

รายงานประจำปี  
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Annual Report  
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บริษัท อีเทอร์นัล เอนเนอจี้ จำกัด (มหาชน)  
ETERNAL ENERGY PUBLIC COMPANY LIMITED



## Contents

	<u>Page</u>
Message from the Chairman	2
Part 1 Business Operations and Operating Results	3
1. Structure and Business Operations of the EE Group	3
2. Risk Management	27
3. Driving business for sustainability	30
4. Management Discussion and Analysis: MD&A	48
5. General information and other important information	80
Part 2 Corporate Governance	84
6. Corporate Governance Policy	84
7. Corporate Governance Structure and key information about the Board of Directors Sub-committees, Executives, Employees and Others	101
8. Report on key performance in corporate governance	124
9. Internal Control and Related Transactions	144
Part 3 Financial Statements	151
Part 4 Certification of Information	211
Attachment	212
Attachment 1 Details of Directors, Executives, and Controlling Person, A person assigned the highest responsibility in accounting and finance, A persons assigned to be directly responsible for overseeing accounting, the company secretary and coordinating agent in case of foreign company	
Attachment 2 Details of Directors in subsidiaries	
Attachment 3 Details of the Head of Internal Audit and Compliance	
Attachment 4 Business assets and details on asset valuation	
Attachment 5 Full version of Corporate Governance Policy and Practice and business ethics	
Attachment 6 Sub-Committee Report	



## Message from the Chairman



Dear Shareholders

The EE Group, through its Board of directors, Executives, and Employees, is committed to operating following its vision, mission, and strategy, with an emphasis on the environment concurrently, adhering to management principles with good governance and business ethics and against all forms of corruption for sustainable growth.

In 2021, the EE Group has changed its shareholding structure by selling all the ordinary shares in the subsidiary and also selling all the ordinary shares in the associated company to the buyer. Besides, on October 1, 2021, the Company purchased 80% of the ordinary shares in Cannabiz Way Company Limited to operate agribusiness, planting, and trading hemp which is a new economic crop.

The EE Group's operating results in 2021 reported a net profit of 194.89 million Baht, an increase of 189.90 million Baht or 3,806.69% compared with a net profit of 4.99 million Baht in 2020. The EE Group had total revenue of 204.48 million Baht, an increase of 199.04 million Baht or 3,655.61% (according to the financial statements).

In 2022, the Board of Directors has formulated a strategic plan aiming to be a leader in the comprehensive cannabis business, which will be the main income of the Company in the future.

The Board of Directors, Executives, and all employees would like to thank you all shareholders, and all stakeholders who always give good support to the Company.

(Mr. Thanachai Santichaikul)

Chairman of the Board of Directors



## Part 1

# Business Operations and Operating Results

## 1. Structure and Business Operations of the EE Group

### 1.1 Policy and business overview

Eternal Energy Public Company Limited, formerly known as Sea Horse Company Limited, was established in 1987. The head office is located in Songkhla with an initial registered capital of 30 million baht, with the objective of operating seafood businesses, export frozen seafood and canned seafood.

In January 1992, it was listed on the Stock Exchange of Thailand. It was registered as a public company on July 29, 1993 and changed its name to Seahorse Public Company Limited with a registered capital of 180 million baht. In September 2006, the registered capital was increased to 2,780 million baht due to the new shareholders, holding 93.52% of the total shares purpose to expand the business into clean energy and renewable energy, ethanol production, to mix with gasoline to be ethanol for cars, and terminate the seafood business since October 6, 2009. Therefore, the remain business is renewable energy business.

On August 31, 2009, the shareholders approved the Company to construct an ethanol production plant from tapioca chip as raw material. The Company name has changed to Eternal Energy Public Company Limited and its head office moved from Songkhla to Bangkok on October 16, 2009. On February 14, 2011, the shareholders approve the Company to hire a construction contractor for ethanol plant, production capacity of 650,000 liters/day. Later on, on April 26, 2017, the shareholders approved the Company to terminate the investment project in ethanol plant due to unfavorable investment conditions, there is a risk of future losses. Together with the approval of the dissolution of the subsidiary, Eternal Energy and Electricity Company Limited which was set up to produce and sell electricity from by-products of ethanol production. The Company still focuses on investing in clean energy business.

On November 28, 2014, it was approved by the shareholders' meeting to invest in ordinary shares of SSUT Company Limited in the proportion of 40 percent of paid-up capital, which operates a small power plant and steam from natural gas in Bangpoo Cogeneration Project Block 1 and Block 2, generating a maximum power of 240 megawatts and steam of 60 tons per hour. first part in the





proportion of 25 percent on December 30, 2014. The power plant has already started commercial business since December 2016. Therefore, SSUT Company Limited has been associated company.

On August 4, 2021 the Company received approval from the Extraordinary General Meeting of Shareholders No.1/2021 to dispose of investment in SSUT Company Limited to Eastern Cogeneration Company Limited and has completed the transfer of shares since September 23, 2021.

On September 29, 2021 the Board of Directors' meeting approved the Company to purchase ordinary shares in Cannabiz Way Company Limited in the proportion of 80% of the registered capital to engage in agricultural trade and cannabis production. Cannabiz Way Company Limited will operate a core business to replace Boon Anek Company Limited, which must transfer all shares to the purchaser under the purchase agreement.

On December 28, 2021 the Company has successfully transferred ordinary shares in Boon Anek Company Limited, including Charoenporn Energy Company Limited, to Sup Sombat Mai Company Limited which is following the resolution of the Board of Directors meeting on November 2018.

As of December 31, 2021 Eternal Energy Public Company Limited operates a business by holding shares in other companies (Holding Company), having a subsidiary that operates the core business as Cannabiz Way Company Limited with Agricultural business - cannabis trading and production.

#### 1.1.1 Operating policies of the Group

The former business objective of the Company was producing clean energy of 99.5% pure ethanal derived from cassava lines, distributing to oil producers for their gasohol production. In 2017, however, the Company has terminated the ethanal production, but the objective of producing clean energy remained. Therefore, the Company had invested in the electricity and steam business from natural gas as raw materials in an associated company - SSUT Company Limited, which is a clean energy business since 2014. Subsequently, on September 23, 2021 the Company sold ordinary shares in SSUT Company Limited, which was 25% shareholding of the total registered capital, because there are people who are interested in purchasing to expand the power plant business. Besides, the Company saw an opportunity to invest in agriculture, grow hemp plants which are expected to be a new economic crop with a good future.

The Board of Directors is committed to conducting the business with the vision, mission, strategy and goals which the last revision has been reviewed at the Board meeting on February 24, 2022 as follows:



### Vision

*To be the leader in the fully integrated cannabis hemp industry.*

### Missions

1. To develop and deliver the highest quality and safe agricultural products to customers.
2. To create and develop health products from the Company's products into industries that meet the needs of all groups of customers.
3. To create quality products that meet the needs of all groups of customers and also supports sustainable growth in the future.
4. To innovate and apply innovation for excellence in every production process.
5. Focus on society and the environment along with operations to improve the quality of life of stakeholders and overall society.
6. Adhere to management principles with good governance along with creating profits to grow steadily and sustainably.
7. Focus on building cooperation and good relationship with partners and stakeholders to improve the quality of products and services.
8. To develop employees to have the competence and good ethics including cultivating transparency in every work process, and against all forms of corruption.

### Goals

1. Commitment to clear the deficit of the Company within 2 years of operation under the cannabis hemp business.
2. To develop the organization as a learning center that supports and promotes knowledge of interested people and to be an organization that benefits the public.

### Strategies

1. To seek and pioneer investments in cannabis hemp businesses that are ready to operate, to generate returns for the Company ASAP, or any other business that can generate income for the Company.
2. Upstream/midstream - Research, develop, innovate and apply innovations to lead to more efficient farming processes, safer, and more environmentally friendly.
3. Downstream – invent, develop, and build a brand and products that are in demand in the market and the highest satisfaction for consumers.
4. To diversify both investment risks and business operations, to perform analysis and monitoring of environmental actions and changes including other factors that may affect the Company's business both internally and externally.



### 1.1.2 Changes and key developments

#### (1) Changes in share capital and issuance of securities

##### 2019 - 2021

- The Company has no change in its share capital and issuance of securities.

##### 2022

- On January 28, 2022, the Extraordinary General Meeting of Shareholders No.1 / 2022 approved the following resolutions:
  - 1) Approved the issuance and offering of warrants to purchase newly issued ordinary shares of the Company No.1 (EE-W1) of 1,390,000,000 units, which will be allocated to the existing shareholders in proportion to their shareholdings (Rights Offering) at the rate of 2 existing shares per 1 warrant by free of charge.
  - 2) Approved the increase of the registered capital of 1,390,000,000 Baht from the former of 2,780,000,000 Baht to 4,170,000,000 Baht by issuing 1,390,000,000 new ordinary shares with a par value of 1 Baht per share to support the exercise of EE-W1 warrants allocated to the existing shareholders in proportion to their shareholding.

#### (2) Change in shareholding structure

##### 2019 - 2020

- The Company has no change in shareholding structure.

##### 2021

- On September 21, 2021, the Company was informed by our shareholder, Com-Link Co., Ltd. regarding the sale of ordinary shares for a total amount of 562,099,800 shares or 20.22% of issued and paid-up registered capital of the Company. The Company also was informed by Miss Oraorn Akaraseranee that she bought 562,099,800 ordinary shares or 20.22% of the total issued and paid-up registered capital of the Company.
- on September 22, 2021 Mr. Vorajate Indamra, a major shareholder, reported on the acquisition or disposal of securities of the business (Form 246-2) to the Office of the Securities and Exchange Commission that sold 200,000,000 shares on September 17, 2021, and 120,000,000 shares sold on September 20, 2021, totally 320,000,000 shares representing 11.511% of the total issued and paid-up shares.



- The changes in the Company's major shareholding structure are as follows:

No.	Name	Shareholding (Pre-Transaction)		Shareholding (Post-Transaction)	
		Number of Shares	%	Number of Shares	%
1	UBS AG SINGAPORE BRANCH*	510,000,000	18.345	190,000,000	6.835
2	Com-Link Co., Ltd.	636,099,800	22.881	74,000,000	2.662
3	Miss Oraorn Akaraseranee	25,525,000	0.918	588,624,800	21.174

\* Mr. Vorajate Indamra holds all shares under UBS AG SINGAPORE BRANCH

The aforementioned transaction regarding the change in shareholding structure has no any effect to the Directors, Management Structures, Business Management Structure, and the Policy for Business Operation.

### (3) The Key Development

#### 2019

- On November 5, 2018, the Company's board of directors have approved the Company to sell 5,399,998 shares or 100 percent of registered capital of the subsidiary company - Boon Anek to Sub Sombat Mai Company Limited which is a non-connected person at a price that is not lower than the book value of the Company as of September 30, 2018. The selling price was 514.59 million Baht, and the Company has received a deposit of Baht 50 million Baht. The transfer of shares was previously scheduled to be processed in December 2019.

#### 2020

- The Purchaser of all ordinary shares of the subsidiary - Boon Anek has extended the transfer period from December 31, 2019, to December 31, 2020 because the Company is still cannot find a new business in clean energy, which is the core business to replace the former business of Boon Anek Co., Ltd. before the transfer of shares, and to prevent the Company lack of qualifications as a listed company on the SET or having the status as a Cash Company. The purchaser will extend the transfer period for 1 year each time until the shares can be transferred.

#### 2021

- In 2020, the Company is still unable to find a new clean energy business to replace the business in Boon Anek Co., Ltd. due to the COVID-19 outbreak to the world. The ongoing



negotiations and business development must be delayed. Therefore, the buyer has agreed to extend the time for the transfer of ordinary shares of Boon Anek Co., Ltd. for another one year until December 31, 2021.

- According to the resolution of the Board of Directors of Eternal Energy Public Company Limited No. 5/2014, which was held on September 10, 2014, approved the purchase of shares in SSUT Co., Ltd. from Com-Link Co., Ltd. (Com-Link) amounting to 40% of the registered capital of SSUT Company Limited, amount of 1,562 million baht, with the share purchase agreement on December 19, 2014. The share payment is divided into 2 parts as follows:

Part 1: Payment of 25% shares within December 30, 2014 of 913 million Baht.

Part 2: Payment of 15% shares within June 30, 2016 of 649 million Baht.

The Company made the Part 1 payment of the first 25% shares on December 30, 2014, and still owed 15% of the second part. The Company tried to find suitable sources of funds for the maximum benefit of investment but was unable to make the Part 2 payment. The Company has to recognize accrued interest payment for the second part payment. Later, the Company requested Com-Link an extension of the Part 2 payment without interest burden until April 30, 2017. In this regard, the Company has set up an estimate of accrued interest payment for SSUT shares Part 2 in the financial statements totaling 114.24 million baht. At present, the Company still cannot find the source of funds to pay for the shares.

On 24 May 2021, the Company has received a letter from Com-Link, to cancel the SSUT shares Part 2 under the share purchase agreement dated December 19, 2014 due to the Company was unable to pay the second part to the seller. Com-Link therefore, hereby exercise the right to cancel the said share purchase agreement according to the conditions specified in the sale contract. Com-Link will not make any claims at all form due to the cancellation of the purchase of SSUT Part 2, including all accrued interest as well.

- On August 4, 2021, the Extraordinary General Meeting of Shareholders No.1/2021 approved the disposal of 7,297,500 ordinary shares in SSUT Company Limited ("SSUT"), 25 percent of the total registered capital of SSUT, to Eastern Cogeneration Company Limited ("E-COGEN"), who is an indirect subsidiary of Eastern Power Group Public Company Limited ("EP") and is not connected person of the Company, which is 1,246,121,100 Baht or 170.76 Baht per share to be used as working capital, be used as funding to invest in agricultural business, and enhance liquidity of the Company. The





Company has completed the transfer of such shares and received the payment on September 23, 2021.

Therefore, the Company's remaining business is agribusiness, growing cassava, rice, and corn. The Company plans to develop and invest mainly in the business of managing agricultural areas and growing economic crops such as hemp. In terms of obligations and litigation between SSUT Company Limited and TTCL Public Company Limited, the Company assumes no responsibility for any operations and management related to SSUT in all respects.

- On September 29, 2021, the Board of Directors' Meeting No.9/2021 approved the acquisition of 800,000 ordinary shares or 80.00% of the total issued shares in Cannabiz Way Company Limited ("CW"), a limited company incorporated in Thailand engaging in the cultivation and sale of hemp, from Bio Medical Group Company Limited (the "Seller"). The transaction was completed on December 15, 2021.

After the Company has received a license to produce (plant) hemp crops, the Company plans to start planting in the first phase of about 30,000 plants in early January 2022, with the expected start of harvesting in 3-4 months and anticipated that it will recognize commercial income in Q2/2022.

- on October 28, 2021 the Board of Directors' Meeting No.10/2021 approved the Company to enter into a memorandum of agreement preliminary agreement with a refundable deposit of 150 (one hundred and fifty) million baht for the Company to have the opportunity to study the agricultural projects of the target company before considering and approving the investment in trading of ordinary shares in the target company and in return for granting the exclusive right to study the suitability and feasibility of investment. If in the event that the results of due diligence are not satisfactory based on the important condition which is the return of the investment. However, the Board of Directors will reconsider the appropriateness of the conditions or in the event that the Company is unable to trade shares for any reason The seller must return the said deposit to the Company. The said memorandum is effective until April 30, 2022. The deposit will be part of the purchase price. The final trading price will depend on the results of the due diligence. It is expected that the results of the due diligence will be concluded within Q1/2022.



- On November 11, 2021 the Board of Directors Meeting No.11/2021 approved has the following resolutions;
  - 1) Approved to establish a new subsidiary with a registered capital of 5,000,000 Baht, divided into 500,000 shares, with a par value of 10 Baht per share to engage in agricultural business such as integrated agriculture by dividing the usable area for growing crops into many forms or may be converted to other forms of agricultural business as appropriate. Expected commercial income in 2023.
  - 2) Approved the Company to submit a letter requesting for an extension of the transfer of ordinary shares of Boon Anek Co., Ltd. until March 30, 2022. However, the purchaser does not use the right to request to transfer some of the land ownership that Boon Anek Co., Ltd. and/or its indirect subsidiary - Charoen Porn Energy Co., Ltd. owns to the buyer. or any other juristic person according to the contract and there was no breach of contract in any way.
- On December 28, 2021, the Company has transferred the 5,399,998 ordinary shares of the subsidiary -Boon Anek Company Limited or 100 percent of the total shares to the purchaser, Sub Sombat Mai Company Limited amounting to 514.59 MB.

#### 1.1.3 Utilization of fundraising

From 2019 - 2021, the Company has no fundraising.

### 1.2 Nature of Business

#### 1.2.1 Revenue structure

The main revenues of the Company and its subsidiaries in 2021 consisted of:

1. Income from profit sharing (loss) in electricity and steam generating business from January 1, 2021 to September 22, 2021 – recognized from 25% share of profit from investments in associated company-SSUT, in the amount of 64.00 million baht, or 23.84% of total revenue.

The Company sold all its shares and transferred 25% of the shares held in SSUT Company Limited to Eastern Cogeneration Company Limited already since September 23, 2021.

2. Revenue from sales of agricultural products – The sales of fresh cassava by a subsidiary company in a joint project to grow cassava with farmers in the amount of 4.13 million baht, or 1.54 percent of the total income. It increases from 2020 and 2019 in the amount of 3.05 million baht and 3.36 million baht, or 5.45% and 2.26% of total income. In 2021, the



products received was increased from the number of farmers increased, and the average selling price per kilogram increased to 2.42 baht from 2020 and 2019, which received 2.12 baht and 2.25 baht, respectively.

The Company has sold all its shares and transferred 100% of its shares in Boon Anek Company Limited and Charoenporn Energy Company Limited to Sup Sombat Mai Co., Ltd. since December 28, 2021.

3. Income from agricultural business - Hemp planting of Cannabiz Way Co., Ltd., currently does not have, because the business was just started on October 1, 2021, income is expected to begin in Q2/2022 onwards.
4. Other income - Amounting 200.35 million baht, or 74.62% of total income, mainly from accounting reversals and from the sale of investment in subsidiaries - Boon Anek and Charoenporn Energy and Associated Company – SSUT.

Business group / product	Operated by	Share holding (%)	Unit: million baht					
			2021	%	2020	%	2019	%
Agricultural Business - Cassava and renting land	Boon Anek Co., Ltd.** Charoenporn Energy Co., Ltd.	100.00	4.13	1.54	3.05	5.45	3.36	2.26
Agricultural Business - Hemp planting	Cannabiz Way Co., Ltd.	80.00	-	-	-	-	-	-
Electricity and Steam Business	SSUT Co., Ltd.*	25.00	64	23.84	50.47	90.26	143.28	96.18
Other income	Eternal Energy Public Co., Ltd., Boon Anek Co., Ltd., ** Charoenporn Energy Co., Ltd.	100.00	200.35	74.62	2.40	4.29	2.33	1.56
Total			268.48	100	55.91	100	148.95	100

Note \* On September 23, 2021, the Company sold 7,297,500 ordinary shares of SSUT Company Limited ("SSUT"), representing 25% of the registered capital, to Eastern Cogeneration Company Limited.

\*\* On December 28, 2021, the Company transferred 5,399,998 ordinary shares of Boon Anek Company Limited, or 100% of the registered capital, to Sup Sombat Mai Company Limited.



### 1.2.2 Product information

The Company is a Holding Company with core investment in a subsidiary that operates the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp/marijuana raw materials with details as follows;

#### Agricultural Business - Cassava Plantation

##### (1.1) Product characteristics

Cassava is an important economic crop of Thailand. It can be used in all parts, from the top of the leaf to the root, used as food for humans and animals, can be processed into products in the industry as well as energy crops.

The cassava plantation business was originally intended to prepare as raw materials for the ethanol production project from 2011. The Company via subsidiaries, Boon Anek and Charoenporn Energy has collaboration project with cassava farmers in the area of Khong District, Bua Yai District, Pak Thong Chai District, Nakhon Ratchasima Province and Sub Yai District, Chaiyaphum Province. The subsidiaries provided lands for plantation to the growers without charges, carefully selected growers, gave advice and coordinate with growers, including share the benefits according to the mutual agreement.

##### (1.2) Business restrictions

There are no factors that affect the limitations of business operations.

##### (1.3) Marketing and Competition

Fresh cassava is sold to the cassava yard operators and tapioca starch factories. The cassava farmers in the project and the Company have distributed the products for sale to the cassava yard operators and tapioca starch factories nearby. Each year, the price of the product is volatile. The major factors come from the drought, flooding, the increased and decreased number of growers.

There is no competition due to the cassava yard operators and tapioca starch factory bought all the products at the market price.

##### (1.4) Product sourcing

Cassava growers prepare cassava stem themselves. They cut the trunk aged 8-12 months into 20-25 centimeters long with at least 5-7 each. The stems must be fresh that is cut no more than 15 days, no wound and no bug infection that must be cleaned by dipping the stem into mixed medicinal



liquid for 5 minutes before growing. The farmers in the project try not to take the cassava stem from other areas due to the fear of the epidemic problem.

In 2021, the Company has allocated its land to 464 cassava farmers under the joint planting project with the number of harvested area 2,805.50 rai, the average selling price of 2.42 baht/kg.

#### (1.5) Hygiene and Environment Care

The Company focuses on environment care and hygiene of the community in every process i.e preparing soil, promoting less use of chemical products by encouraging farmers to use organic fertilizers instead. In case of pest, the Company would encourage the farmers to check the crops more frequent. If a farmer finds mealy bug, the Company would suggest the farmer to cut it off, put it in a bag and get it exposed to the sun to kill the bug instead of burning. For fertilizing, the Company would recommend organic fertilizers by spraying it at dawn so that the stem would be strong enough to fight with the natural threats. And after the harvest, farmers shall plough up and over for decomposition and reuse as organic fertilizers.

#### (1.6) Satisfaction Survey

In 2021, the Company has done a satisfaction survey on the farmers joined the program in Nakornratchasima. Out of 400 sample sizes, the satisfaction rate was 99.77 percent which is more than the year of 2020 and 2019, having the rate of 98.37 and 97.74 respectively. The Company has taken this survey to review and improve its operations.

### Hemp farming business

#### (2.1) Product characteristics

Hemp, a new economic crop, is gaining a lot of attention after the government announced unlocking allows people to plant, produce, import seeds, own, and sell from January 29, 2021. Hemp is in the Cannabis sativa L. family, like cannabis that has Cannabidiol (CBD), which has higher medicinal properties than cannabis. It can be developed into high-value industrial products and create a great added value for the economy. Properties of hemp such as making you feel relaxed, refreshed, helping you sleep comfortably, Treating dizziness, migraines, etc. Hemp can be used for all parts from inflorescences, leaves, seeds, bark, stems, branches, and roots can be processed into many products such as;

- Trunk has substances with medicinal properties, bio-fertilizer, and construction material products.





- Bark/Stem is used to make fibers for clothing, apparel, rope, bulletproof vest, pulp, and construction materials.
- Oil and Seed extract has high nutritional value, used in food products, and health care products.

Cannabiz Way Company Limited engages in the business of planting, extracting, processing, distributing, importing, exporting, doing business in all aspects related to hemp, cannabis which has stepped into the hemp business for economic propose by focusing on the development of integrated planting innovation to be an important "upstream" to feed quality hemp with the highest CBD content enter the health market, food, food supplement, beverage, cosmetics, and pure CBD oil that is in demand both domestic and international markets.

Cannabiz Way Company Limited was founded by Ms. Unarin Kitpaiboonthawee as known as "Cannabis Angel" who made a program to promote hemp, cannabis, economic crops to be known through media channels. Full of experience and knowledge in integrated agriculture which has proven successful from the creation of the brand "Megara" Cordyceps, growing, processing, distributing the real golden cordyceps until they are widely known regarded as the first person that operates 100 % genuine cordyceps in Thailand. And now bring knowledge to be used in the hemp business for economic purposes.





## (2.2) Business restrictions

Hemp has strict regulatory laws, especially the documents for permission that are quite specific and concise such as criminal background, land ownership, planting location map, plan of building/house, production plan, utilization plan, security measures, and methods for destroying the remaining hemp parts from use, etc.

Cannabiz Way Company Limited (CW) has received a greenhouse construction permit for the production (planting) of hemp plants on August 9, 2021 from the Khlong Ruea Subdistrict Administrative Organization, Wiharn Daeng District, Saraburi Province. It is effective until August 9, 2022 and has received a license to produce (plant) narcotics of category 5, cannabis only, license number Sorbor9/2564 (Por) dated December 2, 2021, signed by the Deputy Secretary-General acts on behalf of the Food and Drug Secretary. This is effective until December 31, 2021.

Cannabiz Way Company Limited (CW) has already submitted an electronic request for a license to produce (plant) narcotics of category 5, specifically Hemp, which will expire on December 31, 2021 with the Secretary-General of the Food and Drug Administration.

The former license will remain in effect for the time being until the renewal of the license is considered due to the Ministerial Regulation published in the Government Gazette dated December 30, 2020 regarding request, and permission to produce, import, export, sell or have possession of Category 5 narcotics, only Hemp, B.E. 2563, Article 22, regarding license renewal. An application for permission is usually considered when the evidence is accurate and complete, bills are paid. The authorization process will be completed within one hundred and twenty days (120 days). Each license is valid until December 31 each year. Therefore, the renewal license will be valid until December 31, 2022.



After the Company has received a license to produce (plant) hemp crops, the Company plans to start planting the first phase of about 30,000 plants in early January 2022, with the expected start of harvesting in 3-4 months and anticipated that it will recognize commercial income in the second quarter of 2022.

### **(2.3) Marketing and Competition**

Hemp is a new economic crop that can be developed into a variety of high-value industrial products such as beverage, food, medicines and food supplements, costume, and personal care products, and can create significant economic added value with high demand in the global market. It is expected that the Thai hemp market will continue to grow. There will be more competition in the future.

Cannabiz Way Company Limited has entered into sales and purchases agreements for high CBD hemp products with 2 strong partners, KTDM Company Limited, a subsidiary of Ocean Commerce Public Company Limited (OCEAN) which invests in high-quality extraction machines, and JSP Industrial Pharmacy (Thailand) Public Company Limited (JP), who controls the quality of hemp extracts using Isolate CBD Water Soluble technology that makes cannabis extracts instantly dissolve in water when used as an important substance in the industry of food supplement, beverage, cosmetics to meet the needs of customers. It is the first in Thailand to use this technology.

### **(2.4) Product sourcing**

The company uses seeds from abroad, which contain higher CBD content than Thai species. Prefer sunlight, Cultivation as a greenhouse and outdoors with harvest period 10-14 weeks. In the first phase, no more than 3 crops are planted per year.

Cannabiz Way Co., Ltd. has jointly developed a comprehensive innovation of quality hemp cultivation with Naresuan University by researching and developing innovative planting solutions that respond to all types of hemp-cannabis cultivation both domestic and imported species to have a high product and high CBD as well. It can control all aspects of production inputs, including light, temperature, humidity, watering and fertilizing, and pest control systems. It is a mobile planting system that can be planted in all areas and all-weather conditions. It is controlled by the system "Smart agriculture" which can automatically determine and control the factors of growing hemp - cannabis to create a truly agricultural economy.

Cannabiz Way Company Limited has established a "CBD Agro-Tech Center" on an area of over 36 rai with the largest Green House for hemp cultivation in Southeast Asia, an area of 9,000 sqm using



planting technology "Smart agriculture" that can control light, air, temperature, humidity, fertilizer, water with a complete insect repellent system where 500,000 cannabis and hemp plants can be grown throughout the year. This "CBD Agro-Tech Center" will be a comprehensive research and development center for hemp and cannabis cultivation systems for high CBD.

In the future, Cannabiz Way Company Limited will play a role as an expert in expanding knowledge to the network of partners in all sectors, both upstream - midstream - downstream by providing comprehensive advice on cannabis-hemp business since the beginning of planting, permission, until generating income "Really get rich with hemp - cannabis" for those who are interested to push Thailand to be the center of knowledge in cannabis - world-class cannabis.

## **(2.5) Hygiene and Environment Care**

The company's hemp cultivation uses fertilizers that are in the planting material which can be recycled, no poison, insect repellants use herbs without pesticides, no smell from plant residues, because of the fine grinding method to be decomposed naturally. Moreover, there are furnaces according to FDA standards that will burn in a closed system without smoke. Water usage, it will be groundwater for internal use without releasing the used water to the outside. Therefore, the Company's hemp cultivation does not have any impact on the community, society, and environment.

## **Electricity and Steam Industry**

### **(3.1) Product characteristics**

As the government has a policy to allow the private sector to participate in the provision of electricity generation services through the electricity supplier in order to directly generate electricity for EGAT. The Associate company - SSUT is one of the projects under the power development plan of Thailand, 2007-2021, is a small power producer (SPP) that produces electricity and heat with a high-performance cogeneration model. Using natural gas as fuel, which is a clean fuel for producing both electricity and heat that are useful simultaneously. A waste heat can be utilized to help save a lot of fuel compared to the production of electricity and heat separately. It is one of the clean energy development and efficiency in using according to government policy. It is a highly efficient system, able to meet the needs of many types of industrial plants that require both electricity and steam for their production.



### **(3.2) Business restrictions**

SSUT has been granted the promotional certificate no. 2019 (2) / 2013 and 2020 (2) / 2013 since December 26, 2012 from the Board of Investment for its business of power generation and steam production, type 7.1 utility and basic services.

### **(3.3) Marketing and Competition**

The total electricity production of SSUT is 240 megawatts (MW) consisting of 2 blocks, 120 MW each. The total steam production is 60 tons per hour. The electricity and steam distribution plan is as follows: On July 25, 2013, SSUT signed the Power Purchase Agreement (PPA) in Block 1 and Block 2, 90 MW each with 180 megawatt for 25 years from the date of commercial operation date (COD) with the Electricity Generating Authority of Thailand (EGAT), which is the sole state-owned buyer due to it is a necessary utility system through the transmission system and distribution system. The power plant has started supplying electricity in December 2016. Contracted sale price per MW is determined in accordance with EGAT's pricing model for small power plants (SPP), payment in the form of capacity payment and fuel saving according to the specified in the contract.

The remaining electricity, at 60 MW, and 60 tons of steam / hour, are sold directly to industrial customers in Bangpoo Industrial Estate under long-term purchase agreements. The sales of electricity and steam to operators In the first nine months of 2021, the number of customers who bought electricity and steam was the same as in 2020, with sales revenue increasing by 19.32%. The revenue distribution from selling electricity to EGAT and compare to the revenue from selling electricity and steam to industrial customers in Bangpoo Industrial Estate was 80:20.

### **(3.4) Product sourcing**

#### Raw material - natural gas

SSUT Power Plant uses natural gas as main raw material and is the main cost, accounting for 77.45 percent of the production cost. SSUT has entered into a natural gas purchase agreement on December 4, 2012 with PTT Public Company Limited, the only distributor of the country by transport through the pipeline system. In Q3/2021, The average price is higher than in 2020 about 15%

### **(3.5) Environmental Impact Assessment: EIA**

Environmental Impact Assessment Report (EIA) of the production process of SSUT Power Plant has received approval from the Office of Natural Resources and Environmental Policy and Planning since April 11, 2013. There is no leftover raw material to be handled in order to avoid polluting the environment, such as choosing machines with low pollution technology, using the steam other than the





sale derived from the electricity generation from gas turbines, for generation, and reuse the treated wastewater in the production process to reduce the emissions to the outside that will have negative effects on the environment and also reduce the use of tap water, etc.

Power plant project has no legal dispute or in the process of legal action related to the environment or any environmental regulations.

### (3) Business assets

#### (3.1) Main fixed assets

As of December 31, 2021, the main fixed assets used by the Company and its subsidiaries to operate a business, have details as follows;

##### Account Policy

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The Company does not charge depreciation on land and advances payment for assets.

Depreciation on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment are as follows:

Land improvements	-	years
Employees' dormitory, machinery and equipment	5-10	years
Building improvements, office furniture and equipment	5	years

##### List of main fixed assets of the Company and its subsidiaries as of December 31, 2021

List of fixed assets	Book value (Baht)
1. Land and land improvements less allowance for impairment	24,050,000
2. Buildings and fences	2,201,549
3. Tools and Equipment, Furniture and office equipment	956,911
4. Assets under construction and installation	13,893,444
<b>Total</b>	<b>41,101,903</b>

The Company invested in the Hemp farming business on October 1, 2021, in the ordinary shares of Cannabiz Way Company Limited, 80% of the registered capital. The property consists of the total land plot is 36 rai, of which 20 rai is used for agriculture. The remaining is space for multi-purpose business, located at Khlong Ruea Subdistrict, Wiha Daeng District, Saraburi Province.



List of main fixed assets of subsidiaries and indirect subsidiaries as of December 27, 2021

List of fixed assets	Book value (Baht)
1. Land and land improvements Less allowance for impairment	477,967,310
2. Building and equipment	36,442
3. Biological Assets	632,818
<b>Total</b>	<b>478,636,570</b>

In 2021, an indirect subsidiary, Charoenporn Energy Company Limited, entered into a land lease agreement with a subsidiary, Boon Anek Company Limited, to be used to grow crops, an area of 1,439 rai in Bua Yai District Nakhon Ratchasima Province with the rental period is 1 year, starting from October 1, 2020 - September 30, 2021. The rental rate is 500 baht per rai per year. Subsequently, on October 1, 2021, the land lease agreement was renewed for another year in an area of 1,439 rai, starting from October 1, 2021 - September 30, 2022. The rental rate is 500 baht per rai per year.

Subsequently, on December 28, 2021, the Company sold all investments in ordinary shares of Boon Anek Company Limited to Sub Sombat Mai Co., Ltd. according to the share purchase agreement.

Assets used in the Group's business do not use as collateral to create any obligations.

Details of land ownership of the subsidiary and indirect subsidiary as of December 27, 2021

No.	Location	Holder	Number (plot)	Area (rai)	Purpose	Book value (Baht)	obligation
1	Nong Bua Saat Subdistrict, Bua Yai District, Nakhon Ratchasima Province	Boon Anek Co., Ltd.	20	1,471	Charoenporn Energy Co., Ltd. rent for agriculture.	37,945,421	None
2	Taku Subdistrict, Pak Thong Chai District, Nakhon Ratchasima Province	Boon Anek Co., Ltd.	56	887	For agriculture	50,344,452	None
3	Tha Koob Subdistrict, Sap Yai District, Chaiyaphum	Boon Anek Co., Ltd.	4	89	For agriculture	1,273,310	None
<b>Total</b>			<b>80</b>	<b>2,447</b>		<b>89,563,183</b>	
4	Nong Bua Subdistrict, Kong District, Nakhon Ratchasima Province	Charoenporn Energy Co., Ltd.	2	148	For agriculture	3,490,847	None
5	Taku Subdistrict, Pak Thong Chai District, Nakhon Ratchasima Province	Charoenporn Energy Co., Ltd.	112	1,532	For general purpose	358,212,571	None
6	Tha Koob Subdistrict, Tako Thong Subdistrict, Sap Yai District, Chaiyaphum Province / Nong Don Subdistrict Jaturas District, Chaiyaphum Province	Charoenporn Energy Co., Ltd.	57	1,287	For agriculture	26,700,708	None
<b>Total</b>			<b>171</b>	<b>2,967</b>		<b>388,404,126</b>	
<b>Grand Total</b>			<b>251</b>	<b>5,414</b>		<b>477,967,309</b>	



All land can be separated into each province and each company as follows;

	Plot	Area (rai)	Value
• Land in Nakhon Ratchasima Province	190	4,038	449,993,291
Land in Chaiyaphum Province	<u>61</u>	<u>1,376</u>	<u>27,974,018</u>
Total	<u>251</u>	<u>5,414</u>	<u>477,967,309</u>
• Land of Boon Anek Co., Ltd.	80	2,447	89,563,183
Land of Charoenporn Energy Co., Ltd.	<u>171</u>	<u>2,967</u>	<u>388,404,126</u>
Total	<u>251</u>	<u>5,414</u>	<u>477,967,309</u>

### (3.2) Important intangible assets

-None-

### (3.3) Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in related businesses and support the Company's core business to grow steadily in the future. The Company will send representatives to join as directors in that Company, to jointly formulate policies in business operations and controlling the financial policy and operations of subsidiaries closely.

