant to the contract in relation to the natural gas compression by the private mother station (PMS), it states that if there have any change of laws, change of fuel price or lack of natural gas or natural gas is not sufficient for the domestic demand and either party may disadvantage or may have significant damage due to such party is obliged to continue to comply with terms of contract, the party who suffers from such damage can exercise its right to amend the contract and the parties shall have a meeting within 30 days upon request by other party. If the parties agree to amend the contract, the parties can amend and execute the amended contract.

Risk from the decreasing of difference between the oil price and NGV price and the decreasing of the demand of NGV

Due to NGV is an alternative fuel for vehicle and NGV price is lower than the oil price such as benzene oil and diesel oil which the car users will use NGV as the alternative fuel more if the difference between the NGV price and oil price is at the high level. On the other hand, if the difference between the NGV price and oil price is at the low level, the car users will reduce to use NGV although the Company will not carry out the sale of NGV which is a business that will suffer from the change of the difference between NGV price and oil price however, the NGV industry will suffer from the decrease of demand of which if the demand of NGV is decrease, it may reduce the volume of natural gas compression of PTT or it may reduce the expansion of NGV business of PTT which may affect the present revenue of the Company and the capability of natural gas compression business expansion of the Company in the future.

Risk from the change of environment under emergency or crisis

The Company has a risk from the change of environment from inside and outside such as the change of technology, the change of competitor's strategy, form of industrial and domestic and international market conditions



including the other critical crisis of which such factors as mentioned above are considered as the risks that may occur to the Company in the future. However, the Company understands that the importance of the risk management under unpredictable circumstances and considers that the risk management is the significant part of all process of carrying out the business which connects to all levels therefore the Company has prepared the Business Continuity Management plan (BCM) which is a working group consisting of managements, managers, and head departments of the Company to determine the procedure of business management in the critical crisis.

(2) **Risk on the management of business**

Risk from the lack of skilled employee

Due to the Company's business is relevant to the works relating to engineering, equipment and natural gas which is the business type that difference from the general equipment including the co-working with other companies which use international standard therefore, the employees shall have skills. The lost of the experienced and skilled employees such as chief engineer or other supervisors may affect the Company's operation of which the Company is aware of this risk therefore the Company focuses on maintain and develop its employees and human resources by giving the appropriated compensations and knowledge and experience including supporting the employees to attend seminar every year.

Risk from having major shareholder which can influence the determination of management of business policy

As of 6 January 2021, Sumethchotimetha's family holds shares in the Company representing 54.34%^{1/} of the paid-up capital. In addition, Mr. Chutchai Sumethchotimetha also holds the position of Chief Executive Officer and he is the authorized director of the Company. The minority shareholders may be a risk that the major shareholders will influence the management policy in a certain direction and can control the policy and management in the Company including control over approval of resolutions of shareholders except for the matters which are required by laws or the Company's Articles of Association to be resolved by a three-fourths vote of the shareholders attending meeting, the other shareholders may not be able to collect the votes to scrutinize and balance the matters proposed by the major shareholders.

However, for transparency in management and monitoring and balance of power, management and directors, the Company has appointed the Audit Committee to ensure the check and balance and other matters before proposing to the shareholders' meeting for approval. To avoid conflicting matter and to create transparency in the operation of the Company, there are also 4 Independent directors from 10 who are not a director nominated by Sumethchotimetha's family therefore, it can consider all matters to be proposed to the shareholders' meeting.

Remark: ⁽¹⁾ It is the information from the share register book closing date (XO) as of 6 January 2021

Producing and selling of compressed bio-methane gas station business



Risks of this business are as follows:



1. Risk from no customers use the services can occur due to the decrease of the popularity in using natural gas as the fuel of motor vehicles because the fluctuation of oil price.
2. The direction and trend of the fuel price will affect the decision to choose compressed bio-methane fuel of industrial customers.
3. Risk from machinery damage, if the machinery of the gas production or the gas station is damaged, it will not be able to provide services. In respect of the operation of the Company, there is a maintenance plan for the machineries and working team stands by for 24-hours. In addition, the gas produced and ready for sale will be stored in the station at appropriate level. Therefore, it will have low risk.

Mae Krating Power Co.,Ltd

Risk from natural disasters

Mae Krating Power Plant is located in Phai Thon Sub-district, Rong Kwang District, Phrae Province. The landform includes hills, forest and natural water sources, namely Mae Kum Mee Canal, which passes through Moo 9, 1, 2, 6 and 3 respectively from north to south and Mae Krating Creek which passes through Moo 6, 4, and 5. Farmers could use natural water sources for agriculture, but yet they are insufficient. This was due to having little rain in rainy season in the year 2019, the quantity of water reserved was lower than the actual required quantity of water, and natural water sources were drying up.





General Information and Other Important Information



General Information and Other Important Information

Company name	Sakol Energy Public Company Limited
Ticker symbol	SKE
Company registration number	0107559000443
Industry group	Resource
Business sector	Energy and public utilities
Registered capital	Baht 465,000,000
Paid-up capital	Baht 465,000,000
Par value	Baht 0.50
amount of fully paid shares	930,000,000 shares
Type of paid-up shares	Ordinary shares
Address	<p>Head office's address (Natural gas station in Pathum Thani)</p> <p>No. 15 Moo 1, Chiang Rak Noi Sub-district, Sam Khok District, Pathum Thani Province 12160</p> <p>Office address in Bangkok</p> <p>No. 252/108(B), 252/109 (C), 21st Floor Muang Thai-Phatra Complex Tower B, Ratchadaphisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310</p>
Company's Website	www.sakolenergy.com

Information of other reference person

Securities registrar	<p>Thailand Securities Depository Company Limited</p> <p>The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400</p> <p>Telephone 02-009-9990 Facsimile 02-009-9991</p>
Auditor	<p>KPMG Phoomchai Audit Limited</p> <p>1, 50th – 51st Floor Empire Tower, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120</p> <p>Telephon 02-677-2000 Facsimile 02-677-2222</p>



General information of subsidiaries

SK 15 Company Limited

Company registration number	0105557134459
Type of business	Renting out real estate
Business sector	Renting out real estate
Registered capital	Baht 140,000,000
Paid-up capital	Baht 140,000,000
Par value	Baht 100 per share
Address	Head office's address: 15 Prasert-Manukitch Road, Sena Nikhom Sub-district, Chatuchak District, Bangkok 10900 Telephone 02-026-3451

SKE Development Company Limited

Company registration number	0135557018734
Type of business	During the process of feasibility study on biomass power plant business
Business sector	Energy and public utilities
Registered capital	Baht 62,000,000
Paid-up capital	Baht 62,000,000
Divided in to	620,000 share
Par value	Baht 100 per share
Address	Head office's address: No. 15 Moo 1, Chiang Rak Noi Sub-district, Sam Khok District, Pathum Thani Province 12160 Telephone 02-026-3451

RE Biofuels Company Limited

Company registration number	0105560117390
Type of business	Plan to invest in production and distribution of compressed biomethane gas with the production capacity of 9,000 kilograms per day
Business sector	Energy and public utilities
Registered capital	Baht 21,000,000
Paid-up capital	Baht 21,000,000
Divided in to	210,000 share
Par value	Baht 100 per share
Address	Head office's address: No.252/108(B), 21st Floor Muang Thai-Phatra Complex Tower B, Ratchadaphisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310 Telephone 02-026-3451



Location of Chumpuang Branch Office: 888 Moo 6 Khui, Lam Thamenchai,
Nakhon Ratchasima 30270 Telephone 02-026-3451

General information of subsidiaries

Mae Krating Power co. Ltd

Company registration number	0105555096207
Type of business	Produce and sell the electricity by using biomass.
Business sector	Energy and public utilities
Registered capital	Baht 282,300,000
Paid-up capital	Baht 282,300,000
Divided in to	28,230,000 share
Par value	Baht 10 per share
Address	Head office's address: 444 Olympia Thai Tower, 6 th floor, Ratchadaphisek Road, Samsennok, Huay Kwang, Bangkok 10310 Telephone 02-541-5245-7

Other important information (if any)

The company has short-term loan agreements with third parties. Which is not a financial institution With details as follows

Borrower	Fire Dragon International Company Limited
Type of Bond	Short-term loans
Type of receivable	Outsider
Total amount of money	10,000,000 Baht
Duration	3 months
Repayment	One time repayment
Objective	To be used as an investment in the business
Guarantee	- Guaranteed full value by director (not connected transaction) - Advance order check
Debt balance	10,000,000 Baht
Due Date	March 2021

Governing law

Law enforcement Thailand





Securities and Shareholders Information



Securities and Shareholders Information

Registered capital and paid-up capital

The company has a registered capital of 465.00 million baht and paid-up capital of 465.00 million baht, divided into 930.00 million ordinary shares with a par value of 0.50 baht per share, with voting rights of one share per one vote (One Share One Vote).

Share transfer restriction

Shares in Sakol Energy Public Company Limited can be transferred with no restriction. However, a transfer shall not cause the foreign shareholding to exceed 49.00% of the total issued shares of Sakol Energy Public Company Limited.

Shareholding structure

As of 6 January 2021, Major shareholder of the company names are shown below.

No.	Name of shareholder	Number of shares	Shareholding (%)
1	Mr. Chutchai Sumethchotimetha	294,114,803	31.625
2	Mrs. Aree Sumethchotimetha	206,756,858	22.232
3	Miss Kantanika Nuntree	38,488,880	4.139
4	Mr. Thanapat Nuntree	38,488,880	4.139
5	Mr. Rutt Pongsurapipat	14,847,000	1.596
6	Miss Naphaphat Wimonwatcharakorn	7,138,195	0.768
7	Mr. Charoen Tangsiriwong	7,000,000	0.753
8	Mr. Cherdchai Thanthongwong	7,000,000	0.753
9	Mr. Teerapol Sinchai	7,000,000	0.753
10	Mr. Sarawut Anakatham	6,400,000	0.688
11	Mrs. Vilinee Wasinrat	5,585,500	0.601
12	Miss Lawan Bunajinda	5,065,000	0.545
13	Ms. Uraiwan Saelee	5,050,000	0.543
14	Mr. Panupan Thanaset Sakul	5,050,000	0.543
Total		647,985,116	69.678

Remark: It is the information from the share register book closing date (XO) as of 6 January 2021



The group of major shareholders who may significantly influence the determination of policies or business operation of the Company is shown below.

No.	Name of shareholder	Number of shares	Shareholding (%)
1	Mr. Chutchai Sumethchotimetha	294,114,803	31.625
2	Mrs. Aree Sumethchotimetha	206,756,858	22.232
3	Miss Intira Sumethchotimetha	930,661	0.100
4	Mr. Thanapon Sumetchotimaytha	930,661	0.100
5	Mr. Rapepat Sumethchotimetha	930,661	0.100
6	Mr. Jakkraphong Sumethchotimetha	1,729,661	0.186
7	Mrs. Thanaporn Nuntree	815,343	0.088
8	Mr. Thanakorn Nuntree	79	0.000
9	Miss Kantanika Nuntree	38,488,880	4.139
10	Mr. Thanapat Nuntree	38,488,880	4.139
Total		583,186,487	62.708

Shareholders of subsidiary companies

SK 15 Company Limited As of 31 December 2020 can be summarized as follows:

No.	Name of shareholder	Number of shares	Shareholding (%)
1	Sakol Energy Public Company Limited	1,399,997	99.9997
2	Mr. Chutchai Sumethchotimetha	1	0.0001
3	Mr. Monthon Nuntree	1	0.0001
4	Mr. Thanapon Sumetchotimaytha	1	0.0001
Total		1,400,000	100

SKE Development Company Limited As of 31 December 2020 can be summarized as follows:

No.	Name of shareholder	Number of shares	Shareholding (%)
1	Sakol Energy Public Company Limited	619,997	99.9995
2	Mr. Chutchai Sumethchotimetha	1	0.0001
3	Mr. Monthon Nuntree	1	0.0001
4	Mr. Jakkraphong Sumethchotimetha	1	0.0001
Total		620,000	100



RE Biofuels Company Limited As of 31 December 2020 can be summarized as follows:

No.	Name of shareholder	Number of shares	Shareholding (%)
1	Sakol Energy Public Company Limited	159,500	76
2	RE Power Group Company Limited	50,498	24
3	Mr.Lars Gustaf Leonard Godenhielm	1	0
4	Mr. Ratchar Pathamapongsar	1	0
Total		210,000	100

Mae Krating Power Company Limited As of 31 December 2020 can be summarized as follows:

No.	Name of shareholder	Number of shares	Shareholding (%)
1	Sakol Energy Public Company Limited	22,584,000	80.0000
2	Mr.Pongsawat Suppasiri	5,629,062	19.9400
3	Miss Phak Siri t Suppasiri	16,938	0.0600
Total		28,230,000	100

Agreements made and signed between the major shareholders and the Company on matters that affect the offering and sales of securities or the Company's management

The major shareholders of the Company are Sumethchotimetha family and Nuntsee family signed an agreement on 12 September 2017 not to engage in business or activities having conflicts of interest that may compete against the Company's business in the future. Their agreements and representations made to the Company can be summarized as follows:

(1) They shall not engage in business or activities having conflicts of interest that may compete against the Company's and its subsidiaries' business, including: (1) private mother stations (PMS); (2) alternative energy power plants; and (3) NGV Conventional station with Ex-Pipeline model (the "Company's Business") or any other businesses identical or similar to the Company's Business and/or subsidiaries' business unless existing business or activities that currently have conflicts of interest.

(2) In the event that the directors, the major shareholders, or persons relating to the Company receive an opportunity or business offer that may compete against the Company's Business and/or subsidiaries' business, the directors, the major shareholders, or persons relating to the Company agree to first propose the opportunity or business offer to the Company to consider by the Board of Directors' meeting.

The majority vote of the members of the Board of Directors attending the meeting and entitled to vote shall exclude votes of those directors who have conflicts of interest. In the event that the Board of Directors resolved to refuse or is not interested in the opportunity or business offer, the directors, the major shareholders, or persons relating

to the Company who received the opportunity or business offer shall have the right to obtain the opportunity of business offer.

The agreement not to engage in business or activities having conflicts of interest that may compete against the Company's Business shall not be withdrawn or revoked, unless the person who made this representation is no longer the director, executive, and major shareholder of the Company, or become a disqualified person resulting in the elimination of conflicts of interest under the laws concerning securities and exchange or under the rules prescribed by the Securities and Exchange Commission.

Offering of other securities

– None –

Policies on dividend payment

The dividend policy of the Company and its subsidiaries is to distribute annual dividends to its shareholders at a rate of not less than 40.00% of the net profit as recorded in the Company's separate financial statements after deductions for income tax and all legal reserves as required by law and articles of association of the Company and its subsidiaries. In considering the dividend payment, the Company's board of directors shall consider the benefits to shareholders as main consideration and the dividend payment shall not have significant impact on normal business operation of the Company. Notwithstanding the foregoing, such dividend payments are subject to changes based on the Company's results of operations, financial positions, cash flow, investment plans, other necessity in the future, and other factors relating to management of the Company's business as the Company's board of directors and/or shareholders deem appropriate.

The company's board of directors may consider the annual dividend payment, but the annual dividend payment must be approved by the annual general meeting of shareholders, except for interim dividend payment

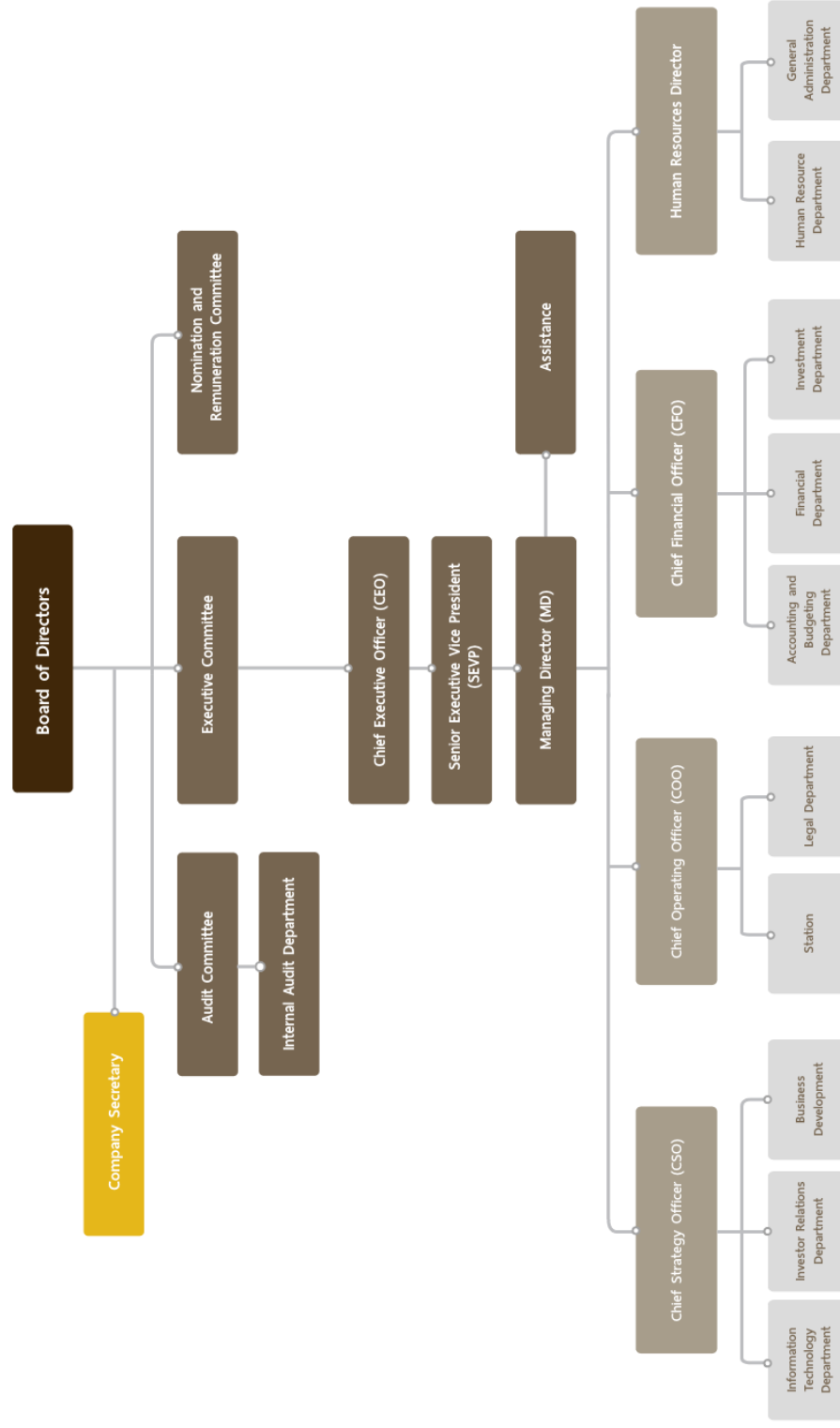




Organization Chart



Organization Chart



Organization Chart

The Company's organization chart consists of the Board of Directors, and three sub-committees comprising of the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee. The details of which are shown below.

Board of Directors

As of 31 December 2020, the Company's Board of Directors consists of 10 directors as follows

Name-Surname	Position
1. Mr. Direk Lavansiri	Chairman of the Board of Directors/Independent Director
2. Mr. Chutchai Sumethchotimetha	Director
3. Mrs. Aree Sumethchotimetha	Director
4. Mr. Thanapon Sumethchotimetha	Director
5. Mr. Jakkraphong Sumethchotimetha	Director
6. Mrs. Tanipa Puangjumpa	Director
7. Pol.Gen. Worapong Chewprecha	Chairman of the Audit Committee/Independent Director
8. Mr. Witoon Simachokedee	Member of the Audit Committee/Independent Director
9. Mrs. Rawittha Pongnuchit	Member of the Audit Committee/Independent Director
10. Mr. Attawoot Papangkorn	Member of the Audit Committee/Independent Director

Miss Pattaraporn Kiewrungpet was appointed as the Company's Secretary on 9 November 2018 pursuant to the resolution of the Company's Board of Directors' Meeting No. 7/2018

The Company's authorized signatories

(1) Mr. Chutchai Sumethchotimetha or Mr. Thanapon Sumethchotimetha and one of the three directors: Mrs. Aree Sumethchotimetha, Mrs. Tanipa Puangjumpa, or Mr. Jakkraphong Sumethchotimetha, totaling two directors, jointly sign and affix a Company's seal; or

(2) Mr. Chutchai Sumethchotimetha and Mr. Thanapon Sumethchotimetha jointly sign and affix a Company's seal.

The Board of Directors' Meeting

The details of the Board of Directors' meetings are as follows:

Board of Directors	Number of attendance/Total number of meetings		
	2018	2019	2020
1. Mr. Direk Lavansiri	7/7	4/4	6/6
2. Mr. Chutchai Sumethchotimetha	7/7	4/4	6/6
3. Mrs. Aree Sumethchotimetha	6/7	4/4	6/6
4. Mr. Thanapon Sumethchotimetha	6/7	4/4	6/6
5. Mr. Jakkraphong Sumethchotimetha	7/7	4/4	6/6
6. Mrs. Tanipa Puangjumpa	7/7	3/4	4/6
7. Pol.Gen. Worapong Chewprecha	5/7	4/4	6/6
8. Mr. Witoon Simachokedee	6/7	4/4	5/6
9. Mrs. Rawittha Pongnuchit	7/7	4/4	6/6
10. Mr. Attawoot Papangkorn	7/7	4/4	6/6

Audit Committee

As of 31 December 2020, the Company's Audit Committee consist of four members as follows:

List of Audit Committee Members	Position
1. Pol.Gen. Worapong Chewprecha	Chairman of the Audit Committee
2. Mr. Witoon Simachokedee	Member of the Audit Committee
3. Mrs. Rawittha Pongnuchit	Member of the Audit Committee
4. Mr. Attawoot Papangkorn	Member of the Audit Committee

Miss Pimol Chonchanachai was appointed as the Secretary of the Audit Committee on 5 April 2017 pursuant to the resolution of the Audit Committee's Meeting No. 2/2017. (until 21 December 2020)

Mr. Mr. Attawoot Papangkorn, Member of the Audit Committee and Independent Director, possesses accounting and finance knowledge and experience to review the accuracy of the Company's financial statements. Mr. Attawoot Papangkorn graduated with a bachelor degree in business administration with a major in accounting and a master degree in accounting.



Audit Committee's Meeting

The details of the members who attended meetings are as follows:

List of Audit Committee Members	Number of attendance/Total number of meetings		
	2018	2019	2020
1. Pol.Gen. Worapong Chewprecha	6/7	4/4	5/5
2. Mr. Witoon Simachokedee	5/7	4/4	5/5
3. Mrs. Rawittha Pongnuchit	7/7	4/4	5/5
4. Mr. Attawoot Papangkorn	7/7	4/4	5/5

Executive Committee

As of 31 December 2019, the Company's Executive Committee consists of four members as follows:

List of members of the Executive Committee	Position
1. Mr. Chutchai Sumethchotimetha	Chairman of the Executive Committee
2. Mrs. Aree Sumethchotimetha	Member of the Executive Committee
3. Mr.Jakkraphong Sumethchotimetha	Member of the Executive Committee
4. Mr.Thanapon Sumetchotimaytha	Member of the Executive Committee
5. Miss Napaporn Sathitthammaporn 1/	Member of the Executive Committee

Remark: ^{1/} Miss Napaporn Sathitthammaporn as appointed as the member of the Executive Committee pursuant to the Board of Directors' Meeting No. 2/2020 held on 8 November 2020.

Miss Pattaraporn Kiewrungpet was appointed as the Executive Committee's Secretary on 9 November 2018 pursuant to the resolution of the Executive Committee's Meeting No. 9/2018

Executive Committee's Meeting

The details of the members who attended meetings are as follows:

List of members of the Executive Committee	Number of attendance/Total number of meetings	
	2019	2020
1. Mr. Chutchai Sumethchotimetha	9/9	11/11
2. Mrs. Aree Sumethchotimetha	8/9	11/11
3. Mr.Jakkraphong Sumethchotimetha	8/9	10/11
4. Mr.Thanapon Sumetchotimaytha	7/9	11/11
5. Miss Napaporn Sathitthammaporn ^{1/}	5/9	11/11

Remark: ^{1/} Miss Napaporn Sathitthammaporn as appointed as the member of the Executive Committee pursuant to the Board of Directors' Meeting No. 2/2020 held on 10 November 2020.



Nomination and Remuneration Committee

As of 31 December 2019, the Company's Nomination and Remuneration Committee consists of three members as follows:

List of members of the Nomination and Remuneration Committee	Position
1. Mrs. Rawittha Pongnuchit	Chairman of the Nomination and Remuneration Committee
2. Mr. Attawoot Papangkorn	Member of the Nomination and Remuneration Committee
3. Mr. Piya Vittayavarotkit ^{1/}	Member of the Nomination and Remuneration Committee

Remark: ^{1/} Mr. Piya Vittayavarotkit as appointed as the member of the Nomination and Remuneration Committee pursuant to the Board of Directors' Meeting No. 4/2019 held on 8 November 2019.

Miss Pattaraporn Kiewrungpet was appointed as the Nomination and Remuneration Committee's Secretary on 8 November 2018 pursuant to the resolution of the Nomination and Remuneration Committee's Meeting No. 2/2018

Nomination and Remuneration Committee's Meeting

The details of the members who attended meetings are as follows:

List of members of the Nomination and Remuneration Committee	Number of attendance/Total number of meetings	
	2019	2020
1. Mrs. Rawittha Pongnuchit	3/3	2/2
2. Mr. Attawoot Papangkorn	3/3	2/2
3. Mr. Piya Vittayavarotkit ^{1/}	-/3	1/2

Remark: ^{1/} Mr. Piya Vittayavarotkit as appointed as the member of the Nomination and Remuneration Committee pursuant to the Board of Directors' Meeting No. 4/2019 held on 8 November 2019.

Executive

(pursuant to the definition of executive* under the Notification of the Securities and Exchange Commission No. KorJor. 17/2551 Re: Determination of Definitions in Notifications concerning Issuance and Offering for Sales of Securities (as amended))

As of 31 December 2019, the Company's executive consists of 5 members as follows:

List of executives	List of executives
1. Mr. Chutchai Sumethchotimetha	Chief Executive Officer
2. Mrs. Aree Sumethchotimetha	Senior Executive Vice President
3. Mr. Jakkraphong Sumethchotimetha	Managing Director / Act of Chief Finance Officer / Act of Human Resources Director
4. Mr. Thanapon Sumetchotimaytha	Chief Operating Officer
5. Miss Napaporn Sathitthammaporn ^{1/}	Chief Financial Officer

*Remark: *Executive means a manager or the next four executives succeeding the manager and every person holding an equivalent position to the fourth executive, including persons holding the position of departmental manager or equivalent or higher in accounting or finance.*

^{1/} Miss Napaporn Sathitthammaporn as appointed as the member of the Executive Committee pursuant to the Board of Directors' Meeting No. 2/2019 held on 10 May 2019.