As of December 31, 2021, the subsidiary, Cannabiz Way Company Limited, which operates the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp/cannabis raw materials. The Company holds 80.00% of registered and paid-up capital.

As for the investment policy in subsidiaries and associated companies in the future, the Company is still a policy to maintain the shareholding proportion in the said subsidiary. The Company will receive a return on investment in the form of revenue sharing and dividends from its investment in subsidiaries.

## 1.3 Shareholding Structure

### 1.3.1 Shareholding Structure

As of December 31, 2021, Eternal Energy Public Company Limited is a Holding Company with core investment in a subsidiary engaged in the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp/cannabis raw materials with details as follows;



Company	Business type	Registered capital	Shareholding and voting rights (percent)
1. Eternal Energy Public Company Limited	Operate business in the form of investment in other companies that operate agribusiness as the core business	2,780 million baht (Fully paid)	100
2. Cannabiz Way Company Limited	Hemp farming business	100 million baht (Fully paid)	80
3. Boon Anek Company Limited (Subsidiary) The Company sold all its ordinary shares to the buyer, Sub Sombat Mai Company Limited, on December 28, 2021.	Agricultural business planting tapioca and other energy crops and renting real estate	540 million baht (Fully paid)	-None-
4. Charoenporn Energy Company Limited (Indirect subsidiary in which Boon Anek Co., Ltd. holds 100% shares) The company sold all its ordinary shares to the buyer, Sup Sombat Mai Company Limited, on December 28, 2021.	Agricultural business planting tapioca and other energy crops and renting real estate	380 million baht (Fully paid)	-None-
5. SSUT Company Limited (Associated company) The Company sold all its ordinary shares, or 25% of the registered capital of SSUT Company Limited, to Eastern Cogeneration Company Limited on September 23, 2021.	Electricity and Steam production (Cogeneration)	2,919 million baht (Fully paid)	-None-

The Company and subsidiaries operations are as follows:

**1. Eternal Energy Public Company Limited**

The company has investments in a subsidiary, Cannabiz Way Company Limited, operates agricultural business - planting hemp for sale.

**2. Cannabiz Way Company Limited**

It is a subsidiary that the Company invests in ordinary shares of 80% of the registered capital with an investment value of 650 million Baht, operates as a core company in agriculture - planting



hemp for distribution in an area of 36 rai, started business on October 1, 2021, at Khlong Ruea Subdistrict, Wihan Daeng District, Saraburi province.

### 3. Boon Anek Company Limited (Boon Anek)

Boon Anek is a subsidiary and core company in which the Company holds 100 percent of registered shares. Its business is to operate agricultural business, grow cassava, and rent land. Boon Anek operates a project with farmers in Nakhon Ratchasima and Chaiyaphum provinces, by allowing farmers to cultivate cassava in the Company's land, while the Company manages in selecting farmers, provide knowledge and training, take care and facilitate until bringing the products to sell and share the benefits with the company according to the mutual agreement.

The Company sold all 100% of Boon Anek's ordinary shares to Sup Sombat Mai Co., Ltd. with the transferred of shares already since December 28, 2021.

### 4. Charoenporn Energy Company Limited (Charoenporn Energy)

Charoenporn Energy is an indirect subsidiary which Boon Anek holds 100 percent of registered shares. Its business is the same as Boon Anek to operate agriculture, grow cassava, and renting land in Nakhon Ratchasima and Chaiyaphum Province.

The Company sold all 100% of ordinary shares of Charoenporn Energy Company Limited, an indirect subsidiary, to Sup Sombat Mai Co., Ltd. with the transferred of shares already since December 28, 2021.

### 5. SSUT Company Limited (SSUT)

An associate company, which operates the electricity and steam generating in the cogeneration system, with a total production capacity of 240 MW, using natural gas as the main energy. By supplying 180 MW of generated electricity to the Electricity Generating Authority of Thailand under a 25-year power purchase agreement. The rest of the electricity and steam are sold to industrial customers in Bangpoo Industrial Estate under a long-term purchase agreement.

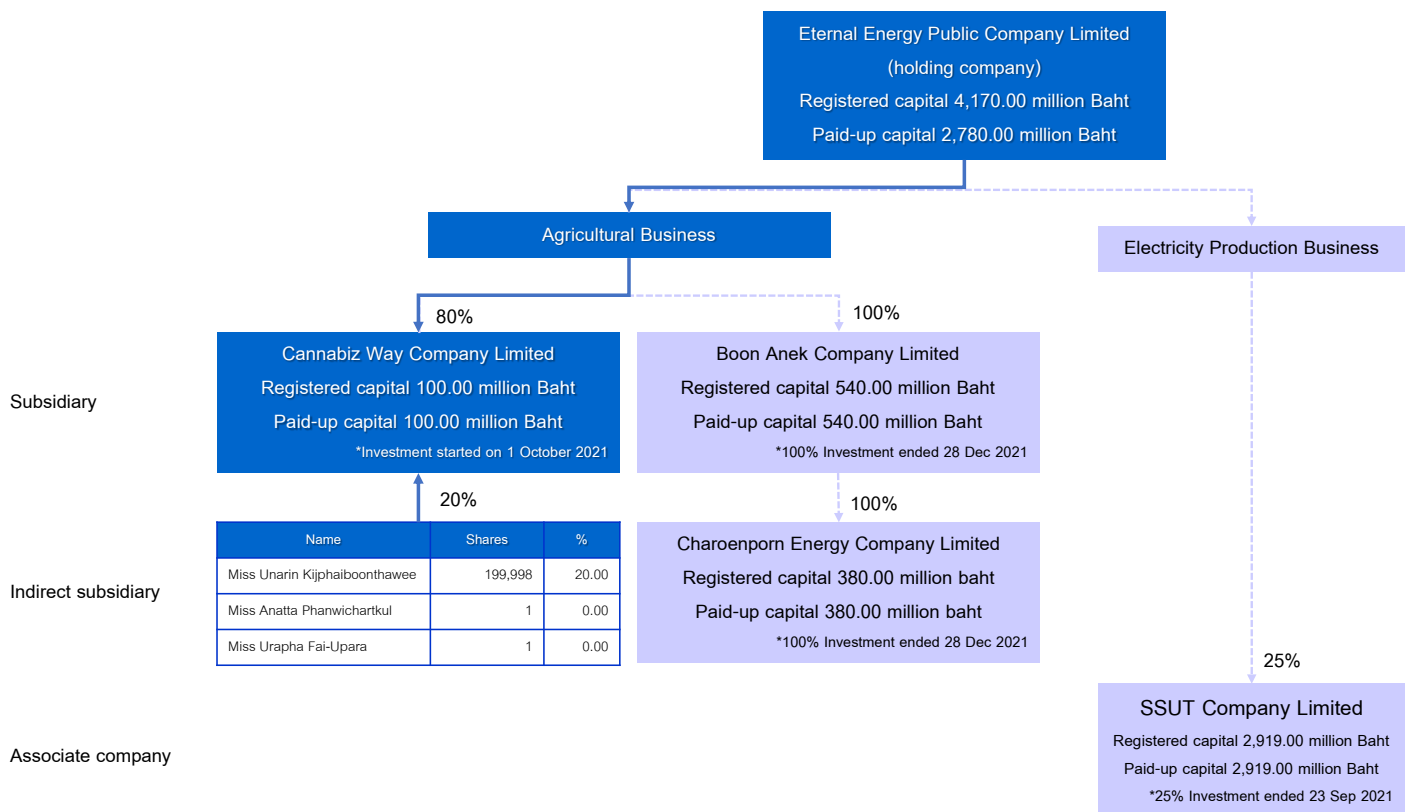
The Company sold all its shares to Eastern Cogeneration Company Limited and the shares have been transferred since September 23, 2021.

The operations in the group of the companies are divided as follows:





### Shareholding Structure



Note: No persons with conflicts of interest hold more than 10% of the shares in subsidiaries and associates.

### Relationship with the business group of major shareholders

The major shareholder of Eternal Energy Public Company Limited as of December 31, 2021 is Mr. Siritaj Rojanapruk, holding 24.969%. The Company has no relationship or related to other business operations of Mr. Siritaj Rojanapruk in any way.



### 1.3.4 Shareholders

#### (1) List of major shareholders

List of top 10 Major Shareholders including related persons as of the share registration record date on February 7, 2022.

No.	Shareholders	Number of shares	%
1.	Mr. Siritaj Rojanapruk	694,126,900	24.969
2.	Miss Oraorn Akaraseranee	577,994,800	20.791
3.	Mr. Pakorn Mongkolthada	120,550,000	4.336
4.	Miss Kittiya Uthakayotha	94,858,900	3.412
5.	Mrs. Thanutra Phiphatwilaikul	90,000,000	3.237
6.	Miss Kanchanarat Wongphan	82,894,200	2.982
7.	Miss Phanthipha Netipat	80,000,000	2.878
8.	Mr. Boonuea Chitthanom	72,762,800	2.617
9.	Thai NVDR Company Limited	61,902,502	2.227
10.	Nation Broadcasting Corporation PLC	20,300,000	0.73
	<b>Sub Total</b>	<b>1,906,450,902</b>	<b>68.58</b>
11.	Other shareholders	873,549,098	31.42
	<b>Total</b>	<b>2,780,000,000</b>	<b>100.00</b>

- Mr. Siritaj Rojanapruk is a major shareholder of the Company.
- There is no cross-shareholding in the group of Companies and there is no pyramid shareholding in the group of Companies.

Board Share holding -None-

#### Minority Shareholding (Free Float)

As of March 12, 2021, the shareholding proportion of the minority shareholders (Free Float) of the Company according to the calculation of the Stock Exchange of Thailand is 32.11%.

#### Holding Company

The Company engages in the business of holding shares in other companies (Holding Company) with a subsidiary - Cannabiz Way Company Limited, in which the Company purchases ordinary shares from Bio Medical Group Company Limited in the proportion of 80% of the total shares, since October 1, 2021, Cannabiz Way Company Limited operates as a core company in agriculture - trading and producing hemp.



As of September 23, 2021, the Company sold its investment and transferred shares in SSUT Company Limited, an associated company, to Eastern Cogeneration Company Limited.

As of December 28, 2021, the Company sold ordinary shares and transferred shares, representing 100% of the total number of shares in Boon Anek Company Limited, a subsidiary of the core company, to Sup Sombat Mai Company Limited which is not a related person of the Company.

## (2) Information of shareholders of a subsidiary that operates the core business

As of December 31, 2021, Cannabiz Way Company Limited (subsidiary) has the list of shareholders as follows:

No.	Name	Nationality	Number of shares	
			Shares	%
1.	Eternal Energy Public Company Limited	Thai	800,000	80.00
2.	Miss Unarin Kijphaiboonthawee	Thai	199,998	20.00
3.	Miss Anatta Phanwichartkul	Thai	1	0.00
4.	Miss Urapha Fai-Upara	Thai	1	0.00
	Total		1,000,000	100.00

## (3) Shareholders' agreement

-None-

## 1.4 Registered capital and paid-up capital

Registered capital and paid-up capital as at January 31, 2022 as follow;

- Registered capital      4,170,000,000 Baht divided into  
    Ordinary shares of 4,170,000,000 shares  
    Par value of Baht 1.00 per share
- Paid-up capital            2,780,000,000 Baht divided into  
    Ordinary shares of 2,780,000,000 shares  
    Par value of Baht 1.00 per share

## 1.5 Other Securities

### 1.5.1 Warrant to Purchase Ordinary Share of the Company No. 1 (EE-W1)

On January 28, 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 approved the issuance of Warrant to Purchase Ordinary Share of the Company No.1 (EE-W1) of not exceeding



1,390,000,000 units without charge to the existing shareholders of the Company whose names appear in the registration book of shareholders as at February 7, 2022 at the ratio of 2 existing ordinary shares for 1 unit of warrant.

The Company can allocate EE-W1 to the existing shareholders of the Company total of 1,389,975,988 units and allowed to make a trading in the Stock Exchange of Thailand on March 3, 2022. The remaining 24,012 units were canceled the whole amount. Such warrants are specified warrant holders and transferable. Maturity of not exceeding 3 years 17 days from the date of issuance. Warrant Holders can exercise the right to purchase ordinary shares of the Company of 1 time on March 10, 2025, which is the expiration date of the warrants. The exercise ratio is 1 unit of warrant to 1 ordinary share at the price of THB 1.00 per share, unless the exercise ratio and/or the exercise price are adjusted otherwise pursuant to the conditions concerning the rights adjustment.

## 1.6 Dividend Policy

The dividend policy is no more than 40% of the net profit after deducting the legal reserve. The payment of dividends must be approved by the shareholders' meeting. Dividend payment takes into account other factors such as operating results, financial position, liquidity, business expansion, and other factors related to the management of the Company. If the Company still has an accumulated loss, the Company cannot pay dividends.

The past year's dividend payment information is as follows:

Unit: Baht	2021	2020	2019	2018	2017
Earnings (Loss) per share	0.0701	(0.0166)	(0.0178)	(0.0178)	(0.0187)
Dividend per share	No dividend	No dividend	No dividend	No dividend	No dividend
Dividend to earnings ratio (%)	N/A	N/A	N/A	N/A	N/A

### Dividend Policy of Subsidiaries

Subsidiary - Cannabiz Way Co., Ltd. is still in the initial stage of operation. Therefore, the dividend payment policy has not yet been set for the Company.

## 2. Risk Management

### 2.1 Risk management policy

The Board of Directors of Eternal Energy Public Company Limited realizes the importance of effective risk management and control to cover the business of the Company, to control risk at an



acceptable level with the management in good governance. The Board of Directors has established a risk management policy as follows:

1. Provide written work procedures for the management and employees to comply with. This is to control the operational risk.
2. All management and employees are responsible for identifying and assessing the risks of their job including the appropriate measures to manage the risk.
3. To ensure that the Company risks are properly managed.
4. Promote and encourage risk management as an organizational culture. Everyone is aware of the importance of risk management at an acceptable level.
5. Review and revise the risk management policy in line with the business plan.
6. Report the risk management to the Board regularly.

## 2.2 Risk Factors

The Company recognizes and prioritizes business risk management in order to manage its sustainable growth. In 2021, the Company has considered significant risks that could affect the Company's business and the investment of the shareholders as follows.

### 2.2.1 Risks to business operations of the Group

#### (1) Risks from changes in government policy, order, rules, and laws related to the Company

Eternal Energy Public Company Limited is a Holding Company that has a core investment policy in subsidiaries that engage in the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp/cannabis raw materials through Cannabiz Way Company Limited (subsidiary) registered on May 3, 2021. The ability to grow such a business will depend on the policies and administration of the government's medical marijuana policy at each period by changing cannabis policy, including issuing rules and regulations that may affect investment and expansion of the Company's business which will allow the Company to have lower revenues and profits.

The Company managed this risk by analyzing the government's cannabis policy and its impact on the Company and plans to support such changes by cooperating with government agencies, including cooperation to attend the meeting and seminars with government agencies to provide information and closely monitor movements.



**(2) Risks from the Company has no commercial performance yet**

Cannabiz Way Company Limited (a subsidiary) was just established on May 3, 2021, with a paid-up capital of 100 million Baht. The Company has a plan to operate the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp/cannabis raw materials by focusing on the development of integrated planting innovation to be an important "upstream" to feed quality hemp with the highest CBD content into the health market, including food, dietary supplements, beverages, cosmetics and pure CBD oil that is in demand both in the domestic and international markets.

The Company currently has no commercial performance yet. Therefore, the Company may be subject to uncertainty from its business operations in various matters such as production, marketing, and personnel that require experts, etc. If there is an event or any factor that prevents the Company from proceeding according to the plans set in the study. It will make the Company has no return on investment or have a payback period as expected or in the most serious sense if there are factors that change from the original so much, making the project is not worth the investment. It may affect the Company's ability to continue its business in the long term.

**(3) Risk from exchange rate fluctuations**

The Company faces foreign exchange risk that is difficult to avoid from the fluctuation of exchange rates caused by various economic factors because doing business with foreign countries such as export and import, including various types of financial transactions. The Company policy is to try to mitigate foreign exchange risk by contracting a forward exchange rate. When knowing the amount and time due and using the method of matching the income received in foreign currency with the expenses the Company has to pay abroad which is the same currency. Although sometimes there may be a slight difference in terms of the period.

**2.2.2 Investment risk of securities holders**

**(1) Risks from the Company's issued and allocated warrants to purchase ordinary shares of the Company No.1 (EE-W1)**

On January 28, 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 approved the issuance of Warrant to Purchase Ordinary Share of the Company No.1 (EE-W1) of not exceeding 1,390,000,000 units without charge to the existing shareholders of the Company whose names appear in the registration book of shareholders as at February 7, 2022 at the ratio of 2 existing ordinary shares for 1 unit of warrant.

The Company can allocate EE-W1 to the existing shareholders of the Company total of 1,389,975,988 units and allowed to make a trading in the Stock Exchange of Thailand on March 3, 2022.



The remaining 24,012 units were canceled the whole amount. Such warrants are specified warrant holders and transferable. Maturity of not exceeding 3 years 17 days from the date of issuance. Warrant Holders can exercise the right to purchase ordinary shares of the Company of 1 time on March 10, 2025, which is the expiration date of the warrants. The exercise ratio is 1 unit of warrant to 1 ordinary share at the price of THB 1.00 per share, unless the exercise ratio and/or the exercise price are adjusted otherwise pursuant to the conditions concerning the rights adjustment.

If all warrants are exercised in full and the right users are not the shareholders of the Company, it will cause the voting rights and control dilution reduce by 33.33%.

### 3. Driving business for sustainability

#### 3.1 Sustainability Management Policies and Goals

In 2021, the Board of Directors has set the vision and mission to be a quality clean energy company. And the Board of Directors' meeting on February 24, 2022, approved to revise the vision to be a leader in the integrated cannabis hemp industry by giving importance to the environment together with the good quality of life of the people for the sustainability management of the group of Company. The Company and subsidiaries adhere to the principles of good corporate governance, morality, and respect for human rights, taking into account to all stakeholders, to create value for society, responsible to consumers, by creating satisfaction and good relationships with customers and partners, fair treatment of employees including the employee's development of good ethics and adhering to anti-corruption in all forms and to acknowledge the directors, executives, employees and stakeholders to participate. Various investments will take into account the environmental impact that may be caused by business operations that affect society and communities. The Company has a policy of environmental practices for various projects to achieve effective and efficient practices in all activities especially to communities in areas where the Company has run business in order for the society prosper and sustainable growth.

#### Normal business operation (in-process)

In 2021, the board of directors is committed to conducting business of the Company and its subsidiaries in order to create credibility for customers, shareholders and stakeholders with clear policies. The Company and its subsidiaries continue to promote cassava growers in the area nearby the Company project in Nakhon Ratchasima and Chaiyaphum Province with the main objective to create mutual benefits between the Company and farmers in for their better performance, stable and sustainable income in order to improve their quality of life. At the same time, the Company continues to





invest in cogeneration power plants from natural gas to produce electricity and steam that is clean energy. The Company is committed to conducting business with ethics to the stakeholders as follows:

Shareholder - The Company is aware of its commitment to shareholders, to create growth and stability for the Company and shareholders. Respect to the right of the shareholders in order to receive the necessary information, and to disclose the accurate and transparency information.

Customer - The Company adhere to integrity, trust and mutual support for good relationships with each other. There is customer satisfaction of Company services survey in order for the operation improvement.

Partner - The Company has a clear policy on fair and equitable treatment for business partners as well as taking into account of mutual benefits. Consider selecting a company to be a partner with a transparent process in accordance with the rules and procedures that will not do anything which may cause conflict of interest, the Company has expressed its intention to conduct business with transparency and anti-corruption.

Community, Social, and the Environment - The Company operates with community, social and environmental responsibility in the area of safety, quality of life, and natural resource preservation. The Company promotes the efficient use of energy with the care for the quality of life of the community and society in the surrounding area. The Company encourages employees to participate in social, community, and environmental activities.

Employee - Besides the development of personnel knowledge and expertise, the Company also takes care of the health and well-being as well as equitable returns for employees by taking into accounts the Company's performance and economic conditions. The Company provides a work environment with regard to hygiene and safeties, i.e. provide insecticide every month, provide fire drill once a year and 4 times a year for the associate company, and provide annual health check and financial support to employees in case of a family member death etc.

In 2021, there was no rate of accidents in the workplace and from performing duties. The average number of sick days is 0.29 day per person per year.



### Risk assessment

The Company recognizes that doing agricultural business must face various risks such as

- 1) Climate change that cannot be avoid - Each crop yield will depend on the weather condition, therefore, the Company has to do the risk management and prepare the operational measure in case of drought or flood or agriculture epidemics in order to minimize losses.
- 2) Product price - Product price changes according to the quantity of product in the market. Some years, the farmer grows it more quantity, but some years growing other products that can be sold in better price. The quality of percentage of starch is important to the purchase price. Also, the price depends on the domestic and international buyer demand. The Company takes into account effective management in order to produce good quality of starch according to the needs of buyers. The Company provides the knowledge to the farmers regarding the preparation of planting areas and clean stems, the planting methods in accordance with the academic, the good maintenance, the problem solving in case of epidemic, the time of harvest in case of flooding or drought, and the sale of product in order to get a good price.
- 3) Environmental Impacts – The Company always takes into account the community and environment. After harvesting, the Company will not allow the cassava tree to affect the environment and the community, by using the method of plowing cassava trees to decompose and to be used as organic fertilizer which can reduce the use of chemicals in plant which is good for the environment and community hygiene.



### 3.2 Impact management to stakeholders in the business value chain

Value chain development is an important strategy for business success. The Company attaches importance to every process of the value chain to strengthen trust in quality products and sustainable growth together.

#### 3.2.1 Business value chain

##### Primary activities

Business value chain				
Inbound logistics	Operations	Outbound logistics	Marketing and Sales	Customer services
<ul style="list-style-type: none"><li>● License</li><li>● Seeds</li><li>● Hemp farming innovation</li></ul>	<ul style="list-style-type: none"><li>● Planting technology "Smart Agriculture"</li><li>● Play a role as an expert in expanding knowledge to partner networks in all sectors.</li><li>● Hemp Knowledge Center - Cannabis</li></ul>	<ul style="list-style-type: none"><li>● New economic crops that can build into high-value industrial products</li><li>● Contract for the sale of high CBD hemp products</li></ul>	<ul style="list-style-type: none"><li>● Opening event to visit the Green House Cannabiz Way Valley</li><li>● Build 100 prototype hemp café stores and plan to open 1,000 franchises nationwide.</li><li>● Learning Center "CBD Agro-Tech Center", Overnight Camping Service Point, Restaurant-Café, Food, and beverage distribution</li></ul>	<ul style="list-style-type: none"><li>● Hemp/cannabis training course</li></ul>



(1) Production input management (Inbound logistics)

License

Hemp has strict regulatory laws, especially the documents for permission that are quite specific and concise such as criminal background, land ownership, planting location map, plan of building/house, production plan, utilization plan, security measures, and methods for destroying the remaining hemp parts from usage, etc.

Cannabiz Way Company Limited (CW) has received a greenhouse construction permit for the production (planting) of hemp plants on August 9, 2021 from the Khlong Ruea Subdistrict Administrative Organization, Wiharn Daeng District, Saraburi Province. It is effective until August 9, 2022 and has received a license to produce (plant) narcotics of category 5, cannabis only, license number Sorbor 9/2564 (Por) dated December 2, 2021, signed by the Deputy Secretary-General acts on behalf of the Food and Drug Secretary. This is effective until December 31, 2021.

Cannabiz Way Company Limited (CW) has already submitted an electronic request for a license to produce (plant) narcotics of category 5, specifically Hemp, which will expire on December 31, 2021 with the Secretary-General of the Food and Drug Administration.

The former license will remain in effect for the time being until the renewal of the license is considered due to the Ministerial Regulation published in the Government Gazette dated December 30, 2020 regarding request, and permission to produce, import, export, sell or have possession of Category 5 narcotics, only Hemp, B.E. 2563, Article 22, regarding license renewal. An application for permission is usually considered when the evidence is accurate and complete, bills are paid. The authorization process will be completed within one hundred and twenty days (120 days). Each license is valid until December 31 each year. Therefore, the renewal license will be valid until December 31, 2022.

After the Company has received a license to produce (plant) hemp crops, the Company plans to start planting in the first phase of about 30,000 plants in early January 2022, with the expected start of harvesting in 3-4 months and anticipated that it will recognize commercial income in the second quarter of 2022.

Seeds

The Company uses seeds from abroad, which contain higher CBD content than Thai species. It prefers sunlight. Cultivation as a greenhouse, and planted outdoors with harvest period 10-14 weeks. In the first phase, no more than 3 crops are planted per year.

### Hemp farming innovation

Cannabiz Way Co., Ltd. has jointly developed a comprehensive innovation of quality hemp cultivation with Naresuan University by researching and developing innovative planting solutions that respond to all types of hemp-cannabis cultivation both domestic and imported species to have a high productivity and high CBD as well. It can control all aspects of production inputs, including light, temperature, humidity, watering and fertilizing, and pest control systems. It is a mobile planting system that can be planted in all areas and all-weather conditions. It is controlled by the system "Smart agriculture" which can automatically determine and control the factors of growing hemp - cannabis to create a truly agricultural economy.

### (2) Operations

Cannabiz Way Company Limited has built a "CBD Agro-Tech Center" on an area of over 36 rai with the largest Green House for hemp cultivation in Southeast Asia, an area of 9,000 sqm using planting technology "Smart agriculture" that can control light, air, temperature, humidity, fertilizer, water with a complete insect repellent system where 500,000 cannabis and hemp plants can be grown throughout the year. This "CBD Agro-Tech Center" will be a comprehensive research and development center for hemp and cannabis cultivation systems for high CBD.



In the future, Cannabiz Way Company Limited will play a role as an expert in expanding knowledge to the network of partners in all sectors, both upstream - midstream - downstream by providing comprehensive advice on cannabis-hemp business since the beginning of planting, permission, until generating income "Really get rich with hemp - cannabis" for those who are interested to push Thailand to be the center of knowledge in cannabis - world-class cannabis.

### (3) Distribution of products and services (Outbound logistics)

Hemp is a new economic crop that can be developed into a variety of high-value industrial products such as beverages, food, medicines and food supplements, costumes, and personal care products, and can create significant economic added value with high demand. In the global market, it



is expected that the Thai hemp market will continue to grow. There will be more competition in the future.



Cannabiz Way Company Limited has entered into sales and purchases agreements for high CBD hemp products with 2 strong partners, KTDM Company Limited, a subsidiary of Ocean Commerce Public Company Limited (OCEAN) which invests in high-quality extraction machines, and JSP Industrial Pharmacy (Thailand) Public Company Limited (JP), who controls the quality of hemp extracts using Isolate CBD Water Soluble technology that makes cannabis extracts instantly dissolve in water when used as an important substance in the industry of food supplement, drink, cosmetics to meet the needs of customers. It is the first in Thailand to use this technology.

#### (4) Marketing and Sales

##### Opening event to visit the Green House Cannabizway Valley

On February 8, 2022, Eternal Energy Public Company Limited or EE organized an event to visit Green House Cannabizway Valley, the largest in Southeast Asia in size 9,000 sq m., located on an area of over 36 rai at Wihan Daeng District. Saraburi. Prof. Dr. Peerasak Chaiprasart from Naresuan University who is a planting consultant, analysts, correspondent, and investors, honored to visit the farm.



Mr. Worasak Kriengkamol, Chief Executive Officer of Eternal Energy Company Limited (EE), took the group to visit around the planting area of 25,000 hemp trees (For the first planting round after obtaining a permit in December 2021). Project CW1 plans to plant in 2 parts, which are 30,000 trees in greenhouses and 20,000 outdoor plants focusing on the use of innovative planting and quality cultivars imported from the United States. make the products with CBD content as high as 19%, 21%. All parts of our hemp plant will be available for sale such as Hemp bouquet (dry), Hemp leaves (fresh), stems and branches (dry), including roots (fresh), aiming to sell at least 20,000 kilograms of dried hemp inflorescences with a CBD level of more than 10% per year. For this first planting round, the leaves are harvested in March to gradually deliver to customers and to cut flowers for sale in May. Therefore, the Company will begin to recognize revenue from the second quarter of 2022.



The Company was honored by Naresuan University and Maejo University to become a consultant in planting, which made the Company to have expertise in specific agriculture. The success of CW1 as a pilot project made the Company look for and study new projects according to the plan to invest in more potential hemp projects, to accelerate the creation of supply as much as the market or customer group needs. This will bring more revenue to the Company each quarter. The Company has the funds already prepared for the expansion of the project.





Ms. Unarin Kitpaiboonthawee from Cannabiz Way Company Limited (CW) acts as an ambassador for a farm visit and also showcases product samples with a variety of food menus for visitors to taste for the first time such as Craft Soda Fizzy Fun, cooking sauce, noodles, or herbs to relieve pain, etc. All products will be developed into products for both domestic sales and exports to foreign markets such as China. Furthermore, CW is also preparing to build 100 prototype hemp cafes and plans to open 1,000 franchises nationwide to be an additional income for the group of companies in a comprehensive way.

This first visit to the Cannabizway Valley Farm has attracted great interest and success. The Company plans to open the farm for interested people to visit every season, hopes to create an agricultural tourist attraction including creating jobs and creating careers for people in the community as well.

"Cannabizway Valley Farm" is under development to be both a learning center and a new tourist attraction at Wihan Daeng District Saraburi which will consist of Learning Center "CBD Agro-Tech Center", Camping service point for overnight stays, Restaurant-Cafe for food and beverages, etc.

#### (5) Customer services

##### Hemp/cannabis training course

Hemp/cannabis training course, stepping on the Green Path, know deeply from upstream, midstream, downstream, teaching how to grow - extend - develop products with an expert. Training on March 26, 2022, at Cannabiz Way Valley, Khlong Ruea Subdistrict, Wihan Daeng District, Saraburi Province, with a training fee of 6,000 Baht per person.



**คอร์สอบรม  
"ก้าวสู่เส้นทางสายเขียว"  
กับ นางฟ้ากัญชา**

วันเสาร์ที่ 26 มีนาคม 2565  
เวลา 09.00 - 17.00 น.  
ณ Cannabiz Way Valley อ.วิภาวดี จ.สระบุรี

- การขอใบอนุญาตและข้อกฎหมายที่ควรรู้
- ปลูกอย่างไรให้ได้ผลตอบแทนที่คุ้มค่า
- ลงมือปลูกกัญชาและกัญชาด้วยตนเอง
- ขึ้นสารพัดเมนูอาหารจากกัญชาและกัญชา
- สร้างโอกาสทางธุรกิจจากกัญชาและกัญชา

**Special Gift**

- ซองสมุนไพรกัญชา
- กัญชาตากแห้ง
- สีกอลดกัญชา
- และของที่ระลึกสุดพิเศษ

**ราคาพิเศษ 6,000 บาท**

Cannabiz Way CannabizWay Cannabizway@gmail.com 02-113-1388



**คอร์สอบรม  
"ก้าวสู่เส้นทางสายเขียว"  
กับ นางฟ้ากัญชา**

วันเสาร์ที่ 26 มีนาคม 2565  
ณ Cannabiz Way Valley อ.วิภาวดี จ.สระบุรี

- 9.00 น. ลงทะเบียน
- 9.30 น. เริ่มการสัมมนา
  - เราจะทำอย่างไรให้สายเขียวได้กำไร
  - การขอใบอนุญาตและข้อกฎหมายที่ควรรู้
- 10.30 น. กัญชา-กัญชาแสนล้านกับโอกาสทางธุรกิจ
- 11.30 น. ขึ้นสารพัดเมนูอาหารจากกัญชาและกัญชา
- 12.00 น. รับประทานอาหารกลางวัน
- 13.30 น. ปลูกอย่างไรให้ได้ผลตอบแทนที่คุ้มค่า
- 14.30 น. พักทานอาหารว่าง
- 15.00 น. กิจกรรมลงมือปลูกกัญชาและกัญชาด้วยตนเอง
- 16.30 น. รับมอบใบประกาศนียบัตรผ่านการอบรม
- 17.00 น. จบการสัมมนา

Cannabiz Way CannabizWay Cannabizway@gmail.com 02-113-1388



### 3.2.2 Business Value Chain Stakeholder Analysis

Eternal Energy Public Company Limited has set guidelines for stakeholder participation by focusing on promoting the constructive participation of all stakeholders through various activities and communication channels continuously, to listen to the needs, comments, and suggestions. This will be useful in determining direction strategies, action plans, and guidelines for sustainable business development, as well as to prevent risks or impacts from business operations as well.

#### Business Value Chain Stakeholder Analysis Table

Stakeholder group	Stakeholder expectations	Respond to stakeholder expectations
Stakeholders within the organization		
Shareholders	<ul style="list-style-type: none"><li>■ EE Group performance</li><li>■ The Company goals and vision</li><li>■ Business transparency</li><li>■ Environmentally and socially responsible operations</li><li>■ Providing transparent information about EE's business</li></ul>	<ul style="list-style-type: none"><li>■ Perform duties with honesty, make decision with caution and fair to the major and minority shareholders for the maximum benefits of the shareholders as a whole.</li><li>■ To report the Company status, operating performance, financial information, accounting and other reports completely and accurately.</li><li>■ Equally inform all shareholders about the Company future prospects both positive and negative, based on the possibility with the sufficient information support available.</li><li>■ It is forbidden to seek benefits for themselves and others using any information of the Company which has not been disclosed to the public, or take any action that may cause conflict of interest with the Company.</li><li>■ The Company places importance on disclosing accurate, complete, transparent, and timely information in both Thai and English languages through the channels of the Stock Exchange of Thailand and the company website.</li><li>■ The Company arranges the general meeting of shareholders by date, time, and venue are not an obstacle to attending the meeting.</li></ul>



Stakeholder group	Stakeholder expectations	Respond to stakeholder expectations
Employees	<ul style="list-style-type: none"> <li>Remuneration, benefits, and welfare</li> <li>Career stability</li> <li>Career advancement opportunities</li> <li>Occupational Safety and Health</li> <li>Promoting learning and developing potential</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with labor laws and regulations.</li> <li>Provide appropriate remuneration based on knowledge, ability, responsibility and performance of each employee, comparable to other leading companies.</li> <li>Appointment and transfer, rewarding and punishment of employees must be done fairly, honesty, and based on knowledge, competency and suitability, including actions or the practice of that employee.</li> <li>Treat employees with fairness and justice. Take care and give priority to the employee development by providing opportunities for employees thoroughly and consistently.</li> <li>Maintain a safe working environment for the safety of life, health, physical and property of the employees.</li> <li>Promote employee participation in determining work directions and problem solving.</li> <li>Listen to comments and suggestions from all levels of employees equally and equitably.</li> <li>Treat employees on the basis of human dignity, and respect for personal rights.</li> </ul>
Stakeholders outside the organization		
Customers	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Clarity of business policies</li> <li>Business Transparency</li> <li>Responsibility for customer use</li> <li>Building partnerships and networks to create value for society</li> <li>Flexible trading operations that meet the needs of market conditions</li> </ul>	<ul style="list-style-type: none"> <li>Follow the terms and conditions of the agreement with the customer. In case of cannot comply with it, the negotiation must be made in advance to find the solutions and to prevent damage.</li> <li>Commitment to customer satisfaction and confidence to provide excellent quality, service under safety and appropriate technology including seriously raising higher standard continuously.</li> <li>Disclose information about the service completely, accurately in a timely manner without distorted the facts including maintain good and sustainable relationships.</li> </ul>



Stakeholder group	Stakeholder expectations	Respond to stakeholder expectations
		<ul style="list-style-type: none"> <li>Set up Customer Service System for their complaint about their dissatisfaction and carry out the fulfillment the requirements as soon as possible.</li> <li>It is important to keep customer confidentiality seriously and consistently. Do not use such information for own benefit and others.</li> <li>Do not call or receive or offer any benefit dishonest to the customers.</li> </ul>
Partner	<ul style="list-style-type: none"> <li>Flexibility and continuity in business operations</li> <li>Executive vision and business practices</li> <li>Guidelines for Partners</li> <li>The procurement process is convenient, fast, accurate, transparent, fair, and non-discriminatory.</li> <li>Maintaining standards of quality, delivery, service and sustainability of business partners</li> <li>Collaboration between companies and partners in managing risks throughout the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Payment to partners in accordance with the terms of payment agreed in advance. In case of cannot comply with, the negotiation must be made in advance to find the solutions and to prevent damage.</li> <li>Do not call or receive or offer any benefit dishonest with partners and not too close to the partner that influences on decision making.</li> <li>Procurement must be transparent, providing accurate and equally with sufficient time to prepare and / or to bid.</li> <li>Create fair competition between partners, not to discriminate or prejudice against partners.</li> <li>Provide management and monitoring systems to ensure compliance with the terms of the contract and prevent fraud, misconduct at every stage of the procurement process.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Timely payment of debts.</li> <li>Compliance with contracts or agreements with creditors strictly.</li> </ul>	<ul style="list-style-type: none"> <li>Strictly follow the contract or agreement. In case of cannot comply with, the negotiation must be made in advance to find the solutions and to prevent damage.</li> <li>Efficient management for the creditors' confidence in the ability to repay.</li> <li>Disclose accurate and complete financial information to creditors regularly.</li> </ul>



Stakeholder group	Stakeholder expectations	Respond to stakeholder expectations
Competitors	<ul style="list-style-type: none"> <li>Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>Finding competitors information from publicly available sources or inquire from sources that are non-violate laws, such as <ul style="list-style-type: none"> <li>Information that has been reported to the authorities or regulators and public.</li> <li>Annual reports, presentations and interviews of the executives.</li> <li>Information service system.</li> <li>News and articles in newspapers, publications, and websites.</li> </ul> </li> <li>Employees are prohibited from receiving, disclosing or using competitor information or believed to be disclosed to the third party in violation of confidentiality agreements between third parties and competitors.</li> </ul>
Social and Community	<ul style="list-style-type: none"> <li>Creating jobs and promoting careers for the community</li> <li>Community economic development</li> <li>Promoting quality of life - good hygiene for the community</li> <li>Promotion of education to the community</li> <li>Promotion of environment and taking care of the environment in the community</li> <li>Hazardous and non-hazardous waste disposal</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration and control is strictly enforced according to the law and relevant regulations.</li> <li>Promote social responsibility and environment awareness among employees at all levels.</li> <li>Focus on the participation and build good relationships between the Company and society on the basis of accuracy, transparency, and fairness to build knowledge and sustainable social development.</li> </ul>
Government official	<ul style="list-style-type: none"> <li>Transparent tax administration and management</li> <li>Compliance with Environmental Laws</li> <li>Labor welfare and safety</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>strictly follow government official regulations.</li> <li>cooperate with government authorities.</li> <li>not cooperate with any person who violates government official regulations.</li> </ul>



### 3.3 Sustainability Management in Environmental Dimension

#### 3.3.1 Environmental Policies and Practices

##### (1) Policy on community and environment

The Company is aware of the environment impact caused by the Company's business operations. The Company has policies and commitment to reduce environment the impact as follows:

- Comply with relevant laws and regulations.
- Prevent and control environmental impacts from business operations.
- Promote the use of resources economically and efficiently in all work processes.
- Regularly review and improve environmental performance.
- Provide training and acknowledge the policy to personnel at all levels in the organization in order to understand the responsibility towards environmental protection.

The Company' measures and practices are as follows.

- Business operation - the Company takes into account the environmental protection and safety management standards. Support the purchase of products or services that are considered safe, environmentally friendly and energy conservation. Exchange knowledge and experience with other agencies in order to improve operational and environmental management.
- The Company is focused on clean energy business and friendly to the environment. The Company has invested in associate-SSUT which operates the cogeneration power plant from natural gas which is a clean energy power plant. The production process in the power plant project and the waste materials of the factory will not affect the environment.
- The Company's cassava planting project with the farmers in Nakhon Ratchasima and Chaiyaphum province which has been operated for 10 years, focusing on environment protection as stipulated by the Company, such as the use of organic fertilizer, pesticides, and harvest management in order to prevent waste, bad smell for the community, sanitation, and environment.
- Promote efficiency of energy saving - the managers have encouraged employees to perform strictly on resource usages and to acknowledge them by providing appropriate information regarding environment conservation such as reducing electricity consumption, tap water and using office equipment economically.



### 3.3.2 Environmental Performance

#### (1) Hygiene and Environment Care

The Company focuses on environment care and hygiene of the community in every process i.e preparing soil, promoting less use of chemical products by encouraging farmers to use organic fertilizers instead. In case of pest, the Company would encourage the farmers to check the crops more frequent. If a farmer finds mealy bug, the Company would suggest the farmer to cut it off, put it in a bag and get it exposed to the sun to kill the bug instead of burning. For fertilizing, the Company would recommend organic fertilizers by spraying it at dawn so that the stem would be strong enough to fight with the natural threats. And after the harvest, farmers shall plough up and over for decomposition and reuse as organic fertilizers.

#### (2) Environmental Impact Assessment: EIA

Environmental Impact Assessment Report (EIA) of the production process of SSUT Power Plant has received approval from the Office of Natural Resources and Environmental Policy and Planning since April 11, 2013. There is no leftover raw material to be handled in order to avoid polluting the environment, such as choosing machines with low pollution technology, using the steam other than the sale derived from the electricity generation from gas turbines, for generation, and reuse the treated wastewater in the production process to reduce the emissions to the outside that will have negative effects on the environment and also reduce the use of tap water, etc.

Power plant project has no legal dispute or in the process of legal action related to the environment or any environmental regulations.

#### (3) Naturally decomposed

The Company's hemp cultivation uses fertilizers that are in the planting material which can be recycled, no poison, insect repellants use herbs without pesticides, no smell from plant residues, because of the fine grinding method to be decomposed naturally. Moreover, there are furnaces according to FDA standards that will burn in a closed system without smoke. As for the use of water, it will be groundwater, internally used only, without releasing the waste water to the outside. Therefore, the Company's hemp cultivation does not have any impact on the community, society, and environment.





### 3.4 Sustainability Management in Social Dimension

#### 3.4.1 Social Policies and Practices

##### (1) Human Rights Policy

The board attaches great importance to and respects human rights, have a policy to treat labor with fairness and equality, do not discriminate on race, religion, sex, skin color, and language, do not use child labor, and against sexual harassment. The Company requires executives and employees to comply with human rights principles as part of the operations. Guidelines are as follows:

- Do not support direct or indirect discrimination regardless of race, color, sex, sexual orientation, age, disability, religion, illegal political view or any other opinions. In addition, the Company requires executives and employees to comply with human rights principles as part of the operation and does not support activities that violate any human rights principles.
- The equitability in employment opportunities, security and career advancement, as well as to ensure that employees have knowledge and essential expertise for their tasks, and have the opportunity to develop their skills to be in line with future business trend.
- Respect personal dignity, privacy and the rights of individuals who have interacted with during their duties, and not taking any action or encourage any violation or abuse of human rights.
- Provide benefits and welfare that employees should receive from the Company.
- Support employees' health, safety and security to promote good hygiene, safe working environment, control of various threats to prevent accidents and diseases.
- Provide complaint procedures and settle the complaint appropriately and fairly.
- Any violation of disciplinary regulations, it must be conducted for investigation. The Company will investigate the disciplinary offenders only by the Investigation Committee to ensure fairness.

##### (3) Intellectual Property Policy

The Company recognizes the ownership and intellectual property rights of others. The Company has a policy to prohibit all types of intellectual property infringement. The Company does not allow employees to use illegal software. Therefore, in any business of the Company relating to the intellectual property of another person, it must obtain the consent of the owner or the person having the intellectual property rights of another person, unless such action is contrary to the normal exploitation of the intellectual property of others and not affect the legitimate rights of the other person's intellectual property



and does not prejudice to the statutory rights in the intellectual property rights of others. The Company has the following guidelines.

- Comply with the laws related to the intellectual property of Thailand.
- Maintain and protect the intellectual property rights of the Company, including respect and not infringement on the intellectual property rights of other persons.
- The intellectual property and confidential information of the Company, business partners and stakeholders are not used to be reproduced, modified or used in any way for personal or other benefit without permission.
- Report to the supervisor whenever any action that violates intellectual property or it could lead to a violation of intellectual property.

### 3.4.2 Social Performance

The Company adheres to the principles of human rights from employment to the care of employees and personnel to make all employees and personnel feel connected to the same family as the organization. In 2021, the Company has the following key employee operations:

#### (1) Employee Training

In 2021, the Company has organized training / seminars to develop employees' knowledge and abilities as follows:

No.	Course title	Number of Trainees	Institutions that provide seminars	Number of hours
1	Shop and Choose to care for the environment	1	Department of Environmental Quality Promotion	3
2	Sustainable Consumption	1	Department of Environmental Quality Promotion	3
3	Primary Firefighting	1	Bureau of Disaster Prevention and Mitigation Bangkok	3
4	Accounting Measures related to land building and equipment	1	Department of Business Development	6
5	Income, Difference Between Accounting and Tax	1	Department of Business Development	6.5
6	Cash Flow Statement	1	Department of Business Development	7
7	Financial statement analysis	1	Department of Business Development	7
8	Code of Conduct and Financial Reporting Standards for Non-Public Interest Entities	1	Department of Business Development	7
9	Accounting Information 2	1	Department of Business Development	9
10	Business and Human Rights for Businesses in the Thai Capital Market	2	Stock Exchange of Thailand	3



No.	Course title	Number of Trainees	Institutions that provide seminars	Number of hours
11	Using the Annual Report (Form 56-1 One Report) function on the SETLink system	2	Stock Exchange of Thailand	2
			Total	56.5

## 2) Human Rights

### Human Rights

- Respect for personal dignity, privacy, the right of each person, and not to do anything or encourage any violation or abuse of human rights.

### Working environment

- Promote equality in employment, do not support direct or indirect discrimination i.e., ethnic, color, sexual orientation, age, disability, religion, illegal politics opinion or any other opinion.
- Provide benefits and welfare that employees should receive from Company such as holidays, overtime payment, and medical expenses.
- Provide procedures for filing complaints and to settle the complaint appropriately and fairly.
- In case of offense, to be fair to the wrong doers, the investigation for punishment will be done by the investigation committee only.

### Health and Safety

- To support the employee safety and health by promote good hygiene, safe working environment, and various dangers in order to prevent accidents and diseases from work.
- The Company has policies and guidelines in accordance with the laws and regulations related to occupational health, safety and hygiene in the workplace, such as providing a monthly spray to eliminate insects, mosquitoes, termites, rats and ants. There is regular cleaning in the workplace and surrounding areas, and organize the annual fire drill, etc.
- In 2021, there is no accident in the workplace and from the performance of duty. The average number of sick days is equal to 0.29 day/year.

## (3) Satisfaction Survey

In 2021, the Company conducted a survey of the farmer satisfaction for the Company services. Out of 400 farmers in Nakhon Ratchasima, the result showed that the average satisfaction score was 99.77 percent higher than 2020 in which the score was 98.37. The survey result has been reviewed for the operation performance.



## 4. Management Discussion and Analysis: MD&A

### 4.1 Financial Information

#### 4.1.1 Summary of Auditor's Audit Report

Auditor for the year 2021	Ms. Kojchamon Sunhuan Certified Public Accountant (Thailand) No. 11536 by Karin Audit Co., Ltd. Type of report: Unqualified opinion with an emphasis of matters
Auditor for the year 2020	Ms. Kannika Wipanurat Certified Public Accountant (Thailand) No. 7305 by Karin Audit Co., Ltd. Type of report: Unqualified opinion with an emphasis of matters
Auditor for the year 2019	Ms. Kannika Wipanurat Certified Public Accountant (Thailand) No. 7305 by Karin Audit Co., Ltd. Type of report: Unqualified opinion with an emphasis of matters

#### Opinion

I have audited the financial statements of Eternal Energy Public Company Limited and its subsidiaries (the Group), which comprise the consolidated and separate statements of financial position and as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Eternal Energy Public Company Limited and its subsidiaries as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statement section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions to my audit of the consolidated and separate financial statement, and I have fulfilled my other ethical



responsibilities in accordance with the Code. 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 financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters	How my audit addressed the key audit matter
<p><b><u>Impairment of Investment in Subsidiaries</u></b></p> <p>As mentioned in Note 12.2, the balance of investments in subsidiaries representing 38% of total assets which is significant to the separate statements of financial position. Considering the impairment loss, the management has to exercise significant judgement because of the uncertainty in current economic situation that may be impact the corporation of subsidiary in planting, extracting, processing, distributing, importing, This may result in the need to set up an allowance for impairment of investments in subsidiaries. However, the Company did not record an allowance for impairment of investments in subsidiaries because there is no any indication of impairment.</p> <p>In assessing the impairment of investments in subsidiaries by considering whether the carrying amount of the asset or cash-generating unit is higher than its recoverable amount. A high level of judgment is required by management. The assumptions made by management are considered as a key audit matter i.e., cash flow projection, economic growth rate and discount rate.</p>	<p>The following are the significant methods of audit:</p> <ul style="list-style-type: none"><li>● Evaluate the competence, independence and objectivity of independent valuer.</li><li>● Evaluate the preparation of future operating performance of subsidiary and the financial model prepared by the management whether they were consistent with the nature of business operations of the subsidiaries.</li><li>● Comparison of future cash flow projections and economic growth assumptions with the Company's operating plans. To consider the reasonableness of estimates as well as to comparing industries data with external market analysis.</li><li>● Tests the reliability of the discount rate used in projections future cash flows by comparing them with data from other companies in the same industry.</li><li>● Assessing the assumptions and approaches used by the management.</li><li>● Assessing the appropriateness and sufficiency of disclosures in accordance with Thai Financial Reporting Standards.</li></ul>



### Emphasis of matters

Without qualifying my opinion on the conditions. I draw attention to as disclosed in note 12.2 as at December 31, 2021, the Company is considering the fair value of the business. The management has appointed an independent appraiser to assess the fair value. However, as of the date of the financial statements have been approved such information is still being considered by the Company. Therefore the fair value of identifiable acquired assets and liabilities assumed is estimating amount at the date of purchase may be adjust according to Thai Financial Reporting Standards No.3. The Management shall estimate the fair value of the purchase this business at the date of purchase within period of measuring value which cannot more than one year from the date of purchase. The Buyer is required to retrospectively adjust the estimates recognized at the date of purchase to reflect the effect of additional information obtained about the facts and circumstances available at the date of purchase. The determination of the fair value of businesses purchases during 2021 is based on the determination of the final purchase price and the effect of the purchase price allocation.

### Other Information

Management is responsible for the other information. The other information comprise the information included in annual report but does not include 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 financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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



#### 4.1.2 Summary Financial Statements

##### ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

##### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019 - 2021

(Unit: Baht)

	Consolidated financial statement			Separate financial statement		
	December 31	December 31	December 31	December 31	December 31	December 31
	2021	2020	2019	2021	2020	2019
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	854,468,153	4,535,586	46,797,649	837,199,856	3,291,367	44,751,687
Temporary investment	-	-	30,700,000	-	-	-
Other current receivables	7,989,392	6,177,763	5,559,318	5,660,153	5,179,663	4,883,955
Inventories	4,925,000	44,647	37,223	-	-	-
Current income tax assets	-	-	110,358	-	-	70,263
Other current financial assets	-	51,700,000	-	-	20,000,000	-
Other current assets	100,000,000	-	-	100,000,000	-	-
<b>Total current assets</b>	<b>967,382,545</b>	<b>62,457,996</b>	<b>83,204,548</b>	<b>942,860,009</b>	<b>28,471,030</b>	<b>49,705,905</b>
<b>NON - CURRENT ASSETS</b>						
Restricted bank deposits	-	35,250,000	-	-	35,250,000	-
Investments in subsidiaries	-	-	-	666,000,000	514,586,850	514,586,850
Investments in associates	-	1,029,606,891	1,043,240,537	-	816,266,250	816,266,250
Investment property	-	342,951,071	342,951,071	-	-	-
Property, plant and equipment	41,837,181	135,344,778	135,128,519	122,333	19,800	45,837
Right-of-use asset	2,095,768	2,331,434	-	1,497,428	2,331,434	-
Goodwill	608,578,227	-	-	-	-	-
Other non-current assets	150,695,234	6,516,448	41,627,607	150,585,034	6,424,008	41,615,607
<b>Total non - current assets</b>	<b>803,206,410</b>	<b>1,552,000,622</b>	<b>1,562,947,734</b>	<b>818,204,795</b>	<b>1,374,878,342</b>	<b>1,372,514,544</b>
<b>TOTAL ASSETS</b>	<b>1,770,588,955</b>	<b>1,614,458,618</b>	<b>1,646,152,282</b>	<b>1,761,064,804</b>	<b>1,403,349,372</b>	<b>1,422,220,449</b>





ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2019 - 2021

	Consolidated financial statement			Separate financial statement		
	December 31 2021	December 31 2020	December 31 2019	December 31 2021	December 31 2020	December 31 2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Other current payables	3,870,713	158,468,362	132,015,321	3,023,536	158,311,473	131,515,975
Current portion of lease liabilities	973,598	680,252	-	636,034	680,252	-
Short - term loans	-	600,000	-	-	-	-
Accrued income tax	42,876,028	226,790	241,907	42,876,028	-	-
Current provisions for employee benefits	-	1,417,700	1,317,100	-	1,417,700	1,317,100
<b>Total current liabilities</b>	<b>47,720,339</b>	<b>161,393,104</b>	<b>133,574,328</b>	<b>46,535,598</b>	<b>160,409,425</b>	<b>132,833,075</b>
<b>NON - CURRENT LIABILITIES</b>						
Lease liabilities	1,152,995	1,696,990		888,535	1,696,990	
Deferred tax liabilities	144,000	-		-	-	
Non - Current provisions for employee benefits	716,080	1,004,809	3,035,116	530,326	862,776	2,941,335
<b>Total non - current liabilities</b>	<b>2,013,075</b>	<b>2,701,799</b>	<b>3,035,116</b>	<b>1,418,861</b>	<b>2,559,766</b>	<b>2,941,335</b>
<b>TOTAL LIABILITIES</b>	<b>49,733,414</b>	<b>164,094,903</b>	<b>136,609,444</b>	<b>47,954,459</b>	<b>162,969,191</b>	<b>135,774,410</b>
<b>SHAREHOLDERS EQUITY</b>						
<b>Share capital</b>						
Authorized share capital						
2,780,000,000 ordinary shares of Baht 1 each	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000
Issued and paid - up share capital						
2,780,000,000 ordinary shares of Baht 1 each	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000
Discount on common shares	(562,500,000)	(562,500,000)	(562,500,000)	(562,500,000)	(562,500,000)	(562,500,000)
Retained earnings (deficit)						
Appropriated						
Legal reserve fund	13,716,687	13,716,687	13,716,687	13,716,687	13,716,687	13,716,687
Unappropriated	(520,194,599)	(716,069,644)	(721,673,849)	(518,106,342)	(990,836,506)	(944,770,648)
Other component of equity	-	(64,783,328)	-	-	-	-
Equity shareholders of the Company	1,711,022,088	1,450,363,715	-	1,713,110,345	1,240,380,181	-
Non-controlling interest of subsidiaries	9,833,453	-	-	-	-	-
<b>Total shareholders' equity</b>	<b>1,720,855,541</b>	<b>1,450,363,715</b>	<b>1,509,542,838</b>	<b>1,713,110,345</b>	<b>1,240,380,181</b>	<b>1,286,446,039</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,770,588,955</b>	<b>1,614,458,618</b>	<b>1,646,152,282</b>	<b>1,761,064,804</b>	<b>1,403,349,372</b>	<b>1,422,220,449</b>



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2021

(Unit: Baht)

	Consolidated financial statement			Separate financial statement		
	2021	2020	2019	2021	2020	2019
Revenue from sales	4,133,787	3,045,093	3,363,684	-	-	-
Cost of sales	(54,330)	(41,466)	(78,131)	-	-	-
<b>Gross profit</b>	<b>4,079,457</b>	<b>3,003,627</b>	<b>3,285,553</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest Income	567,795	1,259,560	1,817,544	329,190	704,434	1,258,350
Profit (loss) from disposal of investments in subsidiaries	2,838,135	-	-	-	-	-
Profit (loss) from disposal of investments in associates	87,732,235	-	-	429,854,850	-	-
Other income from reversal of provisions	107,520,113	-	-	107,520,113	-	-
Other income	1,688,364	1,140,007	514,529	3,542,714	1,906,542	1,961,040
<b>Total other income</b>	<b>200,346,642</b>	<b>2,399,567</b>	<b>2,332,073</b>	<b>541,246,867</b>	<b>2,610,976</b>	<b>3,219,390</b>
Administrative expenses	(21,566,135)	(38,954,540)	(42,916,323)	(17,770,509)	(37,112,430)	(40,801,871)
Management benefit expenses	(8,650,633)	(11,423,280)	(11,766,190)	(8,200,633)	(11,423,280)	(11,766,190)
<b>Total expenses</b>	<b>(30,216,768)</b>	<b>(50,377,820)</b>	<b>(54,682,513)</b>	<b>(25,971,142)</b>	<b>(48,535,710)</b>	<b>(52,568,061)</b>
Finance costs	(83,318)	(109,338)	-	(75,110)	(109,338)	-
Share of profit of associates	63,998,646	50,466,504	143,264,537	-	-	-
<b>Profit (loss) before Income tax</b>	<b>238,124,659</b>	<b>5,382,540</b>	<b>94,199,650</b>	<b>515,200,615</b>	<b>(46,034,072)</b>	<b>(49,348,671)</b>
Income tax	(43,238,715)	(394,025)	(243,582)	(42,937,562)	-	-
<b>Profit (loss) for the year</b>	<b>194,885,944</b>	<b>4,988,515</b>	<b>93,956,068</b>	<b>472,263,053</b>	<b>(46,034,072)</b>	<b>(49,348,671)</b>
<b>Other comprehensive income (loss)</b>						
Items that will not be reclassified in profit or loss later:						
Profit or loss new values of defined employee benefits	467,111	(67,488)	302,095	467,111	(31,786)	193,177
Items that will be reclassified in profit or loss later:						
Profit or loss cash flow hedges, net of tax	17,823,131	(19,533,060)	-	-	-	-
<b>Total items that will be reclassified</b>	<b>18,290,242</b>	<b>(19,600,548)</b>	<b>302,095</b>	<b>467,111</b>	<b>(31,786)</b>	<b>193,177</b>
<b>Total comprehensive income (loss) for the year</b>	<b>213,176,186</b>	<b>(14,612,033)</b>	<b>94,258,163</b>	<b>472,730,164</b>	<b>(46,065,858)</b>	<b>(49,155,494)</b>
<b>Profit (loss) attributable for year</b>						
Controlling interests of the Company	195,407,934	4,988,515	93,956,068	472,263,053	(46,034,072)	(49,348,671)
Non-controlling interests	(521,990)	-	-	-	-	-
<b>Profit (loss) for the year</b>	<b>194,885,944</b>	<b>4,988,515</b>	<b>93,956,068</b>	<b>472,263,053</b>	<b>(46,034,072)</b>	<b>(49,348,671)</b>
<b>Total comprehensive income (loss) attributable to</b>						
Controlling interests of the Company	213,698,176	(14,612,033)	94,258,163	472,730,164	(46,065,858)	(49,155,494)
Non-controlling interests	(521,990)	-	-	-	-	-
<b>Total comprehensive income (loss) for the year</b>	<b>213,176,186</b>	<b>(14,612,033)</b>	<b>94,258,163</b>	<b>472,730,164</b>	<b>(46,065,858)</b>	<b>(49,155,494)</b>
Basic earnings (deficit) per share (Baht per share)	0.0701	0.0018	0.0338	0.1699	(0.0166)	(0.0178)
Number of weighted average ordinary shares (shares)	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2021

(Unit: Baht)

	Consolidated financial statement									
	Retained earnings (deficit)				Other components of shareholders' equity					
	Issued and paid-up share capital	Discount on ordinary shares	Appropriated Legal reserve fund	Unappropriated	Other comprehensive income (loss)		Total other components of shareholders' equity	Total Equity shareholders of the Company	Non-controlling interest	Total
					Profit (Loss) from the	Cash flow				
					measurement of new values of defined employee benefits	hedges reserves				
Balance at January 1, 2019	2,780,000,000	(562,500,000)	13,716,687	(815,932,012)	-	-	-	1,415,284,675	-	1,415,284,675
Net profit for the period	-	-	-	93,956,068	302,095	-	302,095	94,258,163	-	94,258,163
Transferred to retained earnings	-	-	-	302,095	(302,095)	-	(302,095)	-	-	-
Balance at December 31, 2019	2,780,000,000	(562,500,000)	13,716,687	(721,673,849)	-	-	-	1,509,542,838	-	1,509,542,838
Balance as at January 1, 2020	2,780,000,000	(562,500,000)	13,716,687	(721,673,849)	-	-	-	1,509,542,838	-	1,509,542,838
Impact from the first-time adoption of new financial reporting standards	-	-	-	683,178	-	(45,250,268)	(45,250,268)	(44,567,090)	-	(44,567,090)
Balance as at January 1, 2020 - restated	2,780,000,000	(562,500,000)	13,716,687	(720,990,671)	-	(45,250,268)	(45,250,268)	1,464,975,748	-	1,464,975,748
Total comprehensive income (loss) for the year	-	-	-	4,988,515	(67,488)	(19,533,060)	(19,600,548)	(14,612,033)	-	(14,612,033)
Transferred to retained earnings	-	-	-	(67,488)	67,488	-	67,488	-	-	-
Balance as at December 31, 2020	2,780,000,000	(562,500,000)	13,716,687	(716,069,644)	-	(64,783,328)	(64,783,328)	1,450,363,715	-	1,450,363,715
Balance as at January 1, 2021	2,780,000,000	(562,500,000)	13,716,687	(716,069,644)	-	(64,783,328)	(64,783,328)	1,450,363,715	-	1,450,363,715
Non-controlling interest	-	-	-	-	-	-	-	-	10,355,443	10,355,443
Total comprehensive income (loss) for the year	-	-	-	195,407,934	467,111	17,823,131	18,290,242	213,698,176	(521,990)	213,176,186
Transferred to retained earnings	-	-	-	467,111	(467,111)	-	(467,111)	-	-	-
Disposition of investments in associates	-	-	-	-	-	46,960,197	46,960,197	46,960,197	-	46,960,197
Balance as at December 31, 2021	2,780,000,000	(562,500,000)	13,716,687	(520,194,599)	-	-	-	1,711,022,088	9,833,453	1,720,855,541



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2021

(Unit: Baht)

	Separate financial statement						
	Retained earnings (deficit)				Other components of shareholders' equity		
	Issued and paid-up share capital	Discount on ordinary shares	Appropriated Legal reserve fund	Unappropriated	Other comprehensive income	Total other components of shareholders' equity	Total
					Profit (Loss) from the measurement of new values of defined employee benefits		
Balance at January 1, 2019	2,780,000,000	(562,500,000)	13,716,687	(895,615,154)	-	-	1,335,601,533
Total comprehensive income for the periods	-	-	-	(49,348,671)	193,177	193,177	(49,155,494)
Transferred to retained earnings	-	-	-	193,177	(193,177)	(193,177)	-
Balance at December 31, 2019	2,780,000,000	(562,500,000)	13,716,687	(944,770,648)	-	-	1,286,446,039
Balance as at January 1, 2020	2,780,000,000	(562,500,000)	13,716,687	(944,770,648)	-	-	1,286,446,039
Total comprehensive income (loss) for the year	-	-	-	(46,034,072)	(31,786)	(31,786)	(46,065,858)
Transferred to retained earnings	-	-	-	(31,786)	31,786	31,786	-
Balance as at December 31, 2020	2,780,000,000	(562,500,000)	13,716,687	(990,836,506)	-	-	1,240,380,181
Balance as at January 1, 2021	2,780,000,000	(562,500,000)	13,716,687	(990,836,506)	-	-	1,240,380,181
Total comprehensive income (loss) for the year	-	-	-	472,263,053	467,111	467,111	472,730,164
Transferred to retained earnings	-	-	-	467,111	(467,111)	(467,111)	-
Balance as at December 31, 2021	2,780,000,000	(562,500,000)	13,716,687	(518,106,342)	-	-	1,713,110,345



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2021

				(Unit: Baht)		
	Consolidated financial statement			Separate financial statement		
	2021	2020	2019	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Profit (loss) for the year	194,885,944	4,988,515	93,956,068	472,263,053	(46,034,072)	(49,348,671)
Adjustment to reconcile profit (loss) to be net cash received (paid)						
Adjusted income tax	43,238,715	394,025	243,582	42,937,562	-	-
Adjusted financial cost	83,318	109,338	-	75,110	109,338	-
Adjusted Interest income	(567,795)	(1,259,560)	(1,817,544)	(329,190)	(704,434)	(1,258,350)
Adjusted other current receivables increase	(1,733,054)	(533,032)	(229,013)	(585,057)	(210,965)	(218,560)
Adjusted inventories increase	(4,934,194)	(7,424)	6,237	-	-	-
Adjusted other non-current asset decrease	5,771,616	-	-	5,719,616	-	-
Adjusted other current payables increase (decrease)	2,593,768	(426,987)	273,205	2,232,176	(84,530)	(88,875)
Depreciation and amortization	826,645	749,394	84,829	655,066	725,467	60,766
Adjusted share of (profit) loss of associates	(63,998,646)	(50,466,504)	(143,264,537)	-	-	-
Adjusted defaulting interest payments	-	26,880,028	26,880,028	-	26,880,028	26,880,028
Adjusted other income from reversal of provisions	(107,520,113)	-	-	(107,520,113)	-	-
Adjusted profit loss of change lease liabilities	(48,438)	-	-	(48,438)	-	-
Adjusted provisions for employee benefits	385,660	334,749	900,311	184,261	322,199	808,479
Adjusted cash paid for employee benefits	(1,467,300)	(2,331,944)	-	(1,467,300)	(2,331,944)	-
Adjusted profit from sale of property, plant and equipment	(1,560,734)	-	-	(1,560,734)	-	-
Adjusted profit from disposal of investments in subsidiaries	(2,838,135)	-	-	-	-	-
Adjusted profit from disposal of investments in associates	(87,732,235)	-	-	(429,854,850)	-	-
Adjusted amortized expenses	-	60,957	-	-	60,957	-
Total adjustment to reconcile net profit (loss)	(24,614,978)	(21,508,445)	(22,966,834)	(17,298,838)	(21,267,956)	(23,165,183)
<b>Cash provided by (used in) operating activities</b>						
Interest expenses	(83,318)	(109,338)	-	(75,110)	(109,338)	-
Income tax return (pay out)	(208,429)	(498,582)	(1,744,997)	57,823	(49,095)	111,607
<b>Net cash provided by (used in) operating activities</b>	<b>(24,906,725)</b>	<b>(22,116,365)</b>	<b>(24,711,831)</b>	<b>(17,316,125)</b>	<b>(21,426,389)</b>	<b>(23,053,576)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Other current financial assets (increase) decrease	51,700,000	(21,000,000)	45,000,000	20,000,000	(20,000,000)	52,000,000
Restricted bank deposits decrease	35,250,000	-	-	35,250,000	-	-
Cash received from sales of investment in net-subsiaries from cash paid	464,586,851	-	-	464,586,851	-	-
Cash paid for purchase of investment in net-subsiaries from cash received	(650,000,000)	-	-	(650,000,000)	-	-
Cash paid for payment ordinary shares of subsidiaries in advance.	-	-	-	(16,000,000)	-	-
Cash received from disposal of investments in associates	1,246,121,100	-	-	1,246,121,100	-	-
Cash received from sales of property, plant and equipment	1,560,747	-	-	1,560,747	-	-
Cash paid for property, plant and equipment	(3,136,951)	(266,223)	(27,853)	(111,051)	-	(27,853)
Cash paid from deposit for purchase of investment	(250,000,000)	-	-	(250,000,000)	-	-
Interest income	782,600	1,174,147	1,814,327	433,757	619,691	1,306,711
<b>Net cash provided by (used in) operating activities</b>	<b>896,864,347</b>	<b>(20,092,076)</b>	<b>46,786,474</b>	<b>851,841,404</b>	<b>(19,380,309)</b>	<b>53,278,858</b>



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2021

(Unit : Baht)

	Consolidated financial statement			Separate financial statement		
	2021	2020	2019	2021	2020	2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Cash paid for lease liabilities	(698,582)	(653,622)	-	(616,790)	(653,622)	-
Cash received from short-term loans from Related	-	600,000	-	-	-	-
Cash paid from short-term loans from Related	(600,000)	-	-	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(1,298,582)</b>	<b>(53,622)</b>	<b>-</b>	<b>(616,790)</b>	<b>(653,622)</b>	<b>-</b>
Net cash and cash equivalents increase (decrease) - Net	870,659,040	(42,262,063)	22,074,643	833,908,489	(41,460,320)	30,225,282
Cash and cash equivalents at beginning of the year	4,535,586	46,797,649	24,723,006	3,291,367	44,751,687	14,526,405
Cash decrease from lose control in subsidiary	(32,893,032)	-	-	-	-	-
Cash increse from investing in subsidiaries	12,166,559	-	-	-	-	-
Cash and cash equivalents at ending of the year	854,468,153	4,535,586	46,797,649	837,199,856	3,291,367	44,751,687



#### 4.1.3 Financial Ratios

Key Financial Ratios as at December 31, 2019 - 2021.

Financial Ratios		2021	2020	2019
LIQUIDITY RATIO				
Current ratio	(times)	20.27	0.39	0.62
Quick ratio	(times)	18.07	0.07	0.62
Cash flow ratio	(times)	(0.24)	(0.15)	(0.21)
Accounts receivable turnover ratio	(times)	Cannot calculate		
Average collection period	(days)			
Inventory turnover ratio	(times)			
Average sale period	(days)			
Payable turnover ratio	(times)			
Repayment period	(days)			
Cash Cycle	(days)			
PROFITABILITY RATIO				
Gross profit margin	(%)	98.69	98.64	97.68
Operating profit margin	(%)	(632.28)	(1,555.76)	(1,528.00)
Other income ratio	(%)	97.98	44.07	40.94
Cash to profitability	(%)	Cannot calculate		
Net profit margin	(%)	95.56	91.62	1,649.58
Return on equity	(%)	12.32	0.34	6.42
EFFICIENCY RATIO				
Return on assets	(%)	11.55	0.31	5.92
Return on fixed assets	(%)	221.51	4.24	69.58
Assets turnover	(times)	12.08	0.33	0.36
FINANCIAL POLICY RATIO				
Debt to Equity ratio	(times)	0.03	0.11	0.09
Interest coverage ratio	(times)	Cannot calculate		
Debt service coverage ratio	(times)			
Dividend payout ratio	(%)			

Note \* Operating profit margin is calculated from Gross profit, less administrative expenses and Management benefit expenses.





## 4.2 Management Discussion and Analysis

### 4.2.1 Overview

#### (1) Summary of operation and key factors that make changes

During the year 2021, there were the following changes in the composition of the subsidiaries:

##### 1.1) Cannabiz Way Co., Ltd.

The Board of Directors' Meeting No. 9/2021 of the Company held on September 29, 2021 resolved to approve the acquisition of 800,000 ordinary shares or 80 percent of the total issued shares in Cannabiz Way Company Limited, a limited company incorporated in Thailand engaging in the cultivation and sale of hemp, from Bio Medical Group Company Limited, where the Company has agreed to pay to the seller on the completion date of Baht 650 million as consideration.

##### 1.2) Boon Anek Co., Ltd and subsidiary of Boon Anek Co., Ltd.

With reference to the Board of Directors' Meeting No. 4/2018 of the Company held on November 5, 2018 to approve the sale of 5,399,998 ordinary shares or equivalent to 100 percent of the total shares in Boon Anek Co., Ltd., the Company's subsidiary, to Sup Sombat Mai Co., Ltd., the purchaser who was not the Company's connected person, at the purchase price of Baht 514.59 million where the Company had entered into a share sale and purchase agreement with the purchaser and the purchaser had already paid a deposit of Baht 50 million to the Company on November 6, 2018 and must pay the outstanding purchase price of Baht 464.59 million to the Company on the date on which the Company transfers the ordinary shares in Boon Anek Co., Ltd. to the purchaser, i.e. within December 31, 2019, whereas the parties later agreed to extend such transfer period of shares to December 31, 2021 to allow the Company to obtain a new business in replacement of the business of Boon Anek Co., Ltd. prior to such transfer of shares so that the Company would not lack the status of a SET listed company or become a cash company, as well as the resolutions of the Board of Directors' Meeting No. 11/2021 of the Company, held on November 11, 2021 to approve the request for an extension of the transfer period of shares until March 30, 2022.