Chief Executive Officer

Scope of authority, duties and responsibilities of the Chief Executive Office

- (1) To supervise, administrate, operate, and perform usual business activities for the Company's benefits according to the policies, visions, goals, business plans, and budgets as specified by the meeting of the Company's Board of Directors and/or as instructed by the Executive Committee;
- (2) To manage the Company's business in accordance with the main missions prescribed by the Executive Committee in order to be consistent with the Company's business plans, budgets, relevant business strategies as specified by the Company's Board of Directors and/or the Executive Committee;
- (3) To supervise the overall work in relation to finance, marketing, human resource, and other types of work to comply with the Company's policies and business plans as specified by the Company's Board of Directors and/or the Executive Committee;
- (4) To have the power to engage, appoint, relocate, remove, and terminate the Company's employees who are in the position lower than the Chief Executive Officer;
- (5) To have the power to determine the amount of wages, compensation, rewards, bonuses and adjustments of salaries for employees who are in the position lower than the Chief Executive Officer under the scope and policies prescribed by the Executive Committee and/or prescribed in the authority limits;
- (6) To have the power to determine the amount of wages, compensation, rewards, bonuses and adjustments of salaries for employees who are in the position lower than the Chief Executive Officer under the scope and policies prescribed by the Executive Committee and/or prescribed in the authority limits;
- (7) To approve and appoint consultants from various sectors that are necessary for the Company's business within the financial amount prescribed in the authority limits;
- (8) To approve entering into a loan and credit facility agreement from a financial institution, lending, pledge, mortgage, or being a guarantor by the Company and its subsidiaries, and the Company's investments within the financial amount prescribed in the authority limits;
- (9) To approve expenses for public relations, seminars, recreation activities, and meetings within the financial amount prescribed in the authority limits;
- (10) To formulate orders, rules, announcements, and records within the Company so that the Company's operation is in accordance with the policies and for its benefits, and to maintain discipline within the organization;
- (11) To perform any other actions instructed by the Board of Directors and/or the Executive Committee, and to have powers to perform any necessary action to do so; and
- (12) To authorize a person or persons to perform any action on behalf of the Chief Executive Officer.

An authorization of duties and responsibilities by the Chief Executive Officer shall in no way enable the Chief Executive Officer or the person who is authorized by the Chief Executive Officer to approve the transaction that involves the Chief Executive Officer himself or the person who may have a conflict of interests (as defined by the Notifications of the Securities and Exchange Commission or the Capital Markets Supervisory Board) or obtain benefits in any means or have any other conflicts of interest against the Company and its subsidiaries, except that the transaction is approved pursuant to the policies and rules approved by the Board of Directors.

Company's Secretary

The resolution of the Board of Directors' Meeting No. 2/2016 held on 9 March 2016 resolved to appoint Mr. Jakkraphong Sumethchotimetha to act as the Company's Secretary having the duties and responsibilities as stipulated in the Securities and Exchange Act. The qualifications of the Company's Secretary are shown in Annex 1.

Scope of authority, duties and responsibilities of the Company's Secretary

- (1) To prepare and maintain records of director register, meeting notices to convene the Board of Directors' meetings, the Company's annual reports, meeting notices for shareholders' meetings, minutes of shareholders' meetings on behalf of the Company and/or the Board of Directors;
- (2) To maintain records of reports of conflicts of interest reported by a director(s) or executive(s) on behalf of the Company and/or the Board of Directors;
- (3) To perform any other actions to be prescribed by the Notifications of the Capital Markets Supervisory Board, and to deliver copies of the reports of conflicts of interest pursuant to section 89/14 prepared by a director(s) to the Chairman of the Board of Directors and the Chairman of the Audit Committee for their review within seven business days from the date that the Company receives the reports of conflicts of interest, on behalf of the Company and/or the Board of Directors;
- (4) To provide preliminary advice on laws and the Company's regulations as the Board of Directors requires to know and requires for continuous compliance purposes, and report any significant changes to the regulations and/or laws to the Board of Directors;
- (5) To hold shareholders' and the Board of Directors' meetings in accordance with the law and the Company's articles of association, and other relevant code of conduct;
- (6) To record minutes of shareholders' and the Board of Directors' meetings, and to keep track of the implementation under the resolution(s) made by the shareholders and the Board of Directors' meeting;
- (7) To manage to disclose information and report information for which the Secretary is responsible to relevant authorities in accordance with their rules and regulations; and
- (8) To supervise the Board of Directors' activities and to perform any other actions in accordance with the law and/or as prescribed by the Capital Markets Supervisory Board and/or instructed by the Board of Directors



Remuneration for directors and executives

Remuneration for directors

Monetary remuneration

The Annual General Meeting of Shareholders of 2019 held on 24 April 2019 approved the remunerations for directors and sub-committees in the forms of monthly remunerations and meeting allowances as follows:

- Board of Directors

Position	Monthly remuneration	Meeting allowance
Chairman of the Board of Directors	Baht 20,000	Baht 25,000
Director ^{1/}	Baht 10,000	Baht 15,000

Remark: ^{1/} The Annual General Meeting of Shareholders of 2019 held on 24 April 2019 approved the remunerations for directors and sub-committees in the forms of monthly remunerations and meeting allowances up to Baht 3,000,000 per annum. however, the directors who hold executive director position waived their right to receive monthly compensation for the director position, totalling 5 persons include Mr. Chutchai Sumethchotimetha, Mrs. Aree Sumethchotimetha, Mr. Thanapon Sumetchotimaytha, Miss Natthaphatsorn Jiamwijitkul, Mr. Jakkraphong Sumethchotimetha effective from April 2016 onwards.

- Audit Committee

Position	Monthly remuneration	Meeting allowance
Chairman of the Audit Committee	-	Baht 20,000
Member of the Audit Committee	-	Baht 12,000

- Executive Committee

The Company's Board of Directors' Meeting No. 3/2016 resolved to acknowledge: the determination of the Executive Committee's remuneration; the waiver to receive remuneration, both monthly remuneration and meeting allowances, by members of the Executive Committee; and their continuation of work performance with best efforts for the Company's highest benefits, effective from April 2016.

- Nomination and Remuneration Committee

Position	Monthly remuneration	Meeting allowance
Chairman of the Nomination and Remuneration Committee	-	Baht 12,000
Member of the Nomination and Remuneration Committee 1/	-	Baht 10,000

Remark: ^{1/}The meeting allowances in the amount of Baht 12,000 for the Nomination and Remuneration Committee are only for the member who is acting as an executive. The members of the Nomination and Remuneration Committee who are not acting as an executive is not entitled to the remuneration.



Remuneration for directors (as of 31 December 2019)								
List of directors	Board of Directors		Audit Committee		Nomination and Remuneration Committee		Total	
	Meeting allowance	Monthly remuneration	Meeting allowance	Monthly remuneration	Meeting allowance	Monthly remuneration		
1. Mr. Chutchai Sumethchotimetha	150,000	300,000	-	-	-	-	450,000	
2. Mrs. Aree Sumethchotimetha	90,000	-	-	-	-	-	90,000	
3. Mr. Thanapon Sumethchotimetha	90,000	-	-	-	-	-	90,000	
4. Miss Natthaphatsorn Jiamwijitkul	90,000	-	-	-	-	-	90,000	
5. Mr. Jakkraphong Sumethchotimetha	90,000	-	-	-	-	-	90,000	
6. Mrs. Tanipa Puangjumba	60,000	180,000	-	-	-	-	240,000	
7. Pol.Gen. Worapong Chewprecha	90,000	180,000	100,000	-	-	-	370,000	
8. Mr. Witoon Simachokedee	75,000	180,000	60,000	-	-	-	315,000	
9. Mrs. Rawittha Pongnuchit	90,000	180,000	60,000	-	24,000	-	354,000	
10. Mr. Attawoot Papangkorn	90,000	180,000	60,000	-	20,000	-	350,000	
Total	915,000	1,200,000	280,000	-	44,000	-	2,439,000	

(b) Non-monetary remuneration

- None -

Remuneration for the executives of the Company and its subsidiaries

(1) Monetary remuneration

In 2017, 2018 and 2019, the Company paid remunerations to executives in the total amount of Baht 13,054,675.74, Baht 12,410,449.46 and Baht 15,187,168.83, respectively. The remunerations were paid in the forms of salaries, bonuses, and others such as provident funds, as summarized below.

Remuneration for executives	2018		2019		2020	
	Number of executives	Amount	Number of executives	Amount	Number of executives	Amount
Salary and bonus	5	11,862,326	5	14,529,447.33	5	17,199,823.33
Others	-	548,123.46	-	657,721.50	-	853,566.42
Total		12,410,449.46	-	15,187,168.83	-	18,053,389.75

Remark:^{1/}The remunerations for executives above were paid to the executive as defined by the SEC Office which is different from the significant executive according to the notes stated in the financial statement ending 31 December 2019 and the notes stated in the interim financial statement for a three-month period ending 31 March 2020.

The Company's executives as per the above table are: Mr. Chutchai Sumethchotimetha, Mrs. Aree Sumethchotimetha, Mr. Thanapon Sumethchotimetha, Mr. Jakkraphong Sumethchotimetha, and Miss Napaporn Sathitthammaporn.

(2) Non-monetary remuneration

– None –

Employees

Number of Employees

As of 31 December 2019, the Company and its subsidiaries have the total number of 94 employees in the following departments.

Department	As of 31 December 2017 Number of employees	As of 31 December 2018 Number of employees	As of 31 December 2019 Number of employees	As of 31 December 2020 Number of employees
Executive	6	4	5	5
Executive Office - Employees	2	1	1	1
Engineering Department	29	26	29	26
Human Resources Department	15	13	8	6
General administration Department	7	6	3	3
Operation Department	3	3	3	2
Accounting and Budget Department	6	6	6	6
Business Development Department	3	3	4	2
Information Technology Department	1	2	2	1
Finance department	2	3	3	3
Legal department	2	2	2	1
Internal Audit Department	2	2	2	2
Investor Relations Department	1	1	2	2
office	-	-	8	8
Mae Krating Power Company Limited	-	-	11	15
RE Biofuels Company Limited	-	-	13	11
Total	79	72	103	94

Remark: (1) Information of the Company and its subsidiaries includes Sakol Energy Public Company Limited, SK 15 Company Limited, Sakol Energy Biomass Power 15 Company Limited, RE BioFuels Company Limited and Mae Krating Power Company Limited.

Remuneration for employees of the Company and its subsidiaries

In 2017, the Company paid remunerations to 73 employees (excluding executives) approximately in the total amount of Baht 25,45,600, In 2018 the Company paid remunerations to 68 employees (excluding executives) approximately in the total amount of Baht 26,415,220, In 2019 the Company paid remunerations to 103 employees (excluding executives) approximately in the total amount of Baht 30,988,939.88. The remunerations were paid in the forms of salary, bonus, and other types of remuneration as follows:



Remuneration for employees	2018	2019	2020
Salary and bonus	24,121,669	28,465,247.10	33,431,699.62
Over-time payment	1,187,457	1,312,133.60	1,550,058.84
Allowance and diligence allowance	264,800	346,486.67	428,420.00
Others	841,294	865,072.51	613,722.08
Total	26,415,220	30,988,939.88	36,023,900.54

The Company and its subsidiaries set up their provident funds on 25 August 2016. Those funds have been registered with the SEC office and effective since 1 October 2016.

Employee Development Policy

The Company aims to develop its employees to have a professional level of quality and to provide them opportunities to fully and continuously show their potentials at all levels in order to support them to grow their careers together with the Company's success and performance. The Company's practices are as follows:

1. To provide trainings internally and outside the organization by considering the appropriateness of each of the employee's position;
2. To promote the employees who participate in the trainings to share their knowledge and experience obtained from the trainings to other employees so that there will be a transfer of knowledge and experience within the organization in the form of knowledge management.
3. The Company has developed training system 70 : 20 : 10 to create employees with skills and learning process: 70 from oneself, 20 from training by supervisor and colleagues; and 10 from training and learning in classroom provided by the Company.
4. The Company has developed Leadership Skills Program in order to create successors (Successor Plan).
5. The Company has developed Individual Development Plan (IDP) as framework or guidelines in helping its employees to achieve objectives in their profession within 1 – 5 years to experience career growth as employees of the Company.

Labor dispute

During the past three years, the Company did not have any employment dispute that the Company is a party to or against that may have significant effects to the Company's business.

Operation power

The Company has prepared an operation manual to set out scope of powers and duties as criteria to perform work for managers, executives, members of a relevant committee within the organization. In the year 2019, the company reviewed and revised the operational authority manual to be flexible and suitable for the current situation of

The company aims to spread responsibility. Decision power And the execution of duties as assigned To allow the operator to know the scope of responsibility for his own power And to be used as a work manual With evidence



Policies on good corporate governance



Policies on good corporate governance

The Company conducts its business in accordance with the good corporate governance principle to create substantial development in accordance with the good corporate governance principle and business ethics which cover matters of financial, investment, competition and doing business with governance and responsibility. The Company disclose its good corporate governance principle and business ethics to managements, employees and stakeholders through the Company's website: www.sakolenergy.com and the Company also prepare its policy and guideline of anti-corruption and bribery which is one part of the good corporate governance principle. At present, the Company is under the process of consideration to adhere the program of the policy on anti-corruption with government agencies and relevant regulatory bodies.

After complying with the good corporate governance principle, the result of evaluation according to the good corporate governance principle of the listed companies for the year 2020 of the Company is at the level of "excellent" which organized by the Thai Institute of Directors (IOD) under the sponsorship of the Stock Exchange of Thailand.

Moreover The Board of Directors must conform to the law, objectives, regulations, and resolutions of the shareholders' meetings of the Company as well as adhering to and conforming to the principles of good corporate governance following the guidelines as stipulated by the Stock Exchange of Thailand. This is the guideline for the Company's operation to ensure the efficiency of the operations and also to ensure the transparency to the investors which will ensure the confidence in the Company's business operations to third parties. The good corporate governance of the Company covers the principles in 5 categories as follows:

1st category: the Rights of Shareholders

The Company recognizes and prioritizes various shareholders' rights as the securities investor and the Company's owners such as the rights to purchase, sell, transfer the securities held by them, the rights to receive the shares of profits from the Company, the rights to receive sufficient information, the rights of shareholders meetings, the rights to comment, the rights to make major corporate decisions, such as the allotment of dividends, the appointment or removal of directors, the appointment of auditors, the approval of significant transactions, and the direction of the Company's business operation including the amendments to the Memorandum of Association and the Company's regulations, etc.

The Company has the missions in promoting and facilitating the exercise of such shareholder's rights as follows:

- (1) The Company will send the invitation letter to the meeting along with the information in each agenda to the shareholders in advance and will publish in the local newspaper at least 7 days prior to the meeting date or any other period as required by applicable laws or regulations.
- (2) In the case that the shareholders cannot attend the meeting on their own, the Company gives the opportunity for the shareholders to appoint the independent directors or any other persons to attend the meeting on behalf.



(3) In the meeting of shareholders, the Company will use the place convenient to travel including selecting the appropriate date and time. The time for the meeting will be allocated sufficiently to meet the Company's policy in facilitating the Company's shareholders.

(4) At the shareholders' meeting, the Company will give all shareholders equal opportunity to express their opinions, suggestions, or ask questions on relevant issues independently before voting on any agenda. Moreover, there will be the directors and executives of related companies attending the shareholders' meeting to answer the questions in the meeting.

(5) After the shareholders' meeting has been completed, the Company will prepare the minutes accurately and completely in the important contents for the shareholders to check.

2nd category: the Equitable Treatment of Shareholders

The Company is committed to treat all shareholders equally, whether they are major shareholders or minor shareholders, non-executive shareholders or executive shareholders, Thai or foreign shareholders. The details are as follows:

(1) In convening each shareholder meeting, the Company gives equal opportunity to all shareholders. Before the commencement of the meeting, the chairman of the meeting will explain how to vote and how to count the votes of the shareholders who need to vote on each agenda and also give the opportunity for all shareholders and proxies attending the meeting to express their opinions, suggestions, and questions in each agenda by taking the right and sufficient time. The chairman of the meeting will proceed with the meeting according to the defined agenda.

(2) In the agenda of election, the Board of Directors will encourage the selection of individual nominees.

(3) The Company has required the directors to report any interest in any agenda at least prior to the consideration of the relevant agenda in the Board of Directors' meeting and recorded such interest in the minutes of the Board of Directors' meeting as well as prohibiting the directors who have significant interests in freely expressing their opinions on the agenda from participating in such agenda.

(4) The Company has set the guidelines for keeping and preventing the use of internal information of the Company. It is forbidden by any person or entity who knows the information to disclose it to unrelated entities or persons. In case any person disclosing such information or using such information whether for their own benefit or others or doing the transactions that may cause conflict of interest, it will be considered as serious offense and will be under the punishment on disciplinary act.

3rd category Consideration on the Role of Interested Persons

The Company gives the importance to the rights of all stakeholders whether the internal stakeholders who are shareholders and employees of the Company or external stakeholders such as trading partners, customers, etc. The company is well aware that the support and comments from all stakeholder groups are beneficial for the Company's operation and business development. The Company will comply with relevant laws and regulations so



that the rights of such stakeholders will be well taken care of. Moreover, in the Company's business operation, the Company takes into account the rights of all stakeholders in the following ways:

- Shareholder: The Company will operate the business with transparency and efficiency with the commitment to generate good operating results and stable growth for the maximum benefits of shareholders in the long-term as well as disclosing the information in a transparent and reliable manner to the shareholders.
- Employees: The Company will treat all employees equally, fairly with reasonable returns.
- Trading partner: In addition, the Company also pays attention to the frequent development on skills, knowledge, capabilities, and potential of the employees such as arranging the trainings and seminars by giving the chance to every employee thoroughly and trying to motivate the employees with much knowledge and competence to stay with the Company for further development of the organization. The anti-corruption approaches are also stipulated including raising the awareness of all employees to conform to relevant laws and regulations, such as strictly prohibiting the use of internal information, etc.
- Customer: The Company has the processes for selecting trading partners by providing partners with equal information and selecting the partners fairly under the criteria for evaluation and selection of partners of the Company. In addition, the Company also makes the appropriate and fair contract model appropriately and fairly to every contract parties to have the tracking system to ensure that the terms of the contract are fully complied with. The fraud and misbehavior are prevented in every steps of the procurement process. The Company buys the products from trading partners based on trading conditions as well as strictly following the contract to trading partners.
- Creditors: The Company is responsible for the customers by maintaining the quality and standards of the goods and services including responding to customer needs as completely and comprehensively as possible in order to focus on long-term customer satisfaction. In addition, the company also provides accurate information about the products and services of the Company as well as providing the channels for the clients to report problems or inappropriate services for the Company to prevent and quickly solve the problems of the products and services.

- Competitors: The Company will comply with the terms and conditions of the contracts with the creditors mainly including the repayment of principal, interests, supervision on the collaterals under relevant contracts.
- Society and public: The Company behaves in a good competitive environment, is ethical and within the framework of law including promoting and encouraging the policies of free and fair competition.

In addition, the stakeholders can ask for details, notify the complaints, or clues to legal offense, inaccuracy of financial report, defective internal control system, or the unethical business of the Company through independent directors or Audit Committee of the Company. The data of complaints and clues notified to the Company will be kept confidential. The independent director or the Audit Committee will command on auditing the information and find solutions (if any) and will continue to report to the Board of Directors.

4th category: Disclosure and Transparency

- (1) The Company pays attention to the Company's financial statements and the financial information appearing in the annual report. The Audit Committee will review the quality of financial reports and internal control system including adequately disclosing the important information in the notes to the financial statements and report to the Board of Directors. Moreover, the Committee also supports the Management Discussion and Analysis preparation supplementary for the quarterly disclosure of financial statements.
- (2) The Company will disclose the information about each director, roles and duties of the Board of Directors and the Company's subcommittees, number of meetings, and attendance in the previous year at the Company's Head Office.
- (3) The Company will disclose the auditors' fees and other service fees provided by the auditor.
- (4) The Company will prepare the report on corporate governance policy, business ethics, risk management policy, and social responsibility policy and the environment having been approved in summary as well as the results of conformity to such policies including the case of failure to comply with such policy together with reasons.

5th category: responsibilities of the Board of Directors

1. Structure of directors and subcommittees

The Board of Directors consists of persons with knowledge, skills and experiences that can benefit the Company. They will play an important role in policy and corporate overview making as well as playing an important role in supervising, monitoring and evaluating the Company's performance in accordance with the plan.



Currently, the Board of Directors consists of 10 directors; 4 executive directors and 6 non-executive directors. There are 5 independent directors, representing more than one third of the total number of directors resulting in the proper balance in the consideration and vote in each issue. The Board of Directors has a term of office of not more than 3 years in accordance with relevant laws. An independent director shall hold a term of office of not more than 9 years, unless the board of directors deems that the person should be appointed as the Company's independent director further for the maximum benefits of the Company. Moreover, the directors and the executives of the Company can be directors or executives of affiliated companies or other companies. However, it must comply with relevant laws or regulations and must report to the Company's Board of Directors meeting.

The Board of Directors also nominated the subcommittees to assist in the corporate governance of the Company as follows:

(1) Audit Committee consists of at least 3 members to assist the Board of Directors in overseeing and monitoring the administration, internal control, and compliance with relevant laws, including the preparation of financial reports to make the operation and the Company's information disclosure transparent and reliable.

Remark: Mr. Attawoot Papangkorn, Director who possesses accounting and finance knowledge and experience to review the accuracy of the Company's financial statements.

(2) Executive Committee consists of at least 3 members to assist the Board of Directors in managing the Company's business in accordance with the Company's policies, plans, regulations and rules, including those set within the framework assigned by the Board of Directors.

(3) Nomination and Remuneration Committee consists of at least 3 members of the Nomination and Remuneration Committee who are responsible for recruiting qualified persons for the positions of Director and Chief Executive Officer, considering the form and criteria for the remuneration payment to directors and the Chief Executive Officer to submit to the Board of Directors for approval and / or proposed to the shareholders' meeting for further approval (as the case may be) including the Chief Executive Officer development.

In addition, the Company has appointed the Company's secretary to perform duties related to the Board of Directors' meetings and the shareholders' meeting as well as supporting the work of the Board of Directors by providing advice on the legal and regulatory requirements related to the performance of duties of the Board of Directors including coordinating for the compliance with resolutions of the Company's Board of Directors.

2. Roles and responsibilities of the Board of Directors

The Company's Board of Directors is responsible to the shareholders regarding the business operations and has the duty to set policies and directions for the Company's operations to ensure that the management is in line with the objectives and guidelines for the long-term benefits of shareholders within the framework of the requirements, laws and code of business conduct while taking into account the interests of all stakeholders. The details are as defined in the Charter of the Board of Directors.



(1) Corporate Governance Policy

The Company has established the corporate governance policy in writing to propose to the Board of Directors' meeting for approval. The Corporate Governance Manual is prepared with the intention to guide the directors, executives and employees to conform to such policy. The Company will review this policy annually.

(2) Code of Business Conduct

The Company intends to operate the business in a transparent, ethical, responsible manner to all stakeholders, society, and environment. The Company has set the code of conduct for the Board of Directors, executives and employees to strictly adhere to as follows:

- (A) Code of Ethics on Responsibility to Shareholders
- (B) Code of Ethics on Customer Relations
- (C) Code of Ethics on Relations with Partners, Competitors and Creditors
- (D) Code of Ethics for Responsibility to Employees
- (E) Code of Ethics for Social and Environmental Responsibility

The Company will announce and notify all employees to acknowledge and strictly conform to

(3) Conflict of interest

The Company has the policy to eliminate conflicts of interest carefully with honesty, rationality and independence under the good ethical framework mainly for the Company's benefits. The persons involving or relevant to the items considered are required to disclose the information about their interests and related persons to the Company and do not participate in the consideration including having no authorization in approving such items.

The Company has the policy to make the connected transaction and transactions with conflict of interest in accordance with relevant laws or regulations.

(4) Internal control

The Company has set up the internal control system for the supervision and internal control both at the management and operational levels efficiently. The Company has also set up the internal audit department to assess the adequacy of the internal control system and report the results to the Audit Committee in accordance with the audit plan.

(5) Risk management:

The Company has set up the risk management policy that covers the whole organization including systematic oversight or risk management process to minimize impact on the Company's business properly.

(6) Report of the Board of Directors

The Audit Committee is responsible for reviewing the financial reports with the accountant and the auditor attending the meeting together and presenting the financial report to the Board of Directors quarterly. The



Board of Directors will be responsible for the consolidated financial statements of the Company and the subsidiaries including financial information.

3. Board of Directors' meetings and self-assessment

The Company arranges meetings of the Board of Directors at least quarterly and extra meetings are added as needed. The agenda is clearly defined in advance with the agenda to follow up the results of the operation regularly. The Company will send the invitation letter together with the agenda and supplementary documents to all directors at least 7 days in advance prior to the meeting in order for the directors to have sufficient time to study the information before attending the meeting except in urgent cases. The minutes of the meeting will be recorded and the collection of certified documents will be provided for reference and verification. In every meeting, the executives and related persons should attend the meeting in order to provide accurate and timely information and details to the decision-making.

In the resolution of the Board of Directors' meeting, the majority vote shall be passed. One director has one vote. Directors who have conflict of interest in any agenda will not attend the meeting and will not have the right to vote in this agenda. In case of equal votes, the Chairman of the meeting shall give an additional vote as the votes shall be countersigned by the chairman of the meeting.

Moreover, the Board of Directors supports the performance evaluation at least once a year to improve and correct the operations. The topic of the meeting will be clearly defined before the evaluation is made to gather the comments and present them to the meeting.

4. Remunerations

Directors' remunerations are monthly remunerations and meeting allowances which must be on average compared to the same industry. It will consider the adequacy of the duties and responsibilities of the Board of Directors. The executives receive monthly salary and bonus mainly based on the performance of the Company. However, the annual remunerations of the Board of Directors and the executives together must not be in the unusually high amount compared to the average returns of the directors and the executives of the Company listed on the Stock Exchange of Thailand by considering the maximum benefits of the shareholders.

The Company has established the Nomination and Remuneration Committee to consider the form and the criteria for the remuneration payment to the directors to propose to the shareholders' meeting for approval.

5. Development of the Board of Directors and the executives

The Board of Directors has the policies to promote and facilitate in having the training and coaching to the persons relevant to the Company's corporate governance such as Company's Board of Directors, Audit Committee, executives, and secretary, etc. in order to continually improve the operation. The training and coaching may be done internally or use the service provided by other institutes.



In the case that there is the change in the directors or new directors are nominated, the management department will prepare the documents and information as beneficial for the duty performance of the new directors as well as providing the advices on business natures and approaches in business operation of the Company to the new directors.

The Company's Board of Directors will rotate the assigned works following the proficiency of the executives and the employees by mainly considering the appropriateness of work and time. The CEO will determine the period and consider such work performance as the plan for the development and preservation of the Company's works for developing the executives and the employees to have more competence in working and can work in replacement to one another.

Organization Structure

The organization structure of Sakol Energy Public Company Limited consists of 4 sub-committees, including the Board of Directors, the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee, the details of which are as follows:

Board of Directors

Powers, Duties and Responsibilities

- (1) Performance with responsibility, caution, faithfulness, protection of Company benefits and to conduct the Company's business according to the law, Company objectives, Articles of Association, and resolutions of the shareholders meeting.
- (2) Establishment of vision, strategy, policy, goal, business plan, budgeting, management structure and approval authority of the Company and subsidiary companies as proposed by the management and oversee the administration and operating results of the management, sub- committees of the Company or any person who has been assigned to perform such tasks in accordance with the specified policy in an effective and efficient manner to maximize value for the Company and its shareholders.
- (3) Follow-up and assessment of operating results of the management and/or sub- committees of the Company on a continuous and regular basis to achieve the strategy and meet the plan and the budget.
- (4) Ensuring that the Company and subsidiary companies have an appropriate and effective accounting system, and arrange for the availability of reliable financial reporting and accounting audit including the establishment of appropriate and adequate internal control system and internal audit systems.
- (5) Setting the scope and policy on salary, salary adjustment, remuneration bonus and financial reward of the executives, including supervision of mechanics and appropriate payment of remuneration to the executives.



- (6) Consideration of approval for the interim dividend payment.
- (7) Consideration and identification of risks faced by the Company or which will occur and directly affect the Company, and determination of risk appetite for the Company.
- (8) Determination and review of internal and external risk management policy to ensure its coverage and that it aligns with the strategy and direction of the business. The risk coverage will include at least the following four risks:
 - (a) Financial Risk.
 - (b) Operational Risk.
 - (c) Strategic Risk.
 - (d) Compliance Risk.
- (9) Determination and review of the procedures on risk management to align with risk management policy in order to be able to assess, follow-up the result, and oversee the risks as within the Company's risk appetite.
- (10) Review the set-up of budget and method of response to the risks that have occurred and may occur with the Company for use as rules in operation under various types of risk situations including setting up the structure and appointment of a risk management working committee to perform the role of risk assessment and risk management follow-up.
- (11) Review the policy on corporate governance and social responsibility including anti-corruption of the Company, and approval of the assessment of the annual result of the corporate governance and social responsibility and anti-corruption prepared by the assigned sub-committee.
- (12) Prevention of dispute on benefits between interest parties of the Company and subsidiary companies. In the event that any company director has an interest in a transaction made with the Company, or whose shareholding in the Company and/or subsidiary companies has increased or decreased, the company director shall report such interest and change in shareholding to the Company without delay.
- (13) Appointment of a sub-committee to help and support the performance of the Board of Directors as appropriate.
- (14) Appointment of a Company Secretary and/or Secretary of the Board of Directors to assist the Board of Directors in performing various jobs in order to ensure that the operation of the Company is in accordance with the relevant laws and regulations.
- (15) Hiring of an adviser or person who is independent to provide opinions and recommendations as appropriate.

- (16) Preparation of the Annual Report and responsibility for preparation and disclosure of financial information regarding the financial status and operational results of the Company during the past one year for proposal to the Shareholders Meeting.
- (17) Holding an Annual Meeting of Shareholders within four months since the end of the Company's accounting year.
- (18) Approval of various matters by impartially considering the benefits of shareholders and every stakeholder in the Company.
- (19) Arrangement of a succession plan for high level executives of the Company.
- (20) Review and revision of the Board of Directors Charter to align with the situation.
- (21) Assignment of one company director or several company directors to perform any assignment on behalf of the Board of Directors.

However, the assignment of powers, duties and responsibilities of the Board of Directors does not have a nature of granting of authority or sub-granting of authority allowing the Board of Directors or person who is granted the authority by the Board of Directors to be able to approve transactions in which he/she or other persons may have a conflict (as defined in the relevant regulations), an interest or benefit in any nature or may have other benefit disputes with the Company and/or subsidiary companies, except for the approval of transactions which are in accordance with the policies and rules already approved by the Shareholders Meeting or Board of Directors.

The roles and responsibilities of the Board of Directors of the Company under the authorization matrix are as set out in Organization Structure Item Authorization.

Audit Committee

Powers, Duties and Responsibilities

1. Financial reporting and Information disclosure
 - (1) Review of the Company's financial reporting system and information disclosure in the financial statements with correctness and adequacy.
 - (2) Review with the auditor about important issues that may affect the reliability of financial reports. And the operating results of the company. Such as
 - The difficulties or significant conflicts that the External Auditor has during the work.
 - Issues, facts and opinions that differ between External Auditor and management.
 - The level of efficiency of the internal control system.
 - Defects or losses that appear in this accounting period and may occur in the next accounting period.
 - Violations of relevant laws and apply to the company and / or the business of the company.



And The Audit Committee shall report to the Board of Directors. In order to proceed with rectification within the time that the Audit Committee deems appropriate

- (3) Review of the Company's compliance with relevant laws which are applicable to the Company and/or Company business.

2. Internal Control

- (1) Review of the Company's Internal Control system and Internal Audit System has appropriate and effective According to the standards of COSO (The Committee of Sponsoring Organization of Tread way Commission)
- (2) Review the effectiveness and efficiency of governance, risk management and control processes. Including risk and control about Information technology of company.
- (3) There are suggestions for management about improving the good corporate governance process. Risk management complies with relevant laws, rules, regulations and internal controls for efficiency and effectiveness.
- (4) Review and comment on adequacy and appropriateness The effectiveness of internal control for the preparation of financial reports.

3. External Auditor

- (1) Support the work of the External auditor to be independent. And must hold private meeting with the external auditor at least one time annually.
- (2) Consider selection Propose to appoint an independent person to acting as an External auditor of the company And offer compensation for such person.

4. Internal Audit Department

- (1) Supervision Internal audit department to be ethical with acceptable audit standards
- (2) Consider approving Organization structure, manpower, annual audit plan, as well as budget to focus on the efficiency and effectiveness of various activities.
- (3) Review about internal audit reports and the independence of the internal audit department.
- (4) Opinion on the appointment, transfer, dismissal, performance, budget, manpower of the internal audit Department. Including determining remuneration and evaluating the performance of the Chief Executive of Internal Audit Department
- (5) Ddevelop the potential and professional progress of internal auditors,for ensure that the internal audit is accurate and effective, consistent with the development of the company.
- (6) Regularly and review the internal audit charter.

5. Observance with laws, regulations

- (1) Review the operation of the company to be in accordance with laws, rules, regulations and other related requirements. Both within and from regulatory agencies.
- (2) Review about policies and assess the effectiveness of risk management in compliance with relevant rules and regulations. Both within and from regulatory agencies.
- (3) Review about the corporate governance and social responsibility process Including anti-corruption of the company.

6. Review of the Audit Committee Charter

Prepare the Audit Committee Charter and review as appropriate. For determine whether there is a need to adjust the responsibilities of the designated audit committee.

7. Report of the Audit Committee

Preparation of the Audit Committee's report which shall be signed by the Chairman of the Audit committee and contain at least the following:

- (1) Opinions on the correctness, completeness, and reliability of the Company's financial report.
- (2) Opinions on the adequacy of the Company's internal control system.
- (3) Opinions on the Company's compliance with laws which are applicable to the Company and/or Company's business.
- (4) Opinions on the suitability of the external auditor.
- (5) Opinions on transactions that may have a conflict of interest.
- (6) Overall opinions or observations of the Audit Committee obtained from the performance of their duties under the charter.
- (7) Other matters that should be of interest to the shareholders and investors within the scope of duty and responsibility assigned by the Board of Directors.

8. Other responsibilities

- (1) Able to investigate those involved Under the authority of the Audit Committee And has the power to hire or bring specialized experts to assist in the investigation or investigation.
- (2) Have the authority to hire consultants or independent individuals To provide comments or suggestions as needed.

Executive Committee

Powers, Duties and Responsibilities

- (1) Preparation and setting up of the policy, direction, business plan, budgeting, management structure and management authority by proposal to the Board of Directors for approval, and implementation

of proposals as approved by the Board of Directors including verification and follow-up of such operating results that are being performed in an effective and efficient manner.

- (2) Management and overseeing of related operations and general administration of the Company.
- (3) Approval of any contract making and/or transactions related to the normal course of business of the Company (such as purchase, sales, investment or joint investment with other persons) for the benefit of the operation in accordance with the objective of the Company within authority limits or limits defined by the Board of Directors.
- (4) Approval of financial transactions with financial institutions for borrowing or seeking credit facilities, mortgages, loan guarantees and being a guarantor of the Company and subsidiary companies, within authority limits or limits defined by the Board of Directors.
- (5) Approval of the appointment of an advisor in various areas which are essential for the Company's operation within the annual budget approved by the Board of Directors.
- (6) Setting up the scope and policy on salary, adjustment of salary, determination of bonus remuneration and financial rewards of the employees and executives (except the Chief Executive Officer).
- (7) Carrying out any other tasks assigned by the Board of Directors or which is in accordance with the policy defined by the Board of Directors.
- (8) Review and proposal on revision of the Executive Committee Charter to align with the situation.
- (9) Granting the power to any person or several persons to carry out acts on behalf of the Executive Committee.

However, the assignment of powers, duties and responsibilities of the Executive Committee does not have the nature of granting of authority or sub-granting of authority allowing the Executive Committee or person who is granted the authority by the Executive Committee to be able to approve transactions in which he/she or other persons may have a conflict (as defined in the notifications of Securities and Exchange Commission or Capital Market Supervisory Board), an interest or benefit in any nature or may have other benefit disputes with the Company and/or subsidiary companies except for approval of transactions which are in accordance with the policy and rules already approved by a Meeting of the Board of Directors.

The roles and responsibilities of the Executive Committee under the authorization matrix are as set out in Section: Organization Structure Item Authorization.

Nomination and Remuneration Committee

Powers, Duties and Responsibilities

- (1) Establishment of qualifications and guidelines in nominating Company Directors (including members of subcommittees of the Company) and high level executives by making a selective consideration of the person who has suitable qualification in terms of knowledge, experience and expertise for

- proposal to the Board of Directors for consideration and appointment and/or for proposal to the Shareholders' Meeting for further consideration and approval (as the case may be).
- (2) Review the independence of each nominated director to assure that the director of the company is fully qualified.
 - (3) Review the format and process of developing the Chief Executive Officer to align with the company's business and situation.
 - (4) Review the form and rule on payment of remuneration (whether in the form of cash, security, or any other) of the directors of the company, sub-committees of the company and Chief Executive Officer to ensure that it is appropriate, fair and in accordance with the relevant law.
 - (5) Review the performance criteria of the Chief Executive Officer and make a proposal to the Board of Directors for consideration and approval.
 - (6) Review and propose the scope of power, duty and responsibility of the Nomination Committee to align with the situation.
 - (7) Carrying out any act as assigned by the Board of Directors or in accordance with the policy established by the Board of Directors.

Nomination and appointment of directors and high-level executives

The Nomination and Remuneration Committee will consider and nominate persons as directors (including members of sub-committees of the Company) and high-level executives of the Company. The committee selects appropriate persons with knowledge, experience and expertise and nominates to the Board of Directors and/or shareholders' meeting for appointment.

Board of Directors

The composition of the Board of Directors is as follows:

- (1) Members of the Board of Directors do not need to be shareholders of the Company.
- (2) The number of directors on the Board of Directors is in accordance with the specification of the Shareholders Meeting but the Board of Directors shall be composed of at least three directors, not less than half of whom shall reside within the Kingdom of Thailand.
- (3) The Board of Directors shall be composed of independent directors as at least one out of three of the total number of directors but the number shall not be less than three directors.

The Board of Directors shall elect one of the directors to serve as the Chairman of the Board of Directors. If the Board of Directors deem it appropriate, they may also elect among themselves one of several directors to serve as Vice Chairmen of the Board of Directors.

Appointment and Office Term

- (1) The Board of Directors will perform the role of selection and nomination of a person who has appropriate qualifications to hold the office of company director by proposing the name of the person to the Shareholders Meeting for approval of the appointment.
- (2) The Shareholders Meeting will choose a company director in the event that the position of company director has become vacant due to reasons other than expiry of the office term. The Board of Directors shall appoint a person who has competent qualifications to be a substitute company director. However, the substitute company director shall retain office only for the remaining office term of the company director whom he/she replaces.
- (3) At every annual general meeting of shareholders, one third of the total number of directors shall retire from office. If the number of directors is not a multiple of three, then, the number of directors nearest to one third shall retire from office. The directors who shall retire from office in the first and second years after registration of the Company shall be selected by drawing lots. In subsequent years, directors who have held office the longest shall retire.

A director who vacates the position on expiry of the office term may be re-elected to hold the position for another office term. However, the total period of an independent director's term of office shall not exceed nine years unless the Board of Directors is of the opinion that the person should continue to hold the position of independent director of the Company for the maximum benefit of the Company.

Qualification of Board of Directors

- (1) Being a person who has knowledge, ability, integrity, business ethics, and adequate time to perform duties for the Company.
- (2) Having the qualifications and possessing no prohibited characteristics under relevant laws, including possessing no characteristics which indicate inappropriateness for trust in the administration of a business with the public being shareholders, as stipulated in the notifications of the Office of Securities and Exchange Commission, Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand ("relevant regulations").
- (3) Not being a person who undertakes a business of the same nature and in significant competition with that of the Company or is a significant partner of a partnership or a director of another company undertaking a business of the same nature and in significant competition with those of the Company, whether such undertaking has been carried out for his/her own or others' benefits or not, unless that there is a notice given to the Shareholders Meeting before passing a resolution for appointment.
- (4) An independent director shall have qualifications related to independence as defined by the Company and is in accordance with the guidelines and rules related to the specification of an

independent director, and shall be able to supervise the benefits of every shareholder on an equal basis and prevent the dispute of benefits. In addition, the independent director shall attend the meetings of the Board of Directors giving an independent opinion.

In addition, the Company has determined that a director who is not performing the role of an executive director to be independent of the management and the shareholders who have a controlling interest and who does not have any business relationship with the Company that may influence the expression of independent view. An independent director shall have the following additional qualifications:

- (a) Holding not more than one per cent of the total voting shares of the Company, subsidiary companies, associated companies, major shareholders, or controlling persons, with the number of shares held by the director's related persons being counted.
- (b) Being a director who is not or has never been an executive director, employee, staff member, salaried advisor, or controlling person of the Company, subsidiary companies, associated companies, same-level subsidiaries, major shareholders or controlling person unless such characteristics have lapsed for at least two years before being appointed. These prohibited characteristics include the case whereby the independent director used to be a civil servant or advisor of the government who is a major shareholder or a person who controls the Company.
- (c) Being a director who has no relationship by blood or by legal registration under the status of father, mother, spouse, sibling, and child, including the child's spouse or other directors, executives, major shareholders, controlling persons, or persons who are being nominated for appointment as directors, executives, or controlling persons of the Company or subsidiary companies.
- (d) Being a director who does not have or has never had a business relationship with the Company, subsidiaries, associated companies, juristic persons with potential of conflict of interest, major shareholders, or controlling persons in a manner that may hinder the exercise of his/her independent judgment, and not being a person who is or has been a significant shareholder or controlling person of a person with a business relationship with the Company, its subsidiaries, associated companies, juristic persons with potential of conflict of interest, major shareholders, or controlling persons, unless such characteristics have lapsed for at least two years before being appointed.

The business relationship as mentioned includes normal trading transactions for the purpose of business operations, rental or lease of immovable property, transactions related to assets or services or granting or receiving financial assistance by receiving or giving loans, guarantees using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other at the amount of three per cent or more of Baht 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected



transaction calculation specified in the criteria on undertaking connected transactions, mutatis mutandis, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

- (e) Being a director who is not, or has never been, an external auditor of the Company, subsidiary companies, associated companies, major shareholders, or controlling persons, and not a significant shareholder, controlling person, or partner of an audit firm which is an external auditor of the Company, its subsidiaries, associated companies, major shareholder, or controlling person, except in case such characteristics have lapsed for at least two years before being appointed.
- (f) Being a director who is not, or has never been, a provider of any a professional service including legal advisory service or financial advisory service with the service fee thereof exceeding two million Baht per year from the Company, subsidiary companies, associated companies, major shareholders, or controlling persons, and not a significant shareholder, controlling person, or partner of the provider of such professional service, except in case such characteristics have lapsed for at least two years before being appointed.
- (g) Being a director who is not appointed as a representative of a director, major shareholder or shareholder with a relationship to a major shareholder of the Company.
- (h) Not undertaking a business of the same nature and in significant competition with those of the Company or subsidiary companies, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor, or shareholder with over 1 % of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or subsidiary companies.
- (i) Not having any other characteristics that may hinder the exercise of his/her independent judgment regarding the Company's business operations.

Audit Committee

Composition

The Audit Committee is composed of at least three independent directors. At least one of the audit directors shall be a person with knowledge and experience in accounting and finance to perform the duty of reviewing the reliability of the financial statement.

The Audit Committee shall select one Audit Director to hold the position of Chairman of the Audit Committee and appoint a Secretary to assist in performing its duty by making appointments for meetings, preparing meeting agendas, submission of meeting related documents and recording the minutes of the meetings.

Appointment and Office Term

The Board of Directors or Shareholders Meeting shall appoint an independent director of the Company to be an Audit Director whose office term shall be in accordance with the office term of the Company Directors whereby the Audit Director whose office term has expired can be re-appointed as Audit Director.

In the event that the Audit Director's office has expired or the Audit Director is not able to hold the position until expiry resulting in the number of Audit Directors to be less than three, the Board of Directors or Shareholders Meeting should appoint a new Audit Director to fill the vacancy not later than three months from the date when the number of Audit Directors was incomplete to ensure the continuity of the Audit Committee in performing its duty.

Qualification of Audit Director

- (1) A person who has a competent qualification to perform the role of independent director in accordance with the rules and conditions as specified by the Office of Securities and Exchange Commission, Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand Notifications.
- (2) Not being a person who has been assigned by the Board of Directors to make decisions regarding the running of the business of the company, parent companies, subsidiary companies, associated companies, same level subsidiary companies, major shareholders or a person who has control of the company.
- (3) Not being a director of the parent company, subsidiary companies or same level companies of the public listed company.
- (4) Having adequate knowledge and experience in performing the duty as an Audit Director and at least one Audit Director shall have adequate knowledge and experience in accounting and finance to be able to review the reliability of the financial statement.

Nomination of directors and high-level executives

Nomination of directors

For the nomination of directors, the Nomination and Remuneration Committee, consisting of 1 independent director from the 3 members of the committee, shall be responsible for screening and selection of qualified persons according to the Company's Articles of Association. The Nomination and Remuneration Committee shall nominate persons with suitable qualifications as the Company's directors. The directors should be professional and with diversity. The committee shall nominate suitable person to the Board of Directors of the Company for their approval. The nominated person shall be proposed to shareholders' meeting for further consideration and appointment as the Company's director according to the prescribed rules.

The Nomination and Remuneration Committee shall consider the appropriate size and composition of the Board of Directors of the Company. The Board of Directors shall be changed or adjusted in line with the ever-changing



environment. The directors shall have suitable knowledge, capabilities and qualities. The Nomination and Remuneration Committee has given the opportunity to directors and shareholders to nominate suitable person as the Company's director.

The appointment of directors by the shareholders' meeting shall follow rules and procedures as set out below.

- (1) In voting for election of director, every shareholder shall have one vote for each share of which he is the holder.
- (2) Each shareholder may exercise all votes he has to elect one or several persons as directors but the number of directors elected shall not exceed the number of directors required at that time.
- (3) In the event of selecting several directors, each shareholder may exercise all his votes to each nominated person. He may not allot his votes to each nominated person unequally.
- (4) The persons receiving the highest votes in their respective order of the votes shall be elected as directors until all of director positions that the Company may have or that are to be elected at such meeting are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the meeting shall have a casting vote.

If the director position becomes vacant for any reason other than retirement by rotation, the Nomination and Remuneration Committee shall select qualified person without prohibited characteristics as prescribed under the laws as replacement director attending the next Board of Directors' Meeting, except where the term of the resigning director is less than 2 months. The replacement director may hold the position of director only for the period equivalent to the remaining term of the resigning director.

Selection of high-level executives

For the nomination of Chief Executive Officer / Chairman of the Executive Committee / Managing Director of the Company, the Nomination and Remuneration Committee shall preliminary screen and find person with suitable knowledge, experience and expertise, which is suitable the Company's business operations. Such person shall have thorough knowledge of the Company's business and be able to manage the work to achieve the Company's targets and objectives. The person nominated by the Nomination and Remuneration Committee shall be further proposed to the Board of Directors of the Company for appointment

Investment and administration policy in subsidiaries and associates

Sakol Energy Public Company Limited has investment and administration policy in subsidiaries and associates by investing in the transaction which is related, resemble, or earns the benefits and supports the transaction of the company in order to reinforcing the stability and the performance of the company.

Moreover, in governing the administration of the subsidiaries and associates, the company will appoint the company's qualified and experienced representative as a committee in the relevant invested transaction of that

subsidiaries and associates. That representative could be a chair committee, chief executive officer, committee, chief executive, or anyone who doesn't gain any conflict of interest with the transaction of those subsidiaries and associates. This is to enable the company in governing the transaction and the transaction of the subsidiaries and associates like one unit of the company. Therefore, it's determined that the representative must navigate the administration of the subsidiaries and associates in following the relevant law of the concerning transaction of the subsidiaries and/or associates. In addition, the appointing of the representative as the committee in those subsidiaries and associates must be correspondent with the equity ratio of the company and/or the agreement in case of the associates.

The company will closely follow up the performance of the subsidiaries and associates, as well as regulate and audit data and accounting records of the subsidiaries and associates.

Use of Inside Information Policy

Sakol Energy Public Company Limited gives importance to protection of the use of inside information, whereby the Company has a policy prohibiting the directors, executives, staff and employees of the Company from using information which may affect the price of Company shares, if such a disclosure causes damage to the Company or puts the Company in a disadvantage. This includes using confidential and inside information which is not yet disclosed to the public for his/her own or others gain both directly or indirectly with and without remuneration. The Company has established protection measures on the use of inside information by educating directors and executives on the duty to report their shareholdings, including those shares held by their spouse and their minor children,

to the Office of Securities and Exchange Commission pursuant to procedures prescribed in Section 59 and penalty provision of Section 275 of the Thai Securities and Exchange Act B.E.2535 (1992) (including the amendments), including the duty to report on acquisition and disposal of shares held by directors and executives and their spouse and minor children to the Office of Securities and Exchange Commission pursuant to Section 246 and penalty provision of Section 298 of the Thai Securities and Exchange Act B.E.2535 (1992) (including the amendments). The mandatory report is a preparation for the Company, including directors and executives of the Company, to be ready for initial public offering and registration of ordinary shares on the Stock Exchange of Thailand.

Auditor remuneration

The company paid compensation to the auditor of the company. KPMG Phoomchai Audit Ltd. For auditing and reviewing the financial statements of the Company and its subsidiaries as follows

For the fiscal year	Auditor remuneration	Other non-audit fees
For the fiscal year 2017 ending 31 December 2018	3,267,100 Baht	None
For the fiscal year 2018 ended December 31, 2019	2,937,500 Baht	None
For the fiscal year 2018 ended December 31, 2020	2,660,000 Baht	None



In this regard, the persons or businesses related to the auditors and the offices that the auditors belong to above are not persons or businesses related to the Company.

Adoption of the Good Corporate Governance Principle for the Listing Companies for the year 2020

The Board of Directors has process to review the adoption of the good corporate governance principle for the listing companies for the year 2018 to in line with the business at least 1 time per annum.

Compliance with good corporate governance principles in other matters

With reference to the good corporate governance regarding the equitable treatment of shareholders, At the 2018 Annual General Meeting of Shareholders, The company therefore allowed shareholders to proceed as follows:

(1) The company allowed shareholders to propose the agenda for 2019 Annual General Meeting of shareholders in advance, starting from 1 November 2018 until 31 December 2018

(2) The company allowed shareholders to nominate candidate(s) for the Company's director(s) in advance, starting from 1 November 2018 until 31 December 2018

Which appears that during that time There was no shareholder proposing the matter for consideration to be included in the meeting agenda in advance and no shareholder nominated any person to be elected as a director in advance.

Director Development

To develop knowledge and ability to perform duties of director continually and to create vision which is beneficial for using with the Company's business, the Company encourages its directors to attend the training program organized by Thai Institute of Directors (IOD), the Stock Exchange of Thailand and other institutes including attending seminars to exchange knowledges with specialist on business development substantially by using the good corporate governance principle as significant basis to create the confidence of shareholders and other stakeholders which will lead to the growth of business and the increase of business value in the long-term, the details of trainings and seminars of the year 2020 are as follows:

List of directors	Training / seminar date	Training / seminar date
Miss Napaporn Sathitthammaporn	19 February 2020	Short-Course Quick Nano-MBA Online CBS Academy Chulalongkorn Business School
	31 May 2020	CFO Refresher Course No 1 The Stock Exchange of Thailand
	7 November 2520	TLCA CFO Professional Development Program Thai Listed Companies Association

List of shares held by directors

No.	List of directors	Number of shares (shares)
1	Prof. Emeritus Dr.Direk Lavansiri	-
	Spouse and underage children	-
2	Pol.Gen. Worapong Chewprecha	-
	Spouse and underage children	-
3	Dr.Witoon Simachokedee	-
	Spouse and underage children	-
4	Mrs. Rawittha Pongnuchit	-
	Spouse and underage children	-
5	Assistant professor Dr. Attawoot Papangkorn	-
	Spouse and underage children	-
6	Mrs. Tanipa Puangjumpa	-
	Spouse and underage children	-
7	Mr. Chutchai Sumethchotimetha	294,114,803
	Spouse and underage children	206,756,858
8	Mrs. Aree Sumethchotimetha	206,756,858
	Spouse and underage children	294,114,803
9	Mr. Jakkraphong Sumethchotimetha	1,729,661
	Spouse and underage children	-
10	Mr. Thanapon Sumethchotimetha	930,661
	Spouse and underage children	-
11	Miss Napaporn Sathitthammaporn1/	-
	Spouse and underage children	-

Remark : It is the information from the share register book closing date (XO) as of 6 January 2021





Corporate Social Responsibilities





Corporate Social Responsibilities

Overview of corporate social responsibility policy

Sakol Energy Public Company Limited realizes the importance of sustainable business growth under corporate social responsibilities which morally focus on the interested persons, economic, and environment. The company expects that the company's corporate social responsibilities will bring about common interests, along with the growth of business.