Since Bio Medical Group Co., Ltd., the seller of 800,000 ordinary shares or equivalent to 80 percent of the total shares in Cannabiz Way Co., Ltd., had completed all key conditions subsequent under the share sale and purchase agreement dated September 29, 2021 between the Company and Bio Medical Group Co., Ltd. on December 15, 2021. The sale and purchase of such shares was completed on December 15, 2021.



Cannabiz Way Co., Ltd. will be able to conduct the hemp cultivation business in accordance with the licenses that it has been granted. Now that the Company has a new business, i.e. the hemp cultivation business, the Company has found it appropriate to proceed with the transfer of ordinary shares in Boon Anek Co., Ltd. to Sup Sombat Mai Co., Ltd. and receive the outstanding purchase price of Baht 464.59 from Sup Sombat Mai Co., Ltd. within December 31, 2021 in line with the original transfer period of shares. the Company has transferred ordinary shares and received the remaining payment for the shares on December 28, 2021.

As of December 31, 2021, Eternal Energy Public Company Limited operates business in the form of holding shares in other companies (Holding Company), having a subsidiary that is the core company, Cannabiz Way Company Limited, Agricultural business - cannabis trading and production

## **(2) Industry and economic conditions that affect the operation**

The Office of the National Economic and Social Development Board reported that in 2021, the Thai economy expanded by 1.6 percent, recovering from a 6.2-percent contraction in 2020. Export of goods, private consumption, and investments expanded by 18.8 percent, 0.3 percent, and 3.4 percent, respectively. The headline inflation was at 1.2 percent and the current account registered a deficit of 2.2 percent of GDP.

The Thai economy in the fourth quarter of 2021 expanded by 1.9 percent (%YoY), recovering from a contraction of 0.2 percent in the previous quarter. After seasonally adjusted, the Thai economy increased by 1.8 percent from the third quarter (%QoQ sa). On expenditure side: export of goods and services and government expenditure accelerated. Private consumption and public investment returned to expansions, while private investment decreased. On the production side: the manufacturing sector, the transportation and storage sector, and the electricity, gas, steam, and air conditioning supply sector returned to expand, while the wholesale and retail trade sector continued to grow. On the contrary, the agricultural sector decelerated, while the accommodation and food services sector and construction sector decreased. In 2021, the Thai economy expanded by 1.6 percent, recovering from a 6.2-percent contraction in 2020.

## **(3) Change in key accounting policy**

-None-



#### (4) Non-recurring items

In 2021, the EE Group had other income amount of 200.35 MB, increase by 197.95 MB, or 8,249.29 percent from the previous year consist of:

- Income from the reversal of the estimated interest expenses amounted to 107.52 MB or 100 percent compared to the previous year from the cancellation of the purchase of SSUT shares, Part 2 from Com-Link Co., Ltd.
- Profit from selling investments in subsidiaries and associate amounted to 90.57 MB or 100 percent compared to the previous year. The Company sold its all investment in subsidiaries Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and selling all investment in SSUT associate company to Eastern Cogeneration Co., Ltd., resulting in profit from selling investment of 2.84 MB and 87.73 MB.
- Profit from the sale of all 7 vehicles that have expired in the amount of 1.56 MB to unrelated person.

#### 4.2.2 Operating results and profitability

In 2021, the EE Group's net profit from the consolidated financial statements of 194.89 million Baht, an increase of 189.90 million Baht or 3,806.69% when compared to the year 2020 with a net profit of 4.99 million Baht, mainly because of the following reasons:

##### Revenues

(Baht)	2021	Changed (%)	2022	Changed (%)	2019
Revenue from sales	4,133,787	35.75	3,045,093	(9.47)	3,363,684
Interest Income	567,795	(54.92)	1,259,560	(30.70)	1,817,544
Profit (loss) from disposal of investments in subsidiaries	2,838,135	-	-	-	-
Profit (loss) from disposal of investments in associates	87,732,235	-	-	-	-
Other income from reversal of provisions	107,520,113	-	-	-	-
Other income	1,688,364	48.10	1,140,007	121.56	514,529
<b>Total revenues</b>	<b>204,480,429</b>	<b>3,655.61</b>	<b>5,444,660</b>	<b>(4.41)</b>	<b>5,695,757</b>

#### 1. Total revenues

Total Revenue: amount of 204.48 MB, increase by 199.04 MB, or 3,655.61 percent. Those are:

- 1.1 Agricultural product income under the product sharing agreements with the farmers in Nakorn Ratchasima and Chaiyaphum Province amount of 4.13 MB, increase by 1.09 MB, or 35.75 percent.



1.2 Other income amount of 200.35 MB, increase by 197.95 MB, or 8,249.29 percent from the previous year consist of:

- Income from the reversal of the estimated interest expenses amounted to 107.52 MB or 100 percent compared to the previous year from the cancellation of the purchase of SSUT shares, Part 2 from Com-Link Co., Ltd.
- Profit from selling investments in subsidiaries and associate amounted to 90.57 MB or 100 percent compared to the previous year. The Company sold its all investment in subsidiaries Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and selling all investment in SSUT associate company to Eastern Cogeneration Co., Ltd., resulting in profit from selling investment of 2.84 MB and 87.73 MB.
- Profit from the sale of all 7 vehicles that have expired in the amount of 1.56 MB to unrelated person.

#### Expenses

(Baht)	2021	Changed (%)	2020	Changed (%)	2019
Cost of sales	(54,330)	31.02	(41,466)	(46.93)	(78,131)
Administrative expenses	(21,566,135)	(44.64)	(38,954,540)	(9.23)	(42,916,323)
Management benefit expenses	(8,650,633)	(24.27)	(11,423,280)	(2.91)	(11,766,190)
<b>Total expenses</b>	<b>(30,216,768)</b>	<b>(40.02)</b>	<b>(50,377,820)</b>	<b>(7.87)</b>	<b>(54,682,513)</b>
<b>Total</b>	<b>(30,271,098)</b>	<b>(39.96)</b>	<b>(50,419,286)</b>	<b>(7.93)</b>	<b>(54,760,644)</b>

#### 2. Total Expenses

Total Expenses: amount of 30.22 MB, decrease by 20.16 MB, or 40.02 percent from administrative expenses related to estimated interest expenses on the purchase of SSUT shares that had been canceled and the reduction of the employee benefits.

#### 3. Share of net profits in associates

Share of net profits in associates - SSUT Co., Ltd. amounted to 64.00 MB, an increase of 13.53 MB or 26.81 percent due to profit shares for 9 months of 2021 because the Company sold Investments in associated companies on September 23, 2021 to Eastern Cogeneration Co., Ltd. compared to the year 2020 that net profit share of 50.47 MB.



#### Finance cost and income tax expenses

(Baht)	2021	Changed (%)	2020	Changed (%)	2019
Finance costs	(83,318)	(23.80)	(109,338)	-	-
Income tax	(43,238,715)	10,873.60	(394,025)	61.76	(243,582)
Total	(43,322,033)	8,506.52	(503,363)	106.65	(243,582)

#### 4. Financial costs and corporate income tax

Financial costs and corporate income tax amounted to 43.32 MB, an increase of 42.82 MB, or 8,506.52 percent from interest expenses on liabilities under office lease agreements of 0.08 MB and from the Company's corporate income tax for the year 2021 of 42.94 MB incurred from the profit from the sale of investment in an associated and subsidiary in the amount of 0.30 MB and from the normal profit of the Charoenporn Energy Co., Ltd.

PROFITABILITY RATIO		2021	2020	2019
Gross profit margin	(%)	98.69	98.64	97.68
Operating profit margin	(%)	(632.28)	(1,555.76)	(1,528.00)
Other income ratio	(%)	97.98	44.07	40.94
Cash to profitability	(%)	Cannot calculate		
Net profit margin	(%)	95.56	91.62	1,649.58
Return on equity	(%)	12.32	0.34	6.42

Note \* Operating profit margin is calculated from Gross profit, less administrative expenses and Management benefit expenses.

The EE Group's gross profit margin was 98.69%, a slight increase from 2020's gross margin of 98.64%. Because the EE Group has income from the sale of agricultural products under the joint planting project with farmers in the area of Bua Yai District, Pak Thong Chai District, Kong District, Nakhon Ratchasima Province and Sap Yai District, Square District, Chaiyaphum Province increased from the year 2020 by 1.09 million Baht or 35.75%

The operating profit margin was (632.28) %, increased from 2020 with an operating profit margin was (1,555.76) %, indicating that the EE Group's gross profit is less than administrative expenses and management benefit expenses. However, the operating profit margin is better than last year. Because in the year 2021, the Group's administrative expenses and management benefit expenses decreased by 40.02 percent.

Cash to profitability cannot calculate because the Group does not have cash flows from operating activities.



The net profit margin was 95.56%, an increase from 2020 with a net profit margin of 91.62%, while the return on equity was 12.32%, an increase from 2020 with a 0.34% return on equity. This was a result of the year 2021, the Group had a very high net profit of 3,806.69% from the sale of all investments in Boon Anek and Charoenporn Energy to the Sup Sombat Mai Co., Ltd. and sold all investments in SSUT Co., Ltd. to Eastern Cogeneration Company Limited.

#### 4.2.3 Ability to manage assets

##### 1) Receivables Management

In 2021, the Company had other current receivables of 8.00 million Baht, an increase of 1.81 million Baht or 29.33%, details as follows:

##### Impairment of financial assets

The Group measures expected credit losses (ECLs) that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment loss is recognized in profit or loss under the account.

##### "Administrative expenses"

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

	(Unit: Baht)			
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Other current receivables				
Advance Payment	1,030,000	306,232	-	24
Prepaid Expenses	405,735	444,244	405,735	437,144
Receivable from Revenue Department	6,551,322	5,210,146	5,252,083	4,635,592
Other	2,335	2,704	2,335	2,704
Total	7,989,392	5,963,326	5,660,153	5,075,464
Accounts receivable - related parties (Note 6)	-	214,437	-	104,199
Total other current receivables	7,989,392	6,177,763	5,660,153	5,179,663



### Credit risk management

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss (FVPL), as well as credit exposures to customers, including outstanding receivables.

Financial asset measured at fair value through profit or loss (FVPL)

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

### 2) Key component of other assets

In 2021 the EE Group had the key component of other assets (excluding other current receivables) as consolidated financial statements ended 31 December 2021 as follows.

(Baht)	2021	Changed (%)	2020	Changed (%)	2019
<b>Current assets</b>					
Cash and cash equivalents	854,468,153	18,739.20	4,535,586	(90.31)	46,797,649
Inventories	4,925,000	10,930.98	44,647	19.94	37,223
Other current assets	100,000,000	-	-	-	-
<b>Non-current assets</b>					
Property, plant and equipment	41,837,181	(69.09)	135,344,778	-	135,128,519
Right-of-use asset	2,095,768	(10.11)	2,331,434	-	-
Goodwill	608,578,227	-	-	-	-
Other non-current assets	150,695,234	2,212.54	6,516,448	(84.35)	41,627,607

### Current assets

#### ■ Cash and cash equivalents

Cash and cash equivalents were 854.47 million Baht, an increase of 849.93 million Baht from the previous year. The increase was mainly from the proceeds received from the sale of all investments in Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and sold all investments in SSUT Co., Ltd. to Eastern Cogeneration Company Limited.

#### ■ Inventories

Inventories were 4.93 million Baht, an increase of 4.88 million Baht from the previous year. Mostly increased from hemp seeds in agricultural business-Hemp trade and production of Cannabiz Way Company Limited.





■ **Other current assets**

Other current assets were 100.00 million Baht, all increase from the previous year from the deposit to study the investment project in wind power generation in Vietnam for a Company.

The Board of Directors' Meeting No. 12/2021 of the Company held on December 14, 2021 resolved to approve to enter in a memorandum of understanding on conducting studies to consider investing in another company. The duration enter into study is 3 months during January - March 2022. The Company paid a deposit a refundable of baht 100 million on the date of signing this Memorandum of Understanding. By the receiver deposit has pledged common shares with the Company as a guarantee for the Company's return of the deposit under the share pledge agreement.

Non-current assets

■ **Property, plant and equipment**

Property, plant and equipment were to 41.84 million Baht, a decrease of (93.51) million Baht from the previous year. Mostly decreased from the sale of all investment in Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and sold all investments in SSUT Co., Ltd. to Eastern Cogeneration Company Limited.

■ **Right-of-use asset**

Right-of-use asset was 2.10 million Baht, a decrease of (0.24) million Baht from the previous year from recording assets, building use rights, and building improvements. The Right-of-use is the result of a change in accounting policy due to the adoption of Financial Reporting Standard No.16.

■ **Goodwill**

Goodwill was 608.58 million Baht, all increase from the previous year. This was caused by the purchase cost of the subsidiary - Cannabiz Way, which was higher than the estimated interest in the net asset value of the subsidiary. It is in the process of appraising the purchase price allocation by an independent appraiser.

During the year 2021 The Company has hired an independent appraiser (Capital Advantage Co., Ltd.) to evaluate the share value of Cannabiz Way Company Limited on September 29, 2021. This using the net present value of cash flow method (Discounted Cash Flow), taking into account the operating results of Cannabiz Way Company Limited in the future from the business plan of Cannabiz Way Company Limited, which is calculated for the weighted average cost of financial (Weighted Average Cost of Capital: WACC) to use as a discount rate and to calculate future net cash flows from



financial projections of Cannabiz Way Company Limited. In preparing this financial projection, considering the financial projection and business plan for the next 10 years (year 2021-2031) based on estimated useful life of buildings and Greenhouse. The purchase price of Cannabiz Way Company Limited ordinary shares in the proportion of 80 percent at of Baht 650 million is within the fair value of the shares the proportion is 80 percent, With a price range of Baht 467.96-734.49 million.

■ Other non-current assets

Other non-current assets were 150.70 million Baht, an increase of 144.18 million Baht from the previous year. Mostly increased from the deposit to buy an investment in a subsidiary - CBD Biosciences, total value not over 650 million Baht.

According to the Board of Directors Meeting No. 10/2021, held on October 28, 2021, it was resolved to approve the Company to enter a preliminary memorandum of understanding with an unrelated company and deposit a refundable of Baht 150 million for the purchase of ordinary shares in a target company. The price to be traded according to the memorandum is approximately 650 million baht. The final trading price of the shares depends on the results of the due diligence as a guarantee of compliance with the preliminary agreement and the refund of the deposit. The seller has delivered all the share certificates of the target company to the Company, together with check ordered to pay to the Company in the amount of Baht 150 million as a guarantee for the refund of the deposit.

EFFICIENCY RATIO		2021	2020	2019
Return on assets	(%)	11.55	0.31	5.92
Return on fixed assets	(%)	221.51	4.24	69.58
Assets turnover	(times)	12.08	0.33	0.36

Return on assets was 11.55%, an increase from 2020 with a 0.31% return on assets which is caused by the Company's net profit has increased significantly from the previous year. This was mainly because gains from the sale of all investments in subsidiaries and associated companies. The Company sold its all investment in subsidiaries; Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and sold all investments in SSUT to Eastern Cogeneration Company Limited.

Return on fixed assets was 221.51%, an increase from 2020 with a return on fixed assets of 4.24%. The asset turnover rate was 12.08 times, an increase from the previous year. Because the Company's net profit and total income increased from the previous year from the sale of investments in subsidiaries and associated companies.



#### 4.2.4 Liquidity and Suitability of Capital Structure

##### 1) Sources and uses of funds

In 2021, the Company's capital structure is derived from net cash flows from investing activities. Mostly are cash received from the sale of interests in associated company, to use as working capital for business operations and a source of investment in the subsidiary's business which contains details of the source and use of funds in 2021 as follows:

Unit: Baht	2021	Changed (%)	2020	Changed (%)	2019
Net cash provided by (used in) operating activities	(24,906,725)	12.62	(22,116,365)	(10.50)	(24,711,831)
Net cash provided by (used in) investing activities	896,864,347	(4,563.77)	(20,092,076)	(142.94)	46,786,474
Net cash provided by (used in) financing activities	(1,298,582)	2,321.73	(53,622)		-
Net cash and cash equivalents increase (decrease) - Net	870,659,040	(2,160.14)	(42,262,063)	(291.45)	22,074,643
Cash and cash equivalents at beginning of the year	4,535,586	(90.31)	46,797,649	89.29	24,723,006
Cash decrease from lose control in subsidiary	(32,893,032)		-		-
Cash increase from investing in subsidiaries	12,166,559		-		-
Cash and cash equivalents at ending of the year	854,468,153	18,739.20	4,535,586	(90.31)	46,797,649

- Net cash used in operating activities was (24.91) million Baht, a slight change from 2020 when net cash used in operating activities was (22.12) million Baht from adjusted other income from the reversal of provisions and adjusted profit from the disposal of investments in associates.
- Net cash provided by investing activities was 896.86 million Baht, a relatively large change compared to 2020 when net cash flows used in investing activities was (20.09) million Baht. Mainly from the sales of investment in net-subsiidiaries from cash paid 464.59 million Baht and cash received from the disposal of investments in associates 1,246.12 million Baht, while having expenses from the purchase of investment in net-subsiidiaries from the cash received (650) million Baht and cash paid from the deposit for purchase of investment (250) million Baht.
- Net cash provided by (used in) financing activities was (1.30) million Baht, a relatively large change compared to 2020 when net cash flows used in financing activities was (0.05) million Baht. Most of them come from cash paid for lease liabilities and cash paid from short-term loans from Related.

##### 2) Investment expenditure

In 2021, the Company has total investment expenditures of (900) million Baht as follows:



- 2.1 Cash paid for purchase of investment in Cannabiz Way Company Limited Baht 650 million as the Board of Directors' Meeting No. 9/2021 on September 29, 2021 resolved to approve the acquisition of 800,000 ordinary shares or 80 percent of the total issued shares in Cannabiz Way Company Limited, a limited company incorporated in Thailand engaging in the cultivation and sale of hemp, from Bio Medical Group Company Limited (the "Seller"), where the Company has agreed to pay to the Seller on the Completion Date of Baht 650 million.
- 2.2 Cash paid from deposit for purchase of investment (250) million Baht as follows;
- According to the Board of Directors Meeting No. 10/2021, held on October 28, 2021, it was resolved to approve the Company to enter a preliminary memorandum of understanding with an unrelated company and deposit a refundable of Baht 150 million for the purchase of ordinary shares in a target company. The price to be traded according to the memorandum is approximately 650 million baht. The final trading price of the shares depends on the results of the due diligence as a guarantee of compliance with the preliminary agreement and the refund of the deposit. The seller has delivered all the share certificates of the target company to the Company, together with check ordered to pay to the Company in the amount of Baht 150 million as a guarantee for the refund of the deposit.
  - The Board of Directors' Meeting No. 12/2021 of the Company held on December 14, 2021 resolved to approve to enter in a memorandum of understanding on conducting studies to consider investing in another company. The duration enter into study is 3 months during January - March 2022. The Company paid a deposit a refundable of baht 100 million on the date of signing this Memorandum of Understanding. The receiver has pledged common shares with the Company as a guarantee for the Company's return of the deposit under the share pledge agreement.

3) Adequacy of Liquidity

LIQUIDITY RATIO		2021	2020	2019
Current ratio	(times)	20.27	0.39	0.62
Quick ratio	(times)	18.07	0.07	0.62
Cash flow ratio	(times)	(0.24)	(0.15)	(0.21)
Accounts receivable turnover ratio	(times)	Cannot calculate		
Average collection period	(days)			
Inventory Turnover ratio	(times)			
Average sale period	(days)			



LIQUIDITY RATIO		2021	2020	2019
Payable turnover ratio	(times)			
Repayment period	(days)			
Current ratio	(days)			

Liquidity ratio was 20.27 times, an increase from the previous year showing that the Company's current assets consist of cash, accounts receivable, and inventories rather than short-term liabilities. In 2021, the Company received money from the sale of all investment in subsidiaries; Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and sold all investment in SSUT to Eastern Cogeneration Company Limited. Therefore, the Company's flexibility in repaying short-term debt was considerably higher than in 2020.

Quick ratio of 18.07 times, an increase from the previous year, reflects the real liquidity that the Company's assets can convert to cash increased from the previous year and more than short-term debt, while the cash flow ratio (0.24) times decreased from the previous year, reflect that the Company's operating cash flow is insufficient to pay off its short-term debt.

#### 4) Ability to repayment

The Company and subsidiaries have total liabilities in 2021 was 49.73 million Baht, a decrease of (114.36) million Baht or (69.69) % from the previous year, which has a debt size of 164.09 million Baht, mostly decreased from;

- Reversing the accrued interest expense estimate, as a result, the liabilities decreased by (104.60) million Baht from the cancellation of the purchase of SSUT shares Part 2.
- Corporate income tax from profits of the Company and its indirect subsidiaries of 42.88 million Baht, an increase of 42.65 million Baht.
- Deposit received from the sale of investment in subsidiary - Boon Anek decreased by (50) million Baht from the transfer of shares under the sale and purchase agreement on December 28, 2021.
- Liabilities under the lease agreement were 1.15 million Baht, a decrease of (1.22) million Baht due to debt repayment under the lease agreement and the reduction of leased space.
- Provision for employee benefits was 0.72 million Baht, a decrease of (1.71) million Baht or (70.44%) due to the reduction of employees.



The Company's source of funds are cash from investing activities, mostly was cash received from the sale of interests in associate, for use as working capital and source of investment in the subsidiary's business. From the past operations, the Company liabilities can be paid according to conditions and have sufficient ability to pay off liabilities.

FINANCIAL POLICY RATIO		2021	2020	2019
Debt to Equity ratio	(times)	0.03	0.11	0.09
Interest coverage ratio	(times)	Cannot calculate		
Debt service coverage ratio	(times)			
Dividend payout ratio	(%)			

Debt to equity Ratio in 2021 was 0.03, a decrease from 2020 when the debt-to-equity ratio was 0.11, because, in 2021, the group's total liabilities decreased by (69.69) % from the previous year, making the debt-to-equity ratio decrease from the previous year.

The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

#### Consolidated

As at December 31, 2021 debt to equity ratio in the consolidated financial statements is 0.029: 1

#### Separate

As at December 31, 2021 debt to equity ratio in the separate financial statements is 0.028: 1

#### 4.2.5 Liabilities obligations and off-balance sheet liabilities management

As at December 31, 2020, the Company has deposits with a financial institution amounting to Baht 35.25 million has obligations with commercial banks as a guarantee for payment of debt under the share purchase agreement in the associated company. At present, the Company has cancelled the guarantee agreement.

#### 4.2.6 Factors that affect the operating results in future

##### (1) Hemp: A new cash crop that brings both challenges and opportunities

Following the Thai government's decision to legalize the importation of hemp seeds and the growing, processing, possession and distribution of hemp plants and products for prescribed purposes, the commercial cultivation of the crop is beginning to attract significant interest. The plant has a wide range of applications and global demand is forecast to strengthen substantially in the near future, making hemp an interesting and attractive proposition for Thai farmers, and it is thus possible



that the crop may become a major source of income for growers and generate considerable added value for the agricultural sector. The nascent domestic industry is now connecting to at least 5 different supply chains, such as beverages, food, medicines and food supplements, apparel, and personal care products, and given Thailand's natural advantages with regard to hemp cultivation, the country has the opportunity to become a major player in this emerging new industry and to grow with a rapidly expanding global market that is forecast to have a value of around USD 15.8 billion within the next 5 years. However, growers and processors still face significant obstacles, including the necessity of developing new varieties of hemp that better meet market demands and overcoming challenges surrounding the legality of some business activities.

**(2) Thailand has legalized hemp cultivation, paving the way to the establishment of a new cash crop**

Hemp is the standard name for a particular type of cannabis plant known by the scientific name of *Cannabis sativa* L. Hemp and marijuana are both types of cannabis, but the former is reserved for those plants that have a tetrahydrocannabinol (THC) level of not more than 1% of dried plant material (THC is the active component that causes intoxication). Marijuana is then used for plants that exceed this threshold. However, although hemp thus has lower levels of THC than marijuana, it has higher levels of cannabidiol (CBD), a compound that has medicinal properties. Now that (as of January 29, 2021), the “production, import, export, distribution and possession” of hemp has been legalized, the commercial cultivation of hemp is generating significant interest in Thailand. In moving to allow hemp production and use, the government has stated that its objectives are to: (i) allow government agencies to better fulfill their mandates; (ii) permit the use of hemp fiber for traditional purposes within households (which are now able to plant up to 1 rai of hemp each); (iii) encourage the commercial and industrial use of hemp; (iv) permit medical uses of cannabis; (v) allow for cannabis-based research and the development of new strands of hemp; and (vi) provide for the production of seeds of certified varieties.

These reforms, and especially the government's move to allow the commercial and industrial use of hemp, represent an important attempt by the authorities to establish this as a major commercial crop. Unlike the narcotic marijuana, the use of which remains limited to certain medical and research applications, hemp holds out the possibility of becoming a significant cash crop and of generating considerable added value for growers and processors, in particular in the 5 downstream areas of beverages, food, medicines and food supplements, apparel and personal care products.





**(3) A plant with a multitude of uses and the potential for generating high value-added in downstream products**

Hemp may be used in a great number of applications, including as a relaxant, a sleeping aid, a remedy for dizziness, and as a cure for headaches and migraines. In addition, all of the plant may be used for commercial purposes, from its flowers, through the leaves, seeds and branches to the exterior and interior of the stalks, and even the roots, all of which may be processed into a remarkably wide range of products. Thus, the flowers can be processed for the extraction of medicinal Phyto cannabinoids, including CBD (which may be consumed directly or used to generate added value by being mixed with foods and drinks, or by being processed into personal care or cosmetic products) and terpenes (used to make perfumes and essential oils). The leaves may be used in the production of food and beverages, or to make organic fertilizer, building materials, fiberboard and fiberglass. With regard to the stalks, the outer layer can be used to make fiber, clothes, rope, lightweight and high-quality bullet-proof body armor, paper-making pulp, packaging materials, heat insulators, and bioplastics, while the lightweight inner parts of the stalks are used in construction to produce blocks and hempcrete, as well as in auto assembly and furniture production. Oils and other extracts from the seeds find applications as food additives and in the manufacture of personal care products, since these have a high nutritional value (they are rich in protein, vitamin E and omega oils).

**(4) Global demand is high and growing**

The global market for hemp was valued at USD 4.75 billion in 2020. Considered by product group, personal care products (e.g., face and skin creams, hand cleaners and other washing and beauty products) had a combined value of USD 1.76 billion (37.1% of the market for hemp products), followed in importance by food and beverages (25.2%), textiles (18.6%) and pharmaceuticals and medicines (11.6%). However, considered by the hemp product or type of processing, at USD 2.15 billion, hemp oil was the most valuable product (45.2% of the world market), followed by seeds (28.8%) and fiber (20.0%). Allied Market Research sees strong growth ahead, and predicts that average annual expansion of 21.6% in the global market will take this to a value of USD 18.6 billion by 2027, though this is still somewhat small compared to the world trade in marijuana.

**(5) High-priced products with good returns**

Hemp extracts can be divided into 4 categories, the prices of which vary according to their purity and the method of processing.



- Full spectrum CBD is CBD that still contains both other phytocannabinoids and THC and also contains terpenes, which give it a distinctive smell, and flavonoids, which have anti-oxidant effects.
- CBD isolate is pure CBD, which may be in a crystalline or powder form. This is a fine, white, tasteless, odorless product that is used in the production of food and beverages, and in the manufacture of topical applications (cream, etc.). Average prices come to USD 900-1,300/kilogram
- Broad spectrum CBD, or CBD distillate, is CBD extract that still contains some adulterants (as with full spectrum CBD) but the THC has either been entirely removed or it is present in only low levels (the thresholds for this are set by individual countries). Demand for broad spectrum CBD is high and prices run in the range of USD 2,400-4,200/kilogram.
- Water soluble CBD differs from the above 3 types of CBD, which are insoluble in water and which therefore need to be dissolved in oil (e.g., cold-pressed coconut oil, fatty acids, or medium-chain triglycerides). Average prices for water soluble CBD are USD 1,850-3,200/kilogram.

**(6) Opening up the Thai hemp industry has helped to establish new industrial supply chains**

Prior to the introduction of the new rules, the planting and processing of hemp for commercial or industrial uses was prohibited, and so the domestic market for hemp products was very limited and was largely restricted to local textile-based handicrafts that were distributed through arts and craft centers. However, in 2005, the Royal Project Foundation and the Highland Research and Development Institute (HDRI) jointly set up a research project to investigate the growing and processing of hemp. In 2014, the HDRI then moved to promoting the commercial planting of hemp in Baan Mai Khirirat and Baan Mai Yodkhiri Khiri Rat Sub-districts Phop Phra District in Tak Province on a total of 97 rai, which has subsequently been expanded to 150 rai. Thanks to this, Thai imports of semi-processed hemp fell from THB 4.71 million in 2015 to THB 2.36 million in 2020.

Unlocking access to the hemp industry is helping to establish new supply chains, as described below.

- Upstream production (sourcing seeds, the development of new varieties and the cultivation of these): Upstream sections of the supply chain involve securing or importing seeds (not for planting) distributing these for use in the commercial cultivation of hemp (whole plants or parts of these may be sold) and developing new varieties of hemp that



have levels of CBD and THC that better meet market demand. Most players in this segment of the supply chain are farmers, community enterprises, experimental plots operated by universities or other educational institutes, government agencies, or players active in midstream or downstream sections of the supply chain that are beginning to grow plants for use in their own research and development of the government's projects.

- Midstream production (extraction of oils and other hemp products): The midstream section of the hemp supply chain is occupied by businesses that process hemp into products that are consumed by downstream players. This includes activities such as extracting CBD, a high value-added product that is used as an input to a large number of other processes, as well as extracting oil from hemp seeds, and producing hemp powder, pulp, thread and yarn. Most companies active in this market are from the pharmaceuticals, supplements or food and beverage industries since these have access to the requisite skills and technology required to process hemp.
- Downstream production (e.g., consumer goods): The downstream section of the supply chain takes hemp extracts or processed hemp products from midstream players and uses these to make finished goods or to mix with other inputs to produce new product lines. Downstream producers that have the most potential for growth and/or that are the most important consumers of hemp can be divided into the 5 groups of: (i) beverages, including carbonated drinks, energy drinks, alcoholic beverages, tea, coffee, and ready-to-drink herbal products; (ii) food, including condiments and flavorings, bakery goods, noodles (including instant noodles), cereals, and snacks; (iii) medicines and supplements, including sports supplements, vitamins, weight-loss aids, and traditional herbal goods; (iv) apparel and footwear; and (v) personal care products, such as soap, shampoo, toothpaste, perfume, deodorant, oral hygiene products, and makeup.

- (7) Over the next 5 years, the value of the domestic hemp market is forecast to grow to THB 15.8 billion.

Krungsri Research has assessed the value of the Thai hemp industry through a consideration of the potential of downstream manufacturers and their consumption of hemp, together with an assessment of the proportion of total hemp output that will be diverted to each end user. The results of this analysis are given below.



- Krungsri Research forecasts that in 2021, the biggest consumer of hemp will be beverages producers, which will consume THB 280 million worth of hemp for inclusion in their drinks, followed by food processors, (THB 240 million), medicines and supplements (THB 50 million), and apparel (THB 30 million). Personal care products are still at an early stage of development and so consumption by this segment will be low during these first years of production, but overall, these 5 product groups are expected to consume hemp worth around THB 600 million.
- The industry is predicted to see very robust growth over the 5 years following the liberalization of the market by the government. Thus, by 2025, the Thai market for hemp is forecast to have a value of THB 15.77 billion, representing a CAGR of 126%.

**(8) The current state of the Thai hemp industry**

- The Thai climate and geography is conducive to hemp cultivation, making the outdoor planting productive especially in the north and upper north-east of the country, where temperatures are typically in hemp's preferred range of 18-33 degrees Celsius. The growing cycle is also short, with plants being ready for harvest after an average of just 3-4 months and this then allows for 2-3 harvests per year. By contrast, when hemp is planted in Europe, it needs to be grown in expensive indoor temperature-controlled environments which means high cost of cultivation.
- The Thai hemp industry is being established on a solid foundation of knowledge and expertise, thanks to the Highland Research and Development Institute's (HDRI) decade-long research project. The HDRI was the first organization in Thailand to register its own varieties of hemp, and the institute is also now in a position to supply growers with seed; in April and May 2021, the HDRI provided seed to over 600 individuals, community enterprises and private companies.
- Growing hemp may be carried out in a number of different ways in Thailand, depending on the desired end products and the costs that the grower is prepared to bear. Open air cultivation is suitable for those looking to harvest fiber, stems and seeds, since these are relatively low value items, for which the sale price does not justify high production costs. However, indoor cultivation is more suitable for growers extracting oil from flowers since this requires higher quality inputs and a more tightly controlled growing environment.



Growers and processors are beginning to start operations, but the hemp industry is tightly controlled by the government, especially with regard to the somewhat onerous applications that need to be made to start in business. Prospective growers need to complete a background check, and then present their land title deeds, plans of the planting scheme, plans of buildings/processing units, and plans for how the hemp is going to be processed, together with proof of safety procedures and protocols for disposing of any hemp that remains after processing. Because of these requirements, it is necessary to bundle applications for commercial and industrial uses of hemp with those for growing and processing. Growers will thus need to be on top of procedures from identifying the varieties<sup>6</sup>/ used through to plans for distribution to downstream consumers, Manufacturers must come with effective investment plan to specify how products will be processed and used for and how surplus stocks or waste will be disposed.

- Hemp farmers: Growers need to have land on which to grow their crop and to have fully planned cultivation, processing and safety. Farmers also need to be extremely clear about who will be processing the harvest or to have a contract farming system already set up and in place. A large number of growers have already registered to cultivate hemp, pointing to the likelihood of an expansion in supply in and after 4Q21.
- Hemp processors: Players in midstream positions in the supply chain need to have expertise in processing agricultural inputs into oils and powders. At present, processors are facing supply bottlenecks due to the fact that the 4 varieties of hemp licensed for growing in Thailand have been bred for their ability to supply fiber, not oils, while it is not yet possible to import alternatives for commercial processing. Players will thus have to wait until new, more suitable varieties have been bred, which should begin to become available at the end of 2021.

Players in the food and beverages and cosmetics industries are currently seeing shortages of inputs. Using hemp products in downstream processes is dependent on the passing of relevant 'organic laws. but at present, only those that relate to the food and beverage and cosmetics sectors have been published in the Royal Gazette<sup>7</sup>/, and despite this, using hemp in these industries is still subject to a number of restrictions. Thus, when adding hemp to food and drink products, only seeds and protein and oil extracted from seeds may be used, while for cosmetics, only oil and other extracts produced from seeds are allowed. Moreover, supplies can only be sourced on the domestic market, and imports are not permitted. As such, downstream consumers of hemp products are having to wait for supplies to arrive from midstream players since producing processed food-quality hemp (as per



the FDA regulations for food and medicines) requires the development of new varieties that will then have to be grown and processed for their oil and other extracts. It is hoped that this will be achieved in 2022, when the industrial and commercial distribution of hemp products will begin in earnest, though a large number of players remain interested in entering the market.

**(9) Challenges facing Thai hemp producers and processors**

- Growers need to take into account a wide range of considerations when planning planting schemes, including the market for their products, the varieties that will be planted, their knowledge of and skills in hemp cultivation, the sale price, their competitiveness, the expected climatic conditions, and their access to production technology. This will then help farmers match the quantity and quality of their products to market demand<sup>8/</sup>, so for example, growing to harvest hemp fiber or seeds is reasonably straightforward since yields are relatively stable, but cultivating hemp with the intention of extracting CBD is more complex since the quantity of finished goods may vary widely, depending on the growing conditions.
- Midstream and downstream players need to consider a wide range of factors when making business plans.
  - Strict government regulations: These cover a wide range of business activities, including for example rules that cover the THC content of food and beverages (which must not be in excess of 0.001% THC), the inspection of growing sites, and the tight controls on product labeling and advertising.
  - Patents: This effects in particular midstream players, which often have to use more advanced production technology.
  - Worthwhile investment: Although many overseas players are seeing very impressive growth, they are also having to invest heavily in the construction and fitting out of facilities, the purchase of machinery, and the funding of research and development of hemp varieties that are a match for their production.
  - Competitiveness: An increasing number of players are entering the market, including foreign companies.
  - Building consumer confidence: This will include assuring consumers of the safety of hemp products and the absence of unwanted side effects arising from their use.