Implementation and preparation of report

The Company discloses its corporate social responsibility to its employees by meeting and orientation of employees to create corporate culture and working environment to create understanding and awareness of his or her duty on responsibility of delivery of goods and services with good quality to the consumers and society. The Company discloses its policy on responsibility to society, community and environment through the Company's website: www.sakolenergy.com

As the Company realizes the importance of corporate social responsibilities, the Board of Directors' Meeting of the Company held on 19 October 2016 approved the following corporate social responsibility policies:

1. Fair business operation

The company determines for honest, fair, ethical operation, and trade competition following commercial ethical principal, law, and equal commercial competition, as well as any acts which are against fair competition; such as the search of competitor's confidential data, the demand or the receiving or the reject of any dishonest commercial benefits in purchasing machines etc. Moreover, the company pays respect to the rights of intelligence properties of the others. The company determines that the staff follows the law or the regulations of intelligence properties rights; such as the use of legal computer program etc. The company has project in supporting and creating awareness of staff of all levels to be responsible to the society.

2. Anti-corruption

The company's operation is based on the transparency and ethics. We insist on the governance and the implementation on the relevant anti-corruption and prevention law. The details are included in the company's anti-corruption and bribery policy.

3. The respect on human rights.

The company supports and respects human's right protection by treating all relevant; staff, community, and surrounded societies with respect in the values of humanity, taking equality and freedom into account, respecting basic rights, and not discriminating on race, nationality, religions, languages, skin colors, genders, age, education, physical or social status. The company has ensured not to take part in any human rights violations; such as child's labors and sexual harassment etc. In addition, the company has supported the watch to ensure the compliance on human right's requirements by accepting opinions and providing channels for complaints, from the victims, caused from the company's operation and to provide appropriate compensations.



To ensure the effectiveness, the company has organized knowledge management about human rights and created awareness among the company's staff in following human right's principles.

4. Fair labor treatment

The company is aware of the importance of human resource development and fair labor treatment, which is the factor in promoting business value, competitiveness and sustainable growth of the company. The company has determined the policy and guidance as the followings;

1. Respect the rights of staff according to human right's principles, and follow labor law.
2. Ensure fair employment procedure and condition, as well as compensation and the consideration of achievement under fair assessment procedure.
3. Encourage professional development by providing or enrolling staff for relevant trainings and seminars in order to develop knowledge and potentials of staff, as well as good attitude, moral, ethics, and teamwork.
4. Provide welfares for staff as regulated by law; such as social security etc. or non-regulated welfare; such as health and accident insurances etc. It also includes the providing of financial support for staff; such as scholarship for the children of staff, and cremation fund aid etc.
5. Organize annual health check for the staff of all levels by considering risk factors by the range of age, sex, and individual work surroundings.
6. Ensure work safety and hygienic workplace by providing preventive measure, training and promoting safety awareness and good health among staff, always ensure hygiene and safe workplace.
7. Provide chances for staff to share their opinions or file complaints on bias and wrong treatments in the company, as well as the protection for the informers who report the complaints.

5. Customer responsibilities

The company aims to develop products and services of the company and the associates for the utmost customer's satisfaction and benefits, as well as adhering to treat customers with responsibility, honest, and attention like they are family members.

1. The company considers the quality and the effectiveness in providing service. Apart from the quality service management system, the company is also attentive to the management of occupational health and safety to ensure the most quality and effective service provided to customers.



2. The company is attached to the fair marketing by providing the measure to ensure that the customers receive correct, unbiased, clear, or non-exaggerated company's information so they have true and enough information for decision-making.
3. The company takes customer's safety into account and aims to provide quality and safe service according to international safety standard and regulations, and law. There's also the constant service development and improvement to make sure that the customers will be confident in the quality, standard, and the safety of the company's service.
4. The company has provided customer relation system used in contacting with customers, as well as effectively receiving complaints about service quality via telephone in order to instantly answer to the customer's requirements.
5. The company will keep customer's data confidential and will not use it in the inappropriate purposes.
6. The company has organized activities in order to reinforce sustainable customer's relationship with the company

6. Environmental care

The company pays attention to social responsibility in nurturing environment. The company has executed and controlled the production and service of the company and the associates to strictly comply with the relevant law about environmental care as the followings;

1. The company has designed and developed the production procedure of machine, and devices to be able to control and/or reducing pollutions; including waste water, dust, gas, and other wastes.
2. The company has assigned a person in charge of the production procedure, machines and devices control. It has to be ensured that the effects to the environment must not be exceed the standard and utmost benefits from the use of natural resources.
3. The company has determined the policy in reducing the production of garbage and wastes and being cooperative in the appropriate waste disposal methods.
4. The company has organized risk assessment and effects related to environment, health, and safety prior to any joint venture or investment. The company has conducts the business under environmental care concept.
5. The company has policy in using natural resources, materials or equipment effectively and efficiently.
6. The company has measure on reserving natural resources; such as 3Rs (Reduce, Reuse/Recycles, Replenish)



7. Community or society development

The company is aware of responsibility on society and community. Therefore, there's the policy in helping and developing society as the followings;

1. The company provides supportive policy and appropriate help to society and community, especially the neighboring community around the company.
2. The company provides opportunity for community and all concerned, takes part in sharing opinions for projects which might affect community, as well as sharing opinions or complaints which are resulted from the company's operations.
3. The company is cooperative in standard operation or international agreements formed to protect or reduce effects toward environment.
4. The company has policy in providing educational support to the youths by providing financial supports for extra learning tools for schools, integrated activities, repair and paint school buildings.
5. The company pays attention to the fast and effective responses toward the circumstances which affect the community, society, and environment caused by the company's operations.
6. The company reinforces the consciousness and responsibilities of the staff toward environment and society.

Business operations that affect social responsibility (if any)

-None-

Supporting of Development of Community and Society and Activity for Benefit of Society and Environment

The company has organized activities for the benefit of society. And the environment continuously With examples of activities for the community, society and environment Can be summarized as follows ;

Activity "Tree Returning Project to Phrae Province"

The company has set up "Going Together, Go the Distance with Your Heart" on 30 September 2020 - 3 October 2020 at Ban Phai Thon School, Phrae Province through activities with students and personalities. The staff in the school Including planting trees around to achieve sustainable environmental development Ready to give every education to students to become the main force of the community in the development of the hometown as well.



Additional guidelines on prevention of involvement in corruption

The company's ideology is the administration based on transparency and ethics by adhering to the governance and abiding by the relevant law of preventive and anti-corruption and bribery to the officers of government or private sectors. The company has prepared the policy and the guideline on anti-corruption and bribery. This "anti-corruption policy" has formed in order to clearly specify organizational structure; responsibility, work procedure, and chain of command in each sector. This is to counterbalance the authority, to have prudence in appropriate verification, and to be the clear approach for organizational administration and development to sustainability. Which is effective from 9 March 2016 onwards and disclosed on the company website.

In the year 2019, the company has trained policies and practices regarding anti-corruption and bribery (Anti-Corruption and Bribery) for employees from all departments, covering all departments completely And the company is currently studying to consider participating in the Private Sector Collective Action Coalition Against Corruption Project. (Collective Anti-Corruption : CAC)



Notification channel

The company's executives and officers or any other interested persons are allowed to contact the company's board in order to inform the clues or complaints of wrong acts or corruption via these following channels;

- Post: Define the clues and complaints of corruption on the letter head and send to "Sakol Energy Public Company Limited 15 Moo.1 Tumbon Chiangrak noi Amphoe Samkok, Pathumthani 12160"
- E-mail: Define e-mail subject of the corruption clues and complaints and send it to thanapon_s@sakolenergy.com
- Phone: Contact Human Resource Department 02-593-7217 ext. 203
- Suggestion box: Placed at the entrance of the office


Informer protection mechanism

To ensure the safety of the informers, the company pays attention to store clues and complaints confidentially. The complaint procedure and investigation have been explicitly determined. Those complaints will be acknowledged among persons in charge and all concerned only. If that information has been disclosed, the company will inquire and punish the person who unveils it.



Internal Control and Risk Management





Internal Control and Risk Management

Internal Control and Risk Management

The Board of Directors' opinions on the Company's internal control system

The Board of Directors of Sakol Energy Public Company Limited recognizes the importance of sufficient and appropriate internal control system. Therefore, the Board of Directors assigned the Company's internal auditor to assess if the Company's internal control system is sufficient and appropriate, and instructed the Audit Committee to: review the Company's internal control evaluation to ensure that the Company's business operation is efficient and effective in terms of exploitation of resources, maintenance of assets, and prevention from and reduction of potential errors; to manage to have accurate and reliable financial reports; and to comply with laws, rules, and regulations relating to the Company's business.

In the Board of Directors' meeting no. 1/2019 held on 22 February 2019, as six members of the Independent Committee attended the meeting, the Board of Directors considered whether the Company's internal control system was sufficient and appropriate, and approved the five elements of a Company's internal control system as proposed by the Audit Committee according to the Securities and Exchange Commission's evaluation: (1) control environment; (2) risk assessment; (3) control activities; (4) information and communication; (5) monitoring activities. The Company's internal control system must meet these five elements to prove that **its internal control system is sufficient and appropriate to reduce significant risks associated with business operation**. The Board of Directors also approved that **there shall be personnel to effectively implement, monitor, control, supervise the internal control system to ensure that the implementation is made in accordance with a good internal audit system standard and with the relevant laws and regulations**.

In compliance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s guidance, having considered the evaluation of the Company's internal control systems, the Board of Directors' opinions can be summarized and categorized into five matters as follows:

1. **Control Environment** - The Company set out clear policies, work performance rules, and an organization chart as it gives importance to transparent management, i.e., having good governance.
2. **Risk Assessment** – The Company has formulated a risk management manual as guidance to manage all risks to be at an acceptable level and gives importance to the prevention of fraudulent activities. The Company set out various preventive policies such as anti-corruption and bribery policies and related-party transaction policies; And the review of risk management as part of the internal audit process by reporting the results to the audit committee And report to the Board of Directors in order to instruct the management to continue to improve / preventive.
3. **Control Activities** – The Company has formulated rules and practices on financial, procurement, information and technology, general administration transactions, including the clear scope of



powers, duties, and hierarchy approval process so that all employees shall dully comply therewith. Including guidelines for operations of subsidiaries to be in line with the company.

4. **Information & Communication** – The Company gives high importance to its information and communication systems. Currently, the Company is in the process of creating ERP system to supervise all systems and to ensure that all departments have their clear and systematic work performance under the same standard. Employees also continuously communicate through emails, meetings, and Line application. All employees will be aware of the Company's messages. And in early 2020, the company will start using ERP in Operation To make the operations of every department more efficient
5. **Monitoring Activities** – The Company set up monitoring measures to monitor work performance under the supervision hierarchy and work performance by Internal Audit Department and to directly report to the Audit Committee and follow up the results of the improvement according to the issues detected every quarter

Head of Internal Audit

The Audit Committee meeting held on 5 April 2017 has resolved to appoint Ms. Pimol Chonchanachai to act as the manager of Internal Control Unit of the Company. And The Audit Committee reviewed and considered the qualifications of Ms. Pimol Chonchanachai Internal Audit Department Manager, that it is sufficiently qualified to act as the internal audit because its experience in internal audit works. The internal audit's more than 15 years and passed the training program regarding the internal control from many institutions and regulatory bodies includes Association of Internal Auditors of Thailand, The Stock Exchange of Thailand, Federation of Accounting Professions under the Royal Patronage.

In addition, the removal and transfer of the manager of the internal audit office must be approved by the audit committee.





Related Party Transaction



Related Party Transaction

Details of transactions among the Company, its subsidiaries, and the person who may have conflicts of interest in 2020 as summarized below.

Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
1. Tarnsuwan Company Limited	Transportation of agricultural products and containers, coal, cement, and NGV	<ul style="list-style-type: none"> - Two directors of Tarnsuwan Company Limited are directors of the Company, namely Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha. - Mrs. Aree Sumethchotimetha is a spouse of Mr. Chutchai Sumethchotimetha. Mrs. Aree Sumethchotimetha is a director and executive of the Company, holding the position of Senior Executive Vice President - Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha are major shareholders of Tarnsuwan Company Limited with shareholding of 57.85 % and 41.32%, respectively, as of 5 January 2021. 	1.1) <u>Utility fee income</u> The Company collected utility fees from Tarnsuwan Company Limited whose temporary office is located in the Company's natural gas station for distribution of natural gas to PTT.	169,368.00	164,130.00	<u>Necessity and Appropriateness of Related Party Transaction</u> Such transaction is in accordance with terms and conditions of the agreement entered into between the Company and PTT. The Company collected fees from the logistics company at the same rate as other companies without relationship and the fees is collected on an arm's length basis. <u>Opinion of Audit Committee</u> Therefore, the Audit Committee is of the view that the transaction is appropriate and is an arm's length transaction.
			- Utility fee income			
			- Other receivables	27,135.16	21,669.64	
				(Accept payment 03.01.20)		
			1.2) <u>Short-term loan and interest income</u>			
			- On December 2, 2019, SKE entered into a short-term loan agreement for Baht 20 million for Tarnsuwan company Limited, Which charge interest equal to 5.5 percent per year, And the borrower will return all the money to the company within February 28, 2020			
			- Short-term loan	20,000,000.00	-	
			- Accrued interest	90,410.96	-	
				(Accept payment 28.02.20)		
			- Interest income	90,410.96	177,808.22	



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
1. Tamsuwan Company Limited (continue)						<u>Necessity and Appropriateness of Related Party Transaction</u> Thansuwan Company Limited loan for working capital in the business. Which is the average interest rate of PN, OD and loan from Banks <u>Opinion of Audit Committee</u> The Audit Committee is of the opinion that the loan to the subsidiary can be made and it was reasonable and beneficial to the overall businesses of the Company and its subsidiaries.



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
2. Mae Krating Power Company Limited	produce and sell the electricity by using biomass the installed capacity of 9.90 MW	<ul style="list-style-type: none"> - Sakol Energy Public Company Limited holds 80% shares - There have joint directors of 3 persons includes Mr. Chutchai Sumethchotimetha Mr. Thanapon Sumethchotimetha Mr. Jakkraphong Sumethchotimetha 	<p>2.1) Revenue from consulting and management service</p> <p>Mae Krating Power Company Limited entered into a consultancy agreement in respect of management service with the Company to act as consultant for accounting and general administration. The agreement is renewed on a yearly basis.</p> <p>On 2 December 2019, the agreement was renewed for another year, commencing from 1 January 2020. The total contract value is Baht 76,800, payable quarterly in the amount of Baht 19,200.</p> <ul style="list-style-type: none"> - Revenue from consulting and management service - Trade receivables 	395,016.00	76,800.00	<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>In order to the management of Mae Krating Power Company Limited to be efficient and effective, it is necessary for the company to help and support various management tasks.</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee is of the opinion that The Company has acted as the advisor of management for its subsidiaries by entered into the written agreement. Therefore, this transaction can be considered as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses.</p>



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2019 (12 months)	
2.Mae Krating Power Company Limited (continue)			2.2) <u>Long-term loan and interest income</u> The Company entered into a short-term loan agreement with Mae Krating Power Company Limited in September 2018 with a loan limit of not more than 1 0 0 million baht, charged at a percentage rate (MOR + 0.75%) + 2% per annum and on 15 April 2020, the Company entered into the addendum to such loan agreement to extend the repayment term until June 2026 and decrease the interest rate to 9.22% per annum.			<u>Necessity and Appropriateness of Related Party Transaction</u> In order to the management of Mae Krating Power Company Limited to be efficient and effective, it is necessary for the company to providing financial support Mae Krating Power Company Limited by entering into a loan agreement with each other And calculate the interest rate based on the market interest rate. <u>Opinion of Audit Committee</u> The Audit Committee is of the opinion that the loan to the subsidiary this transaction can be considered as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses.
			- Long-term loan	14,000,000.00	14,000,000.00	
			- Accrued interest	3,448,301.66	-	
				(Accept payment		
				15.05.20)		
			- Deferred income-interest	756,575.36	-	
			- Interest income	11,942,472.35	2,073,156.78	
			- Default interest	194,900.00	-	
			- Other income (finance cost	23,550.58	-	

Annual Report 2020139



Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity of Related Party Opinion
			31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
		<p>2.3) Long-term loan and interest income</p> <p>The Company entered into a long-term loan agreement with Mae Krating Power Company Limited on December 21, 2018 with a loan limit of not more than 280 million baht, set at the interest rate (MLR-2.50%) + 2.75% per annum and on 26 October 2020, the Company entered into the addendum to such loan agreement to extend the repayment term until December 2026 and decrease the interest rate to 6.375% per annum.</p> <ul style="list-style-type: none"> - Long-term loan - Accrued interest - Interest income 	<p>280,000,000.00</p> <p>-</p> <p>18,211,215.76</p>	<p>280,000,000.00</p> <p>-</p> <p>18,365,628.41</p>	<p>Necessity of Related Party Opinion</p> <p>In order to support Mae Krating Power Company Limited to effectively, it company to support Mae Krating Power Company Limited into a loan other and rate based interest rate</p>
		<p>2.4) Other income</p> <p>The company entered into a guarantee loan agreement between Mae Krating Power Company Limited and the Government Savings Bank in the amount 172.59 million baht, with the company charging a 2% guarantee fee for the period from 7 October 2019 to 6 Oct 2026 in the total amount of 3,451,800 baht. The income will be recognized as according to the time period.</p> <ul style="list-style-type: none"> - other income (guarantee fee) - Accrued income 	<p>114,789.90</p> <p>114,789.90</p> <p>(Accept payment 26.6.20)</p>	<p>494,271.79</p> <p>-</p>	<p>Opinion of The Audit opinion that subsidiary be considered business of be benefited management companies and benefited businesses</p>



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
3. RE Biofuel Company Limited	Production and distribution of compressed biomethane gas with the production capacity of 9,000 kilograms per day	<ul style="list-style-type: none"> - Sakol Energy Public Company Limited holds 75.95% shares - There are joint directors of 1 person include Mr. Thanapon Sumethchotimetha - There are joint Executive of 1 person include Ms.Napaporn Sathithammaporn 	3.1) <u>Revenue from consulting and management service</u> RE Biofuel Company Limited entered into a consultancy agreement in respect of management service with the Company to act as consultant for accounting and general administration. The agreement is renewed on a yearly basis. On 2 December 2019, the agreement was renewed for another year, commencing from 1 January 2020. The total contract value is Baht 66,000, payable quarterly in the amount of Baht 16,500			<u>Necessity and Appropriateness of Related Party Transaction</u> In order to the management of RE Biofuel Company Limited to be efficient and effective, it is necessary for the company to help and support various management tasks. <u>Opinion of Audit Committee</u> The Audit Committee is of the opinion that The Company has acted as the advisor of management for its subsidiaries by entered into the written agreement. Therefore, this transaction can be considered as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses.
			- Revenue from consulting and management service	665,340.54	66,000.00	
			- Other receivables	-	17,655.00	

Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
3. RE Biofuel Company Limited (continue)			3.2) Other income			Opinion of Audit Committee There is an opinion that it is a transaction that a subsidiary company Pay a guarantee fee to the company. From supporting the subsidiary to receive financial assistance from financial institution The company The said guarantee fee is charged at a rate of 2% which is market rate and is reasonable and beneficial to the overall business.
			The Company entered into a memorandum of agreement to charge a guarantee fee with RE Biofull Ales Company Limited dated November 21, 2018. Since such company has received financial support from a financial institution with guarantee amount of Baht 52.50 million. Therefore, the Company charged the guarantee fee of 2% of the guarantee amount, totalling Baht 1,050,000 as other income (guarantee fee).			
			- Other income	430,402.30	65,802.68	
			- Deferred income	385,714.32	321,428.64	
			- Other receivables – associated company	280,875.00	-	
				(Accept payment 27.01.63)		



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
3. RE Biofuel Company Limited (continue)			<p>3.3) Long-term loan and interest income</p> <p>The Company entered into a long-term loan agreement with RE Biofuels Company Limited amounting to Baht 12 million on 18 April 2018.</p> <p>On 20 November 2018 and on 13 April 2020, the Company entered into the addendum to loan agreement to amend the repayment of principal and interest to 72 monthly instalments.</p> <p>Remark: The interest rate under the loan agreement has been decreased to 7.35% per annum.</p>			<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>In order to the management of RE Biofuel Company Limited to be efficient and effective, it is necessary for the company to providing financial support RE Biofuel Company Limited and calculate the interest rate based on the market interest rate.</p>
			- Loan	10,921,109.85	9,145,968.58	
			- Accrued interest	33,511.36	25,714.18	
				(Accept payment 17,01,20)		
			- Interest income	932,045.88	761,061.04	
			- Other receivables	-	212,000.00	<p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee is of the opinion that the loan to the subsidiary this transaction can be considered as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses .</p>

Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
3. RE Biofuel Company Limited (continue)			<p><u>3.4) Transporting cost of compressed bio-methane gas (CBG)</u></p> <p>On 28 October 2562, RE Biofuel Company Limited Entered a contract to hire Than Suwan Company Limited Contract for the transport of compressed bio-methane gas (CBG) Which agreed on the pricing of 4 baht / kilogram, pricing from the meter to dispense compressed bio-methane gas for sale to customers.</p> <p>However, Than suwan Company Limited uses the methane biogas filling (CBG) service at the station of RE Biofuel company limite</p>			<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>RE Biofuel Company Limited Entered into a Gas Sale Agreement (CBG) with a company in Buriram Province. But in Buriram province there is no transport contractor Methane Biogas (CBG). Therefore, it is necessary to hire Than Suwan Company Limited, because of it has expertise and are ready</p>
			- Trade receivables	57,356.63	-	<p>However, transportation charges are calculated based on the market price.</p>
			- Accounts Payable – Transporting cost	(Accept payment 15.01.20) 996,060.00	684,081.14	<p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee is of the opinion that to the subsidiary this transaction can be considered as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses.</p>
			- Income - Gas	(Accept payment 27.01.20) 128,048.78	420,307.67	
			- Accounts Receivable	996,060.00	3,346,055.40	



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
3. RE Biofuel Company Limited (continue)			<p>3.5) <u>Rental income</u></p> <p>RE Biofuels Company Limited entered into lease agreement and service agreement with Sakol Energy Public Company Limited on 1 October 2020 to lease office space and equipment, located at No. 252/108 (B), Muangthai Phatra Complex Building, Level 21, Ratchdapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok for the total area of 6 square meters. The lease term is from 1 October 2020 to 30 November 2020.</p> <p>On 18 November 2020, RE Biofuels Company Limited renewed the lease agreement and the service agreement in respect of office space with Sakol Energy Public Company Limited. The lease term is from 1 December 2020 to 31 December 2021.</p> <ul style="list-style-type: none"> - Other service income - Utility income – water - Utility income - electricity - Rental income - Other receivables 			<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>Rental fee and service fee of RE Biofuels Company Limited are at similar rates to rental and service fees paid to Sakol Energy Public Company Limited.</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee views that the transaction is a normal business transaction, which is appropriate and beneficial to the Company's business operations.</p>
					6,740.00	
					400.00	
					4,200.00	
					4,510.00	
					5,735.60	

Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
4. Trans Energy Company Limited	Factory building construction business Sell machinery and equipment	Mr. Raphiphat Sumethchotimetha is an authorized director of the company And is a shareholder of Trans Energy Company Limited. And He is the Son of Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha. They hold positions Chief Executive Officer and Senior Executive Vice President of Sakol Energy Public Company Limited	<p><u>Car rental fees for Mae Krating Power Company Limited</u></p> <p>Mae Krating power Company Limited has entered into a contract to rent a Toyota brand car, fortuner on 3 August 2018.</p> <ul style="list-style-type: none"> - Travel and transportation expenses - Accrued expenses - Lease liabilities 	<p>354,000.00</p> <p>31,565.00 (pay 31.01.20)</p>	<p>354,000.00</p> <p>-</p> <p>871,798.67</p>	<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>As for car rentals, Mae Krating Power Company Limited has considered compare car rental prices of the same model with the 3 companies, which are :</p> <ol style="list-style-type: none"> 1. Trans Energy Company Limited offers car rental prices. baht 29,500 per month (exclusive of VAT) 2. Krung thai Car Rent and Lease Company Limited offers car rental prices. baht 31,500 per month (exclusive of VAT) 3. King City Company Limited offers car rental prices. baht 29,500 per month (exclusive of VAT)



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
4. Trans Energy Company Limited (continue)						<p>Therefore consider to rent a car with Trans Energy Company Limited because of better offers. And the rental price is the market price</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee is of the opinion that car rental of a subsidiary can be considered as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses.</p>



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
5. B.P. 15 Company Limited	Wholesale solid fuel	<ul style="list-style-type: none"> - Two directors of Tamsuwan Company Limited are directors of the Company, namely Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha. - Mr. Rapepat Sumethchotimetha Who is the director who has authority to sign on behalf of the company And is a shareholder of B.P. 15 Co., Ltd. is the son of Mr. Chutchai and Mr. Aree. <p>Sumethchotimetha Who is the Chief Executive Officer And senior deputy executive officers of the company, respectively.</p>	<p><u>Fuel cost of biomass fuel of Mae Krating Power Company Limited</u></p> <p>Mae Krating Power Company Limited entered into an agreement to purchase biomass fuel from B.P. 15 Company Limited, commencing from 15 August 2019 to 14 August 2024. The company purchases 220 tons of fuel per day. The price per ton is in accordance with purchasing price posted by Mae Krating Power Company Limited in front of its power plant and an increase of 15% of the purchasing price on the delivery date by referring to the market price of such product in the nearby area.</p> <ul style="list-style-type: none"> - Advance cost - Product cost - Purchase raw materials - account payable - Other receivables 	15,543.00 67,812,300.50 6,430,382.73 (pay 17.01.20)	58,176.00 91,906,694.69 1,671,345.62	<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>Wood chips are an important biomass fuel in the electricity generation process of Mae Krating Power Plant. Therefore, the company Therefore buy wood chips from B.P. 15 Company Limited which is a manufacturer and distributor of quality wood chips.</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee views that the transaction is a normal supporting activity of the Company's business operations, which is appropriate and beneficial to the Company's business operations.</p>



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
6. PTC Holding Company Limited	Distribution of biomass and office space leasing service	<ul style="list-style-type: none"> Three directors of PTC Holding Company Limited are directors of the Company, namely Mrs. Aree Sumethchotimetha Mr. Jakkraphong Sumethchotimetha. And Mr. Thanapon Sumethchotimetha There are Mr. Chutchai Sumethchotimetha, Mrs. Aree Sumethchotimetha and Mr. Jakkraphong Sumethchotimetha. They hold positions Chief Executive Officer and Senior Executive Vice President and Managing Director of Sakol Energy Public Company Limited 	<p>6.1) <u>Document delivery fee of Mae Krating Power Company Limited</u></p> <p>Mae Krating Power Company Limited uses the document delivery service of PTC Holding Company Limited. Start the service from March 2019 Up to now, and pricing depends on the distance and time.</p>			<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <ul style="list-style-type: none"> For convenience to send important documents of Mae Krating Company. Therefore considered using the document delivery service of PTC Holding Company Limited. Which the service rate Based on distance With reference to the market price The price is compared from 4 service providers on market. Rental and service fees of Mae Krating Power Company Limited are at the rates similar to rental and service fees paid by Sakol Energy Public Company Limited to PTC Holding Company Limited for lease in the amount of Baht 182,429.- per month.



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
6. PTC Holding Company Limited (continue)			6.2) <u>Rental and service fees of Mae Krating Power Company Limited</u> Mae Krating Power Company Limited leases and uses services of PTC Holding Company Limited in respect of space in Olympia Tower, 6th Floor, Ratchadapisek Road. The term of agreements commences from 1 April 2020 to 31 March 2021. The rental fee is Baht 120,000 per month and the service fee is Baht 80,000 per month.			<u>Opinion of Audit Committee</u> The Audit Committee views that the transaction is a normal supporting activity of the Company's business operations, which is appropriate and beneficial to the Company's business operations.
			- Other service fee – messenger service	37,326.50	80,618.29	
			- Other service fee – office space service	-	720,000.00	
			- Rental fee	-	1,080,000.00	
			- Other account payables	4,717.63 (pay 31.03.20)	21,468.79	
			- Lease liabilities		3,028,060.51	
			- Other receivables		53,500.00	



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
6. PTC Holding Company Limited (continue)			<p>6.3) Other service fee</p> <p>PTC Holding Company Limited entered into a service agreement with Sakol Energy Public Company Limited on 14 October 2020 to provide driver service. Under the agreement, the service provider shall provide 1 full-time driver to the client's office or any other place as designated by the client. The client agrees to pay a monthly fee of Baht 19,687.50 and service fee of 10% of the monthly fee and other actual costs and expenses.</p> <ul style="list-style-type: none"> - Other accrued expenses - Other service fee 		<p>30,762.23</p> <p>61,364.57</p>	<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>The fee charged by PTC Holding Company Limited for provision of driver service is lower than outsourcing the service. PTC Holding Company Limited charges a monthly fee of Baht 19,687.50 and service fee of 10% of the monthly fee and other actual costs and expenses.</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee views that the transaction is a normal supporting activity of the Company's business operations, which is appropriate and beneficial to the Company's business operations.</p>



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
7. Thanthanakom Company Limited	Transportation business	<ul style="list-style-type: none"> - There have joint directors of 3 persons includes Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha - Mrs. Aree Sumethchotimetha is a spouse of Mr. Chutchai Sumethchotimetha. Mrs. Aree Sumethchotimetha is a director and executive of the Company, holding the position of Senior Executive Vice President. - There are Mr. Chutchai Sumethchotimetha, Mrs. Aree Sumethchotimetha Mr. Jakkraphong Sumethchotimetha and Mr. Thanapon Sumethchotimetha are major shareholders of Thanthakom Company Limited 	<p>7.1) Service fees and transportation costs</p> <p>Mae Krating Power Company Limited entered into a contract number MKP050/2562 Hiring Than Than Tanakom Company Limited to transport bagasse and ash remove from the power plant. Which has the condition that the transportation must not be less than 2 round per day with the employment period of 3 years from 1 October 2019 to 30 September 2022. The details of the transportation rate are as follow</p> <p>1) The Wage to remove ash from power plant And come back the power plant, at wage rate equal to 3,000 baht pre time.</p> <p>2) The Wage to remove ash from power plant and going to B.P.15 company Limited, at wage rate equal to 2,000 baht pre time.</p> <p>3) The wage of bagasse transportation is 500 baht per time.</p> <ul style="list-style-type: none"> - Transportation cost - Other service fee – transport of waste - Accounts Payable 	<p>294,500.00</p> <p>454,500.00</p> <p>322,500.00</p> <p>(pay 24,01.63)</p>	<p>386,000.00</p> <p>1,881,498.30</p> <p>53,498.30</p>	<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>Mae Krating Power Company Limited has procured contractors in Phrae area To remove the ashes and bagasse from the power plant Which only Than Thanakom Company Limited proposed. Therefore hired Than Thanakom Company Limited. And the wage rates is the same rate as the wages of BP15 Company Limited that hired Than Thanakom Company Limited to transport chopped wood.</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee is of the opinion that as the normal business operation which will be beneficial to the management of group companies and it is reasonable and beneficial to the overall businesses.</p>



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
7. Thanthanakom Company Limited (continue)			7.2) Other revenue - Fuel As the Than Thanakom Company Limited has hired to remove ash and bagasse from Mae Krating's power plant. According to the employment contract no MKP050/2562, and there is a fuel refueling service. And Mae Krating Power Company Limited, Determine the selling price at the cost of oil purchase and add an additional 10%			
			- Other revenue (Selling car fuel)	108,557.00	491.51	
			- Other receivables	83,035.21 (Accept payment 24.01.63)	-	



Name of related party	Nature of business	Relationship	Type of transaction	Related transaction value / balance between each other (Baht)		Necessity and Appropriateness of Related Party Transaction / Opinion of Audit Committee
				31 Dec 2019 (12 months)	31 Dec 2020 (12 months)	
8. Mr. Chutchai Sumethchotimetha	-	Mr. Chutchai holds the positions of director and Chief Executive Officer of the Company and has 31.63% shareholding in the Company as of 6 January 2021.	<p>Registered Address of Subsidiary's Head Office</p> <p>The head office of the Company's subsidiary, SK15, is located at No. 15, Prasertmanukit Road, Sena Nikhom Sub-district, Chatuchak District, Bangkok. Mr. Chutchai Sumethchotimetha, Chief Executive Officer of the Company, has an ownership in such address. However, Mr. Chutchai has given a consent for the subsidiary to use the address as its head office without any contract and without charging any compensation</p> <p>Head office expense</p>	No compensation	No compensation	<p><u>Necessity and Appropriateness of Related Party Transaction</u></p> <p>This transaction is only for the use of address as head office of the Company's subsidiary (SK15) and the Company does not have to pay for any compensation. At present, such subsidiary is in the process of studying feasibility in developing projects in the future. However, once the subsidiary (SK15) has a clear direction on developing projects or can procure new area as office location, SK15 will consider relocating to a new and appropriate address.</p> <p><u>Opinion of Audit Committee</u></p> <p>Audit Committee is of the view that this transaction will not affect the Company and was reasonably made.</p>



Related party transactions

The Company and subsidiaries have related transactions with persons who may have conflicts in 2019 under the principle of considering the transaction as follows

Necessity and reasonableness of related transactions

The Audit Committee Meeting No 1/2021 held on 1 March 2021 considered the information of company's related transactions in the fiscal year ending 31 December 2020 with asking for information from company's executive moreover review the information as specified in the notes to the consolidated financial statements that have been audited by The auditor of the company found that company's related transactions in the fiscal year ending 31 December 2020 Company is considered as the normal transaction according to general trading conditions in the same way that an ordinary person should act with a general contractor in the same situation.

Measures and approval process for related party transactions

The Company will comply with the laws concerning securities and exchange, regulations, notifications, orders, and conditions of the Capital Markets Supervisory Board and the Stock Exchange of Thailand. However, the executives or persons who have conflicts of interest shall not be able to attend a meeting to approve a related-party transaction.

In the event that the above laws stipulate that a related-party transaction must be approved by a resolution of the Board of Directors, the Company shall instruct the Audit Committee to attend the meeting to consider and provide opinions on the necessity to enter into a transaction and reasonableness of the transaction. A transaction with general commercial terms and with non-general commercial terms shall be made according to the followings:

(1) Transactions having general trading conditions

In respect of an entry into a transaction having general trading conditions among the Company and its subsidiaries and executives or a person relating to the Company, the Company shall make a request for approval in principle to the Board of Directors. The Board of Directors may approve that transaction if it is a commercial agreement that are generally done in a similar situation by parties having the same bargaining powers without having influence as a director or executive relating to the Company. The Company shall prepare a summary report on the related transaction to report in the Audit Committee's meeting and the Board of Directors' meeting every quarter.

(2) Transactions having non-general trading conditions

An entry into a transaction having non-general trading conditions must be considered and reviewed by the Audit Committee prior to the consideration and approval by the Board of Directors and/or a shareholders' meeting in accordance with the laws concerning securities and exchange, regulations, notifications, orders, and conditions of the Capital Markets Supervisory Board and the

Stock Exchange of Thailand, and regulations concerning disclosure of information related to related-party transactions.

Policy on future related party transactions

For a related-party transaction that may occur in the future, the Board of Directors shall comply with the laws concerning securities and exchange, regulations, notifications, orders, and conditions of the Capital Markets Supervisory Board and the Stock Exchange of Thailand, and regulations concerning disclosure of information related to related-party transactions of a company or subsidiary under the account standards prescribed by the Federation of Accounting Professions of Thailand





Key Financial Information





Key Financial Information

The consolidated and separate financial statements have been prepared in accordance with generally accepted accounting principles under the accounting Act BE 2534, which means financial reporting standards issued under the accounting profession Act BE 2547 and regulations of the Securities and Exchange Commission On the method of preparing and presenting financial reports under the Securities and Exchange Act.

Auditor's Report

Summary on auditor's report

- The consolidated financial statements for the year ended 31 December 2018 was audited by Mr.Sakda Kaothanthong, Certified Public Accountant Registration Number 4 6 2 8 , KPMG Phoomchai Audit Company Limited. The auditor viewed that the statement of financial position as of 31 December 2018, statement of income and statement of cash flows for the same financial year is correct in all material respects in accordance with financial reporting standards.
- The consolidated financial statements for the year ended 31 December 2019 was audited by Miss. Sophit Prompol, Certified Public Accountant Registration Number 10042, KPMG Phoomchai Audit Company Limited. The auditor viewed that the statement of financial position as of 31 December 2019, statement of income and statement of cash flows for the same financial year is correct in all material respects in accordance with financial reporting standards.
- The consolidated financial statements for the year ended 31 December 2020 was audited by Miss. Sophit Prompol, Certified Public Accountant Registration Number 10042, KPMG Phoomchai Audit Company Limited. The auditor viewed that the statement of financial position as of 31 December 2020, statement of income and statement of cash flows for the same financial year is correct in all material respects in accordance with financial reporting standards.



Summary on Financial Statements

Sakol Energy Public Company Limited

Statement of Financial Position

(Unit: Baht million)

	31-Dec-18		31-Dec-19		31-Dec-20	
	Amount	%	Amount	%	Amount	%
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalents	123.25	8.26	82.21	4.57	34.61	2.14
Current investments	65.52	4.39	67.93	3.78	10.03	0.62
Current portion of deposits at financial institutions with restrictions on withdrawal	-	-	1.25	0.07	8.95	0.55
Trade accounts receivable	42.14	2.82	93.53	5.20	78.12	4.83
Current portion of financial lease receivable	17.60	1.18	18.57	1.03	19.64	1.21
Other receivables	47.18	3.16	57.89	3.22	55.97	3.46
Short-term loans	2.30	0.16	30.00	1.67	9.87	0.61
Inventories	-	-	11.28	0.63	3.86	0.24
Current spare parts and supplies	2.32	0.16	3.06	0.16	2.11	0.13
Total current assets	300.31	20.13	365.72	20.33	223.16	13.79
<u>Non-current assets</u>						
Deposits at financial institutions with restrictions on withdrawal	17.40	1.17	4.25	0.24	3.82	0.24
Financial lease receivable	198.66	13.32	185.74	10.33	171.75	10.61
Non-current spare parts and supplies	2.49	0.17	3.26	0.18	2.95	0.18
Investment properties	171.62	11.50	171.62	9.54	171.62	10.60
Property, plant and equipment	676.30	45.33	930.70	51.74	914.64	56.52
Intangible assets	124.13	8.32	123.28	6.85	115.88	7.16
Other non-current assets	0.98	0.06	14.36	0.79	14.58	0.90
Total non-current assets	1,191.58	79.87	1,433.21	79.67	1,395.24	86.21
Total assets	1,491.89	100	1,798.93	100	1,618.40	100



(Unit : Baht million)

	31-Dec-18		31-Dec-19		31-Dec-20	
	Amount	%	Amount	%	Amount	%
<u>Liabilities and equity</u>						
<u>Current liabilities</u>						
Bank overdrafts and short-term borrowings	61.26	4.11	101.11	5.63	23.13	1.43
Trade accounts payable	16.99	1.14	27.92	1.55	27.67	1.71
Other payables	168.60	11.30	95.62	5.32	20.73	1.28
Current portion of long-term borrowings from financial institution	53.24	3.57	71.93	4.00	85.55	5.29
Current portion of lease liabilities (2019: Current portion of finance lease and hire purchase liabilities)	0.96	0.06	9.22	0.50	13.17	0.82
Total current liabilities	301.05	20.18	305.80	17.00	170.25	10.53
<u>Non-current liabilities</u>						
Long-term borrowings from financial institutions	138.32	9.27	443.91	24.68	368.16	22.75
Lease liabilities (2019: Finance lease and hire purchase liabilities)	0.55	0.04	26.81	1.49	44.52	2.75
Deferred tax liabilities	30.57	2.05	31.20	1.73	29.85	1.84
Provisions for employee benefits	0.79	0.05	0.93	0.05	0.95	0.06
Long-term provisions	1.09	0.07	1.09	0.06	1.09	0.07
Total non-current liabilities	171.32	11.48	503.94	28.01	444.57	27.47
Total liabilities	472.37	3.66	809.74	45.01	614.82	38.00



(Unit :Baht million)

	31-Dec-18		31-Dec-19		31-Dec-20	
	Amount	%	Amount	%	Amount	%
<u>Equity</u>						
Share capital:						
Authorized share capital	465.00	31.17	465.00	25.85	465.00	28.73
Issued and paid share capital	465.00	31.17	465.00	25.85	465.00	28.73
Share premium on ordinary shares	297.62	19.95	297.62	16.54	297.62	18.39
Retained earnings						
Appropriated – legal reserve	29.30	1.96	31.82	1.77	33.57	2.07
Unappropriated	151.88	10.18	121.06	6.73	133.73	8.26
Other components of equity	0.90	0.06	0.07	-	-	-
Equity attributable to owners of the parent	944.70	63.32	915.57	50.89	929.92	57.45
Non-controlling interests	74.82	5.02	73.62	4.10	73.66	4.55
Total equity	1,019.52	68.34	989.19	54.99	1,003.58	62.00
Total liabilities and equity	1,491.89	100	1,798.93	100	1,618.40	100

Sakol Energy Public Company Limited
Statement of Income

(Unit :Baht million)

	Financial year ended 31 December					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
<u>Revenue</u>						
Revenue from rendering of services	297.07	91.31	238.57	60.53	207.66	38.91
Revenue from sale of goods	-	-	118.79	30.14	303.71	56.91
Revenue from financial lease	20.62	6.34	19.73	5.01	18.75	3.51
Other income	7.66	2.35	17.01	4.32	3.54	0.67
Total revenue	325.35	100	394.10	100	533.66	100
<u>Expenses</u>						
Cost of rendering of services	186.94	57.46	149.03	37.81	133.65	25.04
Cost of sales of goods	-	-	98.17	24.91	228.58	42.83
Selling and administrative expenses	76.29	23.45	100.44	25.49	104.31	19.55
Finance costs	4.70	1.44	20.58	5.22	31.10	5.83
Total expenses	267.93	82.35	368.22	93.43	497.64	93.25
Profit before income tax expense	57.42	17.65	25.88	6.57	36.02	6.75
Tax income (expense)	(0.13)	(0.04)	(0.77)	(0.20)	1.31	0.25
Profit for the year	57.29	17.61	25.11	6.37	37.33	7.00



Sakol Energy Public Company Limited
Statement of Cash Flows

(Unit :Baht million)

	Financial year ended 31 December		
	2018	2019	2020
<u>Cash flows from operating activities</u>			
Profit for the year	57.29	25.11	37.33
<i>Adjustments to reconcile profit to cash receipts</i> (payment)			
Tax expense (income)	0.13	0.77	(1.31)
Gain on bargain purchase	(3.50)	-	-
Finance costs	4.70	20.58	31.10
Depreciation and amortization	9.26	36.33	67.37
Gain on disposal of mutual fund	(1.90)	(1.35)	(0.24)
Impairment loss of goodwill	-	-	0.64
Unrealized gain on exchange	(0.18)	-	-
(Gain) Losses on disposal of equipment	(0.01)	0.06	-
Employee benefits expenses	0.27	0.17	0.48
Interest income	(0.48)	(0.70)	(0.56)
Cash flows from operating activities before changes in operating assets and liabilities	65.58	80.97	134.81
Changes in operating assets and liabilities			
Trade account receivable	15.12	(51.39)	15.41
Other receivables	(36.96)	(4.62)	4.46
Financial lease receivable	11.05	11.94	12.92
Inventories	-	(11.28)	7.42
Spare parts and supplies	(2.06)	(1.51)	1.26
Other non-current assets	-	(6.84)	(0.21)
Trade accounts payable	(11.81)	10.93	(0.24)
Other payables	(5.77)	8.90	(3.84)
Employee benefits paid	(0.22)	(0.15)	-
Taxes paid	(6.04)	(6.53)	(5.92)
Net cash from operating activities	28.89	30.42	166.07



(Unit : Baht million)

	Financial year ended 31 December		
	2018	2019	2020
<u>Cash flows from investing activities</u>			
Proceeds from sale of current investments	746.38	95.37	76.57
Acquisition of current investments	(384.60)	(97.25)	(18.51)
Acquisition of debt securities held to maturity	(60.00)	-	-
Proceeds from debt securities held to maturity	60.00	-	-
Loans to other parties or related parties	(2.30)	(30.00)	(11.87)
Proceeds from loans to other parties or related parties	-	2.30	32.00
Decreased (Increased) in restricted withdrawal deposits at financial institutions	(17.40)	11.89	(7.27)
Acquisition of business, net of cash acquired	(88.50)	-	-
Proceeds from non-controlling interests of increase share capital in subsidiaries	54.96	1.30	-
Proceeds from sale of equipment	0.02	0.01	-
Acquisition of building and equipment	(386.05)	(377.04)	(75.61)
Acquisition of intangible assets	(1.17)	(1.74)	(1.22)
Interest received	0.40	0.61	0.42
Net cash used in investing activities	(78.26)	(394.55)	(5.49)
<u>Cash flows from financing activities</u>			
Proceeds from borrowings from financial institutions	218.49	764.98	79.70
Repayment of borrowings from financial institutions	(61.73)	(403.38)	(221.34)
Proceeds from finance lease liabilities	-	41.29	-
Payment of lease liabilities	(1.08)	(6.06)	(14.15)
Dividends paid to owners of the Company	-	(55.80)	(23.25)
Interest paid	(4.84)	(17.94)	(29.14)
Net cash from (used in) financing activities	150.84	323.09	(208.18)
Net increase (decrease) in cash and cash equivalents	101.47	(41.04)	(47.60)
Proceeds from non-controlling interests of increase share capital in subsidiaries	21.78	123.25	82.21
Proceeds from sale of equipment	123.25	82.21	34.61



Sakol Energy Public Company Limited

อัตราส่วนทางการเงิน

อัตราส่วนทางการเงิน	2561	2562	2563
Current ratio (times)	1.00	1.20	1.31
Quick ratio (times)	0.77	0.81	0.77
Cash flow liquidity ratio (times)	0.14	0.10	0.18
Account receivable turnover (times)	5.98	5.27	5.96
Average collection period (days)	61.03	69.29	61.43
Inventory turnover (times)	n/a	17.40	30.20
Average inventory turnover (days)	n/a	20.98	12.12
Account payable turnover (times)	8.17	11.01	13.03
Payment period (days)	44.68	33.16	28.09
Cash cycle (days) ^{/1}	16.14 ^{/2}	57.11 ^{/2}	45.46 ^{/2}
Gross profit margin (%)	37.07	30.83	29.17
Operating profit margin (%)	20.92	13.00	13.12
Other profit margin	2.36	4.32	0.66
Cash to profit margin (%)	46.50	65.48	63.54 ^{/3}
Net profit margin (%)	17.61	6.37	6.99
Return on equity (%)	6.26	2.97	4.05
Return on assets (%)	4.52	1.57	2.19
Return on fixed assets (%)	10.66	6.06	6.57
Assets turnover (times)	0.26	0.24	0.31
Debt to equity ratio (times)	0.46	0.82	0.66
Interest coverage ratio (times)	7.17	2.44	2.33
Dividend payout ratio (%) ^{/4}	87.74	46.18	39.92

Remarks: ^{/1} Cash cycle of the Group in 2018 calculated from average collection period minus payment period. For the year 2019-2020, the Groups calculated from average collection period minus Inventory turnover.

^{/2} Cash cycle of the Group in the year 2019 and 2020 were 57.11 days and 45.46 days, respectively. For the year 2019, the Company and its subsidiaries have a longer average collection period, while the average payment period can be paid in accordance with the credit term. Therefore, it resulted cash cycle increased from previous year. However, the Company and subsidiaries were able to full debt collection and no provision was required during the year 2020.

^{/3} As of December 31, 2020, the Company had almost the same cash flow from operations of Baht 13.12 million from previous year, resulting in a decrease in cash to profit ratio from the previous year. Partly due to lower profitability from the previous year that was caused by the impact of the Covid-19 virus outbreak.

^{/4} Dividend payout ratio is calculated from dividend paid from operating performance of the Company divided by profit attributable to equity holders of the Company under the separate financial statements.





Management Discussion and Analysis (MD&A)



Management Discussion and Analysis (MD&A)

Overview of Previous Operating Performance

- Total revenue increased by Baht 139.56 million or 35.41% from Year 2019 which mainly came from increase in generating and distribution of electricity sale to the Provincial Electricity Authority (“PEA”), started its commercial operation in August 2019.
- Net profit of Baht 37.33 million, a increase of 48.67% from Year 2019, mainly came from profit from Mae Krating biomass power plant business.
- Total assets as of 31 December 2020 of Baht 1,618.40 million decreased from 31 December 2019 by Baht 180.53 million or 10.04% due to the decrease in cash flow of the Group from scheduled debt repayments of loans from financial institutions.
- Debt to equity ratio as of 31 December 2020 was 0.61 which decrease from 0.82 as at 31 December 2019 because the Group repaid loans from financial institutions for investing in Mae Krating biomass power plant project including the repayment of financial lease liabilities of machinery and equipment of production and distribution of bio-methane gas station.

Analysis of Operating Performance

Revenue

Total revenue of the Group consists of revenue from natural gas compression service to PTT. An increase or decrease in quantity of compressed natural gas in each year is a result of demand for natural gas at that time.

In addition, the group recognized revenue from sales of goods of RE Biofuels Company Limited, a subsidiary of the Company, which started the business of production and distribution of compressed bio-methane gas in early year 2019, and also recognized revenue from Mae Krating Power Company Limited, another subsidiary of the Company which started to generating and distribution of electricity sale to the PEA, which started commercial operation in August 2019

Therefore, the main revenue of the Group consists of: 1) revenue from natural gas compression service, 2) revenue from sales of goods and 3) revenue from financial lease

The revenue structure of the Group for the year 2019 and 2020 is as follows;

	2019		2020	
	(audited)		(audited)	
	Baht million	%	Baht million	%
<u>Revenue</u>				
Revenue from rendering of services	238.57	60.53	207.66	38.92
Revenue from sales of goods	118.79	30.14	303.71	56.91
Revenue from financial lease	19.73	5.01	18.75	3.51
Other income	17.01	4.32	3.54	0.66
Total revenue	394.10	100	533.66	100



1. Revenue from rendering of services

For the year ended 31 December 2020, revenue from rendering of services amounted to Baht 207.66 million, a decrease of Baht 30.91 million or 12.96% from last year, primarily due to a decrease in service volume of natural gas compression which was in line with a decrease in demand from natural gas for vehicles (NGV). Besides, the outbreak of COVID-19 and domestic lockdown policy impacted to decrease in volume of natural gas consumption for vehicles. Moreover, some NGV's users switch to use gasoline or diesel due to the decline in its selling prices following lower global crude prices.

2. Revenue from sales of goods

For the year ended 31 December 2020, revenue from sales of goods of Baht 303.71 million comprised of revenue from generating and distribution of electricity of Baht 286.51 million and revenue from production and distribution of bio-methane gas of Baht 17.20 million. The increase in revenue from sales of goods compared to the last year was shown as below.

Mae Krating Power Company Limited, the Company's subsidiary which engages in generating and distribution of electricity sale to PEA, started its commercial operation in August 2019 causing the Group recognized revenue from sales approximately five months for the Year 2019. The Group recognized revenue from sales of electricity for the year ended 31 December 2019 amounted to Baht 108.39 million or 27.50% of total revenue and for the year ended 31 December 2020 amounted to Baht 286.51 million or 53.69% of total revenues.

Moreover, RE Biofuels Company Limited, another subsidiary of the Company which engages in the business of production and distribution of compressed bio-methane gas, incurred revenue from sale of gas for the year ended 31 December 2020 of Baht 17.20 million which increased of Baht 6.80 million or 65.38% from last year resulted from sales volume of compressed bio-methane gas sales to an industrial customer starting from the late fourth quarter of year 2019. However, the price of gas sold to the industrial customer has reduced at Baht 3 per kilogram due to the decline in the liquefied petroleum gas (LPG) referenced selling price since the second quarter of Year 2020. This resulted from the resolution of the Committee on Energy Policy Administration (CEPA) reduced the retail price of the liquefied petroleum gas to alleviate public suffering from the economic situation and the impact of COVID-19.

3. Revenue from financial lease

For the year ended 31 December 2020 and 2019, the Company recognized revenue from financial lease amounting to Baht 18.75 million and Baht 19.73 million, or 3.51% and 5.01% of total revenue, respectively. The decrease in revenue from financial lease was due to the revenue recognition of revenue from financial lease with discounted present value.



4. Other income

Other income was comprised of 1) revenue from rendering utility services to lessees 2) interest income 3) gain on sale of mutual fund, an investment in debt instruments which is low-risk and high liquidity, and 4) revenue from electricity sales to operation and maintenance service provider.

For the year ended 31 December 2020, other income was Baht 3.54 million, a decrease by Baht 13.47 million or 79.19% compared to the last year mainly due to RE Biofuels Company Limited received the subsidy of Baht 12 million from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, and recognized gain on exchange rate of purchase of machine from an overseas supplier in Year 2019.

Cost of rendering of services, gross profit and gross margin

1. Cost of rendering of services

Cost of rendering of services of the Group includes costs required in compressing natural gas. The major cost of rendering of services is electricity fees from natural gas compression service which is charged based on the conditions determined by PEA. PEA charges fees based on actual usage and inert gas used in improving quality of natural gas. The major cost of rendering of services can be divided into the followings:

	2019		2020	
	(audited)		(audited)	
	Baht million	%	Baht million	%
<u>Cost of rendering of services</u>				
Cost from provision of natural gas compression service	127.90	85.82	112.25	83.99
Salary and employee benefits	9.33	6.26	8.49	6.35
Other cost of rendering of services	11.80	7.92	12.91	9.66
Total cost of rendering of services	149.03	100	133.65	100

1.1. Cost from natural gas compression service

Cost from natural gas compression service consists of: 1) electricity fees charged in accordance with the conditions determined by PEA, which is charged for actual usage. Under the Gas Compression Contract with PTT, the Company stands by for production 24 hours a day. Therefore, the electricity fees vary over on-peak and off-peak, depending on the demand for natural gas and the number of natural gas trailer trucks of PTT that uses the Company's natural gas compression service, and 2) cost of inert gas used for improvement of natural gas quality, which is calculated based on actual quantity of inert gas used and unit price as referenced under the long-term sale and purchase inert gas contract.