- Limitations on export markets: Although the UN is helping to reduce controls on the use of CBD, this remains restricted to medical applications and so in many countries, hemp is still classified as a narcotic. This then restricts growth in export markets for downstream hemp products.
- Markets for the buying and selling of hemp are still being developed and although hemp exchanges are direct purchases from growers (i.e., hemp is grown through contract farming-type arrangements), prices are set on a central market set up by the Cooperative Promotion Department. This market helps to act as a central clearing point for hemp exchanges, to establish standards for hemp products, to set reference prices (by connecting all separate markets through a network to a single central market), and to establish fair market mechanisms. In addition, the central market also has a major role to play in facilitating market access for small-scale producers, who can then use this as a vehicle for selling goods to hemp processors or other industrial consumers.
- Legal restrictions on the cultivation and distribution. (i) Hemp inputs can only be sourced from licensed domestic growers, and it is not possible for businesses to import hemp for processing, although exports are allowed (thus allowing Thai industry to generate added value). (ii) When applying for permission to cultivate hemp, growers need to have clearly identified and confirmed buyers. Indeed, to become a licensed grower, farmers need to have not just confirmed buyers but also detailed plans for production and use. (iii) Hemp goods need to meet strict quality controls set by the Ministry of Public Health. In particular, THC levels should not exceed 0.2% of any dried used as an input to further processing, while individual standards have also been set for finished goods. (iv) At present, the law only allows for hemp to be used in the production of food, beverages and cosmetics, to which hemp oil, hemp seeds and hemp seed extract may be added. Other industries will need to wait until the necessary regulatory changes are made before they will be able to use hemp commercially.
- Social and culturally-motivated opposition to the use of hemp may restrict market growth since at present, knowledge and acceptance of the positive uses of hemp is limited and instead, opinions tend to be informed more strongly by the fact that hemp has for a long time been classified as a narcotic.

Source: Krungsri Research





## 5. General information and other important information

### 5.1 General information

#### (1) General Information of the Company

Name	: Eternal Energy Public Company Limited
Security Symbol	: EE
Head office	: 888 I Tower 8th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand
Business Type	: Eternal Energy Public Company Limited is a Holding Company that has the core investment in a subsidiary that engages in the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp and cannabis raw materials.
Business Registration	: 0107536000790
Contact numbers	: Telephone 0-2554-8000 Fax 0-2554-8001
Website	: <a href="http://www.eternalenergy.co.th">www.eternalenergy.co.th</a>
Email	: <a href="mailto:investment@eternalenergy.co.th">investment@eternalenergy.co.th</a>
Registered Capital	: 4,170,000,000 Baht
Paid up Capital	: 2,780,000,000 Baht
Number of paid-up shares	: 2,780,000,000 shares
Par value	: 1.00 Baht
Accounting period	: 1 January - 31 December

#### (2) General information of Subsidiaries

(1) Name	: Cannabiz Way Company Limited
Head office	: No. 99, Moo No. 2, Khlong Sam Subdistrict, Khlong Luang District, Pathum Thani Province 12120
Business Type	: To engage in the business of planting, extracting, processing, distributing, importing, exporting, conducting all business related to hemp and cannabis raw materials.
Contact numbers	: Telephone 02-504-0404
Email	: <a href="mailto:cannabizway@gmail.com">cannabizway@gmail.com</a>
Registered Capital	: 100,000,000 Baht



Paid up Capital	:	100,000,000 Baht
Number of paid-up shares	:	1,000,000 shares
Par value	:	100 Baht
Shareholding	:	80.00%
Related status	:	Subsidiary
<b>(2) Name</b>	:	<b>Boon Anek Company Limited</b>
Head office	:	888 I Tower 8th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand
Business Type	:	Agriculture and rent out real estates
Contact numbers	:	Telephone 0-2554-8000 Fax 0-2554-8001
Website	:	<a href="http://www.eternalenergy.co.th">www.eternalenergy.co.th</a>
Email	:	<a href="mailto:investment@eternalenergy.co.th">investment@eternalenergy.co.th</a>
Registered Capital	:	540,000,000 Baht
Paid up Capital	:	540,000,000 Baht
Number of paid-up shares	:	5,400,000 shares
Par value	:	100 Baht
Shareholding	:	Eternal Energy Public Company Limited holds 100.00% shares
Related status	:	Subsidiary
Note	:	The Company has sold all shares since December 28, 2021
<b>(3) Name</b>	:	<b>Charoenporn Energy Company Limited</b>
Head office	:	888 I Tower 8th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand
Business Type	:	Agriculture and rent out real estates (Growing cassava and other energy crops)
Contact numbers	:	Telephone 0-2554-8000 Fax 0-2554-8001
Website	:	<a href="http://www.eternalenergy.co.th">www.eternalenergy.co.th</a>
Email	:	<a href="mailto:investment@eternalenergy.co.th">investment@eternalenergy.co.th</a>
Registered Capital	:	380,000,000 Baht
Paid up Capital	:	380,000,000 Baht
Number of paid-up shares	:	38,000,000 shares
Par value	:	10 Baht



Shareholding : Boon Anek Company Limited holds 100.00% shares  
Related status : Indirect subsidiary  
Note : The Company has sold all shares since December 28, 2021

**(4) Name : SSUT Company Limited**

Head office : 888 I Tower 8th Floor, Vibhavadi Rangsit Road, Chatuchak,  
Chatuchak, Bangkok 10900, Thailand  
Business Type : Generate and operate an electricity and steam (Cogeneration)  
Contact numbers : Telephone 0-2554-8000  
Fax 0-2554-8001  
Website : [www.ssut.co.th](http://www.ssut.co.th)  
Registered Capital : 2,919,000,000 Baht  
Paid up Capital : 2,919,000,000 Baht  
Number of paid-up shares : 29,190,000 shares  
Par value : 100 Baht  
Shareholding : Eternal Energy Public Company Limited holds 25.00% shares  
Related status : Associate Company  
Note : The Company has sold all shares since September 23, 2021

**(3) Other References**

Share Registrar : Thailand Securities Depository Company Limited  
93 Ratchadaphisek Road, Din Daeng, Bangkok 10400  
Telephone: 0 2009-9000  
Fax: 0 2009-9991  
SET Contact center: 0 2009-9999  
Website: <http://www.set.or.th/tsd>  
E-mail: [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)  
  
Auditor : Ms. Kojchamon Sunhuan Certified Public Accountant No. 11536  
Karin Audit Company Limited  
72 CAT Telecom Building, 24th Floor  
Charoenkrung Road, Bangrak, Bangkok 10500  
Telephone 0-2105-4661 Fax 0-2026-3760



## 5.2 Other important information

-None-

## 5.3 Legal Disputes

In 2021, the Group do not have any legal disputes in which the Company or its subsidiaries are related or parties that may significantly affect its business operations.



## Part 2

### Corporate Governance

## 6. Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors recognizes the importance of conducting business by adhering to the principles of good corporate governance. Adhere to conducting business with honesty, transparency, fairness, and being a good role model in compliance with corporate governance principles and business ethics continuously. The Company has established a corporate governance policy and business ethics manual in writing since 2009, which has been reviewed, revised, and periodically continuously for appropriateness in accordance with the guidelines of the Stock Exchange of Thailand, including the criteria under the Corporate Governance Survey of Listed Companies of the Thai Institute of Directors Association. The Audit Committee evaluates the performance. The Nomination Committee is reviewed annually and presented to the Board of Directors for approval for implementation and acknowledge to all directors, advisors, executives and employees to understand, sign and accept the Principles of Good Corporate Governance and strictly comply with the Company's Code of Business Conduct. The Board of Directors has reviewed and revised the policy every year. The last revision has been made on February 24, 2022. The Board has reviewed the adoption of good corporate governance principles in accordance with the CG Code to be used appropriately in corporate governance according to the business context of the Company in order to create sustainable value for the Company. The Company's good corporate governance practices in 2021 are summarized as follows.

#### 1. Responsibilities of the Board of Directors to shareholders

##### 1.1 Shareholders' rights - Shareholders' meeting arrangement

The Board of Directors recognizes the importance of the rights of shareholders, the basic rights of the shareholders are equally provided for in the Company Articles of Association and relevant law such as trading, or transferring shares, share of profit, to receive sufficient information of the business, right to attend the shareholders' meeting, rights to propose the agenda for the AGM and the nomination of persons to be elected as directors of the Company in advance, rights to appoint other persons to attend the meeting and vote on behalf, rights to express opinions in the meeting independently and making decisions on important matters of the Company such as approving annual



financial statements, rights to approve the annual net profit allocation and dividend payments, rights to vote for appointment or removal of directors individually, rights to vote to determine the annual remuneration of directors, rights to vote for the appointment and determination of annual audit fees, rights to vote in various important businesses, rights to receive a share in the profit of the business and dividend payment, rights to express opinions and ask questions at the shareholders' meeting, and rights to receive sufficient and timely information, etc.

In addition to the basic rights stated above, the Company will encourage all shareholders, especially minority shareholders, foreign shareholders, and institutional shareholders to exercise their rights. The Company will not take any actions that violate or deprive the rights of shareholders, but will encourage shareholders to exercise their rights to make decisions on significant changes. The Company pays close attention to the disclosure of accurate, completed, timely, and transparent information to shareholders. The disclosure of important information is disclosed via the information dissemination system of the Stock Exchange of Thailand and on the Company website for the shareholders to receive information thoroughly.

According to the Securities and Exchange Act BE 2535 and the Public Company Limited Act BE 2535, the Board of Directors of the Company shall hold an annual general meeting of shareholders once a year within 4 months from the end of the accounting period. In this regard, the Board of Directors may call an extraordinary meeting of shareholders at any time as it deems appropriate, and if there is no less than ten percent of the total number of shareholders, requesting an additional meeting of shareholders by specifying the subject and reason for the request. The Board of Directors will arrange a meeting as requested by the shareholders within 45 days from the date of receipt the letter from the shareholders.

In 2021, there was an Annual General Meeting of Shareholders held on April 26, 2021. The location of the meeting was in a convenient location for shareholders to travel, at I Tower Building, 16th Floor, 888 Vibhavadi Rangsit Road, Chatuchak Subdistrict, Chatuchak District, Bangkok. 10900. The Chairman of the Board of Directors has acted as the Chairman of the meeting. Total 6 directors (2 sick leaves directors) attended to answer questions and listen to suggestions from the attending shareholders. Attendees include Company Executives, Company Secretary, Assistant Secretary, Secretary to the Audit Committee, Advisor, Company's Auditor. The Company has arranged independent persons, namely, Ms. Panida Vichitsarat, representative from Karin Audit Company Limited, to review the registration of shareholders and vote counting in the meeting to witness the transparency, complying with laws and the Company's regulations. The Chairman of the meeting



asked a voluntary shareholder to witness the vote counting, but no shareholder presented himself as a joint witness.

#### Annual General Meeting of Shareholders 2021

##### (1) Before the meeting date

The Company sent the notice of meeting invitation to the shareholders in QR Code format, specifying the date, time, venue of the meeting, map of the meeting venue, details of the meeting agenda as well as explaining the facts and reasons of the Board of Directors completely and adequately according to the law, regulations of the Stock Exchange of Thailand, and the Company together with the proxy form attached to the invitation letter for the shareholders to send the representative to attend the meeting including the Company Articles of Association in relation to the shareholders' meeting by sending to Thailand Securities Depository Company Limited to be delivered to the shareholders so that the shareholders can consider not less 21 days in advance of the meeting while allowing shareholders to submit questions about the meeting agenda 2 days in advance of the meeting date by sending questions via various channels such as electronic mail or on the Company website or by fax to the Company Secretary as specified in the invitation letter. The details of the meeting agenda together with the reasons and opinions of the directors sufficiently and clearly to allow shareholders to make decisions on voting in various agendas. Each agenda item will clearly state that It is an offer for acknowledgment or approval or to consider, and disclosed on the Company's website at [www.eternalenergy.co.th](http://www.eternalenergy.co.th) more than 30 days in advance, both in Thai and English before the meeting date so that shareholders can access information easily and quickly which is the same information that the Company will send to shareholders in the form of documents, and also announced in the daily newspaper the notice of the general meeting of shareholders for at least 3 consecutive days and at least 3 days before the meeting date.

Attending the shareholders' meeting, the Company has provided details of the necessary documents that shareholders must bring in order to maintain the rights to attend the meeting. In case the shareholders are not able to attend the meeting, the Company has facilitated by attaching the proxy form as specified by the Ministry of Commerce, and the list of 2 independent directors for shareholders to nominate as an alternative to shareholders who wish to appoint other persons to attend the meeting on their behalf and vote on their behalf in each agenda.





## (2) Meeting day

The Company provided the opportunity for shareholders to register to attend the meeting 2 hours before the meeting and facilitated the shareholders before the meeting, such as preparing the venue and reception staff, arranging the appropriate number of registration officers to check the documents of the shareholders attending the meeting and register by the barcode system that represents the registration number of each shareholder in the registration form and the proxy form so that the registration process is convenient and fast.

Before the Meeting, the Chairman of the Board of Directors, who is the Chairman of the meeting, assigned the Assistant Company Secretary to clarify important information to the shareholders such as number of shareholders on the closing date, March 12, 2021, to allow the minority shareholders to propose the agenda and to nominate persons to be elected as directors in advance, opportunity for shareholders to submit questions about the agenda in advance, using the barcode system, stamp duty is provided for the proxy form to register to attend the meeting, rules for voting and counting of votes, voting for individual directors, and the details of the vote results, the voting and vote counting were openly, the Company will count 1 share to 1 vote and hold a majority vote as a resolution except the case of a resolution requiring a vote of not less than two-thirds or not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote in accordance with the Company's regulations and laws.

The Chairman of the meeting conducted the meeting by notifying the quorum that there were 44 shareholders attending the meeting in person and by proxy, totaling 2,013,312,900 shares or 72.42 percent or all outstanding shares, constituting a quorum, which Article 34 of the Company's Articles of Association requires shareholders to attend the meeting in person or by proxy, not less than 25 shareholders, and must have at least one-third (or 33.33 percent) of the total number of outstanding shares. The introduction of witness and the opportunity for shareholders to present themselves as co-witnesses in order to review the registration and vote counting. Then, the Chairman of the meeting conducted the meeting according to the agenda specified.

During the meeting, the Chairman of the meeting gave an opportunity for all shareholders to have equal rights in expressing opinions and asking questions related to the Company independently by allocating sufficient time and assigned the relevant directors to clarify and provide information to shareholders completely. In addition, shareholders who attended the meeting after the meeting started, they had the right to vote or vote on the agenda being considered and not yet voted on.



Disclosure of meeting resolutions - The Company informed the resolution of the shareholders' meeting via the information dissemination system of the Stock Exchange of Thailand within the specified time of the stock exchange, and on the Company website.

**(3) After the meeting**

The Company has prepared the minutes of the Annual General Meeting of Shareholders completely, submitted to the Stock Exchange of Thailand within 14 days from the date of the meeting, and posted on the Company website. The minutes of the shareholders' meeting have recorded important information accurately, completely and appropriately, including the names of all directors, executives and auditor attending the meeting, clarification of important matters before the meeting, such as the voting procedure and voting results display, the opportunity for shareholders to ask questions or give opinions, meeting resolutions, voting results for each agenda clearly whether shareholders agreed, disagreed or abstained, recorded of questions and answers from shareholders and proxies.

**Extraordinary General Meeting of Shareholders No.1/2021, dated August 4, 2021**

**(1) Before the meeting date**

The Company sent the notice of meeting invitation to the shareholders, specifying the date, time, venue of the meeting, map of the meeting venue, details of the meeting agenda as well as explaining the facts and reasons of the Board of Directors completely and adequately according to the law, regulations of the Stock Exchange of Thailand, and the Company together with the proxy form attached to the invitation letter for the shareholders to send the representative to attend the meeting including the Company Articles of Association in relation to the shareholders' meeting by sending to Thailand Securities Depository Company Limited to be delivered to the shareholders so that the shareholders can consider not less 21 days in advance of the meeting while allowing shareholders to submit questions about the meeting agenda 2 days in advance of the meeting date by sending questions via various channels such as electronic mail or on the Company website or by fax to the Company Secretary as specified in the invitation letter. The details of the meeting agenda together with the reasons and opinions of the directors sufficiently and clearly to allow shareholders to make decisions on voting in various agendas. Each agenda item will clearly state that It is an offer for acknowledgment or approval or to consider, and disclosed on the Company's website at [www.eternalenergy.co.th](http://www.eternalenergy.co.th) more than 30 days in advance, both in Thai and English before the meeting date so that shareholders can access information easily and quickly which is the same information that the Company will send to shareholders in the form of documents, and also announced in the daily



newspaper the notice of the general meeting of shareholders for at least 3 consecutive days and at least 3 days before the meeting date.

Attending the shareholders' meeting, the Company has provided details of the necessary documents that shareholders must bring in order to maintain the rights to attend the meeting. In case the shareholders are not able to attend the meeting, the Company has facilitated by attaching the proxy form as specified by the Ministry of Commerce, and the list of two independent directors for shareholders to nominate as an alternative to shareholders who wish to appoint other persons to attend the meeting on their behalf and vote on their behalf in each agenda.

## (2) Meeting day

The Company provided the opportunity for shareholders to register to attend the meeting 2 hours before the meeting and facilitated the shareholders before the meeting, such as preparing the venue and reception staff, arranging the appropriate number of registration officers to check the documents of the shareholders attending the meeting and register by the barcode system that represents the registration number of each shareholder in the registration form and the proxy form so that the registration process is convenient and fast.

Before the Meeting, the Chairman of the Board of Directors, who is the Chairman of the meeting, assigned the Assistant Company Secretary to clarify important information to the shareholders such as number of shareholders on the closing date, June 15, 2021, using the barcode system, stamp duty is provided for the proxy form to register to attend the meeting, rules for voting and counting of votes, voting for individual directors, and the details of the vote results, the voting and vote counting were openly, the Company will count 1 share to 1 vote and hold a majority vote as a resolution except the case of a resolution requiring a vote of not less than two-thirds or not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote in accordance with the Company's regulations and laws.

The Chairman of the meeting conducted the meeting by notifying the quorum that there were 46 shareholders attending the meeting in person and by proxy, totaling 2,029,904,753 shares or 73.02 percent of all outstanding shares, constituting a quorum, which Article 34 of the Company's Articles of Association requires shareholders to attend the meeting in person or by proxy, not less than 25 shareholders, and must have at least one-third (or 33.33 percent) of the total number of outstanding shares. The introduction of witness and the opportunity for shareholders to present themselves as co-witnesses in order to review the registration and vote counting. Then, the Chairman of the meeting conducted the meeting according to the agenda specified.



During the meeting, the Chairman of the meeting gave an opportunity for all shareholders to have equal rights in expressing opinions and asking questions related to the Company independently by allocating sufficient time and assigned the relevant directors to clarify and provide information to shareholders completely. In addition, shareholders who attended the meeting after the meeting started, they had the right to vote or vote on the agenda being considered and not yet voted on.

Disclosure of meeting resolutions - The Company informed the resolution of the shareholders' meeting via the information dissemination system of the Stock Exchange of Thailand within the specified time of the stock exchange, and on the Company website.

### (3) After the meeting

The Company has prepared the minutes of the Annual General Meeting of Shareholders completely, submitted to the Stock Exchange of Thailand within 14 days from the date of the meeting, and posted on the Company website. The minutes of the shareholders' meeting have recorded important information accurately, completely and appropriately, including the names of all directors, executives and auditor attending the meeting, clarification of important matters before the meeting, such as the voting procedure and voting results display, the opportunity for shareholders to ask questions or give opinions, meeting resolutions, voting results for each agenda clearly whether shareholders agreed, disagreed or abstained, recorded of questions and answers from shareholders and proxies.

## 1.2 Equitable Treatment of Shareholders

The Company gives importance to the equitable treatment of shareholders by taking into account the rights of shareholders and treating every shareholder fairly and equally, regardless of being a major shareholder or not, individual person, institutional shareholder, Thai or foreign shareholder. In 2021, the Company has carried out the following activities:

Before the 2021 Annual General Meeting of Shareholders - the Company provided an opportunity for minority shareholders to propose matters that they consider beneficial to the Company for consideration as an additional agenda for the Annual General Meeting of Shareholders including nominating qualified persons according to the Company's requirements to be considered for election as a director at the same general meeting of shareholders. The Company has announced the criteria about the rights and methods of offering through the information dissemination system of the Stock Exchange of Thailand including disclosing on the Company website [www.eternalenergy.co.th](http://www.eternalenergy.co.th). The Company will notify the result of the consideration together with the reasons for the shareholders. The shareholders can propose agenda and names of candidates to the Company Secretary or via



electronic mail at supaporn@eternalenergy.co.th or by fax no. 02-554-8001, not less than 3 months from October 1, 2020 to January 8, 2021. The criteria include the qualifications of the shareholders who are proposing the agenda in advance and/or nominating the qualified candidate to be considered as a director, procedures for proposing agenda and/or name of person, criteria for consideration of non-agenda items, information for consideration of qualifications and consent of nominees, screening and consideration procedures, etc. However, it turned out that there was no shareholder proposed a matter to be included in the agenda, and no nomination of a candidate to be considered for the election of directors in the shareholders' meeting in 2021.

The Company has published the notice of the shareholders' meeting, which is scheduled for meeting, agenda and opinion of the board of directors, along with supporting documents to the Stock Exchange of Thailand and published on the Company's website at least 30 days before the date of the meeting of shareholders.

Meeting process - The Company provides a transparent shareholder meeting process and effective according to the Company's regulation. Voting is in accordance with the order of the agenda specified such as the approval of individual director, approval of the directors' remuneration, including the appointment of auditors and approval of the auditor' remuneration as specified in the notice of the meeting without adding the agenda that does not have advance notice from the executive shareholder.

Proxy - Shareholders who are not be able to attend the meeting, they can authorize any independent director or Chairman or Executive Chairman or any person attending the meeting and vote on their behalf. The general proxy forms, Form A and Form B are the forms that defines the items that are to be appointed by the proxy. The Company encourages proxy to use form B, which the shareholders can determine the voting direction. Stamp duty is available at the registration desk in case the proxy does not bring one.

Vote Casting - casting ballots were used in every agenda that requires resolution for transparency and can be checked. To allow the counting process to proceed efficiently, the Chairman of the meeting will ask the meeting whether any shareholders or proxies disagree or abstain, to vote, voters must raise their hands and vote on the voting ballots with signature. The Company will collect ballots only if shareholders who disagree or abstain from voting. The shareholders and proxies who agree, to vote and sign. The Company will collect all the agreed ballots at the end of the meeting.

In the agenda of election of directors, the Company gives shareholders an opportunity to exercise the rights to appoint directors on an individual basis. The Company will collect ballots from all



shareholders and proxies attending the meeting including collecting these ballots in order to be able to review later and complying with the best practices in organizing the shareholders' meeting of the Securities and Exchange Commission. For the speed of counting voting results and meetings, the Company provided the counting by barcode system. The Chairman will inform the voting results of each agenda to the meeting after the voting has been completed for each agenda. In the event that some agenda items may take more time to count than usual, the Chairman of the meeting may request that the meeting proceed to consider the next agenda. When the vote counting is completed, the voting results will be reported to the meeting immediately.

According to the Company's regulations, the vote counting of 1 share is equal to 1 vote. In the future, the Company may consider determining the method of cumulative voting for the election of directors as the board of directors deems appropriate.

Meeting minutes - The minutes of the meeting are completely recorded, which contains important information such as the resolution of the meeting and the voting results are divided into the number of votes that agree, disagree, and abstain in each agenda, questions from shareholders, statement of the Board of Directors, and comments of the meeting. The minutes of the meeting was sent to the Stock Exchange of Thailand within the period required by law

After the shareholders' meeting, the questions and suggestions from shareholders are considered by the Board for further action.

#### Supervision of the use of internal information

In order to prevent directors and executives from using insider information that is not yet publicly disclosed or other information that may affect the stock price of the Company. The Company requires directors and executives including spouses or people who live together as husband and wife and children who are underage, have the duty to prepare and disclose the report of any changes in securities holdings of the Company every time they are traded, transferred or accept the transfer of the Company's securities to the Securities and Exchange Commission (SEC) and sending a copy of the report to the company secretary on the same day in accordance with Section 59 of the Securities and Exchange Act 1992, within 3 days. If there is no name in the list of directors and executives with the SEC office, the report shall be done within 7 days. Furthermore, the Company prohibits the directors, executives, and employees of the Company and subsidiaries from trading the Company's securities at least 1 month before the financial statements are disclosed and 24 hours after the financial statements are disclosed. Moreover, it is prohibited to use Company's inside information that is significant to a change in Company's stock price or investment decisions and is not yet disclosed to investors at large



which he has learned in the position for buying or selling or offering for the benefit of oneself or others, or to disclose such facts in order to allow others to do so for the benefit of oneself or not.

If there is a violation, the Company is considered a disciplinary offense according to Company regulations, and there may be civil action other than criminal proceeding according to The Securities and Exchange Act.

#### **Conflict of interest of directors**

The Board of Directors requires the directors to report any conflicts of interest related to the agenda to be considered and the interested directors will refrain from participating in the meeting for consideration.

## **2. Taking into account the role of stakeholders**

### **2.1 Policy on treatment of stakeholders**

The Company has a policy to focus on the rights of all groups of stakeholders whether the internal stakeholders are shareholders, Board of Directors, employees of the Company and subsidiaries, and external stakeholders, such as customers, partners, competitors, creditors, government agencies and other relevant agencies, as well as the community, society and the overall environment. The Board of Directors will perform duties to supervise the Company's operations to ensure transparency, fair to all stakeholders by issuing regulations, rules, policies or actions by studying the advantages and disadvantages, protect the rights of the direct and indirect interest parties with fairness. The Company Listen to comments or suggestions from direct stakeholders and other stakeholders. If there is any important issue that is necessary to provide a hearing process, the process is equal, transparent and thoroughly for participation in that matter.

The Company has established Code of Business Conduct guidelines in writing for directors, executives, advisors and employees at all levels to strictly as follow.

#### **1. To Shareholders - The Company respects the fundamental rights of shareholders and treats all shareholders equally.**

- Perform duties with integrity as well as deciding to take any action with care, prudence and fairness to major and minor shareholders for the best benefit of the shareholders as a whole.
- Report the operation result, financial status, accounting and other reports on a regular and complete basis.
- Notify all shareholders equally about the future trends of the organization, both positive and negative. Do not seek benefits for yourself and others using any information which has not yet



been disclosed to the public and does not take any action that may cause conflicts of interest with the organization.

2. **To Customers** - The Company is committed to continuously improving its services in order to provide the best quality output and have the best standards for customers' satisfaction as follows:
  - Comply with contracts, agreements or conditions with customers. Committed to create satisfaction and confidence for customers.
  - Disclose complete and accurate information about the service. Maintain customers' confidential information, do not call or accept any benefits, or being dishonest to customers.
  - Arrange the customer service system to be able to complain of dissatisfaction.
3. **To employees** - The Company has a policy for employees and pay compensation to employees fairly appropriating to their responsibility, and can compete with other companies in the industry as follows:
  - Strictly comply with labor laws and regulations.
  - Provide appropriate remuneration based on knowledge, ability, responsibility and performance of each employee, comparable to other leading companies.
  - Appointment and transfer, rewarding and punishment of employees must be done fairly, honesty, and based on knowledge, competency and suitability, including actions or the practice of that employee.
  - Treat employees with fairness and justice. Take care and give priority to the employee development by providing opportunities for employees thoroughly and consistently.
  - Maintain a safe working environment for the safety of life, health, physical and property of the employees.
  - Promote employee participation in determining work directions and problem solving.
  - Listen to comments and suggestions from all levels of employees equally and equitably.
  - Treat employees on the basis of human dignity, and respect for personal rights.
4. **To partners** - The Company attaches great importance to the selection of suitable suppliers. The selection process and treatment of partners are equal, fair, systematic and transparent, including on the basis of fair compensation to both parties. The Company realizes the importance of having an ethical and professional business partner. No violations of environmental and labor laws Including promoting and supporting customers to fight against corruption. The Company has arranged the procurement process as follows:
  - Set the criteria for selecting partners.





- There is competition on the information received equally. There is no barrier to any partner to enter the business competition. Arrange the contract form that is suitable and the same standard.
  - Provide a follow-up management system to ensure compliance with the contract. There is an internal control system that prevents fraud and misconduct in every step of the procurement process.
  - Ensure punctuality of payments to partners according to agreed payment terms.
  - There is no policy for directors and / or employees to receive any benefits personally from partners.
  - Arrange for the evaluation of partners on an annual basis, and report the evaluation results with suggestions or improvement of product quality and service continuously, and allow partners to contact the management to report complain if found to have been treated unfairly.
  - Adhere to the policy of treating creditors with discipline and transparency under fair conditions for both parties.
5. To competitors - The Company has a policy to treat competitors without infringing on their secrets or fraudulently knowing their trade secrets as follows:
- Encourage employees to collect, share and use information about competitors. The employees must comply with the law and ethics.
  - Comply with international principles, do not violate or know the trade secrets of competitors by fraudulent means.
  - Protect the Company information that is not publicly disclosed and must protect the competitor's non-public information as well.
6. To creditors - The Company has the fair practice according to conditions and is responsible for creditors scheduled repayments terms, commitment to trade and financial institution creditors in accordance with the terms of contract. If there is any reason that the contract cannot be performed, the Company will notify creditors to mutually resolve the problems as follows:
- Strictly complying with creditors' contracts or agreements.
  - Manage the business to ensure creditors' confidence in financial status and ability to pay back.
  - Disclose accurate and complete financial information to creditors regularly.
7. To society and communities - The Company realizes and operates business with responsibility towards the community, society and environment in terms of safety, quality of life and conservation of natural resources in the area surrounding the workplace. Guidelines are as follows:



- To be a good citizen model by conducting activities for social, community and environmental development in various forms.
- Cooperating and strictly comply with the spirit of law and related regulations.
- Promote all levels of employees to bear in mind of social and environmental responsibilities.
- Giving importance to participate and create good relationships between Company and society on the basis of accuracy, transparency, fairness in order to create knowledge and lead to sustainable social development.

## 2.2 Policy on the acquisition or disposal of securities

Acquisition or disposition of securities of directors and executives of the Company must be honest and strictly comply with the regulations of the Stock Exchange of Thailand. The Company has specified the guidelines for the acquisition or disposal of the Company's securities, which are clearly stated in the policies and measures to supervise the use of internal information in securities trading and in the Company business ethics for the directors and employees to abide.

## 2.3 Compliance with relevant laws and regulations

The Board of Directors recognizes the importance and adheres to the principles of the Securities and Exchange Act and, relevant laws. In 2021, there were no cases of violations of labor laws, employment, consumers, trade and environmental competition.

## 3. Disclosure and transparency

The Board of Directors attaches importance and oversees the disclosure of information to the public and stakeholders with accuracy, completeness, timeliness, transparency through easy access to information equally and reliably both in Thai and English through the SET Portal of the Stock Exchange of Thailand and on the Company's website for shareholders, investors, the public or other stakeholders to study, and to be confident in the transparent operation of the Company.

Disclosure of information in the annual registration statement and the annual report of the Company are as follows:

- 1) The Business - consists of policies and business overview, nature of business, risk factors, assets used in business operations, legal dispute, general information and other important information.
- 2) Management and Corporate Governance - consists of securities information and shareholders, organizational structure and management, corporate governance,



corporate social responsibility, internal control and risk management, and related transactions.

- 3) Financial status and operating results - consists of the report of the Board of Directors' responsibility for financial reports, important financial information, financial statement, management discussion and financial analysis (MD&A).
- 4) Certification of data accuracy - consists of details about directors, executives, controlling persons and Company secretary, directors of subsidiaries, Head of Internal Audit and Head of Compliance Unit, and property appraisal.

Information published on the Company's website, such as

- Performance data - Quarterly and yearly financial statements along with management discussion analysis of the current and previous year performance
- Information about the project - Clarify the progress of project development
- Information about the meeting - Granting rights to minority shareholders to propose agenda and nominate persons for selection as Directors, significant Resolution of the Board of Directors' Meeting, Resolution of the shareholders' meeting, Invitation to the Annual General Meeting and Extraordinary General Meeting of Shareholders
- Information about the Company - Vision, Mission, Strategy, Company Articles of Association, memorandum, Organizational Structure, Board of Directors and Executives, Corporate Governance Policy, Code of Business Conduct for Directors and Employees, Investor Relations, Ethics, Anti-corruption Policy, Environmental Policy, Risk management Policy including various risk management methods, Form 56-1 and Annual Reports, Shareholding structure both directly and indirectly, Company and Subsidiaries and Associates, Major shareholders both directly and indirectly who hold shares from 5 percent of the total paid-up shares and have voting rights, Board Charter, and matters that need to be approved by the Board of Directors, Sub-committee Charter, Complaint channels, and Responsible person, Company Secretary, Phone number and email.



## 6.2 Code of Business Conduct

The Board of Directors has prepared a code of business conduct for directors, executives and employees as a guideline for conducting business and adhering to practices to ensure transparency, honesty, morality, ethics, taking into account stakeholders and the Company's benefits, in promoting the good corporate governance of the Company in the development and sustainable growth. The Board of Directors regularly reviews the suitability of the business code, and published the business code on the Company's website. [www.eternalenergy.co.th](http://www.eternalenergy.co.th)

The principle is divided into the following topics

1. Ethics for all stakeholders including
  - Non-involvement in human rights violations
  - Business operations under environmental standards
  - Non-infringement of intellectual property
  - Anti-corruption
2. Code of Conduct for Sub-Committees, Advisors and Executives to perform their duties with honesty, carefulness and prudence for the best interest of the Company and all related parties
3. Employee ethics - There are practices that employees have to comply with various groups such as to customer, related persons, society, among employees, the Company including conflicts of interest, receiving or giving anything or other benefits, and political rights.
4. To ensure all levels of managers are responsible to oversee all subordinates' activities are strictly comply with the code of conduct.
5. The complaint requires the Company Secretary to be a recipient of complaints about the violation or non-compliance with the code of conduct with the process of receiving complaints, process upon receiving complaints, to evaluate, consider each step and method that is appropriate. In addition, the Company has provided channels for reporting information to the Chairman of the Audit Committee via the Company's website: [www.eternalenergy.co.th](http://www.eternalenergy.co.th) about employee misconduct, inappropriate internal control system, by sending letter or e-mail, or post. The Company will provide fairness and protect the complainant who provided the information in good faith, and will appoint an executive to investigate by keeping the complaint information and documents confidential.
6. Discipline - employees who violate will be subject to disciplinary action according to the Company regulations. Unethical actions may be punished by law if such action is illegal.



### 6.3 Key changes and developments in policies, practices, and the corporate governance system in the past year

In 2021, the Board of Directors, by the suggestion of the Good Corporate Governance Committee, has considered the good corporate governance principles for listed companies 2017 or Corporate Governance Code (CG Code) issued by the SEC Office. To apply by considering and recognizing the roles and duties of the organization's leadership (governing board). All directors have carefully considered the Code and understood the benefits and importance of implementing the CG Code which focuses on the integration of social and environmental issues, and corporate governance to be used to create value for businesses for sustainable development.

The Company got the CG score from the corporate governance assessment 2021 conducted by the Thai Institute of Directors Association (IOD), the Company's overall score was "Excellent", increased from last year's score of "Very Good", higher than the average level of 84% based on the survey of 716 listed companies.