1.2. Another cost of rendering of services is salary and employee benefits of the relevant employees. The Company's policy is to adjust such cost based on capabilities and performance of each employee, including



considering employee benefits on various aspects and ensure that they are at similar level with benefits provided by companies within the same business. This is in line with the Company's human resource policy.

1.3. Other cost of rendering of services such as depreciation, cost for repair of equipment and tools. The Group have routine maintenance plan, including preventive maintenance for its equipment and tools in order to ensure that they are in good working conditions

For the year ended 31 December 2020, cost of rendering of services of the Group were Baht 133.65 million, a decrease of Baht 15.38 million or 10.32% which were consistent with the decrease in revenues for the year. However, the decrease of electricity tariff in September 2020 impacted to decrease the electricity cost price. In addition, the company had lower cost of repair and maintenance because it were the annual plan expense without major maintenance.

Cost of sales of goods

Cost of sales of goods consists of cost of generating and sales of electricity which started commercial operation in August 2019 and cost of production and distribution of compressed bio-methane gas starting the business since early Year 2019. The details of which are set out below;

	2019		2020	
	(audited)		(audited)	
	Baht million	%	Baht million	%
<u>Cost of sales of goods</u>				
cost of generating and distribution of electricity	90.56	92.25	213.77	93.52
cost of production and distribution of compressed bio-methane gas	7.61	7.75	14.81	6.48
<u>Total Cost of sales of goods</u>	98.17	100	228.58	100

2.1 Cost of generating and distribution of electricity

Cost of generating and distribution of electricity consists of 1) raw materials cost 2) employee benefits of the relevant employees 3) depreciation and 4) other costs i.e. machine operation and maintenance fee of biomass power plant, transportation cost of raw materials and insurance cost of machines etc.

2.2 Cost of production and distribution of compressed bio-methane gas

Cost of production and distribution of compressed bio-methane gas consists of 1) wastewater purchase fee 2) salary and other benefits of the relevant employees 3) depreciation and 4) other costs i.e. transportation cost of bio-methane gas and electricity etc.



For the year ended 31 December 2020, cost of sales of goods was comprised of cost of generating and distribution of electricity of Baht 213.77 million and cost of production and distribution of bio-methane gas in the amount of Baht 14.81 million, an increase of Baht 130.41 million or 132.84% compared to last year which was mainly driven by Mae Krating Biomass Power Plant started its commercial operation in the third quarter of year 2019. Cost of production and distribution of compressed bio-methane gas increased from last year which varies with the increase in sales revenue.

1. กำไรขั้นต้น และอัตรากำไรขั้นต้น

รายการ	ปี 2562		ปี 2563	
	(ตรวจสอบ)		(ตรวจสอบ)	
	ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ
รายได้จากการขายและบริการ	357.36	100	511.37	100
ต้นทุนการขายและบริการ	247.20	69.17	362.23	70.84
กำไรขั้นต้น	110.16	30.83	149.14	29.16

For the year ended 31 December 2020, gross profit of the Group was Baht 149.14 million, an increase of Baht 38.98 million or 35.38% compared to last year. The gross profit margin for the year ended 31 December 2020 and 2019 were 29.16% and 30.83%, respectively. The gross margin contributed from Mae Krating biomass power plant business is lower than the private mother station business.

Remark: Gross profit = (Revenue from rendering of services + Revenue from sales of goods) – (Cost of rendering of services + Cost of sales of goods)

Gross profit margin = Gross profit / (Revenue from rendering of services + Revenue from sales of goods)

Selling and administrative expenses

Selling and administrative expenses

For the year ended 31 December 2020, the Group incurred selling and administrative expenses amounted to Baht 104.31 million, an increase of Baht 3.87 million or 3.85% compared to last year. The increase in administrative expenses primarily due to administrative expenses of the Company and Mae Krating Power Company Limited. The main administrative expenses are comprised of depreciation and amortization, employee expenses, and other administrative expenses.

Finance costs, net profit, and net profit margin

Finance costs

For the year ended 31 December 2020 and 2019, the Group incurred finance costs of Baht 31.10 million and Baht 20.58 million, respectively. Finance costs increased mainly due to loans from financial institutions and other



parties for biomass power plant project. In addition, in 2020 the Group had no capitalized borrowing costs relating to the acquisition of the Group's assets.

Net profit and net profit margin

For the year ended 31 December 2020, profit of the Group was Baht 37.33 million, an increase by Baht 12.22 million or 48.67% compared to last year resulted from profit from the private mother station business and Mae Krating biomass power plant business.

Analysis on Financial Position

Assets

The total assets of the Group mainly consist of property, plant and equipment, financial lease receivable and intangible assets. As of 31 December 2020 and 2019, the total assets of the Group were Baht 1,618.40 million and Baht 1,798.93 million respectively. The details of which are as follows;

Item	31-Dec-19		31-Dec-20	
	Baht million	%	Baht million	%
Current assets	365.72	20.33	223.16	13.79
Non-current assets	1,433.21	79.67	1,395.24	86.21
Total assets	1,798.93	100	1,618.40	100

The main assets of the Group consist of property, plant and equipment, investment properties, financial lease receivable and intangible assets. Total assets of the Group as at 31 December 2020 and 2019 were Baht 1,618.40 million and Baht 1,798.93 million, respectively. An decrease of Baht 180.53 million or 10.04% of Group's total assets due to the decrease in cash flow of the Group from scheduled debt repayments of loans from financial institutions.

1. Cash and cash equivalents

Cash and cash equivalents of the Group as of 31 December 2020 and 2019 were Baht 34.61 million and Baht 82.21 million respectively, or equivalent to 2.14% and 4.57% of the total assets, respectively. Cash and cash equivalents consist of cash and bank deposit.

As at 31 December 2020, cash and cash equivalents of Group were equivalent to Baht 34.61 million, a decrease by Baht 47.60 million or decreased by 57.90%, mainly due to use for business operations within the Group and repayment loans from scheduled debt repayments of loans from financial institutions

2. Current investments

The Group manage their cash by investing in short-term investment in fixed-income, which is low risk and generate fixed return, in order to generate additional value to the Group. As of 31 December 2020 and 2019, current investments of the Group were Baht 10.03 million and Baht 67.93 million, respectively or 0.62%, and 3.78% of the total assets, respectively.



As of 31 December 2020, current investments of the Group were equivalent to Baht 10.03 million, an decrease by Baht 57.90 million or 85.23% from the previous year. Mainly due to the sale of investments for loan within the Group for use in business operations.

3. Trade accounts receivable

As of 31 December 2020 and 2019, trade accounts receivable were equivalent to Baht 78.12 million and Baht 93.53 million, respectively accounting for 4.83%, and 5.20% of the total assets, respectively. The credit term given to customer is during 15 to 30 days from the date on which the Group correctly and completely submits invoice and all other related documents to customer.

As of 31 December 2020, trade accounts receivable of the Group were equivalent to Baht 78.12 million, an increase by Baht 15.41 million or 16.48% from 31 December 2019. This were mainly due to the revenue from sales of electricity to PEA in December 2020 has less recognized income compared to December 2019.

4. Financial lease receivable

Since the Company entered into the Gas Compression Contract with PTT for natural gas compression service for natural gas trailer trucks of PTT, the Company must comply with the terms and conditions under such contract. The details of which are as set out below;

(Unit : Baht million)	As of 31 December	
	2019	2020
Financial lease receivable due within one year	18.57	19.64
Financial lease receivable due within one to five years	63.63	69.31
Financial lease receivable due over five years	122.11	102.44
Net	204.31	191.39

As of 31 December 2020 and 2019, financial lease receivable of the Group were equivalent to Baht 191.39 million and Baht 204.31 million, respectively. The gradual decrease in financial lease receivable were due to cash received from PTT.

5. Property, plant and equipment

Property, plant and equipment of the Group as of 31 December 2020 and 2019 were Baht 914.64 million and Baht 930.70 million, respectively which accounting for 56.52%, and 51.74% of the total assets. The details of property, plant and equipment are as set out below;



(Unit: Baht Million)	31 December	
	2019	2563
Land and land improvement	86.33	100.17
Buildings and constructions	101.21	115.43
Machinery and equipment	701.58	660.82
Electricity system	13.30	12.13
Equipment and tools	1.30	2.30
Fixture and office supplies	9.26	12.60
Vehicles	1.11	8.93
Construction in progress	16.61	2.26
Total	930.70	914.64

As at 31 December 2020, property, plant and equipment of the Group were equivalent to Baht 914.64 million, an decrease by Baht 16.06 million or 1.73% compared to 31 December 2019. Because the straight-line depreciation of the property, plant and equipment. However, from 1 January 2020, the Group has initially adopted TFRS 16, the right to use assets are recognized in the amount of Baht 20.28 million.

6. Intangible assets

Intangible assets consist of copyright in computer software, which are amortized with straight-line amortization method according to the contract term and goodwill. Intangible assets of the Group as of 31 December 2020 and 2019 were equivalent to Baht 115.88 million and Baht 123.27 million, respectively or accounting for 7.16% and 6.58% of the total assets, respectively.

As of 31 December 2020, intangible assets of the Group decreased from 31 December 2019 by Baht 7.39 million or 5.99% decrease due to straight-line amortization according to the contract term and impairment loss of goodwill

Liabilities

The total liabilities of the Group as of 31 December 2020 and 2019 were equivalent to Baht 614.82 million and Baht 809.74 million, respectively which account for 37.99% and 45.01% of the total assets, respectively. Majority of the liabilities are trade accounts payable, short-term borrowings and long-term borrowings, the details of which are as set out below;

Items	31 December 2019		31 December 2020	
	Baht million	%	Baht million	%
Current liabilities	305.80	37.77	170.25	27.69
Non-current liabilities	503.94	62.23	444.57	72.31
Total liabilities	809.74	100	614.82	100

As at 31 December 2020, current liabilities of the Group were equivalent to Baht 170.25 million, accounting for 27.69% of the total liabilities. Current liabilities of the Group decreased by Baht 135.55 million or 44.33% compared to 31 December 2019, due to the decrease in bank overdrafts and short-term borrowings and other payables. Non-current liabilities as of 31 December 2020 were equivalent to Baht 444.57 million, an decreased by Baht 59.37 million or 11.78% compared to 31 December 2019, they were the Group repayment the loan from scheduled debt repayments of loans from financial institutions.

Details of significant liabilities of the Group can be summarized as follows:

Trade accounts payable and other payables

Trade accounts payable mainly consist of accounts payable for inert gas, account payable for electricity and raw material. Other payables mainly consist of value added taxes, accrued employee bonus and construction payable. As of 31 December 2020 and 2019, trade accounts payable of the Group were equivalent to Baht 27.67 million and Baht 27.92 million, respectively accounting for 4.50% and 3.45% of the total liabilities, respectively. Other current payables of the Group as of 31 December 2020 and 2019 were equivalent to Baht 20.73 million and Baht 95.62 million, respectively accounting for 3.37% and 11.81% of the total liabilities, respectively.

As at 31 December 2020, trade accounts payable of the Group were Baht 27.67 million, an decrease of Baht 0.25 million or 0.89% resulted from decrease in accounts payable for raw materials for biomass power plant. For other current liability of the Group as at 31 December 2020 total of Baht 20.73 million, a decreased by Baht 74.89 million or 78.32% compared to the previous year. It were mainly caused by the Group decrease in construction payable for biomass power plant.

Bank overdrafts and short-term borrowings

Bank overdrafts and short-term borrowings of the Group were for the purpose of investment in new projects or expansion of existing business. All borrowings are in Thai Baht currency.

(Unit : Baht million)	As of 31 December	
	2019	2563
Within one year	173.04	108.68
After one year, but not exceeding 5 years	443.91	368.16
Total Bank overdrafts and short-term borrowings	616.95	476.84

As of 31 December 2020, net borrowings of the Group were Baht 476.84 million, an decrease of Baht 140.11 million or 22.71% due to the Group repayment the loan from scheduled debt repayments of loans from financial institutions.

Lease liabilities

Lease liabilities of the Group as of 31 December 2020 and 2019 were Baht 57.69 million and Baht 36.03 million, respectively.

As of 31 December 2020, lease liabilities of the Group were Baht 57.69 million, an increase by Baht 21.66 million from 31 December 2019 or equivalent to 60.12% because 1 January 2020, the Group has initially adopted TFRS 16, the lease liabilities are recognized in the amount of 19.96 million Baht.

Deferred tax liabilities

(Unit : Baht million)	As of 31 December	
	2019	2020
Deferred tax assets		
- Provisions for employee benefits	-	0.14
- Lease liabilities	-	0.02
Deferred tax liabilities		
Difference in revenue recognition for accounting and taxation purposes of revenue from financial lease	9.74	9.88
- Intangible assets	20.12	18.99
- Deferred interest expense	1.34	1.14
Net	31.20	29.85

The Accounting Standards 12 regarding income taxes requires that Group record deferred tax assets and deferred tax liabilities under the financial statements by calculating temporary differences between carrying amount of assets and liabilities and tax base of assets and liabilities in order to calculate tax consequences.



As at 31 December 2020, deferred tax liabilities of the Group were Baht 29.85 million which decreased from 31 December 2019 by Baht 1.35 million, representing an decrease of 4.33%. The decrease came from the difference in recognition for accounting and taxation purposes of revenue from financial lease and deferred interest.

Equity

Equity of the Group consists of: 1) issued and paid-up share capital, 2) share premium on ordinary shares, 3) appropriated and unappropriated retained earnings, and 4) other components of equity.

As of 31 December 2020 and 2019, equity of the Group were Baht 1,003.58 million and Baht 989.19 million, respectively. Total equity increased by Baht 14.39 million or 1.45% from the end of year 2019 because the Group had net profit for the year ended 31 December 2020 was Baht 37.33 million while the Company paid dividends to shareholders in May 2020 amounting to Baht 23.25 million.

Analysis on cash flows of the Group

(Unit: Baht million)	2019	2020
Net cash from operating activities	30.42	166.07
Net cash used in investing activities	(394.55)	(5.49)
Net cash from (used in) financing activities	323.09	(208.18)
Net decrease in cash and cash equivalents	(41.04)	(47.06)

1. Net cash from operating activities

For the year ended 31 December 2020, net cash from operating activities of the Company and its subsidiaries was equivalent to Baht 166.07 million, an increase by Baht 135.65 million or 445.92% from 31 December 2019. The decrease was mainly because account payable have been due for payment and inventory decrease.

2. Net cash from investing activities

For the year ended 31 December 2020, net cash used in investing activities of the Company and its subsidiaries was equivalent to Baht 5.49 million which decreased from 31 December 2019 by Baht 389.06 million. Because cash payment for building and equipment of Biomass power plant project and cash payment for acquisition of current investments were decrease.

3. Net cash from financing activities

For the year ended 31 December 2020, net cash used in financing activities of the Group were Baht 208.18 million which changed from 31 December 2019. The net cash flow used were increase Baht 531.27 million as a result of additional cash received from short-term and long-term borrowings from financial institutions and third parties during the year in 2019 for Biomass power plant project including finance lease for machine and equipment of production and distribution of compressed bio-methane gas station. While in 2020, the main reason is the borrowings for working capital of the Group.



Key Financial Ratio Analysis

1. Liquidity ratio

- Current ratio, quick ratio and cash flow liquidity ratio

For the year ended 31 December 2020, the Group had current ratio of 1.31 times, quick ratio of 0.77 times, and cash flow liquidity ratio of 0.18 times. Current ratio and quick ratio as of 31 December 2020 increased from 31 December 2019 due to a decrease in account receivable and current investments. The cash flow liquidity ratio increased from 31 December 2019 due to an average current liability decreased when compared to previous year.

Item	31 December	
	2019	2020
Average collection period (days)	69.29	61.43
Average inventory turnover (days)	20.98	12.12
Average payment period (days)	33.16	28.09
Cash cycle (days)	57.11	45.46

The Group have average collection period for the year ended 31 December 2020 and 2019 which was equivalent to 61.43 days and 69.29 days, respectively. The normal credit term of PEA was 30 days. However, invoices were scheduled to issue in the second week of next month which led to increase in average collection period.

The average payment period of the Group as of 31 December 2020 and 2019 were equivalent to 28.09 days and 33.16 days, respectively. The average payment period of the Group was between 30 – 45 days. For the year 2020, the Group had a better average payment period.

Cash cycle of the Group in the year 2020 and 2021 were 45.46 days and 57.11 days, respectively. For the year 2020, the Group have a shorter average collection period, while the average payment period can be paid in accordance with the credit term. Therefore, it resulted cash cycle decreased from previous year. However, the Group were able to full debt collection and no provision was required during the year 2020. The average inventory turnover was calculated in Year 2019 for the first year

2. Efficiency ratio

For the year ended 31 December 2020 and 2019, return on assets of the Group are equivalent to 2.19% and 1.57%, respectively. Returned on fixed assets is equivalent to 6.57% and 6.06%, respectively. Asset's turnover is equivalent to 0.31 times and 0.24 times, respectively. These ratios increased from previous year because the Group invested in assets for biomass power plant project which start commercial operation in August 2019 and for production and distribution of compressed bio-methane gas business since early Year 2019.



3. Financial policy ratio

Interest coverage ratio

For the year ended 31 December 2020 and 2019, interest coverage ratio of Group is equivalent to 2.33 times and 2.44 times, respectively. As of 31 December 2020, interest coverage ratio of the Group was lower than previous year. It was because the Group invested in building and equipment of biomass power plant project and production and distribution of compressed bio-methane gas station. Therefore, there will be a much higher financial cost in 2020.

Debt to equity ratio

For the financial year ended 31 December 2020, debt to equity ratio of the Group were 0.61 which increased from 0.82 as at 31 December 2018. A decrease in the ratio resulted from loans from financial institutions and other parties for biomass power plant project of Mae Krating Power, due to the repayment of debt.

Factors which may affect operating performance and financial position in the future

1) Expiration of the Gas Compression Contracts with PTT

Since the contract term of the natural gas compression service contracts with PTT in respect of both stations, namely Pathum Thani Private Mother Station and Saraburi Private Mother Station is 20 years and the contracts will expire in 2029 and 2030 respectively. Currently, a decrease in demand from natural gas for vehicles (NGV) for the year 2020. The consumption of NGV has decreased to 3,862 tons per day from the year 2019, which is 5,385 tons per day or 28.29%. Causing from the decrease in the consumption of NGV and the outbreak of COVID-19 result to the mostly people rarely travel by public transport and private vehicle impacted in volume of natural gas consumption for vehicles of the company



Independent Auditor's Report



Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิภาคไทย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent Auditor's Report

To the Shareholders of Sakol Energy Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Sakol Energy Public Company Limited and its subsidiaries (the "Group") and of Sakol Energy Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

KPMG Phoomchai Audit Ltd., a Thai limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.





Impairment of goodwill and investment in subsidiary	
Refer to Notes 4(a) (k) (n) 13 and 26 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, the Group had material amount of goodwill from the acquisition of production and distribution of compressed bio-methane gas business.</p> <p>The management assesses the impairment from the estimated recoverable amount of cash-generating unit containing goodwill and investment of subsidiary which is in process of disposal. The recoverable amount was based on its fair value less cost of disposal. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.</p> <p>I considered this as a key audit matter because of the significant amounts involved.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Inquired of the management to understand the process of estimated recoverable amount, impairment indicators assessment and preparation of future cash flow projection; • Considered business plan and evaluated future cash flow projection used in the calculation of estimated recoverable amount and tested mathematical accuracy of the impairment of goodwill and investment in subsidiary; • Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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





Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



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

Sophit P.

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
1 March 2021

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(Baht)			
Current assets					
Cash and cash equivalents	6	34,611,605	82,208,998	14,787,687	8,552,125
Current investments	22	10,030,870	67,934,060	-	40,052,668
Current portion of deposits at financial institutions					
with restrictions on withdrawal	14	8,952,200	1,254,589	-	-
Trade accounts receivable	7	78,119,783	93,530,290	34,291,964	40,548,214
Current portion of financial lease receivable	9	19,637,578	18,567,364	19,637,578	18,567,364
Other receivables	5	55,969,703	57,888,207	11,234,814	8,687,126
Current portion of long-term loans to related parties	5	-	-	9,936,319	1,733,060
Short-term loans	5, 14	9,868,630	30,000,000	4,942,466	44,000,000
Inventories	8	3,859,722	11,283,210	-	-
Current spare parts and supplies		2,107,287	3,057,119	1,771,143	2,834,339
Total current assets		223,157,378	365,723,837	96,601,971	164,974,896
Non-current assets					
Deposits at financial institutions with					
restrictions on withdrawal	14	3,823,847	4,251,001	500,000	500,000
Investments in subsidiaries	10	-	-	509,239,400	512,539,400
Financial lease receivable	9	171,753,823	185,743,137	171,753,823	185,743,137
Long-term loans to related parties	5	-	-	290,533,257	289,188,050
Non-current spare parts and supplies		2,949,039	3,259,435	2,949,039	3,259,435
Investment properties	11	171,617,614	171,617,614	-	-
Property, plant and equipment	12	914,637,073	930,701,856	142,978,779	135,779,193
Intangible assets	13	115,883,705	123,273,789	5,177,351	6,320,657
Other non-current assets		14,579,235	14,361,063	13,650,263	13,433,168
Total non-current assets		1,395,244,336	1,433,207,895	1,136,781,912	1,146,763,040
Total assets		1,618,401,714	1,798,931,732	1,233,383,883	1,311,737,936

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



Financial statements

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(Baht)			
Current liabilities					
Bank overdrafts and short-term borrowings	5, 14	23,132,458	101,111,923	16,800,000	69,630,383
Trade accounts payable	5	27,674,480	27,916,621	13,498,981	15,596,931
Other payables	5	20,725,626	95,617,718	9,645,817	18,021,725
Current portion of long-term borrowings					
from financial institutions	14	85,552,808	71,931,851	50,563,879	56,525,333
Current portion of lease liabilities					
(2019: Current portion of finance lease and hire purchase liabilities)	14	13,166,911	9,220,473	3,519,268	552,565
Total current liabilities		170,252,283	305,798,586	94,027,945	160,326,937
Non-current liabilities					
Long-term borrowings from financial institutions	14	368,157,611	443,909,869	169,004,161	196,886,130
Lease liabilities (2019: Finance lease and hire purchase liabilities)	14	44,519,794	26,811,097	8,511,220	-
Deferred tax liabilities	19	29,848,537	31,200,933	8,922,575	10,216,231
Provisions for employee benefits		952,565	928,863	723,496	928,863
Long-term provisions		1,090,000	1,090,000	1,090,000	1,090,000
Total non-current liabilities		444,568,507	503,940,762	188,251,452	209,121,224
Total liabilities		614,820,790	809,739,348	282,279,397	369,448,161

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

Financial statements

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(Baht)			
Equity					
Share capital:					
Authorised share capital					
(930,000,000 ordinary shares, par value					
at Baht 0.5 per share)		465,000,000	465,000,000	465,000,000	465,000,000
Issued and paid share capital					
(930,000,000 ordinary shares, par value					
at Baht 0.5 per share)		465,000,000	465,000,000	465,000,000	465,000,000
Share premium on ordinary shares	15	297,618,600	297,618,600	297,618,600	297,618,600
Retained earnings					
Appropriated					
Legal reserve	15	33,568,000	31,820,000	33,568,000	31,820,000
Unappropriated		133,735,348	121,055,784	154,917,886	147,846,005
Other components of equity		-	79,628	-	5,170
Equity attributable to owners of the parent		929,921,948	915,574,012	951,104,486	942,289,775
Non-controlling interests		73,658,976	73,618,372	-	-
Total equity		1,003,580,924	989,192,384	951,104,486	942,289,775
Total liabilities and equity					
		1,618,401,714	1,798,931,732	1,233,383,883	1,311,737,936

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



Statement of comprehensive income

Sakol Energy Public Company Limited and its subsidiaries
Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(Baht)			
Revenues	16				
Revenue from rendering of services		207,655,289	238,574,548	207,655,289	238,574,548
Revenue from financial lease	9	18,753,410	19,727,423	18,753,410	19,727,423
Revenue from sale of goods		303,714,368	118,786,070	-	-
Other income		3,536,741	17,007,375	24,712,775	34,865,409
Total revenue		533,659,808	394,095,416	251,121,474	293,167,380
Expenses	18				
Cost of rendering of services		133,647,657	149,031,936	133,647,657	149,031,936
Cost of sales of goods	8	228,580,812	98,171,635	-	-
Selling and administrative expenses	5	104,314,449	100,436,744	71,338,481	71,723,478
Total expenses		466,542,918	347,640,315	204,986,138	220,755,414
Profit from operating activities		67,116,890	46,455,101	46,135,336	72,411,966
Finance costs		(31,101,188)	(20,580,127)	(11,734,899)	(21,842,863)
Profit before income tax expense		36,015,702	25,874,974	34,400,437	50,569,103
Tax income (expense)	19	1,312,214	(770,516)	545,993	(223,476)
Profit for the year		37,327,916	25,104,458	34,946,430	50,345,627
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gain (loss) on measurement of financial assets		(79,628)	533,327	(5,170)	54,454
Net change in fair value of available-for-sale investments transferred to profit or loss		-	(1,351,769)	-	(105,292)
Total items that will be reclassified subsequently to profit or loss		(79,628)	(818,442)	(5,170)	(50,838)
<i>Item that will not be reclassified to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans		390,247	(114,095)	390,247	(114,095)
Total item that will not be reclassified to profit or loss		390,247	(114,095)	390,247	(114,095)
Other comprehensive income (expense) for the year, net of tax		310,619	(932,537)	385,077	(164,933)
Total comprehensive income for the year		37,638,535	24,171,921	35,331,507	50,180,694

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



Statement of comprehensive income

Sakol Energy Public Company Limited and its subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2020	2019	2020	2019
	(Baht)			
Profit (loss) attributable to:				
Owners of the parent	37,287,312	27,608,581	34,946,430	50,345,627
Non-controlling interests	40,604	(2,504,123)	-	-
	<u>37,327,916</u>	<u>25,104,458</u>	<u>34,946,430</u>	<u>50,345,627</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent	37,597,931	26,676,196	35,331,507	50,180,694
Non-controlling interests	40,604	(2,504,275)	-	-
	<u>37,638,535</u>	<u>24,171,921</u>	<u>35,331,507</u>	<u>50,180,694</u>
Basic earnings per share	20			
	<u>0.040</u>	<u>0.030</u>	<u>0.038</u>	<u>0.054</u>

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



Statement of changes in equity

Sakol Energy Public Company Limited and its subsidiaries

Statement of changes in equity

Consolidated financial statements

	Note	Other components of equity							Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Gain (loss) on measuring financial assets	Equity attributable to owners of the parent	Non-controlling interests	
				Legal reserve	Unappropriated				
(Baht)									
Year ended 31 December 2020									
Balance at 31 December 2019 - as reported		465,000,000	297,618,600	31,820,000	121,055,784	79,628	915,574,012	73,618,372	989,192,384
Impact of changes in accounting policies	3	-	-	-	-	-	-	-	-
Balance at 1 January 2020 - restated		465,000,000	297,618,600	31,820,000	121,055,784	79,628	915,574,012	73,618,372	989,192,384
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
Dividends	21	-	-	-	(23,249,995)	-	(23,249,995)	-	(23,249,995)
Total distributions to owners of the parent		-	-	-	(23,249,995)	-	(23,249,995)	-	(23,249,995)
Comprehensive income (expense) for the year									
Profit		-	-	-	37,287,312	-	37,287,312	40,604	37,327,916
Other comprehensive income (expense)		-	-	-	390,247	(79,628)	310,619	-	310,619
Total comprehensive income (expense) for the year		-	-	-	37,677,559	(79,628)	37,597,931	40,604	37,638,535
Transfer to legal reserve									
Balance at 31 December 2020	15	-	-	1,748,000	(1,748,000)	-	-	-	-
		465,000,000	297,618,600	33,568,000	133,735,348	-	929,921,948	73,658,976	1,003,580,924

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

Statement of changes in equity

Sakol Energy Public Company Limited and its subsidiaries Statement of changes in equity

	Note	Separate financial statements				
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Total equity
				Legal reserve	Unappropriated earnings	
Year ended 31 December 2019						
Balance at 1 January 2019		465,000,000	297,618,600	29,300,000	155,934,431	947,909,039
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	21	-	-	-	(55,799,958)	(55,799,958)
Total Distributions to owners of the parent		-	-	-	(55,799,958)	(55,799,958)
Comprehensive income (expense) for the year						
Profit		-	-	-	50,345,627	50,345,627
Other comprehensive income (expense)		-	-	-	(114,095)	(164,933)
Total comprehensive income (expense) for the year		-	-	-	50,231,532	50,180,694
Transfer to legal reserve	15	-	-	2,520,000	(2,520,000)	-
Balance at 31 December 2019		465,000,000	297,618,600	31,820,000	147,846,005	942,289,775

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



Statement of changes in equity

Sakol Energy Public Company Limited and its subsidiaries Statement of changes in equity

		Separate financial statements					Other components of equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Gain (loss) on measuring financial assets	Total equity	
				Legal reserve	Unappropriated			
				(Baht)				
Year ended 31 December 2020								
	Balance at 31 December 2019 - as reported	465,000,000	297,618,600	31,820,000	147,846,005	5,170	942,289,775	
	Impact of changes in accounting policies	-	-	-	(3,266,801)	-	(3,266,801)	
	Balance at 1 January 2020 - restated	465,000,000	297,618,600	31,820,000	144,579,204	5,170	939,022,974	
Transactions with owners, recorded directly in equity								
Distributions to owners of the parent								
	Dividends	-	-	-	(23,249,995)	-	(23,249,995)	
	Total distributions to owners of the parent	-	-	-	(23,249,995)	-	(23,249,995)	
Comprehensive income (expense) for the year								
	Profit	-	-	-	34,946,430	-	34,946,430	
	Other comprehensive income (expense)	-	-	-	390,247	(5,170)	385,077	
	Total comprehensive income (expense) for the year	-	-	-	35,336,677	(5,170)	35,331,507	
	Transfer to legal reserve	-	-	1,748,000	(1,748,000)	-	-	
	Balance at 31 December 2020	465,000,000	297,618,600	33,568,000	154,917,886	-	951,104,486	

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

Statement of cash flow

Sakol Energy Public Company Limited and its subsidiaries Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		(Baht)			
Cash flows from operating activities					
Profit for the year		37,327,916	25,104,458	34,946,430	50,345,627
Adjustments to reconcile profit to cash receipts (payment)					
Tax expense (income)	19	(1,312,214)	770,516	(545,993)	223,476
Finance costs		31,101,188	20,580,127	11,734,899	21,842,863
Depreciation and amortisation	12, 13	67,366,631	36,339,544	13,606,666	9,139,631
Gain on disposal of mutual fund		(236,050)	(1,351,569)	(52,066)	(105,292)
Impairment loss of goodwill		639,840	-	-	-
Impairment loss of investment in subsidiary	10, 13	-	-	3,300,000	-
Reversal of impairment of loans to	5	-	-	(1,407,108)	-
Gain on disposal of equipment		-	64,077	-	64,077
Employee benefits expenses		482,986	174,216	253,917	174,216
Interest income		(557,890)	(703,423)	(21,643,151)	(31,106,601)
		134,812,407	80,977,946	40,193,594	50,577,997
Changes in operating assets and liabilities					
Trade accounts receivable		15,410,507	(51,388,394)	6,256,250	1,593,682
Other receivables		4,464,738	(4,620,168)	(229,691)	6,090,129
Financial lease receivable		12,919,100	11,945,086	12,919,100	11,945,086
Inventories		7,423,488	(11,283,210)	-	-
Spare parts and supplies		1,260,228	(1,508,195)	1,373,592	(1,285,415)
Other non-current assets		(218,172)	(6,843,838)	(217,095)	(6,044,700)
Trade accounts payable		(242,141)	10,925,609	(2,097,950)	(1,394,081)
Other payables		(3,835,947)	8,895,578	(4,211,969)	3,705,382
Employee benefits paid		-	(148,048)	-	(148,048)
Net cash generated from operating		171,994,208	36,952,366	53,985,831	65,040,032
Taxes paid		(5,923,036)	(6,534,309)	(5,864,508)	(6,406,152)
Net cash from operating activities		166,071,172	30,418,057	48,121,323	58,633,880

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



Statement of cash flow

Sakol Energy Public Company Limited and its subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
<i>Note</i>	<i>(Baht)</i>			
Cash flows from investing activities				
Proceeds from sale of current investments	76,574,302	95,373,364	40,614,254	13,088,650
Acquisition of current investments	(18,514,690)	(97,252,124)	(514,690)	(40,128,090)
Loans to other parties or related parties	(11,868,630)	(30,000,000)	(6,942,466)	(434,000,000)
Proceeds from loans to other parties or related parties	32,000,000	2,300,000	33,775,141	272,079,247
Decrease (Increase) in restricted withdrawal deposits at financial institutions	(7,270,457)	11,893,484	-	15,099,074
Acquisition of subsidiary	-	-	-	(4,700,000)
Proceeds from non-controlling interest of increase share capital in subsidiaries	-	1,300,000	-	-
Proceeds from sale of equipment	-	9,813	-	9,813
Acquisition of building and equipment	(75,612,665)	(377,045,957)	(6,579,501)	(13,034,905)
Acquisition of intangible assets	(1,222,518)	(1,739,747)	(1,170,841)	(1,739,747)
Interest received	421,997	612,960	24,297,194	30,063,740
Net cash from (used in) investing activities	(5,492,661)	(394,548,207)	83,479,091	(163,262,218)
Cash flows from financing activities				
Proceeds from borrowings from financial institutions	79,700,918	764,981,541	56,850,000	477,000,000
Repayment of borrowings from financial institutions	(221,339,612)	(403,381,822)	(161,207,367)	(364,555,383)
Proceeds from short-term borrowings from related parties	-	-	28,600,000	-
Repayment of short-term borrowings from related parties	-	-	(11,800,000)	-
Proceeds from financial lease liabilities	-	41,292,060	-	-
Payment of lease liabilities	(14,153,881)	(6,061,203)	(4,209,427)	(957,675)
Dividends paid to owners of the Company	(23,249,995)	(55,799,958)	(23,249,995)	(55,799,958)
Interest paid	(29,133,334)	(17,945,227)	(10,348,063)	(21,883,403)
Net cash from (used in) financing activities	(208,175,904)	323,085,391	(125,364,852)	33,803,581
Net increase (decrease) in cash and cash equivalents	(47,597,393)	(41,044,759)	6,235,562	(70,824,757)
Cash and cash equivalents at 1 January	82,208,998	123,253,757	8,552,125	79,376,882
Cash and cash equivalents at 31 December	34,611,605	82,208,998	14,787,687	8,552,125
Non-cash transactions				
Other payables of building and equipment purchased	32,524	64,484,536	32,524	2,724,136

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



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Trade accounts receivable
8	Inventories
9	Financial lease receivable
10	Investments in subsidiaries
11	Investment properties
12	Property, plant and equipment
13	Intangible assets
14	Interest bearing liabilities
15	Share premium and reserves
16	Segment information and disaggregation of revenue
17	Employee benefit expenses
18	Expenses by nature
19	Income tax
20	Basic earnings per share
21	Dividends
22	Financial instruments
23	Capital management
24	Commitments with non-related parties
25	Reclassification
26	Events after the reporting period



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 1 March 2021.

1 General Information

Sakol Energy Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in November 2017. The Company has its registered head office and branches as follow:

Head office: 15 Moo 1 Chiang Rak Noi, Samkhok Pathumthani 12160

Branch 1: 168 Moo 4 Tha Maprang, Kaeng Khoi Saraburi 18110

Branch 2: 252/108(B) and 252/109(C) Muang Thai-Phatra Complex Building, 21st Floor, Ratchadaphisek Road, Huai Khwang Bangkok 10310

The Company's major shareholders during the financial year were Sumetchotimetha Family (54% shareholding) and Nunttee Family (8% shareholding).

The principle activity of the Company is compression of natural gas to PTT Public Company Limited. The Group operates in energy industry. Details of the Company's subsidiaries as at 31 December 2020 and 2019 are given in notes 5 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(1) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 4 (1) related to determining whether an arrangement contains a lease.

(2) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 13	Impairment test of goodwill: key assumptions underlying recoverable amounts; and
Note 19	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

		Consolidated financial statements	Separate financial statements
		Retained earnings - Unappropriated	Retained earnings - Unappropriated
	<i>Note</i>	<i>(in thousand Baht)</i>	
At 31 December 2019 - as reported		121,055	147,846
Increase (decrease) due to:			
Adoption of TFRS - Financial instruments standards			
Impairment losses on financial assets	A(2)	-	(4,084)
Related tax		-	817
At 1 January 2020 - restated		121,055	144,579



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The following table shows classification and measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

Consolidated financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net
		<i>(in thousand Baht)</i>		
Financial assets				
Cash and cash equivalents	82,209	-	-	82,209
Trade accounts receivable	93,530	-	-	93,530
Other receivables	57,888	-	-	57,888
Financial lease receivable	204,310	-	-	204,310
Loans to	30,000	-	-	30,000
Other financial assets				
- Deposits at financial institutions	5,506	-	-	5,506
- Equity instruments held for trading	40	40	-	-
- Debt instruments available-for-sale	67,894	67,894	-	-
Total other financial assets	73,440	67,934	-	5,506



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Consolidated financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss <i>(in thousand Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Financial liabilities				
Bank overdrafts and short-term borrowings	101,112	-	-	101,112
Trade accounts payable	27,917	-	-	27,917
Other payables	95,618	-	-	95,618
Long-term borrowings from financial institutions	515,842	-	-	515,842
Lease liabilities	36,031	-	-	36,031
Separate financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss <i>(in thousand Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Financial assets				
Cash and cash equivalents	8,552	-	-	8,552
Trade accounts receivable	40,548	-	-	40,548
Other receivables	8,687	-	-	8,687
Financial lease receivable	204,310	-	-	204,310
Loans to	334,921	-	-	334,921
Other financial assets				
- Deposits at financial institutions	500	-	-	500
- Equity instruments held for trading	40	40	-	-
- Debt instruments available-for-sale	40,013	40,013	-	-
Total other financial assets	40,553	40,053	-	500
Financial liabilities				
Bank overdrafts and short-term borrowings	69,630	-	-	69,630
Trade accounts payable	15,597	-	-	15,597
Other payables	18,022	-	-	18,022
Long-term borrowings from financial institutions	253,411	-	-	253,411
Lease liabilities	553	-	-	553



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

(2) Impairment - Financial assets and contract assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments measured at FVOCI, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
Loans to related parties	-	4,084
Allowance for impairment losses at 1 January 2020	-	4,084

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (Transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- exclude initial direct costs from measuring the right-of-use asset; and
- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term.

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
Impact from the adoption of TFRS 16		
<i>At 1 January 2020</i>		
Increase in property, plant and equipment	20,276	8,943
Decrease in prepaid rental expenses	(315)	-
Increase in lease liabilities	(19,961)	(8,943)



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

The operating lease commitments as at 31 December 2019 was discounted using the incremental borrowing rate and exemption for short-term leases, combined with finance lease liabilities; therefore, the Group and the Company have recognised lease liabilities as at 1 January 2020 amounted to Baht 20.28 million and Baht 8.94 million, respectively. Weighted-average incremental borrowing rates were 4.40%-5.88% per annum.

Right-of-use assets and lease liabilities shown above were presented as part of natural gas compression service segment, generating and distribution of electricity segment and others.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in the subsidiaries section, other than business combinations with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

(c) Financial instruments

Accounting policies applicable from 1 January 2020

(c.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(c.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
---------------------------	--

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
------------------------------------	--

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

(d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) *Trade and other accounts receivable and contract assets*

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(f) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) *Spare parts and supplies*

Spare parts and supplies are measured at cost. Cost of spare parts and supplies is calculated using the first in first out principle.

(h) *Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(i) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. No depreciation is provided on freehold land categorised as investment properties.

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	20 years
Buildings and constructions	5 - 20 years
Machinery and equipment	10 - 20 years
Electrical system	10 - 20 years
Tools	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses and computer program	5 years
Sale purchase bio-methane agreement	10 years
Sale purchase electricity agreement	20 years

Amortisation method, useful life and residual value are reviewed at each financial year-end and adjusted if appropriate. No amortisation is provided on software licenses under installation.

(l) *Leases*

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(m)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(m) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(n) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed.

(o) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at cost.

(p) Trade and other accounts payable

Trade accounts payable and other payables are stated at cost.

(q) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(r) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(t) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(u) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding value added tax and is after deduction of any trade discounts.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers.

Revenue for rendering of services is recognised over time. The related costs are recognised in profit or loss when they are incurred.

(v) Other income

Other income are recognised in profit or loss as they accrue.

(w) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(x) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

(y) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(z) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(aa) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

Relationships with subsidiaries are described in note 10. Key management and other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
PTC Holding Company Limited	Thailand	Common directors and directors hold all shares
Transuwan Company Limited	Thailand	Common directors and directors hold substantial shares
Tranthanakom Company Limited	Thailand	Common directors and directors hold substantial shares
T.Line Transport Co., Ltd.	Thailand	Common directors and directors hold substantial shares
B.P. 15 Company Limited	Thailand	Common directors and shareholders
Trans Energy Company Limited	Thailand	Common shareholders
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Management income	Contractual rates
Revenue from sale of CBG	Agreed price is based on market price
Other income	Contractual rates
Interest income	Contractual rates
Interest expense	Contractual rates
Other service and rental expenses	Contractual rates
Purchase of raw materials	Agreed price is based on market price



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Management income	-	-	236	1,117
Other income	-	-	576	918
Interest income	-	-	21,200	31,106
Interest expense	-	-	318	-
Other related parties				
Revenue from sale of CBG	420	-	-	-
Other income	164	169	164	169
Interest income	178	-	178	-
Interest expense	134	-	-	-
Purchase of raw materials	92,046	67,812	-	-
Other service expense	6,476	2,125	61	-
Key management personnel				
Short-term employee benefits	19,674	15,927	18,800	15,528
Post-employment benefits	117	3	45	3
Total key management personnel compensation	19,791	15,930	18,845	15,531

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Other receivables				
Subsidiaries				
Mae Krating Power Company Limited	-	-	-	5,199
RE Biofuels Company Limited	-	-	261	340
	<u>-</u>	<u>-</u>	<u>261</u>	<u>5,539</u>
Other related parties				
Transuwan Company Limited	22	174	22	117
Tranthanakom Company Limited	-	116	-	-
B.P. 15 Company Limited	112	16	-	-
PTC Holding Company Limited	54	-	-	-
	<u>188</u>	<u>306</u>	<u>22</u>	<u>117</u>
Total	188	306	283	5,656
Trade accounts payable				
Other related parties				
B.P. 15 Company Limited	1,671	6,430	-	-
Tranthanakom Company Limited	53	323	-	-
Total	1,724	6,753	-	-

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Other payables				
Subsidiaries				
SKE Development Company Limited (Former name: Sakol Energy Biomass Power 15 Company Limited)	-	-	6	-
SK 15 Company Limited	-	-	14	-
	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>
Other related parties				
Transuwan Company Limited	684	996	-	-
Trans Energy Company Limited	-	34	-	-
PTC Holding Company Limited	52	5	31	-
Others	-	103	-	1
	<u>736</u>	<u>1,138</u>	<u>31</u>	<u>1</u>
Total	<u>736</u>	<u>1,138</u>	<u>51</u>	<u>1</u>
Lease Liabilities				
Other related parties				
Trans Energy Company Limited	872	-	-	-
PTC Holding Company Limited	3,028	-	-	-
Total	<u>3,900</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movements during the year ended 31 December of loans to related parties were as follows:

	Interest rate	Consolidated financial statements			
	At 31 December 2020 (% per annum)	At 1 January 2020	Increase	Decrease	At 31 December 2020
			<i>(in thousand Baht)</i>		
Short-term loan to related party					
Other related parties					
Transuwan Company Limited	5.50	<u>20,000</u>	-	(20,000)	<u>-</u>
	Interest rate	Consolidated financial statements			
	At 31 December 2019 (% per annum)	At 1 January 2019	Increase	Decrease	At 31 December 2019
			<i>(in thousand Baht)</i>		
Short-term loan to related party					
Other related parties					
Transuwan Company Limited	5.50	<u>-</u>	20,000	-	<u>20,000</u>



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Interest rate At 31 December 2020 (% per annum)	At 1 January 2020	Separate financial statements		At 31 December 2020
			Increase	Decrease	
			(in thousand Baht)		
Short-term loans to related parties					
Subsidiary					
Mae Krating Power Company Limited	MOR+2.75	14,000	-	(14,000)	-
Other related parties					
Transuwan Company Limited	5.50	20,000	-	(20,000)	-
Total		34,000			-
Long-term loans to related parties					
Subsidiaries					
Mae Krating Power Company Limited	MLR+0.25 MOR+2.75	280,000 -	- 14,000	- -	280,000 14,000
RE Biofuels Company Limited	7.35-8.00	10,921	-	(1,775)	9,146
		290,921			303,146
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-	(4,084)	1,408	(2,676)
Net		290,921			300,470
Short-term loan from related parties					
Subsidiaries					
SKE Development Company Limited (Former name: Sakol Energy Biomass Power 15 Company Limited)	4.00	-	21,000	(8,000)	13,000
SK 15 Company Limited	4.00	-	7,600	(3,800)	3,800
Total		-			16,800



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Interest rate	At	Separate financial statements		At
	At 31 December 2019 (% per annum)	1 January 2019	Increase	Decrease	31 December 2019
<i>Short-term loans to related parties</i>					
Subsidiary					
Mae Krating Power Company Limited	MOR+2.75	16,000	89,000	(91,000)	14,000
Other related parties					
Transuwan Company Limited	5.50	-	20,000	-	20,000
Total		16,000			34,000
<i>Long-term loans to related parties</i>					
Subsidiaries					
Mae Krating Power Company Limited	MOR+0.25	145,000	135,000	-	280,000
RE Biofuels Company Limited	8.00	12,000	-	(1,079)	10,921
Total		157,000			290,921

Impairment loss

An allowance for impairment loss for loans to is measured at an amount equal to lifetime ECLs. ECLs on this financial asset is estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to loan to and assessment of both the current and forecast general economic conditions.

Significant agreements with related parties

A subsidiary entered into a raw materials sale and purchase agreement with a related party. Such agreement has been effective since August 2019 to August 2024. The related party agreed to provide raw materials to the subsidiary at the conditions and service fee as stipulated in the agreement.

A subsidiary entered into a transportation of compressed bio-methane gas agreement with a related company, in order to transport compressed bio-methane gas from the gas station to the subsidiary's customer under the price and conditions as stipulated in the agreement.

The Company entered into a solar power generation panels lease agreement with a related party for a period of 20 years commencing from the date that the Company delivers and the related company receives the delivery of the lease assets, under the rental fee and conditions stipulated in the agreement.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	374	401	322	330
Cash at banks - current accounts	1,340	1,360	428	1,322
Cash at banks - savings accounts	32,898	80,448	14,038	6,900
Total	34,612	82,209	14,788	8,552

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other parties	78,120	93,530	34,292	40,548

Trade accounts receivable of the Group as at 31 December 2020 are within credit term.

The normal credit term granted by the Group is 15-30 days.

8 Inventories

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Raw materials	3,817	11,223
Finished goods	43	60
Total	3,860	11,283
Inventories recognised in 'cost of sales of goods'	228,581	98,172

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

9 Financial lease receivable

Consolidate / Separate financial statements								
Portion due								
(in thousand Baht)								
	Effective interest rate (% per annum)	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
2020								
Lease receivables		37,320	31,673	31,673	31,673	31,673	127,502	291,514
Less unearned interest income	0.5 - 3.71	(17,682)	(16,500)	(15,182)	(13,699)	(12,002)	(25,058)	(100,123)
Net		19,638	15,173	16,491	17,974	19,671	102,444	191,391
2019								
Lease receivables		37,320	31,673	31,673	31,673	31,673	159,175	323,187
Less unearned interest income	0.5 - 3.71	(18,753)	(17,683)	(16,500)	(15,182)	(13,699)	(37,060)	(118,877)
Net		18,567	13,990	15,173	16,491	17,974	122,115	204,310

The Company entered into two natural gas compression contracts with PTT Public Company Limited (PTT) to provide gas storage trailers natural gas compression service to PTT. The Company must comply with conditions stipulated in the contracts for a period of 20 years, expiring in March 2029 and October 2030, respectively. Under TFRS 16, these contracts have met the conditions for arrangements which contain lease.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019 and dividend income from those investments for the years then ended, were as follows:

	Type of business	Ownership interest 2020 2019 (%)	Paid share capital 2020 2019	Separate financial statements				Dividend income	
				Cost 2020 2019 (in thousand Baht)	Allowance impairment 2020 2019	Cost - net 2020 2019		2020	2019
Subsidiaries									
SKE Development Company Limited (Former name: Sakol Energy Biomass Power 15 Company Limited)	Rental of property	99.99	140,000	140,000	-	140,000	140,000	-	-
Mae Krating Power Company Limited	Generating and distribution of electricity	99.99	62,000	61,999	-	61,999	61,999	-	-
RE Biofuels Company Limited	Generating and distribution of electricity	80.00	282,300	285,840	-	285,840	285,840	-	-
	Production and distribution of compressed bio-methane gas	75.95	21,000	24,700	(3,300)*	21,400	24,700	-	-
Total			505,300	512,539	(3,300)	509,239	512,539	-	-

All subsidiaries were incorporated in Thailand and the Company has no investments in subsidiaries registered in the stock exchange so there are no published price quotations to be disclosed.

*See note 13 for additional details of impairment loss on investment in subsidiary.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

11 Investment properties

	Consolidated financial statements	
	2020	2019
	(in thousand Baht)	
At 31 December	171,618	171,618

The fair value of investment properties as at 31 December 2020 of Baht 284.65 million (2019: Baht 284.65 million) was determined by independent professional valuers, at market price method. The fair value measurement for investment property has been categorised as a Level 2 fair value.

Investment properties were the properties that the Group has not used for operation.

Measurement of fair value

The fair value of investment properties were determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on a regular basis.

Security

At 31 December 2020, the Group has mortgaged investment properties of Baht 171.62 million (2019: Baht 171.62 million) as collateral against long-term borrowings from financial institutions, as described in note 14.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

	Consolidated financial statements (in thousand Baht)						
	Land and land improvement	Buildings and constructions	Machinery and equipment	Electrical System	Tools and equipment	Furniture, fixtures and office equipment	Total
Depreciation							
At 1 January 2019	-	(3,874)	(7,030)	(571)	(2,125)	(9,876)	(36,330)
Depreciation charge for the year	-	(3,636)	(23,083)	(949)	(300)	(3,648)	(33,738)
Disposal	-	-	-	-	-	104	104
At 31 December 2019 and 1 January 2020	-	(7,510)	(30,113)	(1,520)	(2,425)	(13,420)	(69,964)
Depreciation charge for the year	(806)	(8,594)	(41,714)	(1,161)	(552)	(3,975)	(59,980)
Disposal	-	98	-	-	-	14	112
At 31 December 2020	(806)	(16,006)	(71,827)	(2,681)	(2,977)	(17,381)	(129,832)
Net book value							
At 31 December 2019	86,334	101,205	650,573	13,300	1,303	9,264	879,124
Owned assets	-	-	51,003	-	-	-	51,578
Assets under finance leases	86,334	101,205	701,576	13,300	1,303	9,264	930,702
At 31 December 2020							
Owned assets	91,878	108,544	613,790	12,130	2,303	11,362	842,635
Right-of-use assets	8,294	6,889	47,024	-	-	1,241	72,002
	100,172	115,433	660,814	12,130	2,303	12,603	914,637

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements							
	Land	Buildings and constructions	Machinery and equipment	Electrical System	Tools and office equipment (in thousand Baht)	Vehicles	Assets under construction	Total
Cost								
At 1 January 2019	78,634	21,512	25,642	2,221	2,624	16,088	-	165,005
Additions	-	99	2,546	-	104	-	10,258	15,760
Disposal	-	-	-	-	-	-	-	(178)
Transfer	-	-	10,184	-	-	-	(10,258)	-
At 31 December 2019 and 1 January 2020	78,634	21,611	38,372	2,221	2,728	16,088	-	180,587
Recognition of right-of-use asset on initial application of IFRS 16 (see note 3(b))	-	4,881	-	-	-	3,365	-	8,943
At 1 January 2020 - as adjusted	78,634	26,492	38,372	2,221	2,728	19,453	-	189,530
Additions	-	564	-	-	12	5,061	3,370	10,135
Transfer	-	-	-	-	-	-	(1,116)	-
At 31 December 2020	78,634	27,056	38,372	2,221	2,740	24,514	2,254	199,665
Depreciation								
At 1 January 2019	-	(3,745)	(7,030)	(461)	(2,122)	(12,854)	-	(36,064)
Depreciation charge for the year	-	(1,448)	(1,557)	(118)	(161)	(2,121)	-	(8,848)
Disposal	-	-	-	-	-	-	-	104
At 31 December 2019 and 1 January 2020	-	(5,193)	(8,587)	(579)	(2,283)	(14,975)	-	(44,808)
Depreciation charge for the year	-	(3,115)	(2,824)	(324)	(159)	(2,503)	-	(11,878)
At 31 December 2020	-	(8,308)	(11,411)	(903)	(2,442)	(17,478)	-	(56,686)

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

	Separate financial statements (in thousand Baht)						
	Land	Buildings and constructions	Machinery and equipment	Electrical System	Tools equipment	Furniture, fixtures and office equipment	Assets under construction
<i>Net book value</i>							
At 31 December 2019							
Owned assets	78,634	16,418	29,785	1,642	445	7,742	-
Assets under finance leases	-	-	-	-	-	-	-
	78,634	16,418	29,785	1,642	445	7,742	135,204
							575
							135,779
At 31 December 2020							
Owned assets	78,634	14,823	26,961	1,318	298	6,489	2,254
Right-of-use assets	-	3,925	-	-	-	1,241	-
	78,634	18,748	26,961	1,318	298	7,730	2,254
							131,151
							11,828
							142,979



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 23.52 million (2019 : Baht 19.85 million).