Besides, the Audit Committee Meeting No.2/2022 held on February 24, 2022, has considered the results of self-assessment in compliance with good corporate governance principles for the year 2021 and has reviewed the policies and CG Code Principles, including reviewing the issues that have not implemented yet, and has considered and formulated appropriate action guidelines following the nature of business and corporate culture. There are important cases as follows:

CG Code that has not implemented	Opinion
Appointment of advisors to the Nomination and Remuneration Committee	<p>The Board of Directors has assigned the Nomination and Remuneration Committee which consists of experts from various professions to perform duties in summary as follows:</p> <ul style="list-style-type: none"><li>To select persons to replace directors and executives, if the term expires, resign or other cases. This is to be in line with the good corporate governance guidelines of the Stock Exchange of Thailand and accordance with the Articles of Association of Eternal Energy Public Company Limited, the directors and executives of the Company Must be fully qualified according to the Public Limited Companies Act 1992 and the Securities and Exchange Act 1992</li></ul>



CG Code that has no implemented	Opinion
	<ul style="list-style-type: none"><li>● To consider the remuneration of Directors by considering the suitability of the duties, responsibility, and the Company's performance and propose to the Board of Directors.</li></ul> <p>In the past, the Nomination Committee can perform its duties very well. Therefore, it can be considered that the Company has an appropriate and efficient process of nomination and remuneration of directors.</p>



## 7. Corporate Governance Structure and key information about the Board of Directors, Sub-committees, Executives, Employees and Others

### 7.1 Corporate Governance Structure

#### 7.1.1 Board of Directors

The Board of Directors is appointed by the shareholders' meeting, as of December 31, 2021 consisting of 7 directors (5 male and 2 female), with no prohibited qualifications. There is no history of criminal offenses in relation to property committed by fraud. There is no record of transactions that may cause conflicts of interest with the Company. The number of directors is in accordance with the Company articles of association that require the Company to have at least 5 directors, the Company has a policy to have no more than 12 directors, and not less than half of the total number of directors must have residence in Thailand in order to comply with Section 67 of the Public Company Limited Act BE 2535.

There are 7 directors (5 male and 2 female); consist of 2 executive directors and 5 non-executive directors who are able to comment on the work of the management independently. There are 4 independent directors, or 57.14 percent of total directors, which are more than half of the total number of directors. The term of office is 3 years. The term of office of independent directors for not more than 3 consecutive terms or 9 years.

The Company has a policy that the composition of the board is diverse, consisting of people with various knowledge and capabilities. There are a variety of qualifications in terms of skills, experience and specific competencies that are sufficient to perform their duties efficiently for maximum benefits to the Company such as business administration, accounting, law, economics, political science, finance, etc. There is 1 non-executive director with knowledge and experience in the core business of the Company. In addition, each director has leadership, vision, and independence in decision making for the best benefit of the Company and the shareholders as a whole, and able to devote sufficient time for the Company to perform duties. It also has a role in determining the operating policy of the Company together with the management for operation, planning, monetary policy, risk management, supervise, evaluate the performance, etc. The Chairman of the Board is an independent director and is not the same person as Executive Chairman. They have different duties and responsibilities.



The board also consider the effectiveness of the performance of the directors to ensure that the directors are able to devote their time for their tasks sufficiently. The board, thereby, has set the policy limiting each director not to take position in more than 5 listed companies. The board has abided to the policy, so far none of them has taken positions in more than 5 companies.

The Board of Directors has clearly defined the term of office of directors in the Company's regulations and in the corporate governance policy. At each annual general meeting of the Company directors shall retire from office one-third of the number of directors. If the number of directors cannot be divided into three parts, the number nearest to one-third shall be applied. In this regard, the director who is in the position for the longest time shall be removed from the position. If the agreement cannot be made, the raffle method should apply. The retired director can be re-elected.

The management structure of the Company consists of Board of Directors and 3 Sub-Committees, namely the Audit Committee, Nomination, Remuneration, and Corporate Governance Committee, and Risk Management Committee. The Chief Executive Officer is the top executive.

List of the Board of Directors and the position as of December 31, 2021 are as follows:

**1) Board of Directors**

- |    |                             |   |
|----|-----------------------------|---|
| 1. | Mr. Thanachai Santichaikul  | Independent Director and Chairman of the Board of Directors |
| 2. | Mr. Worasak Kriengkamol     | Director  |
| 3. | Miss Varaporn Suprucksaskul | Director  |
| 4. | Mr. Prapat Yorkhant         | Director  |
| 5. | Mr. Pipat Chanasongkram     | Independent Director  |
| 6. | Mr. Ekkawit Kaewwichian     | Independent Director  |
| 7. | Miss Suvicha Kaewfacharoen  | Independent Director  |

**2) Audit Committee**

- |    |                            |                                 |
|----|----------------------------|---------------------------------|
| 1. | Mr. Pipat Chanasongkram    | Chairman of the Audit Committee |
| 2. | Mr. Ekkawit Kaewwichian    | Audit Committee Member          |
| 3. | Miss Suvicha Kaewfacharoen | Audit Committee Member          |

**3) Nomination, Remuneration, and Corporate Governance Committee**

- |    |                             |   |
|----|-----------------------------|---|
| 1. | Mr. Ekkawit Kaewwichian     | Chairman of the Nomination and Remuneration Committee |
| 2. | Miss Suvicha Kaewfacharoen  | Nomination and Remuneration Committee Member          |
| 3. | Miss Varaporn Suprucksaskul | Nomination and Remuneration Committee Member          |





#### 4) Risk Management Committee

- |                                |  |
|--------------------------------|--|
| 1. Mr. Prapat Yorkhant         | Chairman of the Risk Management Committee      |
| 2. Mr. Worasak Kriengkamol     | Risk Management Committee Member               |
| 3. Miss Varaporn Suprucksaskul | Risk Management Committee Member               |
| 4. Miss Sarunya Noiiaiboon     | Risk Management Committee Member and Secretary |

#### Authorized directors

The authorized directors of the Company appointed by the Board that Mr. Worasak Kriengkamol, Mr. Prapat Yorkhant, Miss Varaporn Suprucksaskul, any two of three mentioned directors jointly sign their names with the Company seal affixed.

#### 7.1.2 Executives

Definitions “Executive” of the Securities and Exchange Commission means manager or the first four managers from the President, who is equivalent to the fourth level of management. As of December 31, 2021, the Company has executives and positions as follows:

List of Executives	Position
1. Miss Varaporn Suprucksaskul	Managing Director take care of general administration
2. Miss Jiraporn Yuwasakulpong	Accounting Manager/Acting Director of Accounting and Finance/Secretary of the Audit Committee oversee the work of the Internal Audit Office. The Company hired Prama Consultants Company Limited as an internal auditor.

On October 28, 2021, the board of director meeting No. 10/2021 appoints Mr. Worasak Kriengkamol to be the Chief Executive Officer (as top management position).

Mrs. Thanyathorn Chonlavoron, as Company Secretary, is also in charge of Investor Relation, Compliance, and Nomination Committee Secretary.

#### Advisor

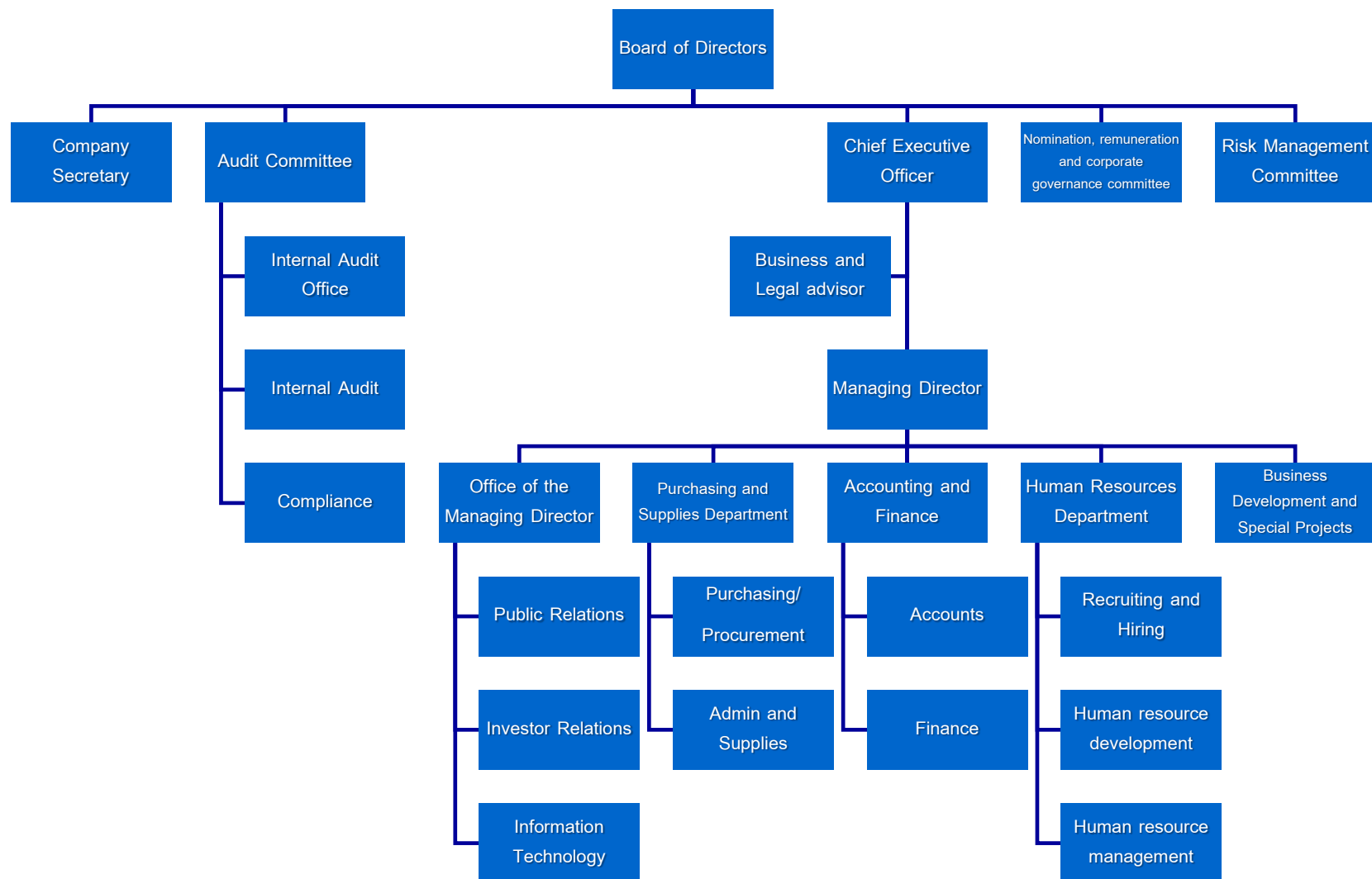
Mr. Siritaj Rojanapruk, an advisor to the Board of Directors has resigned from the position of advisor since April 1, 2021.

Mr. Thiraphong Tangthirasunan, the advisor to the Executive Chairman on agribusiness, including member of the Risk Management Committee, has resigned from the position of advisor since May 1, 2021



Organizational Structure of Eternal Energy Public Company Limited

As of December 31, 2021





#### Roles and Responsibilities of the Managing Director/ Chief Executive Officer

1. Manage and supervise the Company operations related to the general administration in accordance with the objectives, policies, rules and Company regulations.
2. To propose business investment plans to the Board of Directors for approval.
3. To act on behalf of the Company within the scope approved by the Board.
4. Perform any tasks assigned by the Board resolution and / or the shareholders' meeting resolutions.
5. To develop effective strategies for business survival and prosperous.
6. Understand all work processes, shows vision and assigns the subordinates to implement.
7. Establish organizational culture.
8. Realize the value and importance to employees at all levels. The Human Resources Department is to be responsible for implementing.
9. To be fairness in solving employees' conflicts.
10. Monitor the behavior of members in the organization in order to restructure.
11. Understanding Financial Accounting that will help to understand the systematic status of the Company assets.
12. To be role model to people in the organization.

#### Authorization to the Chief Executive Officer

The Board of Directors meeting on November 11, 2021 resolved to empower the Chief Executive Officer to act on behalf of the Company within the amount of 3 MB. If the amount exceeds 3 MB, the Board shall consider and approve of such transaction.

## 7.2 Information about the Board of Directors

As at December 31, 2021 the Board of Directors consisted of 7 directors as follows.

No.	List of Directors	Position	Note
1.	Mr. Thanachai Santichaikul **	Independent Director and Chairman of the Board of Directors	Appointed 16 Nov 2021
2.	Mr. Worasak Kriengkamol	Director	Appointed 10 Sep 2021
3.	Miss Varaporn Suprucksaskul	Director	Appointed 26 May 2021
4.	Mr. Prapat Yorkhant	Director	Appointed 23 Sep 2021
5.	Mr. Pipat Chanasongkram**	Independent Director	Appointed 31 May 2021
6.	Mr. Ekkawit Kaewwichian	Independent Director	Appointed 26 May 2021
7.	Miss Suvicha Kaewfacharoen	Independent Director	Appointed 28 Oct 2021
8.	Mr. Thira Ratanavit	Director	Resigned 1 May 2021



No.	List of Directors	Position	Note
9.	Professor Emeritus Dr.Borwornsak Uwanno	Independent Director and Chairman of the Board of Directors	Resigned 1 May 2021
10.	Mr. Apivut Thongkam	Independent Director	Resigned 10 May 2021
11.	Dr. Thanachai Thirapatanawong	Independent Director	Resigned 27 May 2021
12.	Mr. Surachai Suksriwong *	Director and Chairman of the Board of Directors	Resigned 22 Sep 2021
13.	Ms. Kwansirintr Rojanapruk	Director	Resigned 23 Oct 2021
14.	Dr. Wetang Phuangsup	Independent Director	Resigned 29 Sep 2021
15.	Mr. Nivat Changariyavong	Independent Director	Resigned 28 Oct 2021

Note \* On May 13, 2021, the Board of Directors appointed Mr. Surachai Suksriwong as the Chairman of the Board, to replace Professor Emeritus Dr.Borwornsak Uwanno.

\*\* On September 23, 2021, the Board of Directors appointed Mr. Pipat Chanasongkram as the Chairman of the Board to replace Mr. Surachai Suksriwong.

\*\* On November 11, 2021, the Board of Directors acknowledged the resignation of Mr. Pipat Chanasongkram from the position of Chairman of the Board. He still holds the position of Independent Director and Chairman of the Audit Committee with effective from November 16, 2021.

\*\* On November 11, 2021, the Board of Directors appointed Mr. Thanachai Santichaikul as the Chairman of the Board with effective from November 16, 2021.

In 2021, the Company has changed the entire board of directors because the Company changed the business operation. The Company sold all investment in an associate - SSUT Company Limited, which operates in the energy business; Cogeneration Power Plant, all shareholding 25% of registered capital on September 23, 2021, by switching to the agricultural business - planting hemp. On October 1, 2021, the Company purchased 80% of the registered capital of Cannabiz Way Company Limited to do such agricultural business. And on December 28, 2021, the Company sold all ordinary shares that the Company held 100% in its subsidiaries - Boon Anek Company Limited, including indirect subsidiary. -Charoenporn Energy Co., Ltd.

#### Roles and Responsibilities of the Board of Directors

In addition to the duties as specified in the Securities and Exchange Act BE 2535, the Board has additional duties as follows:

1. Determine the objectives and main goals of the business for sustainability, strategies, operational policies, allocate important resources to achieve objectives and goals, including



monitoring the implementation of the specified strategies to be implemented, and supervising the performance reports.

2. Supervise the business to be competitive, conduct business with ethics, respect the rights and have responsibility to shareholders and stakeholders by contributing to society benefit and reduce environmental impact.
3. Ensure that all directors and executives perform their duties with responsibly and care and honest to the organization, and to comply with laws, regulations and resolutions of the shareholders' meeting.
4. Clearly assign duties and responsibilities of the Chief Executive Officer and the management, including to ensure that their duties are performed as signed.
5. Determine and review the Board structure both in terms of size, composition, proportion of appropriate independent directors, select the appropriate person, in which the Board can make independent decisions, supervise the recruitment and selection of directors with transparent and clear processes in order to obtain a board member that is qualified as specified, with the structure and compensation that are appropriate to the responsibility.
6. Supervising all directors to be responsible for performing their duties and allocating sufficient time. Ensuring that each director has knowledge and understanding about roles and duties, nature of business and laws relating to business operations, as well as encouraging all directors to regularly enhance skills and knowledge for the performance of their duties.
7. Supervise a framework and mechanism for overseeing the policies and operations of subsidiaries and other businesses that the Company has invested significantly at the appropriate level for each business.
8. Provide an annual performance assessment of the Board of Directors, Sub-committees and individual directors, the evaluation results will be used for further duties development.
9. Ensuring that the operations of the Board of Directors are completed, can access to necessary information. To appoint Company Secretary who has the necessary knowledge and experience to support the operations of the board.
10. Understand the structure and relationship of shareholders that may affect the management and operations of the Company.
11. Monitor the administration and development of personnel to have appropriate knowledge, skills, experience, and motivation.
12. Focusing and supporting business value for the business while creating benefits for customers or related parties, and having society and environment responsibility.



13. Monitor and supervise the management to conduct business with social and environmental responsibility, reflected in the action plan to ensure that all departments of the organization are in line with the objectives, main goals and Company strategy.
14. Supervising the management to allocate and manage resources efficiently and effectively.
15. Supervise and manage Company information technology that is consistent with the needs of the Company.
16. Supervise to ensure that the Company has a risk management system and internal control that will achieve the objectives effectively, and complying with the relevant laws and standards.
17. Establish an Audit Committee that can perform duties efficiently and independently.
18. Monitor, supervise and manage potential conflicts of interest that may occur between the Company and the management, the board or shareholders, including the prevention of improper use of Company information, opportunities, and transactions with connected person in an inappropriate manner.
19. Supervise the establishment of clear anti-corruption policies and practices and communicate at all levels of the organization and to outsiders, including supervising a mechanism for receiving complaints and taking actions in the case of clues.
20. Responsible for ensuring that the financial reporting system and disclosure of important information accurate, adequate, timely, in accordance with relevant rules, standards and guidelines.
21. Monitor and ensure the adequacy of financial liquidity and debt repayment ability when the business faces financial problems or is likely to experience problems. The board should be confident that the Company has a plan to solve the problem, or there are other mechanisms that can solve financial problems, under consideration of the rights of stakeholders.
22. Supervise the management to have the unit or person responsible for investor relations to communicate with shareholders and other stakeholders such as investors, analysts, to be equitable and timely, and to promote the use of information technology for information dissemination.
23. Support participation and communication with shareholders. To Ensure that shareholders participate in making important decisions. To ensure that the proceeding on the shareholders' meeting are orderly, transparent, effective and allowing the shareholders to exercise their rights. To supervising the disclosure of the meeting resolutions, and to propose the minutes of the shareholders meeting accurately and completely.



**Matters that require approval by the Shareholders' Meeting**

According to the Company's Articles of Association. The Board has the authority to make decision and to oversee the operation of the Company except for the following matters that the Board must obtain approval from the shareholders' meeting prior to the operation.

1. Subject to the law requiring resolution of the shareholders' meeting.
2. Connected transactions and the acquisition or disposition of major assets of the Company as prescribed by the law and the Capital Market Supervisory Board.
3. Sale or transfer of the entire business or some important parts.
4. Acquisition of private or other public companies.
5. The amendment or termination of the lease contract as a whole or part of the business, to assign any person to manage the Company business or merger with other persons for the purpose of profit sharing.
6. Amendment of Company Memorandum of Association or Articles of Association.
7. The increase or decrease of the Company registered capital.
8. Company dissolution.
9. Debenture issuance.
10. Merger with other companies.

**Matters to be proposed for approval by the Board**

1. Matters related to Company policy.
2. Subject to significant changes to the Company business.
3. Subject to comply with the law by the Board.
4. Project that the Executive Committee deems appropriate to be proposed for approval.
5. The amount exceeding the authorization of the Executive Committee Chairman.

**Approval Authority of the Board of Directors**

According to the Company's corporate governance, the Board is responsible for approving or giving feedbacks on the following matters;

1. Policy, direction and strategy of the business to be relevant to the economy and competition, objectives, action plan, business plan, and annual budget of the Company and its subsidiary.
2. Improvement, change and amend the organization structure.
3. Opening account, closing account and assigning signatories together with the conditions to sign.
4. The use of funds that is exceed the approved budget.



5. Buying and selling assets, taking over business, entering joint venture that investment value exceeds Executive Chairman authority.
6. Engaging in any contracts not related to day-to-day operations, or important contracts related to the operation.
7. Related-party transactions between the Company and its subsidiaries, and connected persons according to the regulation of the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and related laws.
8. Paying interim dividend
9. Change of policy and significant practices on accounting, risk management, and internal control.
10. Hiring managing director and top management.
11. Assigning or changing the approval authorities of the Chief Executive Officer.
12. Proposing of the appointment of directors, and appointing directors authorized to sign on behalf of the Company.
13. Assigning authorities to the Chief Executive Officer and/or any director including the change in assigning authorities that must not violate the regulation of the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and related laws.
14. Appointing and determine roles and responsibilities of sub-committees.
15. Appointing director in subsidiaries and associated company according to the shares proportion of the Company, including appointing directors authorized to sign on behalf of the subsidiaries.

#### **Roles and Responsibilities of the Chairman of the Board**

1. Supervise the organization's policies, goals, vision and strategies Including supervising, monitoring and ensuring that the performance of the Board of Directors is effective and achieve the objectives and main goals of the organization.
2. Ensuring that all directors participate in promoting an ethical corporate culture and good corporate governance.
3. Acted as the Chairman of the meeting both in the Board meeting and at the shareholders meeting in a smooth manner, allocate sufficient time for executives to present information and encourage all directors to participate in discussions of important issues, they are able to express opinions freely and with careful consideration.
4. To approve the agenda of the Board meeting and of the shareholders' meeting by consulting with the Executive Chairman to ensure that important matters are included in the agenda.
5. Create a good relationship between the executive directors, non-executive directors, and





between the Board and management.

6. Supervise the management activities, provide advice and consultation without participation in regular daily administration.
7. Give advice to the Nominating Committee in recruiting new directors.
8. Providing advice for succession planning.
9. Being a press release to third parties such as shareholders, investors, media, government agencies and other related agencies.

#### **Board Meeting**

1. The Board meeting will be scheduled in advance throughout the year in order that all directors should allocate time to attend the meeting. The Chairman may call special meeting as necessary. The Chief Executive Officer are jointly arranging the meeting agenda to ensure that the important agenda has been included.
2. The Company Secretary is responsible to deliver meeting notice with agenda item specified together with sufficient relevant documents attached for the directors to study the information before the meeting at least 5 business days prior to the meeting date, except the case of urgent that may be submitted later. The Company Secretary has the duty to prepare minutes of the Board meeting with complete significant items present to the Board at the next meeting to certify. The minutes of the meeting and documents attached are systematic kept for future use.
3. At Board Meetings, Directors must attend the meeting regularly. There must be at least half of the directors attending the meeting to complete the quorum. All directors must attend not less than 75 percent of the total number of Board meetings held. In the resolution, the majority of the directors attending the meeting should be present and the number of directors must be at least 2/3 of the total number of directors.
4. Directors can propose matters for the Board of Directors to consider as additional meeting agendas through the Company Secretary, and may request additional information necessary from the management through the Company Secretary. If necessity, the Board may provide independent opinions from the external consultant or professional at a Company expense. The number of meetings, at least once a quarter. At present, number of directors is appropriate for the duties and the nature of Company's business.
5. In conducting the meeting, the Chairman will allocate time for the management to present the matter. The discussions and opinions of the directors are fully and independent discussed and carefully considered. In the event that any director has a conflict of interest with the matter



related to the matter being considered, such directors must not participate in consideration or vote.

6. The Board encourages the attendance of the manager in order to provide additional information that they are directly responsible for, and it is the opportunity for the Board to know them and useful for the succession plan.
7. The non-executive directors may arrange their meeting once a year without management team attending the meeting to discuss issues of their concerns.
8. The Company Secretary is responsible for preparing the minutes of the meeting, proposing to the Board of Directors to certify in the first agenda of the next Board meeting. The Chairman of the Board shall certify the accuracy. However, the director can request for further amendments and comments for the correctness and completeness. The minutes of the meeting will be kept at the office of the Company Secretary together with supporting documents for the meeting agenda for convenience in reference-searching.

### 7.3 Information about Sub-committees

The Board of Directors has appointed competent directors as sub-committees to assist in the study and scrutiny of important issues that require close supervision in each aspect. The Board of Directors approves the Charter. The list of subcommittees for the year 2021 consists of the Audit Committee, Nomination, Remuneration and Corporate Governance Committee and Risk Management Committee. The composition and scope of duties are as follows:

#### 7.3.1 Audit Committee

The names of the Audit Committee as at December 31, 2021 are as follows:

No.	List of AC	Position	Note
1.	Mr. Pipat Chanasongkram	Chairman of the Audit Committee	Appointed 31 May 2021
2.	Mr. Ekkawit Kaewwichian	Audit Committee Member	Appointed 26 May 2021
3.	Miss Suvicha Kaewfacharoen*	Audit Committee Member	Appointed 28 Oct 2021
4.	Dr. Thanachai Thirapatanawong	Chairman of the Audit Committee	Resigned 27 May 2021
5.	Dr. Wetang Phuangsup	Audit Committee Member	Resigned 29 Sep 2021
6.	Mr. Nivat Changariyavong	Audit Committee Member	Resigned 28 Oct 2021

The secretary is Miss Jiraporn Yuwasakulpong

\*Miss Suvicha Kaewfacharoen is a member of the Audit Committee with knowledge, understanding in accounting and finance, and has sufficient experience to review the reliability of the



financial statements. Currently, she serves as Director of Financial Accounting, News Network Corporation Public Company Limited since 2020 and has experience in audit work, and Senior Assistant Auditor from EY Office Company Limited.

#### Composition

Consists of three independent directors, one of them must be a knowledgeable person who has fully understand and experience in accounting or finance or audit work.

#### Term of office

The term in the office is the same as board member term, will be retired from the from the office by rotation at the AGM, and eligible for re-appointed, they will hold the position of no more than 3 consecutive terms or 9 years.

#### Duties and Responsibilities

1. To review the audit process, internal control system, and risk management system under general accepted internal control standard.
2. To advise the management in improving work process or work system for the efficient work system and minimize risks in order to ensure the accurate and adequate financial report.
3. To advise board on corporate good governance policies, including monitor, evaluate, and report of corporate good governance practices.
4. To review the Company performance in compliance with the Company policies, laws, rules, regulations, and related laws.
5. To review and coordinate with the external auditor for the Company financial reporting to ensure accuracy and adequate disclosure under generally accepted accounting standard.
6. To select and nominate, re-elected, and terminate an independent external auditor of the Company, including recommendation of remuneration by taking account with the credibility, adequacy of resources and volume of auditor assignments of that audit firm, as well as experience of personnel assigned to audit the Company accounts.
7. To review the disclosure of information of the Company in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness and completeness.



8. To fix and approve of the scope and annual internal audit plan, the change of the audit plan, and to review report of the internal auditor, including to be responsible for the development and review of the effectiveness of the risk management and internal control systems.
9. To seek independent opinion from any other professional counsel for legal or accounting matters when it is deemed necessary as approved by the board at the Company expense.
10. To select and make recommendation to the board for internal auditor appointment, termination, and to fix the remuneration.
11. Annually evaluate the internal auditor's performance.
12. To examine any transaction which is in doubt of significant impact to the Company performance, or conflict of interest transaction that may affect the Company performance.
13. To review the revision of the anti-corruption policy.
14. To fix the audit process for fact finding when there is any complaint from both internal and external stakeholders to the Audit Committee of any wrong doing that violate law, code of conduct, incorrect financial report or improper internal control or corruption that related to employee, and to fix the protection measure for the complaint, and report to the board for consideration.
15. Any other duty related to the Audit Committee as assigned by the board.

### 7.3.2 Executive Committee

The Company has canceled the Executive Committee by to the resolution of the Board of Directors Meeting No.10/2021 on October 28, 2021, to reduce the redundancy of the work of the management.

### 7.3.3 Nomination, Remuneration and Corporate Governance Committee (Nomination Committee)

Names of the Nomination Committee as of December 31, 2021 are as follows:

No.	List of Nomination Committee	Position
1.	Mr. Ekkawit Kaewwichian	Independent Director / Chairman of the Nomination Committee
2.	Miss Suvicha Kaewfacharoen	Independent Director / Nomination Committee Member
3.	Miss Varaporn Suprucksaskul	Managing Director / Nomination Committee Member

The secretary is Mrs. Thanyathorn Chonlavorn



### Composition

Composition consists of three directors, two independent directors and one non-executive director. Chairman of the Nominating Committee is independent director, to consider the policy and nomination criteria and to fix the directors' remuneration, with transparent and independent to perform their duties. Non-Independent Director is non-executive directors to prevent any conflict of interest. The Chairman of the Board is not a member of the Nomination Committee.

### Term of office

Term of office is the same as board member, will be retired from the office by rotation at the Annual General Meeting and eligible for re-appointed. They will hold the position of no more than 3 consecutive terms or 9 years.

### Duties and Responsibilities

#### 1. Selection

- Consider the appropriateness of the Board of Directors structure in regard to the number of appropriate directors, types, qualifications for each director in skills, experience and specific capabilities related to the Company business and in accordance with the Company's business strategy.
- Consider the criteria and procedures for the nomination of directors to be appropriate with the specific characteristics of the organization, such as criteria for considering the former directors to propose to be re-elected, criteria for announcing the appointment of director, criteria for shareholders to propose names of candidates, criteria for the nomination by the director. The criteria and procedures for nomination of directors are disclosed in the annual report, and on the Company website.
- Recruiting, selecting and proposing people according to the nomination process, and propose to Board of Directors for the agreement before proposing to the shareholders' meeting for appointment.
- Consider the qualifications of independent directors to be appropriate for the specific characteristics of the Company. Independence must at least comply with the rules set by the Capital Market Supervisory Board.
- Prepare the development plan for directors and new directors to understand the business, roles and duties of directors, and important developments such as industry conditions, rules or laws related to the Company business, and provide orientation and documents to new directors for the benefit of the directors' duties.



- Create a succession plan to prepare for the event that high-level executives are unable to perform their duties so that the Company management can be continued.

## 2. Remuneration

Consider the form and criteria for payment of remuneration for the Board of Directors and Sub-Committees that suitable for their duties and responsibilities in line with the Company operating results as well as considering the payment information of other companies that are in the same industry, and propose to the Board of Directors for the agreement before proposing to the shareholders' meeting for approval. Senior management compensation is approved by the Board of Directors. The compensation models are:

- (1) Retainer fees such as monthly compensation, annual remuneration
- (2) Compensation based on the performance of the Company (Incentive) such as the profits of the Company.
- (3) Attendance Fee

## 3. Corporate Governance

- Determine guidelines and criteria to be used for the annual self-assessment of the performance of the Board of Directors by group, and individual director, sub-committees by group, and individual member and report the results to the Board of Directors at least once a year including disclose of principles, criteria, procedures, and overall evaluation in annual report Assess the performance of the Executive Chairman and present to the Chairman.
  - Review corporate governance policy and business ethics annually and propose to the Board of Directors for consideration.
4. Provide comments and suggestions on hiring external consultant to assist in to assist in performing duties in accordance with the charter effectively by the Company expenses.
  5. Other tasks assigned by the Board of Directors.



#### 7.3.4 Risk Management Committee

Names of the Risk Management Committees as of December 31, 2021 are as follows:

No.	List of Risk Management Committee	Position
1.	Mr. Prapat Yorkhant	Chairman of Risk Management Committee
2.	Mr. Worasak Kriengkamol	Risk Management Committee
3.	Miss Varaporn Suprucksaskul	Risk Management Committee
4.	Miss Sarunya NoiJaiboon	Risk Management Committee and Secretary

##### Composition

Composition consists of one director, and assigned to be is Risk Management Committee Chairman and the other two members are selected from the executive and/or professional total of 3 persons.

##### Term of Office

Equivalent to the term of the Chairman of the Risk Management Committee and will be retired at the Annual General Meeting of Shareholders, together with the term of office of the Company's directors. The retiring directors may be re-appointed.

##### Duties and Responsibilities

1. Determine the organization's risk management policy and framework before submitting to the Board for approval.
2. Determine the acceptable level of risk of the organization.
3. Monitor and evaluate the implementation of the risk management framework throughout the organization under the guideline and policy approved by the Board, review the corporate risk management policy and framework, including efficiency of the system to ensure that the organization's risk management policy and framework remains consistent and suitable for business conditions.
4. Report the significant corporate risk, risk level, guidelines for risk management, progression and results of risk management to the Board meetings at least once a year.
5. Provide comments and suggestions on hiring external consultant to assist in the effective operation of the charter. The Company will support the personnel, budget and other resources needed.
6. Communication, information exchange and coordination on risk and internal control with the Audit Committee at least once a year.



7. Assess the potential risk of corruption of various systems including considering preventive measures and follow up on preventive measures regularly and report to the Audit Committee.
8. Other tasks assigned by the Board of Directors.

#### 7.4 Information about the Executives

As of December 31, 2021, there are 2 executives of Eternal Energy Public Company Limited as follows:

List of Executives	Position
1. Miss Varaporn Suprucksaskul	Managing Director take care of general administration
2. Miss Jiraporn Yuwasakulpong	Accounting Manager/Acting Director of Accounting and Finance/Secretary of the Audit Committee oversee the work of the Internal Audit Office. The Company hired Prama Consultants Company Limited as an internal auditor.

On October 28, 2021, the board of director meeting No. 10/2021 appoints Mr. Worasak Kriengkamol to be the Chief Executive Officer (as top management position).

Mrs. Thanyathorn Chonlavor, as Company Secretary, is also in charge of Investor Relation, Compliance, and Nomination Committee Secretary.

##### Advisor

Mr. Siritaj Rojanapruk, an advisor to the Board of Directors has resigned from the position of advisor since April 1, 2021.

Mr. Thiraphong Tangthirasunan, the advisor to the Executive Chairman on agribusiness, including member of the Risk Management Committee, has resigned from the position of advisor since May 1, 2021

Details of executives are shown in Attachment 1.





## Remuneration for Executives

### 1) Monetary remuneration

In 2021, the Managing Director and Chief Executive Officer were appointed. The Board of Directors has set the remuneration for the Executives. The Company has paid remuneration consisting of salary, bonus and social security. The total is 5,630,996 Baht as follows:

1. Monthly remuneration of the Executive Directors - Managing Director and Chief Executive Officer is from the Company only (not from subsidiaries).

Salary	3,266,666	Baht
Bonus	0	Baht
Social Security	7,725	Baht
Total	3,274,391	Baht

2. Remuneration for 2 executive level employees

Salary	2,279,820	Baht
Bonus	67,710	Baht
Social Security	9,075	Baht
Total	2,356,605	Baht

3. Monthly Remuneration of the Advisor to the Board of Directors

Salary	Total	300,000	Baht
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### 2) Other compensation

- None -

## 7.5 Information about Employees

### 7.5.1 Number of employees

The Company has a policy of fair compensation for its employees, including building stability in the profession and providing welfare according to the law, such as social security, annual health check-up, financial assistance for the cremation of the deceased parents of the employees.

The Company has established a provident fund for the welfare of employees by entrusting TISCO Asset Management Company Limited ("TISCO") as the fund management company which has already established the fund on December 1, 2021, under the name "Provident Fund TISCO Master Joint Venture registered only for the Eternal Energy Public Company Limited"



#### Number of employees and compensation

As of December 31, 2021, the Company has a total of 6 employees. The Company paid compensation in 2021 for a total of 8,925,153.50 Baht (including resigned employees) comprised of salary, bonus and social security. For the subsidiary, there are 4 employees. The Company has paid remuneration in the same manner for a total of 565,801 Baht.

#### **7.5.2 Employee Development**

The Company has a policy to promote knowledge in job duties and knowledge to all employees at all levels in order to have knowledge and expertise and to improve the operation to be up to date. The Company encourages employees to fully utilize their knowledge and abilities, and have the opportunity to advance in career.