Security

At 31 December 2020, the Group and the Company have mortgaged assets as collateral against long-term borrowings from financial institutions, as described in note 14.

In 2020, the Group has no capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory (2019: Baht 7 million with a capitalisation rate of 4.15%-7.50%).

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Depreciation of right-of-use assets:				
- Land and land improvement	800	-	-	-
- Buildings and construction	2,339	-	1,255	-
- Machinery and equipment	6,034	4,822	-	-
- Furniture, fixtures and office equipment	357	-	343	-
- Vehicles	2,439	575	1,763	575
Interest on lease liabilities	3,049	-	490	-
Expenses relating to short-term leases	480	-	-	-
Expenses relating to leases of low-value assets	30	-	30	-
Rental expense	-	4,911	-	3,648

In 2020, total cash outflow for leases of the Group and the Company were Baht 14.15 million and Baht 4.21 million, respectively.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements			
	Software license	Computer Software	Software license under installation	Total
	(in thousand Baht)			
Cost				
At 1 January	78	1,068	4,228	5,374
Additions	618	161	960	1,739
At 31 December 2019 and 1 January 2020	696	1,229	5,188	7,113
Additions	-	419	166	585
Transfer	-	5,354	(5,354)	-
At 31 December 2020	696	7,002	-	7,698
Amortisation				
1 January 2019	(78)	(422)	-	(500)
Amortisation for the year	(78)	(214)	-	(292)
At 31 December 2019 and 1 January 2020	(156)	(636)	-	(792)
Amortisation for the year	(124)	(1,605)	-	(1,729)
At 31 December 2020	(280)	(2,241)	-	(2,521)
Net book value				
At 31 December 2019	540	593	5,188	6,321
At 31 December 2020	416	4,761	-	5,177

Impairment testing for CGUs containing goodwill and investment in subsidiary

2020

The recoverable amount of the CGUs containing goodwill and investment in subsidiary was based on fair value less costs of disposal. The resolution of the Board of Directors' meeting of the Company on 1 March 2021 approved the Company to dispose of all ordinary shares in RE Biofuels Company Limited, a subsidiary of the Company, at a price of Baht 21.40 million. Carrying amount of net assets of RE Biofuels Company Limited including goodwill in the consolidated financial statements and the carrying amount of investment in RE Biofuels Company Limited in the separate financial statements as at 31 December 2020 amounted to Baht 22.04 million and Baht 24.70 million, respectively. Therefore, the Company recognised impairment loss of goodwill in the consolidated financial statement and recognised impairment loss of investment in subsidiary in the separate financial statements as at 31 December 2020 amounted to Baht 0.64 million and Baht 3.30 million, respectively.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

2019

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated. The values assigned to the key assumptions represented management's assessment of business plan. The key assumptions used in the estimation of the recoverable amount were as follows:

	Consolidated financial statements 2019 (Percentage)
Discount rate	10.74
Budgeted earnings before interest, income tax, depreciation and amortisation growth rate	1.00

Discount rate

The discount rates were based on weighted average cost of capital, with the Company's cost of debt, risk free rate of government bond and average industry beta.

Terminal value growth rate

Future cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined by management.

Budgeted earnings before interest, income tax, depreciation and amortisation

Budgeted earnings before interest, income tax, depreciation and amortisation was based on expectations of future outcomes by management. It was assumed that employee benefit expenses would constantly grow at a forecast inflation over the time.

Based on the impairment testing, the expected recoverable amount was estimated to be higher than its carrying amount and no impairment was required to these financial statements. Increase in discount rate higher than 17.85% could cause the carrying amount to exceed the recoverable amount.

14 Interest-bearing liabilities

	Consolidated financial statements			
	Bank overdrafts and short-term borrowings	Long-term loans from financial institutions	Lease liabilities	Total
		<i>(in thousand Baht)</i>		
At 1 January 2020	101,112	515,842	36,031	652,985
Changes from financing cash flows	(78,350)	(63,289)	(14,153)	(155,792)
Other non-cash movement	370	1,158	35,809	37,337
At 31 December 2020	23,132	453,711	57,687	534,530



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Consolidated financial statements

	Bank overdrafts and short-term borrowings	Long-term loans from financial institutions	Lease liabilities	Total
			(in thousand Baht)	
At 1 January 2019	61,257	191,567	1,511	254,335
Changes from financing cash flows	37,752	323,848	(16,377)	345,223
Other non-cash movement	2,103	427	50,897	53,427
At 31 December 2019	101,112	515,842	36,031	652,985

Separate financial statements

	Short-term borrowings	Long-term loans from financial institutions	Lease liabilities	Total
			(in thousand Baht)	
At 1 January 2020	69,630	253,411	553	323,594
Changes from financing cash flows	(53,200)	(34,357)	(4,210)	(91,767)
Other non-cash movement	370	514	15,687	16,571
At 31 December 2020	16,800	219,568	12,030	248,398

Separate financial statements

	Short-term borrowings	Long-term loans from financial institutions	Lease liabilities	Total
			(in thousand Baht)	
At 1 January 2019	40,000	168,067	1,511	209,578
Changes from financing cash flows	27,527	84,917	(958)	111,486
Other non-cash movement	2,103	427	-	2,530
At 31 December 2019	69,630	253,411	553	323,594

Consolidated financial statements
2020 2019
(in thousand Baht)

Current		
Bank overdrafts	3,132	1,482
Short-term borrowings from financial institutions - Secured	20,000	-
Short-term borrowings from other parties		
- Secured	-	59,657
- Unsecured	-	39,973
Current portion of long-term borrowings from financial institutions		
- Secured	81,198	61,615
- Unsecured	4,355	10,317
Current portion of lease liabilities (2019: Current portion of finance lease and hire purchase liabilities)	13,167	9,220
Total current interest-bearing liabilities	121,852	182,264

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Non-current		
Long-term borrowings from financial institutions		
- Secured	353,254	439,555
- Unsecured	14,904	4,355
Lease liabilities (2019: <i>Finance lease and hire purchase liabilities</i>)	44,520	26,811
Total non-current interest-bearing liabilities	412,678	470,721
Total interest bearing liabilities	534,530	652,985
	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Current		
Short-term borrowings from other and related parties		
- Secured	-	59,657
- Unsecured	16,800	9,973
Current portion of long-term borrowings from financial institutions		
- Secured	46,209	46,208
- Unsecured	4,355	10,317
Current portion of lease liabilities (2019: <i>Current portion of financial lease and hire purchase liabilities</i>)	3,519	553
Total current interest-bearing liabilities	70,883	126,708
Non-current		
Long-term borrowings from financial institutions		
- Secured	154,100	192,531
- Unsecured	14,904	4,355
Lease liabilities (2019: <i>Financial lease and hire purchase liabilities</i>)	8,511	-
Total non-current interest-bearing liabilities	177,515	196,886
Total interest bearing liabilities	248,398	323,594

Guarantee

As at 31 December 2020, the Company had guaranteed for credit facilities of two subsidiaries which granted from financial institutions at Baht 326.60 million (31 December 2019: Baht 276.25 million).

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Details of the Group's borrowings as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
The Company :				
1) Baht 70 million Short-term Loan Facilities at interest rate of 6.50% - 6.75% per annum, principal payable within 30 days after withdrawal	-	70,000	-	70,000
2) Baht 3.8 million Short-term Loan Facility at interest rate of 3.00% - 5.00% per annum, principal payable within 1 year after withdrawal	-	-	3,800	-
3) Baht 28 million Short-term Loan Facility at interest rate of 3.00% - 5.00% per annum, principal payable within 1 year after withdrawal	-	-	13,000	-
4) Baht 30 million Term Loan Facility at fixed interest rate of 4.76% per annum, principal payable in monthly for 36 installments commencing from June 2018	4,355	14,672	4,355	14,672
5) Baht 280 million Term Loan Facility at interest rate of MLR-2.50% per annum, principal payable in monthly for 75 installments commencing from March 2019	202,220	241,110	202,220	241,110
6) Baht 15 million Revolving Loan Facility at interest rate of 2.00% per annum, principal payable in one lump sum amount in April 2022	15,000	-	15,000	-
Subsidiaries :				
1) Baht 5 million bank overdraft at interest rate of MOR% per annum	3,132	1,482	-	-
2) Baht 30 million Short-term Loan Facility at fixed interest rate of 6.25% per annum, principal payable within August 2020	-	30,000	-	-
3) Baht 30 million Short-term Loan Facility at interest rate of 2.00% per annum, principal payable in one lump sum amount in May 2021	20,000	-	-	-
4) Baht 30 million Term Loan Facility at interest rate of MLR-1.25% per annum, principal payable in monthly for 77 installments commencing from July 2019	16,215	16,780	-	-



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries (Continued):				
5) Baht 250 million Term Loan Facility at interest rate of MLR-0.50% per annum, principal payable in monthly for 75 installments commencing from June 2020	220,434	250,000	-	-
6) Baht 1.2 million Term Loan Facility at interest rate of 2.00% and MLR-1.00% per annum, principal payable in monthly for 60 installments commencing from January 2021	1,200	-	-	-
Total	482,556	624,044	238,375	325,782
Less Unamortised discount and front end fee	(5,713)	(7,090)	(2,007)	(2,740)
Net borrowings	476,843	616,954	236,368	323,042

Under loan agreements, the Group and the Company must comply with certain conditions stipulated in the agreements such as maintain loan covenants ratio as stipulated in the agreements. At 31 December 2020, the Company breached loan covenants as the Company was unable to maintain debt service coverage ratio as stipulated in the agreement. However, the Company already obtained a waiver from financial institution. Accordingly, the financial statements do not include any adjustments that may necessary if the Company is unable to comply with conditions stipulated in loan agreement.

Assets pledged as security for liabilities as at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deposits at financial institutions with restrictions on withdrawal	12,776	5,506	500	500
Investment properties	171,617	171,617	-	-
Property, plant and equipment	827,485	866,963	83,217	84,222
Total	1,011,878	1,044,086	83,717	84,722

As at 31 December 2020, the Group and the Company had unutilised credit facilities totaling Baht 206.87 million and Baht 175 million, respectively, (2019: Baht 178.52 million and Baht 175 million, respectively).



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Lease liabilities

	Consolidated financial statements					
	2020			2019		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	16,000	(2,833)	13,167	10,644	(1,424)	9,220
After 1 year but within 5 years	42,736	(4,305)	38,431	28,810	(1,999)	26,811
Over 5 years	8,363	(2,274)	6,089	-	-	-
Total	67,099	(9,412)	57,687	39,454	(3,423)	36,031

	Separate financial statements					
	2020			2019		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	3,990	(470)	3,519	561	(8)	553
After year but within 5 years	8,991	(479)	8,511	-	-	-
Total	12,981	(949)	12,030	561	(8)	553

15 Share premium and reserves*Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

*Appropriations of profit and/or retained earnings***Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

16 Segment information and disaggregation of revenue

Reportable segments as described below are the Group's strategic divisions. The primary format, strategic divisions, is based on the Group's management and the internal reporting structure provided to the chief operating decision maker. In 2020 and 2019, the Group's reportable segments are summary describes as below:

Segment 1	Natural gas compression service
Segment 2	Generating and distribution of electricity
Segment 3	Others

Other operations include production and distribution of compressed bio-methane gas and non-operating activities. None of these segments meets the quantitative thresholds for determining reportable segments in 2020 or 2019.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Information about reportable segments and disaggregation of revenue by product and service lines

For the year ended 31 December	Natural gas compression service		Generating and distribution of electricity		Others		Total		Elimination of inter-segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>												
External revenues												
- Revenue from rendering of services	207,655	238,575	-	-	-	-	207,655	238,575	-	-	207,655	238,575
- Revenue from financial lease	18,754	19,727	-	-	-	-	18,754	19,727	-	-	18,754	19,727
- Revenue from sales of goods	-	-	286,516	108,387	17,198	10,399	303,714	118,786	-	-	303,714	118,786
Other income	24,713	34,865	541	887	835	14,477	26,089	50,229	(22,552)	(33,222)	3,537	17,007
Total	251,122	293,167	287,057	109,274	18,033	24,876	556,212	427,317	(22,552)	(33,222)	533,660	394,095
Segment profit (loss) before income tax	34,400	50,569	15,420	(12,489)	(12,489)	1,362	37,331	38,988	(1,515)	(13,113)	36,016	25,875
Segment assets	1,233,383	1,311,738	842,355	934,107	277,840	282,445	2,355,578	2,528,290	(735,176)	(729,358)	1,618,402	1,798,932
Segment liabilities	282,279	369,448	564,199	670,629	68,547	60,487	915,025	1,100,564	(300,204)	(290,825)	614,821	809,739



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Geographical segments

The Group is managed and operates only in Thailand. There are no revenues derived from, or assets located in, foreign countries.

Major customers

Revenue from two customers of the Group's segment 1 and segment 2 represent approximately Baht 512.92 million (2019: Baht 366.69 million) of the Group's total revenues.

Promotional privileges

The Group has been granted promotional business certificates by the Office of the Board of Investment for natural gas compression, and generating and distribution of electricity businesses. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Consolidated financial statements						
Year ended 31 December	2020			2019		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
	(in thousand Baht)					
Total revenues	286,516	247,143	533,659	171,094	223,001	394,095

Separate financial statements						
Year ended 31 December	2020			2019		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
	(in thousand Baht)					
Total revenues	-	251,121	251,121	62,707	230,460	293,167

17 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Salaries and wages	48,732	42,109	40,253	36,555
Defined contribution plans	1,568	1,252	1,568	1,252
Defined benefit plans	483	174	254	174
Others	6,771	9,619	5,930	8,569
Total	57,554	53,154	48,005	46,550



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

Defined benefit plan

The Group operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Defined contribution plan

The defined contribution plan comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contribution are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Company at rates ranging from 4% to 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

18 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Cost of rendering services and sales		149,823	135,063	112,247	127,902
Raw materials and consumables used		134,795	71,963	1,365	2,176
Employee benefit expenses	17	57,554	53,154	48,005	46,550
Depreciation and amortisation		67,369	36,340	13,607	9,140
Others		57,002	51,120	29,762	34,987
Total cost of rendering services and sales, selling and administrative expenses		466,543	347,640	204,986	220,755

19 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Current tax expense				
Current year	110	139	-	-
Deferred tax expense				
Movements in temporary differences	(1,422)	632	(546)	223
Total income tax expense	(1,312)	771	(546)	223



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Reconciliation of effective tax rate

	Consolidated financial statements			
	2020	2019		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		36,016		25,875
Income tax using the Thai corporation tax rate	20.00	7,203	20.00	5,175
Expenses not deductible for tax purposes and others		1,535		2,501
Deferred tax		(1,422)		632
Additional deductible expenses for tax purposes		(7,762)		(15,828)
Current year losses for which no deferred tax asset was recognised		2,247		8,291
Recognition of previously unrecognised tax losses		(3,113)		-
Total	(3.64)	(1,312)	2.96	771

	Separate financial statements			
	2020	2019		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		34,400		50,569
Income tax using the Thai corporation tax rate	20.00	6,880	20.00	10,114
Expenses not deductible for tax purposes and others		722		831
Deferred tax		(546)		233
Additional deductible expenses for tax purposes		(4,573)		(14,041)
Current year losses for which no deferred tax asset was recognised		-		3,096
Recognition of previously unrecognised tax losses		(3,029)		-
Total	(1.58)	(546)	0.44	223

Deferred tax as at 31 December

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Deferred tax assets	166	-	1,361	-
Deferred tax liabilities	(30,015)	(31,201)	(10,284)	(10,216)
Net	(29,849)	(31,201)	(8,923)	(10,216)



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Movements in deferred tax during the year were as follows:

	Consolidated financial statements			At 31 December 2020
	At 1 January 2020	(Charged) /Credited to: Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax asset				
Employee benefits	-	215	(70)	145
Lease liabilities	-	21	-	21
Deferred tax liabilities				
Difference in revenue recognition for accounting and taxation purposes of revenue from financial lease	(9,742)	(140)	-	(9,882)
Intangible assets	(20,115)	1,125	-	(18,990)
Deferred interest expenses	(1,344)	201	-	(1,143)
Total	(31,201)	1,422	(70)	(29,849)

	Consolidated financial statements			At 31 December 2019
	At 1 January 2019	(Charged) / Credited to: Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax liabilities				
Difference in revenue recognition for accounting and taxation purposes of revenue from financial lease		(9,358)	(384)	(9,742)
Property, plant and equipment		(64)	64	-
Intangible assets	(20,576)		461	(20,115)
Deferred interest expenses		(559)	(785)	(1,344)
Financial lease		(12)	12	-
Total	(30,569)	(632)	(31,201)	

	Separate financial statements				At 31 December 2020
	At 1 January 2020	Profit or loss	(Charged) /Credited to: Other comprehensive income	Retained earning	
			<i>(in thousand Baht)</i>		
Deferred tax asset					
Employee benefits	-	215	(70)	-	145
Allowance for impairment loss (note3)	-	(282)	-	817	535
Allowance for impairment on investments	-	660	-	-	660
Lease liabilities	-	21	-	-	21
Deferred tax liabilities					
Difference in revenue recognition for accounting and taxation purposes of revenue from lease	(9,742)	(140)	-	-	(9,882)
Deferred interest expenses	(474)	72	-	-	(402)
Total	(10,216)	546	(70)	817	(8,923)

65



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

	At 1 January 2019	Separate financial statements (Charged) / Credited to: Profit or loss (in thousand Baht)	At 31 December 2019
Deferred tax liabilities			
Difference in revenue recognition for accounting and taxation purposes of revenue from financial lease	(9,358)	(384)	(9,742)
Property, plant and equipment	(64)	64	-
Deferred interest expenses	(559)	85	(474)
Financial lease	(12)	12	-
Total	(9,993)	(223)	(10,216)

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Tax losses	11,906	12,772	3,250	6,279
Temporary differences	1,701	513	-	513
Total	13,607	13,285	3,250	6,792

The tax losses expire in 2021 to 2025. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

20 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht / thousand shares)		
Profit attributable to ordinary shareholders of the Company (basic)	37,287	27,609	34,946	50,346
Number of ordinary shares outstanding	930,000	930,000	930,000	930,000
Basic earnings per share (in Baht)	0.040	0.030	0.038	0.054



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

21 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2020				
Interim dividend	9 April 2020	May 2020	<u>0.025</u>	<u>23.25</u>
2019				
Annual dividend	24 April 2019	May 2019	<u>0.060</u>	<u>55.80</u>

22 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount		Consolidated financial statements			
	Fair value through profit or loss	Amortised cost - net	Fair value			
			Level 1	Level 2	Level 3	Total
			(in thousand Baht)			
At 31 December 2020						
Financial assets						
Debt instruments	10,031	-	-	10,031	-	10,031
Financial liabilities						
Long-term borrowings from financial institutions	-	20,459	-	19,007	-	19,007
	Carrying amount		Separate financial statements			
	Fair value through profit or loss	Amortised cost - net	Fair value			
			Level 1	Level 2	Level 3	Total
			(in thousand Baht)			
At 31 December 2020						
Financial assets						
Long-term loan to related party	-	9,146	-	7,900	-	7,900
Financial liabilities						
Long-term borrowings from financial institutions	-	19,259	-	18,085	-	18,085



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
	<i>(in thousand Baht)</i>			
31 December 2019				
<i>Financial assets measured at fair value</i>				
Equity instruments held for trading	40	40	40	40
Debt instruments available-for-sale	67,894	67,894	40,013	40,013
<i>Financial assets and financial liabilities not measured at fair value</i>				
Long-term loans to	-	-	10,921	8,786
Long-term borrowings	14,672	13,837	14,672	13,837

The fair value of other financial assets and financial liabilities is taken to approximate their carrying value due to the relatively short-term maturity.

Financial instruments measured at fair value

Investments in marketable unit trusts classified as financial assets measured at FVTPL is stated at fair value using the net asset value as of the reporting date. For those cancelled fund, to determine the fair value of the debt securities, management used a valuation technique in which the net asset value as of the closing date announced was reconciled with each announced amount return to the unit holder.

Financial instruments not measured at fair value

Fair values of fixed-interest-rate long-term loans to and borrowings using the discounted cash flow method based on the discount rates of contracts with similar borrowing conditions.

(b) Movement of marketable equity and debt securities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Equity securities measured at FVTPL	-	40	-	40
Debt securities measured at FVTPL	10,031	67,894	-	40,013
Total	10,031	67,934	-	40,053



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Movements during the year ended 31 December of current investments were as follows:

	Consolidated financial statements				At 31 December
	At 1 January	Purchase	Disposal	Fair value adjustment	
	<i>(in thousand Baht)</i>				
2020					
Equity securities measured at FVTPL	40	335	(375)	-	-
Debt securities measured at FVTPL	67,894	18,180	(75,963)	114	10,031
Total	67,934	18,515	(76,338)	114	10,031
2019					
Equity securities held for trading	-	128	(88)	-	40
Available-for-sale securities - mutual fund	65,522	97,124	(93,934)	(818)	67,894
Total	65,522	97,252	(94,022)	(818)	67,934
	Separate financial statements				At 31 December
	At 1 January	Purchase	Disposal	Fair value adjustment	
	<i>(in thousand Baht)</i>				
2020					
Equity securities measured at FVTPL	40	335	(375)	-	-
Debt securities measured at FVTPL	40,013	180	(40,187)	4	-
Total	40,053	515	(40,562)	4	-
2019					
Equity securities held for trading	-	128	(88)	-	40
Available-for-sale securities - mutual fund	12,959	40,000	(12,895)	(51)	40,013
Total	12,959	40,128	(12,983)	(51)	40,053

(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries **Notes to the financial statements** **For the year ended 31 December 2020**

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(c.1.1) Trade accounts receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 16.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of two months.

The table in note 7 provides information about the exposure to credit risk and ECLs for trade accounts receivables.

(c.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

(c.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group has issued a guarantee to certain banks in respect of credit facilities granted to two subsidiaries (see note 14).

(c.2) Liquidity risk

The Group has sufficient cash flow and credit facilities with many financial institutions deemed adequate to support the Group's operations. In addition, the Group invests in high liquidity assets and has effective management in order to maintain a level of cash and cash equivalents at the appropriate level.

Effective interest rate and the remaining contractual maturities of financial lease receivable, loans to related parties and interest bearing liabilities as at 31 December 2020 are disclosed in note 9, 5 and 14, respectively.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries Notes to the financial statements For the year ended 31 December 2020

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates consist of float and fixed interest rate. The Group is primarily exposed to interest rate risk from its borrowings (see note 5 and 14).

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 0.25 % in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

	Consolidated financial statements		Separate financial statements	
	Profit or loss		Profit or loss	
	0.25% increase in interest rate	0.25% decrease in interest rate	0.25% increase in interest rate	0.25% decrease in interest rate
<i>At 31 December 2020</i>				
Financial instruments with variable interest rate	<u>1,021</u>	<u>(998)</u>	<u>452</u>	<u>(452)</u>

(in thousand Baht)

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

24 Commitments with non-related parties

	Consolidated financial statement		Separate financial statements	
	2020	2019	2020	2019
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Property, plant and equipment	921	1,851	921	-
<i>Other commitments</i>				
Service contracts and others	14,458	17,112	13,098	17,551
Bank guarantees	38,770	40,570	38,770	38,770

(in thousand Baht)



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

A subsidiary entered into a service agreement to operate and maintenance machinery of biomass power plant with a company, for a period of three years, effective from the date of commercial operation (COD), under the service fee stipulated in the agreement.

A subsidiary entered into a service agreement to operate and maintenance machinery of bio-methane gas station with a company, for a period of 12 years, effective from the date of providing operating and maintenance service, under the service fee stipulated in the agreement.

25 Reclassification

Certain reclassifications have been made in the financial statements for the year 2019, to conform to the classification used in current period's financial statements.

	Consolidated financial statement		
	Previous presentation	Reclassification (in thousand Baht)	Current presentation
Financial Position			
Other receivables	55,221	2,667	57,888
Other payables	(92,241)	(3,377)	(95,618)
Current portion of lease liabilities	(9,433)	213	(9,220)
Lease liabilities	(27,308)	497	(26,811)
		-	

26 Events after the reporting period

On 15 February 2021, PTT Public Company Limited "PTT" informed the Company of the zero demand of compressed natural gas for vehicles by the Company's Ban Na-Kaeng Khoi Private Mother Station "PMS", effective from 1 March 2021 onwards. However, the Company still has a duty to be ready to compress gas for PTT and PTT continues to pay the available payment (AP) to the Company on a monthly basis at the rate stipulated in the contract. During this period, PTT will cooperate with the Company to find a solution for the decrease in PTT's demand of gas at Ban Na-Kaeng Khoi PMS.

At the Board of Directors' meeting of the Company held on 1 March 2021, the Board approved the Company to dispose of all ordinary shares in RE Biofuels Company Limited in the amount of Baht 21.40 million. In addition, the Board agreed to propose the following matters to the shareholder's meeting for further approval.

- To approve the allocation of net profit for the year 2020 to be a legal reserve in the amount of Baht 1,748,000 and a dividend payment from the Company's operating result for the year 2020 of Baht 0.015 per share, totaling Baht 13.95 million.
- To approve the Company to invest in all of the ordinary shares of N15 Technology Company Limited (N15) which is considered a connected transaction for the consideration of Baht 145 million under the entire business transfer.
- To approve the increase of the Company's registered capital from the existing registered capital of Baht 465 million (930 million shares with a par value of Baht 0.50) to Baht 558 million (1,116 million shares with a par value of Baht 0.50 per share) by issuing 186 million new ordinary shares, with a par value of Baht 0.50 per share, to be used as a payment for the consideration for the acquisition of ordinary shares in N15 and being working capital of the Company.



Notes to Consolidated Financial Statement

Sakol Energy Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

- To approve the allotment of newly issued ordinary shares of the Company in total number of 186 million shares with a par value of Baht 0.50 per share, to offer at the same time or different times to the existing shareholders in proportion to their respective shareholdings (Right Offering) at the ratio of 5 existing ordinary shares to 1 newly issued ordinary share (any fraction of shares after calculation shall be disregarded), at the offering price of Baht 0.80 per share, totaling Baht 148.80 million, to be used as a payment for the consideration for the acquisition of ordinary shares of N15.





Sakol Energy Public Company Limited



Sakol Energy Public Company Limited

252/108 (B), 252/109 (C) Muangthai-Phatra Complex 21st floor Rachadaphisek Rd., Huai
kwang, Bangkok 10310
Tel: 02 026-3451