Training and education may hold within the Company and/or the services of the institutions that provide training services as appropriate for the training course. And in 2021, because of the COVID-19 epidemic situation, Executives and Employees have been trained to increase their knowledge in various fields by training through online channels. The institutions where employees are trained are the Stock Exchange of Thailand contains courses; the Business and Human Rights for Business in the Thai Capital Market, and the functions on preparation of Annual Registration Statement / Annual Report (Form 56-1 One Report) on the SET Link System, Federation of Accounting Professions under the Royal Patronage of His Majesty the King, Department of Business Development contains courses; Accounting measures related to land buildings and equipment, Cash Flow Statement, Financial statement analysis, Code of Conduct and Financial Reporting Standards for businesses that do not have the public interest and accounting information 2. In terms of promoting environmental quality, Employees have attended training with the Department of Environmental Quality Promotion consisting of courses; Choose, buy, and care for the environment and sustainable consumption, including training on the security of life and property in the initial firefighting course of the Office of Disaster Prevention and Mitigation Bangkok.

Employees received training for 4 people, duration of 56.5 hours.

#### **7.5.3 Labor disputes**

The Company does not have any labor disputes during the past 3 years.



## 7.6 Other important information

### 7.6.1 The person supervising accounting

The Board of Directors has appointed Ms. Jiraporn Yuwasakulpong as the Chief Executive of the Accounting and Finance Department since January 1, 2021, including being directly responsible for controlling and supervising the Company's accounting until now. The qualifications of the supervisors in accounting are shown in Attachment 1.

### 7.6.2 Company Secretary

The Board of Director has appointed Mrs.Thanyathorn Chonlavorn to be Company Secretary since November 12, 2017 to perform duties as prescribed in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No.4). BE 2551, effective on August 31, 2008. The Company Secretary serves the Board with responsibility, caution, and honesty, including comply with the laws, objectives, regulations of the Company, the Board and Shareholders' meeting resolutions, and also oversaw the investor relations and compliance division. Company secretary details appears in attachment 1.

### 7.6.3 Head of Internal Audit

At the Audit Committee Meeting No.1/2021, dated February 23, 2021, appointed Prama Consultants Company Limited as the Company's internal auditors for the year 2021, which assigned Mrs. Narumon Thirathampol as a Head of Internal Audit who is primarily responsible for the performance of the Company's internal auditors. The Audit Committee has considered the qualifications of Prama Consultants Company Limited and Mrs. Narumon Thirathampol and deems that they are appropriate enough to perform such duties because independent, have a bachelor's degree in accounting, experienced in auditing and internal auditing for at least 10 years, and attending training courses related to internal audit operations. The considering and approving the appointment, removal, modification/relocation, and termination of employment of internal audit supervisors from the outsource, have to approve by the Audit Committee.

The Company has assigned Ms. Jiraporn Yuwasakulpong, the secretary of the Audit Committee to coordinate with internal auditors for the year 2021.

### 7.6.4 Investor Relations

The board has arranged the investor relations unit under supervision of Company Secretary with the responsibility to provide appropriate and useful information to shareholders, investors, securities analysts, mass media and related parties with equitability. The Chairman, Chief Executive Officer and



Directors are parts of the investor relations activities in providing information and answer to the questions themselves, and it is to know the need and the interested matters of the shareholders and the investors. Normally, the investors contact with the IR via telephone, fax and e-mail. The group of investors may request a Company visit.

In 2021, the Company has provided news to investors through various publications such as Bangkok biz news, Thansettakij, Stock news-financial, Naewna, Thunhoon, Mitihoon, HoonSmart, etc and provide information to interested analysts in the form of Company Visit. Besides, the analysts and investors regularly communicate with the Company Secretary directly at 888 I Tower Building, fl. 8 Vibhavadi Rangsit Road, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900 or by telephone (02)554-8000 / (02) 554-8014 or by fax (02) 554-8001 or via electronic mail: [investment@eternalenergy.co.th](mailto:investment@eternalenergy.co.th)

#### **Investor Relations Ethics**

The Board has approved the Investor Relations Code to be guideline for investor relations such as disclosing important and necessary information, internal data maintenance, disclose of information equally and fairly, and perform duties with honesty. The code is to review every year and published on the Company's website.

#### **7.6.5 Auditor Remuneration**

The 2021 Annual General Meeting of Shareholders held on Monday, April 26, 2021 approved the appointment of the auditors from Karin Audit Co., Ltd and their remuneration for the year 2021 as follows:

##### **Company and subsidiaries auditors:**

- |                              |                     |
|------------------------------|---------------------|
| ■ Ms. Kannika Wipanurat      | CPA No. 7305 and/or |
| ■ Mr. Jirote Sirirorote      | CPA No. 5113 and/or |
| ■ Ms. Nonglak Pattanabandith | CPA No. 4713 and/or |
| ■ Mrs. Sumana Senivongse     | CPA No. 5897 and/or |
| ■ Mr. Komin Linphrachaya     | CPA No. 3675 and/or |
| ■ Mr. Mongkon Laoworaphong   | CPA No. 4722 and/or |
| ■ Ms. Kojchamon Sunhuan      | CPA No. 11536       |

or other certified auditors that Karin Audit Company Limited has assigned to be the auditors of the Company and its subsidiaries.

**Subsidiaries auditors:**

- Mr. Jadesada Hungsapruet, CPA No. 3759 and/or
- Mr. Worapol Wiriyakulapong CPA No. 11181 and/or
- Mr. Pojana Asavasontichai CPA No. 4891 and/or
- Mr. Wichian Proongpanish CPA No. 5851 and/or
- Mr. Suphot Mahantachaisakul CPA No. 12794 and/or
- Ms. Kanwarat Saksriborworn CPA No. 13273 and/or
- Mr. Somchai Lertyongyuth CPA No. 13314 and/or
- Ms. Bongkotrat Suamsiri CPA No. 13512 and/or
- Mr. Thanathit Raksathianraphap CPA No. 13646

or other certified auditors that Karin Audit Company Limited has assigned to be the auditors of the subsidiaries.

The audit fee for the year 2021 in reviewing quarterly financial statements of the Company and consolidated financial statements in the total amount of Baht 1,235,000, the same as the year 2020

**(1) Audit fee**

Company	2021	2020	2019
1. Eternal Energy Public Company Limited	600,000	600,000	600,000
2. Boon Anek Company Limited	285,000	285,000	285,000
3. Charoenporn Energy Company Limited	190,000	190,000	190,000
4. SSUT Company Limited (Review fee)	160,000	160,000	160,000
Total	1,235,000	1,235,000	1,235,000

**(2) Non-audit fee**

-None-



## 8. Report on key performance in corporate governance

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

#### 8.1.1 Recruiting, developing and evaluating the performance of the Board of Directors

##### (1) Nomination and Appointment of Directors and Top Executives

##### (1.1) Independent Director

Independent directors mean directors who are independent from major shareholders, executives and related persons. It can protect the interests of all shareholders equally. No business or involvement in administration in the Company, its subsidiaries, affiliated companies, major shareholder or the controlling person of the Company that may have an adverse effect on their decision making.

The Company has 4 independent directors, or 57.14 percent of 7 directors, more than one-third of the total number of eight directors, and is in compliance with the rules and regulations of the Securities and Exchange Commission, which requires the composition of the Board of Directors to have at least one-third independent directors but must not be less than three. The term of office of an independent director is three years and eligible for re-appointed not more than 3 consecutive terms or 9 years. Independent directors of the Company are independent from management and major shareholders. They are able to comment on the work of the management and are qualified under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

At the 2021 Annual General Meeting of Shareholders, the shareholders have resolved to appoint Dr. Thanachai Teeraphattanawong, an independent director and the chairman of the audit committee for 9 years, 3 consecutive terms, to be re-elected as an independent director for another term and to be the chairman of the audit committee, due to his qualifications as required by the law, performance of duties as assigned with high responsibility and efficiency in reviewing financial reports, internal control, corporate governance, risk management, compliance with relevant laws, and can continue to benefit the Company.

Dr. Thanachai Teeraphattanawong resigned from the director and audit committee on May 27, 2021. Subsequently, the Nomination Committee meeting elected Mr. Pipat Chanasongkram as a replacement audit committee member and the Board of Directors has appointed him to be the Chairman of the Audit Committee.



The Chairman is an independent director and not the same person as the Chief Executive Officer. (The Company has no MD) and is neither a sub-committee member nor a chairman. The Company has set the authority and responsibility of the Chairman and the Executive Chairman separately so that no one has unlimited power.

**Criteria for the selection of independent directors**

Nomination, Remuneration, and Corporate Governance Committee is responsible for considering the criteria and procedures for the nomination of qualified persons to be independent directors. The selection process is based on the recruitment process and propose to the Board for consideration and submit to the shareholders' meeting for approval. Nominees must not have any prohibited characteristics as required by the Securities and Exchange Commission, and Capital Market Supervisory Board. The qualification of independent directors in relation to the shareholding of the Company are more stringent than those specified by the Capital Market Supervisory Board, which does not hold more than 1 percent.

**Company Definition of Independent Director**

1. Holding not more than 0.5 percent of the company's shares with voting right, or that of any of the company, subsidiary company, associated company, major shareholder or controlling person of the company, which shall be inclusive of the shares held by any related person of such an independent director.
2. Neither being nor having been an executive director, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the company, subsidiary company, associated company, major shareholder or controlling person of the company unless the foregoing status has ended for more than two years.
3. Not being a person related by blood or registration under law, such as father, mother, spouse, sibling, or child, including the spouse of a child, any executive, major shareholder, controlling person or person to be nominated as an executive or a controlling person of the company or subsidiary company.
4. Neither holding nor having held a business relationship with the company, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the company,



subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than two years,

The aforementioned business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the company or counterparty being liable to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which such a business relationship with the person commences.

5. Neither being nor having been an auditor of the company, subsidiary company, associated company, major shareholder or controlling person and not being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the company, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than two years.
6. Neither being nor having been any professional adviser including legal adviser of financial adviser who receives an annual service fee exceeding two million Baht from the company, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person or partner of the professional adviser, unless the foregoing relationship has ended for more than two years.
7. Not being a director who has been appointed as a representative of the company's director, major shareholder, or shareholder related to the major shareholder.
8. Not undertaking any business of which is the same and which, in any material respect, is competitive with business of the company or subsidiary company or associated company or not being a substantial partner in the partnership or a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than one percent of shares with voting rights of a company which is the same and which, in any material respect, is competitive with business of the company or subsidiary company.





9. Not having any characteristics that prohibit the expression of independent opinion towards the company business undertakings.

In 2021, the Company had no independent directors with business relationships, or provide professional services in value exceeding the criteria set by the Capital Market Supervisory Board.

#### (1.2) Nomination of directors and top management

##### Director Nomination

The Board of Directors has assigned the Nomination Committee to be responsible for the selection and nomination of directors, and present to the Board of Directors meeting to consider before nominating qualified candidates to the Annual General Meeting of Shareholders to approve the appointment of directors who are due to retire by rotation and/or to appoint new directors each year. There will be one-third of directors who must retire from the position. The retired director may be re-elected in accordance with Article 16 of the Company's Articles of Association that the Company has a Board of Directors consisting of at least 5 directors. The Company has a policy to have a maximum of 12 directors. The procedures for selection are:

1. Consider suitable candidates for new directors by
  - Allowing the nominations, the candidates from shareholders according to the Company criteria.
  - To nominate the appropriate person by each director.
  - Consider the person from the IOD list of professional directors.
  - Hiring external companies to recruit.
2. Consider the director to be retired to propose to be director for another term.
3. Consider the characteristics of the person to be recruited in accordance with the structure, size and composition of the board that the board has set, such as
  - Morality and responsibility for work
  - Decisions with information and reasons
  - Having maturity and stability and daring to express different and independent opinions
  - Adhere to work with principles and professional standards
  - Other features that the Nomination Committee considers to be important
4. Having qualifications according to the laws and regulations of regulatory agencies such as the Securities and Exchange Act BE 2535.



5. Considering the appropriateness of knowledge, experience and expertise of the existing directors as a whole such as accounting and finance, business law, Company business, strategic planning, management of information technology, and marketing, etc. by creating a Board Skill Matrix to assist in selecting suitable directors for the Company business, and at least 1 non-executive director must have experience in the Company core business.
6. Consider the independence of each independent director at present whether any independent director is qualified or who lacks the qualification to be an independent director. There is a need to recruit a new independent director or not. Qualifications of independent directors must be reviewed according to the criteria set by the Capital Market Supervisory Board and Company. In addition, in considering the same independent director to be re-appointed for another term. At the Board meeting in 2016, the Company has determined the term of independent directors that they should have a term of office from the date of being appointed to be the first independent director for not more than 9 years consecutively.
7. Dedication of directors - If considering the same director to be re-appointed for another term, past performance at the time of the director position must be considered together with the term of office including the number of listed companies that serve as directors, which the Company stipulates that no more than 5 listed companies, including persons to be nominated as new directors in order to ensure work efficiency. In this regard, there are none of the 8 directors holding more than 5 listed companies.
8. To propose the Board of Directors for agreement before filling in the invitation letter for the shareholders' meeting to appoint.

In the event that the position of director is vacant due to reasons other than the expiration of the term of office, the Board of Directors will consider appointing a qualified person and having no prohibited characteristics as a replacement in the next Board meeting, except for the term of the director who are retired from office will be less than 2 months. The person who is replaced will be in the position of director only remaining of the director whom he replaced in this regard. The resolution to appoint a person to replace the said director must receive votes of not less than three-fourths of the remaining directors.

In 2021, the Board of Directors appointed a person to be a director to replace the resigned director with the remaining term of the resigned director according to the proposal of the Nomination Committee as follows:



No.	Appointed	Resigned directors	Term of office	Effective date
1	Mr. Ekkawit Kaewwichian	Professor Emeritus Dr.Borwornsak Uwanno	25 Apr 2019 - Apr 2022	May 26, 2021
2	Miss Varaporn Suprucksaskul	Mr. Thira Ratanavit	31 Jul 2020 - Apr 2023	May 26, 2021
3	Mr. Pipat Chanasongkram	Dr. Thanachai Thirapatanawong	31 Jul 2020 - Apr 2023	May 31, 2021
4	Mr. Worasak Kriengkamol	Mr. Apivut Thongkam	31 Jul 2020 - Apr 2023	September 10, 2021
5	Mr. Prapat Yorkhant	Mr. Surachai Suksriwong	25 Apr 2019 - Apr 2022	September 23, 2021
6	Miss Suvicha Kaewfacharoen	Dr. Wetang Phuangsap	26 Apr 2021 - Apr 2024	October 28, 2021
7	Mr. Thanachai Santichaikul	Mr. Nivat Changariyavong	26 Apr 2021 - Apr 2024	November 16, 2021
8	No replacement yet	Ms. Kwansirintr Rojanapruk	26 Apr 2021 - Apr 2024	-

**Election of directors through the shareholders' meeting** There are criteria and methods as follows:

1. In voting for election of directors, each shareholder shall have one vote per share, and to vote for election of directors individually by allowing the shareholders to cast all the votes they have, select the person who is nominated as one director at a time.
2. Persons who receive the highest votes in descending order being elected as a director equal to the number of directors to be elected at that time. In the event that the persons elected in the next order have equal votes, exceeding the number of directors to be elected, the Chairman of the meeting shall have an additional vote as a casting vote.

The resolution of the election of directors must be approved by a majority vote of the number of votes of the shareholders attending the meeting and having the right to vote.

### **Recruiting Top Management**

Recruiting the Managing Director, the Nomination Committee will be the primary consideration for screening qualified candidates of having knowledge, ability, skills and experience that are beneficial to the Company operation, good understanding of the Company business, and able to manage the work to achieve the objectives and targets set by the Board of Directors, and present to the Board of Directors meeting for approval. In 2021, the Chief Executive Officer, Mr. Worasak Kriengkamol, was selected and presented to the Board of Directors' meeting for approval.

### **(2) Development of Directors and Executives**

The Board of Directors attaches importance to participating in training courses and seminars related to the development of knowledge and competency in performing duties of directors. Most directors had attended training courses with the Thai Institute of Directors Association (IOD). The Company policies are:

- Allowing the directors to attend the training on the roles and duties of being a director, and corporate governance from IOD. In 2021, there are new directors at the Company



applying for training in the Director Accreditation Program (DAP) that will open the training in February 2022, of 3 persons.

- Sub-committees such as 2 Audit Committee members attended the meeting and trained on the roles and responsibilities of directors.
- Check in good corporate governance and improve the quality of financial reports
- Allowing directors and executives to continuously receive training related to the Company's business.
- Have an Executive Development Plan, whereby the Chief Executive Officer reports on the Company performance during the year.

New Director Orientation, in 2021, there are 7 new directors, and the Company Secretary has arranged to introduce the Company's business policy, shareholder capital structure, performance, company information, roles and responsibilities of directors, annual report, corporate governance policy, code of business ethics, anti-corruption policy, insider trading policy, and other policies prior to the first board meeting.

### (3) Self-Assessment of the Board of Directors and Sub-Committees

The Board of Directors arranges for self-assessment of the entire Board of Directors, directors individually, the entire sub-committees, and individual sub-committee members regularly once a year within December with the purpose for consideration of joint performance, review the problems and obstacles in the past year for improvement, and for good corporate governance. The criteria and process for evaluation for the year 2021 are:

1. The Board of Directors approved the use of the evaluation form, which is to be used in accordance with the guidelines of the Stock Exchange of Thailand which was prepared and updated in February 2015.
2. The Board assigned the Nomination, Remuneration and Corporate Governance Committee to be responsible for conducting the evaluation.
3. There are 4 types of evaluation: Board of Director by group, individual director, sub-committees by group, and individual member.
4. There are 6 topics for Board in group assessment:
  - Structure and qualifications of the Board
  - Roles and responsibilities of the Board
  - Board meeting
  - Roles and responsibilities



- Relationship with management
  - Self-development of directors and executives
5. There are 3 evaluation topics for individual director, sub-committees, and subcommittee member.
- Structure and qualifications of the Board
  - Board meetings
  - Roles and responsibilities of the committees.
6. The Company Secretary collects the evaluation form and calculates the evaluation results, the average score of every category, and the average score in percentage. The score ranges are as follows;
- |               |   |                |
|---------------|---|----------------|
| 85 – 100%     | = | Excellent      |
| 75 – 85%      | = | Very good      |
| 65 – 75%      | = | Good           |
| 50 – 65%      | = | Fair           |
| Less than 50% | = | Underperformed |

The annual self-assessment results of 2021 Average scores from the self-assessment of the Board and sub-committees which is a new committee, it appears that the average score of 91.22% is excellent with details as follows:

Self-assessment results of the Board; The average score of 87.06 percent was in excellent level.

Self-assessment results of individual director; The average score of 89.93% was in excellent level.

Self-assessment results of each sub-committee:

- Audit Committee; The average score of 99.07 percent was excellent.
- Nomination, remuneration, and corporate governance; The average score of 90.67 percent was in excellent level.
- Risk Management Committee; The average score of 88.59% was in excellent level.

Self-assessment results of sub-committee's individual; The average score of 92.42 percent was in excellent level.

Evaluation of the performance of the Executive Chairman - the Board of Directors has assigned the Chairman of the Nomination, Remuneration, and Corporate Governance Committee to appraise once a year, and report directly to the Chairman of the Board.

In addition, all sub-committees also review their performance according to the Charter for improvement and development of operations. The results of operations in 2021 have already presented to the Board of Directors.



Evaluation of compliance with corporate governance policies and business ethics of the Company is evaluated by Chairman of the Audit Committee. Then, the Chairman of the Nomination Committee is to review and report to the Board of Directors meeting for consideration. The corporate governance survey under CGR project by the IOD in 2021, it appears that the Company received an excellent average score.



## 8.1.2 Meeting attendance and Remuneration

### (1) Meeting attendance

In 2021, the Company held 12 Board meetings (10 out of 12 are online Board meetings due to Covid-19 epidemic). Every director attended the meeting not less than 75 percent of the all meetings. There is the Annual General Meeting of Shareholders 1 time and the Extraordinary General Meeting of Shareholders 1 time. There is one meeting of non-executive directors without management, to discuss about the issue that is in the interest. The detail of attendance of meeting of directors is as follows:

List of directors	Position	Board Meeting		Non-executive directors (1 time)	AGM 2021 (1 time)	EGM No.1/2021 (1 time)
		12 times	%			
1. Professor Emeritus Dr.Borwornsak Uwanno	Chairman of the Board of Directors / Independent Director	1/1	100	-	1	-
2. Ms. Kwansirinr Rojanapruk	Managing Director/Chairman of Executive Committee/Authorized Director	8/9	89	-	1	1
3. Dr. Thanachai Thirapatanawong	Independent Director / Chairman of the Audit Committee	2/2	100	-	1	
4. Mr. Nivat Changariyavong	Independent Director / Audit Committee / Chairman of the Nomination Committee	7/8	87.5	-	1	1
5. Dr. Wetang Phuangsup	Independent Director / Audit Committee / Nomination Committee	8/8	100	-	-	1
6. Mr. Surachai Suksriwong	Authorized Director / Executive Committee / Nomination Committee	7/7	100	-	1	1
7. Mr. Thira Ratanavit	Authorized Director / Executive Committee / Chairman of Risk Management Committee	1/1	100	-	-	-



List of directors	Position	Board Meeting		Non-executive directors (1 time)	AGM 2021 (1 time)	EGM No.1/2021 (1 time)
		12 times	%			
8. Mr. Apivut Thongkam	Independent director	1/1	100	-	1	-
9. Mr. Ekkawit Kaewwichian	Independent Director / Audit Committee	9/9	100	1	-	1
10. Miss Varaporn Suprucksaskul	Managing Director /Risk Management Committee	9/9	100	-	-	1
11. Mr. Pipat Chanasongkram	Independent Director / Chairman of the Audit Committee	8/8	100	1	-	1
12. Mr. Worasak Kriengkamol	Director/Chief Executive Officer	5/5	100	-	-	-
13. Mr. Prapat Yorkhant	Director / Chairman of the Risk Management Committee	4/4	100	-	-	-
14. Miss Suvicha Kaewfacharoen	Independent Director / Audit Committee	2/2	100	1	-	-
15. Mr. Thanachai Santichaikul	Chairman of the Board of Directors	1/1	100	1	-	-

In 2021, the Company has changed the entire board of directors because the Company changed the business operation. The Company sold all investment in an associate - SSUT Company Limited, which operates in the energy business; Cogeneration Power Plant, all shareholding 25% of registered capital on September 23, 2021, by switching to the agricultural business - planting hemp. On October 1, 2021, the Company purchased 80% of the registered capital of Cannabiz Way Company Limited to do such agricultural business. And on December 28, 2021, the Company sold all ordinary shares that the Company held 100% in its subsidiaries - Boon Anek Company Limited, including indirect subsidiary. -Charoenporn Energy Co., Ltd.





## (2) Remuneration of Directors

The Company has set clear and transparent remuneration policy for directors by considering the suitability and in accordance with the obligations and responsibilities of each director, financial status of the Company, and compare with other companies in the same industry. The remuneration will be at the level of motivation to retain knowledgeable directors with the quality of performing duties for the Company. The Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing the remuneration of directors every year for the Board of Directors agreement and propose to the shareholders' meeting for approval. The remuneration for senior management is approved by the Board of Directors.

Remuneration for directors consists of

1. Regular remuneration is the monthly remuneration of the Chairman.
2. Meeting allowance is the remuneration for directors and sub-committee members attending the meeting.
3. Bonuses is the annual special compensation. At present, such compensation has not yet been considered for submission to the Board of Directors for shareholders to consider approving due to the Company still has operating results of accumulated losses.

On April 26, 2021, the Annual General Meeting of Shareholders approved the remuneration of directors at the same rate as the year 2020, as proposed by the Nomination Committee to the Board of Directors agreement and proposed to the shareholders' meeting for approval. Details are as follows:

Remuneration		Chairman	Director
Board of Directors	1. Monthly remuneration	1,200,000 Baht per year	-
	2. Meeting fees per time	30,000 Baht	20,000 Baht
	3. Bonus	None	None
Audit Committee			
	Meeting fee per time	25,000 Baht	20,000 Baht
Risk Management Committee, and Nomination, Remuneration, and Corporate Governance Committee			
	Meeting fee per time	20,000 Baht But not over 100,000 Baht per year	15,000 Baht But not over 75,000 Baht per year



(A) Monetary remuneration

Remuneration for directors and sub-committees in the year 2021 as follows;

List of directors	Position	Remuneration (Baht)				Monthly (Baht)	Total (Baht)
		Board (12 times)	Audit Committee (4 times)	Nomination Committee (2 times)	Risk Management Committee (1 time)		
1. Professor Emeritus Dr.Borwornsak Uwan	Chairman of the Board of Directors	30,000	-	-	-	400,000	430,000
2. Ms. Kwansirintr Rojanapruk	Managing Director/Chairman of Executive Committee	160,000	-	-	-	-	160,000
3. Dr. Thanachai Thirapatanawong	Director / Chairman of the Audit Committee	40,000	100,000	-	-	-	140,000
4. Mr. Nivat Changariyavong	Director / Audit Committee / Chairman of the Nomination Committee	140,000	60,000	40,000	-	-	240,000
5. Dr. Wetang Phuangsup	Director / Audit Committee / Nomination Committee	160,000	60,000	30,000	-	-	250,000
6. Mr. Surachai Suksriwong*	Director / Executive Committee / Nomination Committee	200,000	-	15,000	-	430,000	645,000
7. Mr. Thira Ratanavit	Director / Chairman of Risk Management Committee	20,000	-	-	-	-	20,000
8. Mr. Apivut Thongkam	Independent director	20,000	-	-	-	-	20,000
9. Mr. Ekkawit Kaewwichian	Independent Director / Audit Committee	180,000	40,000	-	-	-	220,000
10. Miss Varaporn Suprucksaskul	Managing Director /Risk Management Committee	180,000	-	-	15,000	-	195,000
11. Mr. Pipat Chanasongkram**	Independent Director / Chairman of the Audit Committee	200,000	50,000	-	-	176,667	426,667
12. Mr. Worasak Kriengkamol	Director/Chief Executive Officer	100,000	-	-	15,000	-	115,000
13. Mr. Prapat Yorkhant	Director / Chairman of the Risk Management Committee	80,000	-	-	20,000	-	100,000
14. Miss Suvicha Kaewfacharoen	Independent Director / Audit Committee	20,000	20,000	-	-	-	40,000
15. Mr. Thanachai Santichaikul***	Chairman of the Board of Directors	30,000	-	-	-	150,000	180,000
16. Miss Sarunya Noiiaiboon	Risk Management Committee	-	-	-	15,000	-	15,000
Total		1,560,000	280,000	85,000	65,000	1,156,667	3,196,667

Note

\* On May 13, 2021, the Board of Directors appointed Mr. Surachai Suksriwong as the Chairman of the Board, to replace Professor Emeritus Dr. Borwornsak Uwan.

\*\* On September 23, 2021, the Board of Directors appointed Mr. Pipat Chanasongkram as the Chairman of the Board to replace Mr. Surachai Suksriwong.

\*\* On November 16, 2021, Mr. Pipat Chanasongkram resigned from Chairman of the Board and he still holds the position of Independent Director and Chairman of the Audit Committee.

\*\*\* On November 16, 2021, the Board of Directors appointed Mr. Thanachai Santichaikul as the Chairman of the Board.



(B) Other remuneration

In 2021, the Company does not pay any other remuneration to the directors.

### 8.1.3 Supervision of Subsidiary and Affiliated Companies

Start from 2017, the representative appointed to be directors in subsidiary and associate must be approved by the Board of Directors. They are responsible to oversee the subsidiary and associate operation with best interest (not for the Company). In voting for significant issues, they must seek approval from the Board prior to the vote. The submission of directors to represent the subsidiary or associate is in accordance with the shareholding proportion of the Company.

The Company stipulates that the persons appointed by the Company must ensure that the subsidiary applies the regulations on the connected transaction, the acquisition or disposition of assets or any other significant transactions to be complete and correct and applied the rules and regulations governing the disclose of information and transaction the same as those of the Company, including data gathering and accounting records to be audited for the Company and subsidiary consolidated financial statement to be prepared in a timely manner.

### 8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

#### (1) Prevention of conflicts of interest

The Board of Directors requires the directors to report any conflicts of interest related to the agenda to be considered and the interested directors will refrain from participating in the meeting for consideration.

#### (2) Supervision of the use of internal information

In order to prevent directors and executives from using insider information that is not yet publicly disclosed or other information that may affect the stock price of the Company. The Company requires directors and executives including spouses or people who live together as husband and wife and children who are underage, have the duty to prepare and disclose the report of any changes in securities holdings of the Company every time they are traded, transferred or accept the transfer of the Company's securities to the Securities and Exchange Commission (SEC) and sending a copy of the report to the company secretary on the same day in accordance with Section 59 of the Securities and Exchange Act 1992, within 3 days. If there is no name in the list of directors and executives with the SEC office, the report shall be done within 7 days. Furthermore, the Company prohibits the directors, executives, and employees of the Company and subsidiaries from trading the Company's securities at



least 1 month before the financial statements are disclosed and 24 hours after the financial statements are disclosed. Moreover, it is prohibited to use Company's inside information that is significant to a change in Company's stock price or investment decisions and is not yet disclosed to investors at large which he has learned in the position for buying or selling or offering for the benefit of oneself or others, or to disclose such facts in order to allow others to do so for the benefit of oneself or not.

If there is a violation, the Company is considered a disciplinary offense according to Company regulations, and there may be civil action other than criminal proceeding according to The Securities and Exchange Act.

### (3) Anti-corruption Policy

The Company gives importance to conducting business with morality by adhering to the principles of honesty, transparency and accountability, responsibility and care to the stakeholders for society and environment under the principles of good corporate governance and Company business ethics.

The Board of Directors has approved the preparation "Anti-Corruption Policy" since 2015 by requiring directors, executives and employees at all levels of the Company and subsidiaries to strictly comply with the anti-corruption policy, and business ethics without conducting any behavior that it is a bribe, or bribe the interested person directly or indirectly in order to obtain benefits in the wrong way of his or her own or other related persons, which must be treated with caution in matters that are at high risk of corruption in giving or receiving gifts and entertainment, sponsoring, donations for charity, political assistance, business relationship and procurement and personnel management processes, which is consistent with the guidelines of the Thai Private Sector Collective Action Coalition Against Corruption (CAC). The Company has published anti-corruption measures on the Company's website, sending the document to all directors, executives, employees and related persons for acknowledgement. Each year, the Company provides training to executives, employees, related parties, as well as new director and new employees for mutual understandings, promoting correct standard of working, transparency and sustainable growth. As the result, the employees all understood and strictly followed the guidelines.

#### Anti-corruption Practices and Guidelines

The Company has constantly monitored practices following anti-corruption, also reviewed the standard practices guidelines to be in line with the policy, rules and related laws. In this regard, the Company and the subsidiary have followed the Thailand law of anti-corruption as follows;



1. **Giving or receiving gifts and holding reception** – The company have no policy on giving or receiving gifts in any forms with business partners, excepting for giving or receiving gifts and holding reception conventionally in order to maintain good relationship with the partners without expecting for special services or other reciprocations that are conflict with business ethics. For example;
  - Not to request any objects or any other favors from people whose responsibilities or business are connected with the company
  - Not to request any objects or any other favors from people whose responsibilities or business are connected with the companies, excepts for traditional occasions, and each object or favor received must not exceeds 10,000 THB in value. In case the object or the favor exceeds 10,000 Baht, It could be received, when necessary, in order to maintain good relations between parties, and the receiver must report to his/her supervisor, and deliver it to the related department for the business use within 7 days. However, receiving the object or favor must not unethically influence his/her business decision making.
  - Receiving objects or other favors from business activities between organizations, or as a relationship between the organization, one must report to his/her supervisor and deliver it to a related department for business use within 7 days
  - Holding reception is acceptable, but with appropriate cost
2. **Sponsorship** refers to money paid to or received from customers, business partners or business partners reasonably with its objective of maintaining business relationship, also in the right occasions. Basic requirements are as follows;
  - Must be true, transparent, with evidence for accounting process
  - Must be done on behalf of the Company
  - Must be disbursed with clear objective
  - Must follow the Company's procedures
3. **Charity Donations** refers to giving or receiving money that;
  - Must be transparent and legitimate. Must be affirmed that the charity or subsidy must not be the mean of bribery
  - Must be done on behalf of the Company



- Must follow the Company's procedures
  - Making charity on behalf of oneself is acceptable, but that must not relate to or not suspectable that it's a fraud for one's benefits
4. **Political Supporting** refers to giving out money, objects, other favors, or providing spaces to facilitate political activities, politicians, or related persons. The Company has been absolutely neutral to politics, supporting legitimate actions, democracy, and no policy on supporting any political party directly or indirectly, whereby;
- Exercise one's own rights as a good citizen according to the Thai constitution and other related laws
  - Not to involve in any activities that could lead to a misunderstanding that the Company has taken parts or supported any particular political party
  - Not to share any Company's asset to support a particular political party
5. **Business relations and procurement** – The Company prohibits giving or accepting bribes in all types of business operations by;
- Follow the Company's procedures
  - Must be transparent and verifiable
  - In selecting business partners, one must take the following concerns into account; value for money, quality, price, and the partner's characteristics.
6. **Human Resourcing Process** the Company's human resourcing process emphasizes on anti-corruption whereby its practices range from recruiting, evaluating performance, providing training, promoting, remunerating. Each supervisor in all levels must communicate and make understanding with their subordinates.

At the annual staff meeting, in addition to emphasizing the various operating policies of the Company, there will be a training in anti-corruption policy compliance every time, along with a test of understanding.

#### **Whistle Blowing Policy or Complaints**

The Company encourages employees and related persons to blow the whistle on corruption activities to Audit Committees Chairman for investigation, via company's website [www.eternalenergy.co.th](http://www.eternalenergy.co.th) or phone number 02-554-8014 (Company's Secretary) or fax number 02-554-8001, or mail at 888 I tower building, 8th floor, Vibhavadeerungsit Rd. Chatujal, Bangkok 10900.



### Confidential Information Protection Policy

The Company protects those complainants and honest information givers, and appoint executives to investigate all information reported, keeping all the information, complaints and document provided by complainants and information givers confidential.

### Violating the Policy

In case the directors, executives and employees do not follow this policy, they shall be punished according to the Company's rules, depending on the facts and circumstances. And if the corruption is illegal, the doer shall be punished by law. The Company has no policy to demote, punish or give negative outcome to those employees who refuse corruption.

### Roles and Responsibilities

- The Board of Directors – Approve policy, support anti-corruption activities
- Executive Committees and The Management – communicate to the Company's personnel and related persons about the policy and cooperate with Audit Committees in investigate according to the report
- Audit Committee – to review and update the appropriateness of the policy, take the complaints from the stakeholders that witness the corruption activities, and report the investigation result to the board meeting quarterly.
- Internal Audit – evaluate risk of corruption arisen from internal audit system
- Risk Management Committee – evaluate risks from corruption in each working process, and consider appropriate preventive measures.

### Risk Appraisal

The Company has required every department to assess corruption risk and identify its management policy. The executive team would follow up and report risk status to the Risk Management Committees and the board regularly. The Internal Audit will evaluate the effectiveness of all related internal control measures related to the prevention of corruption to the Audit Committees quarterly. From 2016, the Company has not received a complaint or whistle-blowing about corruption via specified channels.

The Company has done self-assessment on anti-corruption procedures following Private Sector Collective Action Coalition against Corruption (CAC), and submitted to the CAC committees for review since 2016.



In 2021, during employee meeting, the Company has informed all employees about fraud and corruption activities, such as guidelines of practices, high-risk matters that one must be careful on corruption, restrictions, acceptable actions, required documents, whistle blowing, and punishments on violations.

#### (4) Whistleblowing

The Company provides opportunities for all internal and external stakeholders to report clues or complaints to the Board of Directors regarding inappropriate actions, illegal or unethical behavior, inaccurate financial reports or the internal control system that is defective or acts that may cause doubt as being a corruption. The stakeholders can inform the Chairman of the Audit Committee to present to the Audit Committee to determine the fact-finding process. The Company has a policy to protect whistleblowers, to set up protection measures for whistleblowers not to be violated. The Audit Committee considers and reports to the Board of Directors for consideration as the Board deems appropriate. In addition, complaints can be sent directly to the directors, or internal auditor, or on the Company website: [www.eternalenergy.co.th](http://www.eternalenergy.co.th), or via electronic mail: [investment@eternalenergy.co.th](mailto:investment@eternalenergy.co.th), or by phone number 02-554-8012 (Company Secretary), or by fax at 02-554-8001, or by mail: Address 888, I Tower Building, 8th Floor, Vibhavadi Rangsit Road, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900. The Company will appoint an executive to check and track every clue that is reported. The information, complaints and documents of the complainant and the information provider are kept confidential.

In 2021, there were no clues or complaints about illegal or unethical conduct, infringement, inaccurate financial reports, corruption or any defective internal control system.

## 8.2 Report on the performance of the Audit Committee in the past year

### (1) Attendance of Audit Committee Meeting

In 2021, the Company held 5 Audit Committee meetings with details of the Audit Committee's attendance as follows:

List of Audit Committee	Position	Meeting		Note
		Number of meeting	Number of attending	
Mr. Pipat Chanasongkram	Chairman of the Audit Committee	2	2	Appointed 31 May 2021
Mr. Ekkawit Kaewwichian	Audit Committee	2	2	Appointed 26 May 2021
Miss Suvicha Kaewfacharoen	Audit Committee	1	1	Appointed 28 Oct 2021
Mr. Thira Ratanavit	Chairman of the Risk	1	1	Resigned 1 May 2021





List of Audit Committee	Position	Meeting		Note
		Number of meeting	Number of attending	
	Management Committee			
Dr. Thanachai Thirapatanawong	Chairman of the Audit Committee	2	2	Resigned 27 May 2021
Dr. Wetang Phuangsup	Audit Committee	3	3	Resigned 29 Sep 2021
Mr. Nivat Changariyavong	Audit Committee	3	3	Resigned 28 Oct 2021

## (2) Performance of the Audit Committee

In 2021 there were 4 meetings by all members attended the meeting and one more meeting with the auditor without management. The Risk Management Committee attended the meeting 3 times to discuss and exchange opinions on matters related to the operation, a total of 5 times. The Audit Committee has prepared a written report showing its responsibilities and performance which has the annual self-assessment of performance and has already reported the operating results to the Board of Directors.

## 8.3 Report on the performance of other sub-committees

### 8.3.1 Nomination, remuneration, and corporate governance committee

#### (1) Attendance of the Nomination Committee Meeting

In 2021, the Company held 4 meetings of the Nomination Committee with details of the meeting attendance of the members as follows:

List of Nomination Committee	Position	Meeting		Note
		Number of meeting	Number of attending	
Mr. Ekkawit Kaewwichian	Independent Director/ Chairman of the Nomination Committee	-	-	-
Miss Suvicha Kaewfacharoen	Independent Director / Nomination Committee	-	-	-
Miss Varaporn Suprucksaskul	Managing Director / Nomination Committee	-	-	-
Mr. Surachai Suksriwong	Nomination Committee	2	2	Resigned 22 Sep 2021
Dr. Wetang Phuangsup	Nomination Committee	4	4	Resigned 29 Sep 2021
Mr. Nivat Changariyavong	Chairman of the Nomination Committee	4	4	Resigned 28 Oct 2021

#### (2) Performance of the Nomination Committee

In 2021, the Company held 4 meetings with the review of the appropriateness of the Charter and review the performance of duties by self-assessment and has already reported the annual performance to the Board of Directors with details in attachment 6.



### 8.3.2 Risk Management Committee

#### (1) Attendance of the Risk Management Committee

In 2021, the Company held 1 meetings of the Risk Management Committee with details of the meeting attendance of the members as follows:

List of Risk Management Committee	Position	Meeting	
		Number of meeting	Number of attending
Mr. Prapat Yorkhant	Chairman of the Risk Management Committee	1	1
Mr. Worasak Kriengkamol	Risk Management Committee	1	1
Miss Varaporn Suprucksaskul	Risk Management Committee	1	1
Miss Sarunya Noijai boon	Risk Management Committee and Secretary	1	1

#### (2) Performance of the Risk Management Committee

In 2021, there was 1 meeting by all members attended the meeting and has 3 quarterly meetings with the Audit Committee. The adequacy of the charter was reviewed and reviewed the performance of duties by self-assessment and has already reported the results of the review to the Board of Directors with details as in Attachment 6.

## 9. Internal Control and Related Transactions

### 9.1 Internal Control

The Company always values the significances of the internal control system. The risks are managed in accordance with the framework and guidelines approved by the Board and the Risk Management Committee and are continually improved. the Board of Directors has assigned the Audit Committee to be responsible for reviewing and monitoring the adequacy of the internal control system and risk management to ensure that the Company's operations are effective and efficient, and in accordance with the requirements, laws, and regulations, and to ensure that assets are truly used for the benefit of the Company.

The Board of Directors' meeting no. 2/2022 on February 24, 2022, all 3 the Audit Committee members attended the meeting. They acknowledged the Company's 2021 assessment result of the internal control. The Board of Directors and the Audit Committee were of the opinion that the internal control system of the Company is sufficient and appropriate, efficiency and effectiveness for the business operations. Moreover, there are no reports of significant faults regarding the Company's internal control system from both external and internal auditors. The summary of the assessment of the adequacy of the Company's internal control system is as follows:



### 1. The environment of internal control of the organization

- Clearly specified the vision, mission statements, strategies and business objectives as guidelines for the management and employees. Operation was carried out and reviewed to ensure target achievements. The management has revised the operational requirements to be up-to-date for consistent and efficient work.
- Set good corporate governance policy, operational policy in accordance with laws, regulations, anti-corruption policy, as well as code of conduct in writing for the directors, managements, and employees to adhere as the work guidelines. In the previous year, there is no director or executive of the Company trading the Company shares by using the internal information.

### 2. Risk Assessment

- The Board of Directors has appointed the Risk Management Committee to supervise the Company's risk management to be appropriate and effective. The management regularly reviews the factors that may cause a risk in order to build confidence in leading the organization to its goals.
- Risk management policy was set to be guideline for managing all risks that may affect the Company's objectives, those guidelines were in line with the Company's objectives, goals, and strategies. The Audit Committee reviewed and endorsed risk management policy before proposing to the Board of Directors.
- Supervise and monitor risk management, and communicated to employees at all levels in order to assess and prevent risks in their departments.

### 3. Control Activities

- Authorities and levels of transaction approval was classified in the Table of Authority and reviewed regularly as appropriate.
- The Company's subsidiaries and associate company' performance was regularly monitored by the Management who reported such performance to the Board of Directors for acknowledgement on a quarterly basis.
- Connected transactions were executed in compliance with SET's regulations, with consideration of all rationales and ultimate benefits of the Company and those transactions were approved by the authorized approvers who have no conflicts of interest.



#### 4. Information and Communication

- The Company Secretary is required to disseminate information in accordance with the law on securities and exchange, the regulations of the SEC, the SET and related laws.
- Schedule the delivery of meeting invitations and meeting documents that contain necessary and sufficient information to the Board of Directors and sub-committees at least 5 business days in advance, except for urgent cases. Discussions, recommendations, and remarks from the directors were recorded in the minutes of meetings for future reference or audit trail.
- Schedule a meeting between the Audit Committee and the auditor and the relevant management to review bookkeeping in accordance with generally accepted accounting standards. Accounting records and supporting documents of the financial statements are completely kept in orderly manner. The auditors who use the collected data had no recommendation on improvement.
- Whistleblower system was stated in the Company's Code of Conduct and available in the Company's website. The Company also provides various channels that employees or third parties can report complaints to the Board of Directors or the Audit Committee on the Company website: [www.eternalenergy.co.th](http://www.eternalenergy.co.th) or E-mail: [investment@eternalenergy.co.th](mailto:investment@eternalenergy.co.th) or via the Company Secretary telephone number 02-554-8012

#### 5. Monitoring

- External auditors are encouraged to perform their tasks independently and quarterly reported to the Audit Committee.
- The Audit Committee was assigned to be responsible for appointing the internal auditor to monitor the operations in accordance with the Anti-Corruption Policy, and proposed to the Audit Committee for approval before proposing to the Board of Directors for acknowledgement.
- Requiring the management to review the Company's and its subsidiaries internal control systems. The Audit Committee is responsible for reviewing the adequacy and appropriateness of the internal control system on an annual basis by using the assessment form in accordance with the guidelines of the SEC and reporting to the Board of Directors for acknowledgment.

#### Internal Auditor

At the Audit Committee meeting no.1/2022 held on February 24, 2022, the Audit Committee has appointed Porama Consultant Company Limited to be Company and subsidiaries' internal auditor



for the year 2021. Miss Narumon Khunthong had been assigned to be head of internal auditor. The Audit Committee has considered the qualifications of Porama Consultant Company Limited and Miss Narumon Khunthong, and had opinion that they are appropriated to be Company internal auditor as they are independent and having knowledge in accounting and sufficient experience in internal auditing in the same line of business for at least 10 years and have been trained in courses related to internal audit operations. In this regard, the appointment, rotation, and removal of the head of internal auditor, are subject to the approval from the Audit Committee.

The Company had also assigned Ms. Jiraporn Yuwasakulpong, secretary of the Audit Committee, to be coordinator with the internal auditor.

#### Corporate Compliance Overview

The Board has appointed Mrs.Thanyathorn Chonlavorn, Company Secretary, to be responsible for the compliance to ensure the Company compliance with the laws and regulations relating to the Company business.

## 9.2 Connected Transactions

Connected transaction refers to a transaction between two businesses that have a personal or other relationship that may cause conflict of interest between Company or its subsidiary with the person connected with.

### 9.2.1 Necessity and reasonableness of the transaction

The transaction of the Company under the agreement with all companies involved in 2021 was for the sake of Company's maximum benefits. It had been reviewed by the auditor and the Audit Committee, and has the opinion that those transactions were normal business operations and equal to the transactions with non-related parties and had been properly disclosed.

The pricing policies for particular types of transactions are as follows:

Related Transactions	Pricing policies
Rental and service expenses	Market price
Management fee	Agreement
Directors' remuneration and other benefits expenses	Shareholders' approval



Connected transactions with other entities that may result in conflicts of interest in 2021, appearing in item 6 in the notes to the financial statements as at December 31, 2021 are as follows:

Related Parties	Business Type	Relationship
1. Boon Anek Co., Ltd.	Property rental and Agriculture	Subsidiary
2. Cannabiz Way Co., Ltd.	Plant, extraction, processing,	Subsidiary in which the Company holds 80% shares and has common directors.
3. Chareonporn Energy Co., Ltd.	Property rental and Agriculture	Indirect subsidiary
4. SSUT Co., Ltd.	Generate and operate an electricity and steam small power plant	Associate company
5. I Tower Co., Ltd.	Building rental	Common shareholders
6. Sahasamakkee Co., Ltd.	Cleaning service	Common Former Director
6. Srisawad Finance Public Co., Ltd.	Finance business	A Director is a close relative of a director of such company.
8. Com-Link Co., Ltd.	Installing utilities	Common shareholders
9. Khyber Pass Communications Co., Ltd.	Producing radio programs, television, dramas, advertisings, communications, publications, public relations	Director's relative of subsidiary

### 9.2.2 Approval of the transaction

The Board of Directors considered the connected transaction, on the basis of necessity and for the maximum benefits of the Company and in accordance with the characteristics of general business. The board has approved the transaction that has characteristics in general business, if Company or subsidiaries engage in transaction with directors, management or related person, it can be done in accordance with the process and authorized to approve as specified by the Board, and report to the Audit Committee or director for acknowledgement. If the transactions made is not characteristics general business, the transactions made with parties in conflict shall be report to the Audit Committee for consideration together with the details of relationship, appropriateness and independent advisor opinion i.e., auditor, asset appraiser, independent engineer, or law consultant. The Audit Committee will propose to the Board for consideration for the submission to shareholder meeting for approval the transaction. Moreover, management, or directors in conflict of interest is prohibited to present in the board meeting for the approval of the transaction, and to disclose the relationship or conflict of interest of the related parties involved to the Company.

The Board shall comply with the law governing Securities and Stock Market, regulation, announcement requirements of the Stock Exchange of Thailand, and Capital Market Supervisory



including the compliance with the disclosure requirements regarding connected transactions, and the acquisition or disposition of important assets of the Company or subsidiary, and in accordance with financial reporting standards set by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King. If a connected transaction occurs with a person who may have a conflict of interest or may have conflicts of interest in the future, the Company will allow the Audit committee to provide an opinion on the necessity and appropriateness of such transactions as in the normal course of business and compare pricing with third parties, the Company will disclose the connected transaction in the notes to the financial statements which have been audited by the Company's auditor.

### 9.2.3 Policy and trend of transactions in the future

The transactions between the Company and related companies that may occur in the future will be in general business as usual. The policy on pricing shall be in accordance with the market price. The Company is operating in accordance with the resolutions of the Board of Directors, the Securities and Exchange Commission, the Notification of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. The Company will arrange the Audit Committee to review and give opinion on the transaction. The opinions of the Audit Committee will be submitted to the Board of Directors or shareholders to ensure that the transaction is for the maximum profit of the Company.



Connected transactions with other persons that may result in the conflicts of interest as of December 31, 2021 are as follows:

Related Company/ Characteristic of Transaction	Necessity and reason of the transaction	Transaction Values (Baht)				Remarks by Audit Committee/ Reason of transaction
		As at 31 Dec 2021	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018	
<b>1. Boon Anek Co., Ltd.</b> Subsidiary in which the Company holds 100% of Shares, having 2 Directors: 1. Miss Kwansirintr Rojanapruk 2. Mr. Surachai Suksirwong	The Company manages the subsidiary to support the operation. The management fee has been charged i.e., personnel expense, office rental and other expenses as mutually used in the fix rate (the rate is subject to change in case of the increase of works) under one year contract from 1 Jan 2021 to 31 Dec 2021.	897,196	897,196	897,196	897,196	The service price is reasonable because the connected transaction has the terms of contract according to normal business practice.
<b>2. Charoenpom Energy Co., Ltd.</b> Indirect subsidiary, wholly owned by Boon Anek Co., Ltd., having 2 Directors: 1. Miss Kwansirintr Rojanapruk 2. Mr. Thira Ratanavit	The Company manages the subsidiary to support the operation. The management fee has been charged i.e., personnel expense, office rental and other expenses as mutually used in the fix rate (the rate is subject to change in case of the increase of works) under one year contract from 1 Jan 2021 to 31 Dec 2021.	1,009,346	1,009,346	1,009,346	1,009,346	The service price is reasonable because the connected transaction has the terms of contract according to normal business practice.
<b>3. I Tower Company Limited</b> The director is Mr. Siritaj Rojanapruk, the close relative of the MD and the Executive Chairman	The company has entered into a lease agreement to be the location of the company's office, with rental rates, service fees, maintenance fees, and contract terms that are normal for the business for a period of 3 years from 1 May 2018 - 30 April 64 with details as follows 1. Building area lease agreement on the 8th floor of I-Tower building with 374 square meters at the rate of 170 baht/sq m. 2. Service contract at the rate of 120 baht/sq m. 3. Contract for repair and maintenance at the rate of 231 baht/sq m.	762,960	762,960	762,960	762,960	The rental price is reasonable because it is the same price as the third party and it is a connected transaction with general commercial terms.
		538,560	538,560	538,560	538,560	
		1,036,728	1,036,728	1,036,728	982,872	
		<u>2,338,248</u>	<u>2,338,248</u>	<u>2,338,248</u>	<u>2,284,392</u>	
	Total					
<b>4. Sahasamakkee Service Co., Ltd.</b> Common director: Miss Kwansirintr Rojanapruk	The company entered into the contract with Sahasamakkee Service In providing office cleaning services. The company is located in the same building as the location of the company, so it is convenient for the Company. The service rate is same as other companies and have the conditions as normal of the business for a period of 1 year From 1 Jan 2021 to 31 Dec 2021. The service fee is 16,000 baht per month.	192,000	192,000	186,000	182,940	Contract Price is reasonable comparing to the market price.
<b>5. Srisawad Finance PCL.</b> Director: Mr. Thititham Rojanapruk, who is a close relative of the Executive Chairman.	The Company deposit with the interest rate according to market price.	215,077	1,079,313	1,468,740	132,689	Interest rate is reasonable comparing to market interest rate.





## Part 3

### Financial Statements

#### 10. Independent Auditor's Report

To the Shareholders of Eternal Energy Public Company Limited.

##### Opinion

I have audited the financial statements of Eternal Energy Public Company Limited and its subsidiaries (the Group), which comprise the consolidated and separate statements of financial position and as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Eternal Energy Public Company Limited and its subsidiaries as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

##### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statement section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions to my audit of the consolidated and separate financial statement, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key Audit Matters	How my audit addressed the key audit matter
<p><b><u>Impairment of Investment in Subsidiaries</u></b></p> <p>As mentioned in Note 12.2, the balance of investments in subsidiaries representing 38% of total assets which is significant to the separate statements of financial position. Considering the impairment loss, the management has to exercise significant judgement because of the uncertainty in current economic situation that may be impact the corporation of subsidiary in planting, extracting, processing, distributing, importing, this may result in the need to set up an allowance for impairment of investments in subsidiaries. However, the Company did not record an allowance for impairment of investments in subsidiaries because there is no any indication of impairment.</p> <p>In assessing the impairment of investments in subsidiaries by considering whether the carrying amount of the asset or cash-generating unit is higher than its recoverable amount. A high level of judgment is required by management. The assumptions made by management are considered as a key audit matter i.e., cash flow projection, economic growth rate and discount rate.</p>	<p>The following are the significant methods of audit:</p> <ul style="list-style-type: none"> <li>● Evaluate the competence, independence and objectivity of independent valuer.</li> <li>● Evaluate the preparation of future operating performance of subsidiary and the financial model prepared by the management whether they were consistent with the nature of business operations of the subsidiaries.</li> <li>● Comparison of future cash flow projections and economic growth assumptions with the Company's operating plans. To consider the reasonableness of estimates as well as to comparing industries data with external market analysis.</li> <li>● Tests the reliability of the discount rate used in projections future cash flows by comparing them with data from other companies in the same industry.</li> <li>● Assessing the assumptions and approaches used by the management.</li> <li>● Assessing the appropriateness and sufficiency of disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

#### Emphasis of matters

Without qualifying my opinion on the conditions. I draw attention to as disclosed in note 12.2 as at December 31, 2021, the Company is considering the fair value of the business. The management has appointed an independent appraiser to assess the fair value. However, as of the date of the financial statements have been approved such information is still being considered by the Company. Therefore, the fair value of identifiable acquired assets and liabilities assumed is estimating amount at the date of purchase may be adjust according to Thai Financial Reporting Standards No.3. The Management shall estimate the fair value of the purchase this business at the date of purchase within period of measuring value which cannot more than one year from the date of purchase. The Buyer is required to retrospectively adjust the estimates recognized at the date of purchase to reflect the effect of additional information obtained about the facts and circumstances available at the date of purchase. The determination of the fair value of businesses purchases during 2021 is based on the determination of the final purchase price and the effect of the purchase price allocation.



## Other Information

Management is responsible for the other information. The other information comprise the information included in annual report but does not include 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 financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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 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 and the Company 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud



or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 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 and separate 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.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kojchamon Sunhuan

(Ms. Kojchamon Sunhuan)

Certified Public Accountant (Thailand) No. 11536

Karin Audit Company Limited

Bangkok

February 24, 2022



## 11. Financial Statements and Notes

### ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

#### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statement	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	854,468,153	4,535,586	837,199,856	3,291,367
Other current receivables	8	7,989,392	6,177,763	5,660,153	5,179,663
Inventories	9	4,925,000	44,647	-	-
Other current financial assets	10	-	51,700,000	-	20,000,000
Other current assets	11	100,000,000	-	100,000,000	-
<b>Total current assets</b>		<b>967,382,545</b>	<b>62,457,996</b>	<b>942,860,009</b>	<b>28,471,030</b>
<b>NON - CURRENT ASSETS</b>					
Restricted bank deposits	28	-	35,250,000	-	35,250,000
Investments in subsidiaries	12	-	-	666,000,000	514,586,850
Investments in associates	13	-	1,029,606,891	-	816,266,250
Investment property	14	-	342,951,071	-	-
Property, plant and equipment	15	41,837,181	135,344,778	122,333	19,800
Right-of-use asset	16	2,095,768	2,331,434	1,497,428	2,331,434
Goodwill	12.2	608,578,227	-	-	-
Other non-current assets	17	150,695,234	6,516,448	150,585,034	6,424,008
<b>Total non - current assets</b>		<b>803,206,410</b>	<b>1,552,000,622</b>	<b>818,204,795</b>	<b>1,374,878,342</b>
<b>TOTAL ASSETS</b>		<b>1,770,588,955</b>	<b>1,614,458,618</b>	<b>1,761,064,804</b>	<b>1,403,349,372</b>



The accompanying notes to financial statements are an integral part of the financial statements.

ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2021

		(Unit: Baht)			
		Consolidated financial statement		Separate financial statement	
		December 31,	December 31,	December 31,	December 31,
Note		2021	2020	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Other current payables	18	3,870,713	158,468,362	3,023,536	158,311,473
Current portion of lease liabilities	6	973,598	680,252	636,034	680,252
Short - term loans	6	-	600,000	-	-
Accrued income tax		42,876,028	226,790	42,876,028	-
Current provisions for employee benefits	19	-	1,417,700	-	1,417,700
<b>Total current liabilities</b>		<b>47,720,339</b>	<b>161,393,104</b>	<b>46,535,598</b>	<b>160,409,425</b>
<b>NON - CURRENT LIABILITIES</b>					
Lease liabilities	6	1,152,995	1,696,990	888,535	1,696,990
Deferred tax liabilities	12.2	144,000	-	-	-
Non - Current provisions for employee benefits	19	716,080	1,004,809	530,326	862,776
<b>Total non - current liabilities</b>		<b>2,013,075</b>	<b>2,701,799</b>	<b>1,418,861</b>	<b>2,559,766</b>
<b>TOTAL LIABILITIES</b>		<b>49,733,414</b>	<b>164,094,903</b>	<b>47,954,459</b>	<b>162,969,191</b>
<b>SHAREHOLDERS EQUITY</b>					
<b>Share capital</b>					
Authorized share capital					
2,780,000,000 ordinary shares of Baht 1 each		2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000
Issued and paid - up share capital					
2,780,000,000 ordinary shares of Baht 1 each		2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000
Discount on common shares		(562,500,000)	(562,500,000)	(562,500,000)	(562,500,000)
Retained earnings (deficit)					
Appropriated					
Legal reserve fund		13,716,687	13,716,687	13,716,687	13,716,687
Unappropriated		(520,194,599)	(716,069,644)	(518,106,342)	(990,836,506)
Other component of equity		-	(64,783,328)	-	-
Equity shareholders of the Company		1,711,022,088	1,450,363,715	1,713,110,345	1,240,380,181
Non-controlling interest of subsidiaries		9,833,453	-	-	-
<b>Total shareholders' equity</b>		<b>1,720,855,541</b>	<b>1,450,363,715</b>	<b>1,713,110,345</b>	<b>1,240,380,181</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>		<b>1,770,588,955</b>	<b>1,614,458,618</b>	<b>1,761,064,804</b>	<b>1,403,349,372</b>



The accompanying notes to financial statements are an integral part of the financial statements.

ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021

		(Unit: Baht)			
		Consolidated financial statement		Separate financial statement	
	Note	2021	2020	2021	2020
Revenue from sales		4,133,787	3,045,093	-	-
Cost of sales		(54,330)	(41,466)	-	-
<b>Gross profit</b>		<b>4,079,457</b>	<b>3,003,627</b>	<b>-</b>	<b>-</b>
Interest Income		567,795	1,259,560	329,190	704,434
Profit (loss) from disposal of investments in subsidiaries	12.1	2,838,135	-	-	-
Profit (loss) from disposal of investments in associates	13.2	87,732,235	-	429,854,850	-
Other income from reversal of provisions	13.2	107,520,113	-	107,520,113	-
Other income		1,688,364	1,140,007	3,542,714	1,906,542
<b>Total other income</b>		<b>200,346,642</b>	<b>2,399,567</b>	<b>541,246,867</b>	<b>2,610,976</b>
Administrative expenses	22	(21,566,135)	(38,954,540)	(17,770,509)	(37,112,430)
Management benefit expenses		(8,650,633)	(11,423,280)	(8,200,633)	(11,423,280)
<b>Total expenses</b>		<b>(30,216,768)</b>	<b>(50,377,820)</b>	<b>(25,971,142)</b>	<b>(48,535,710)</b>
Finance costs		(83,318)	(109,338)	(75,110)	(109,338)
Share of profit of associates	13.1	63,998,646	50,466,504	-	-
<b>Profit (loss) before Income tax</b>		<b>238,124,659</b>	<b>5,382,540</b>	<b>515,200,615</b>	<b>(46,034,072)</b>
Income tax	24	(43,238,715)	(394,025)	(42,937,562)	-
<b>Profit (loss) for the year</b>		<b>194,885,944</b>	<b>4,988,515</b>	<b>472,263,053</b>	<b>(46,034,072)</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified in profit or loss later:</b>					
Profit or loss new values of defined employee benefits	19	467,111	(67,488)	467,111	(31,786)
<b>Items that will be reclassified in profit or loss later:</b>					
Profit or loss cash flow hedges, net of tax	13.1	17,823,131	(19,533,060)	-	-
<b>Total items that will be reclassified</b>		<b>17,823,131</b>	<b>(19,533,060)</b>	<b>-</b>	<b>-</b>
<b>and not be reclassified in profit or loss later</b>		<b>18,290,242</b>	<b>(19,600,548)</b>	<b>467,111</b>	<b>(31,786)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>213,176,186</b>	<b>(14,612,033)</b>	<b>472,730,164</b>	<b>(46,065,858)</b>





The accompanying notes to financial statements are an integral part of the financial statements.

ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2021

	Note	(Unit: Baht)			
		Consolidated financial statement		Separate financial statement	
		2021	2020	2021	2020
<b>Profit (loss) attributable for year</b>					
Controlling interests of the Company		195,407,934	4,988,515	472,263,053	(46,034,072)
Non-controlling interests		(521,990)	-	-	-
<b>Profit (loss) for the year</b>		<b>194,885,944</b>	<b>4,988,515</b>	<b>472,263,053</b>	<b>(46,034,072)</b>
<b>Total comprehensive income (loss) attributable to</b>					
Controlling interests of the Company		213,698,176	(14,612,033)	472,730,164	(46,065,858)
Non-controlling interests		(521,990)	-	-	-
<b>Total comprehensive income (loss) for the year</b>		<b>213,176,186</b>	<b>(14,612,033)</b>	<b>472,730,164</b>	<b>(46,065,858)</b>
Basic earnings (deficit) per share (Baht per share)		0.0701	0.0018	0.1699	(0.0166)
Number of weighted average ordinary shares (shares)		2,780,000,000	2,780,000,000	2,780,000,000	2,780,000,000



The accompanying notes to financial statements are an integral part of the financial statements.



## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021

Consolidated financial statement									
Retained earnings (deficit)				Other components of shareholders' equity			Total Equity shareholders of the Company	Non-controlling interest	Total
Issued and paid-up share capital	Discount on ordinary shares	Appropriated Legal reserve fund	Unappropriated	Other comprehensive income (loss)		Total other components of shareholders' equity			
				Profit (Loss) from the measurement of new values of defined employee benefits	Cash flow hedges reserves				
2,780,000,000	(562,500,000)	13,716,687	(721,673,849)	-	-	-	1,509,542,838	-	1,509,542,838
-	-	-	683,178	-	(45,250,268)	(45,250,268)	(44,567,090)	-	(44,567,090)
2,780,000,000	(562,500,000)	13,716,687	(720,990,671)	-	(45,250,268)	(45,250,268)	1,464,975,748	-	1,464,975,748
-	-	-	4,988,515	(67,488)	(19,533,060)	(19,600,548)	(14,612,033)	-	(14,612,033)
-	-	-	(67,488)	67,488	-	67,488	-	-	-
2,780,000,000	(562,500,000)	13,716,687	(716,069,644)	-	(64,783,328)	(64,783,328)	1,450,363,715	-	1,450,363,715
2,780,000,000	(562,500,000)	13,716,687	(716,069,644)	-	(64,783,328)	(64,783,328)	1,450,363,715	-	1,450,363,715
-	-	-	-	-	-	-	-	10,355,443	10,355,443
-	-	-	195,407,934	467,111	17,823,131	18,290,242	213,698,176	(521,990)	213,176,186
-	-	-	467,111	(467,111)	-	(467,111)	-	-	-
-	-	-	-	-	46,960,197	46,960,197	46,960,197	-	46,960,197
2,780,000,000	(562,500,000)	13,716,687	(520,194,599)	-	-	-	1,711,022,088	9,833,453	1,720,855,541

The accompanying notes to financial statements are an integral part of the financial statements.



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2021

(Unit: Baht)

	Separate financial statement						
	Retained earnings (deficit)				Other components of shareholders' equity		
	Issued and paid-up share capital	Discount on ordinary shares	Appropriated Legal reserve fund	Unappropriated	Other comprehensive income		Total
					Profit (Loss) from		
					the measurement of		
new values of defined employee benefits							
					Total other components of shareholders' equity		
Balance as at January 1, 2020	2,780,000,000	(562,500,000)	13,716,687	(944,770,648)	-	-	1,286,446,039
Total comprehensive income (loss) for the year	-	-	-	(46,034,072)	(31,786)	(31,786)	(46,065,858)
Transferred to retained earnings	-	-	-	(31,786)	31,786	31,786	-
Balance as at December 31, 2020	2,780,000,000	(562,500,000)	13,716,687	(990,836,506)	-	-	1,240,380,181
Balance as at January 1, 2021	2,780,000,000	(562,500,000)	13,716,687	(990,836,506)	-	-	1,240,380,181
Total comprehensive income (loss) for the year	-	-	-	472,263,053	467,111	467,111	472,730,164
Transferred to retained earnings	-	-	-	467,111	(467,111)	(467,111)	-
Balance as at December 31, 2021	2,780,000,000	(562,500,000)	13,716,687	(518,106,342)	-	-	1,713,110,345

The accompanying notes to financial statements are an integral part of the financial statements.



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statement	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) for the year		194,885,944	4,988,515	472,263,053	(46,034,072)
Adjustment to reconcile profit (loss) to be net cash received (paid)					
Adjusted income tax		43,238,715	394,025	42,937,562	-
Adjusted financial cost		83,318	109,338	75,110	109,338
Adjusted Interest income		(567,795)	(1,259,560)	(329,190)	(704,434)
Adjusted other current receivables increase		(1,733,054)	(533,032)	(585,057)	(210,965)
Adjusted inventories increase		(4,934,194)	(7,424)	-	-
Adjusted other non-current asset decrease		5,771,616	-	5,719,616	-
Adjusted other current payables increase (decrease)		2,593,768	(426,987)	2,232,176	(84,530)
Depreciation and amortization		826,645	749,394	655,066	725,467
Adjusted share of (profit) loss of associates	13.1	(63,998,646)	(50,466,504)	-	-
Adjusted defaulting interest payments		-	26,880,028	-	26,880,028
Adjusted other income from reversal of provisions	13.2	(107,520,113)	-	(107,520,113)	-
Adjusted profit loss of change lease liabilities		(48,438)	-	(48,438)	-
Adjusted provisions for employee benefits		385,660	334,749	184,261	322,199
Adjusted cash paid for employee benefits		(1,467,300)	(2,331,944)	(1,467,300)	(2,331,944)
Adjusted profit from sale of property, plant and equipment		(1,560,734)	-	(1,560,734)	-
Adjusted profit from disposal of investments in subsidiaries	12.1	(2,838,135)	-	-	-
Adjusted profit from disposal of investments in associates	13.2	(87,732,235)	-	(429,854,850)	-
Adjusted amortized expenses		-	60,957	-	60,957
Total adjustment to reconcile net profit (loss)		(24,614,978)	(21,508,445)	(17,298,838)	(21,267,956)
Cash provided by (used in) operating activities					
Interest expenses		(83,318)	(109,338)	(75,110)	(109,338)
Income tax return (pay out)		(208,429)	(498,582)	57,823	(49,095)
Net cash provided by (used in) operating activities		(24,906,725)	(22,116,365)	(17,316,125)	(21,426,389)
CASH FLOWS FROM INVESTING ACTIVITIES					
Other current financial assets (increase) decrease		51,700,000	(21,000,000)	20,000,000	(20,000,000)
Restricted bank deposits decrease		35,250,000	-	35,250,000	-
Cash received from sales of investment in net-subsiaries					
from cash paid	12.1	464,586,851	-	464,586,851	-
Cash paid for purchase of investment in net-subsiaries					
from cash received	12.2	(650,000,000)	-	(650,000,000)	-
Cash paid for payment ordinary shares of					
subsidiaries in advance.		-	-	(16,000,000)	-
Cash received from disposal of investments in associates	13	1,246,121,100	-	1,246,121,100	-
Cash received from sales of property, plant and equipment		1,560,747	-	1,560,747	-
Cash paid for property, plant and equipment	15	(3,136,951)	(266,223)	(111,051)	-
Cash paid from deposit for purchase of investment		(250,000,000)	-	(250,000,000)	-
Interest income		782,600	1,174,147	433,757	619,691
Net cash provided by (used in) operating activities		896,864,347	(20,092,076)	851,841,404	(19,380,309)

The accompanying notes to financial statements are an integral part of the financial statements.



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2021

		(Unit: Baht)			
		Consolidated financial statement		Separate financial statement	
	Note	2021	2020	2021	2020
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash paid for lease liabilities		(698,582)	(653,622)	(616,790)	(653,622)
Cash received from short-term loans from Related		-	600,000	-	-
Cash paid from short-term loans from Related		(600,000)	-	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>(1,298,582)</b>	<b>(53,622)</b>	<b>(616,790)</b>	<b>(653,622)</b>
Net cash and cash equivalents increase (decrease) - Net		870,659,040	(42,262,063)	833,908,489	(41,460,320)
Cash and cash equivalents at beginning of the year	7	4,535,586	46,797,649	3,291,367	44,751,687
Cash decrease from lose control in subsidiary	12.1	(32,893,032)	-	-	-
Cash increase from investing in subsidiaries	12.2	12,166,559	-	-	-
Cash and cash equivalents at ending of the year	7	854,468,153	4,535,586	837,199,856	3,291,367

The accompanying notes to financial statements are an integral part of the financial statements.



ETERNAL ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2021

1. GENERAL

1.1 Legal status and company address

Eternal Energy Public Company Limited "the Company" was registered by Thai law no.456 dated March 26, 1987 and the Company has been registered to convert into Public Limited Company no. 0107536000790 on July 29, 1993.

Head office 888 I Tower building 8th floor, Viibhavadi-Rangsit Road, Chatujak, Bangkok.

1.2 The principle business operations

The Company's main business is investment in clean energy business and agribusiness.

2. BASIS FOR PREPARATION OF THE CONSOLIDATION FINANCIAL STATEMENTS

2.1 Presentation of consolidation financial statements

The consolidated financial statements include the financial statements of Eternal Energy Public Company Limited and its subsidiary which are under its control with more than 50 percent voting rights as follows:

			Ownership interest Direct and indirect	
	Business type	Country of incorporation	As at December 31, 2021	As at December 31, 2020
<u>Direct subsidiaries</u>				
Boon Anek Co., Ltd.	Property rental and Agriculture	Thailand	-	100
Canabiz way Co., Ltd.	Plant,extraction, processing,distributon ,import, export,doing business in all fields related to hemp raw materials, cannabis	Thailand	80	-
<u>Indirect subsidiary</u> <u>(Holding by Boon Anek Co., Ltd.)</u>				
Chareonporn Energy Co., Ltd.	Property rental and Agriculture	Thailand	-	100

Significant transactions with subsidiary have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.



During the year 2021, there were the following changes in the composition of the subsidiaries:

**Cannabiz Way Co., Ltd.**

The Board of Directors' Meeting No. 9/2021 of the Company held on September 29, 2021 resolved to approve the acquisition of 800,000 ordinary shares or 80 percent of the total issued shares in Cannabiz Way Company Limited, a limited company incorporated in Thailand engaging in the cultivation and sale of hemp, from Bio Medical Group Company Limited, where the Company has agreed to pay to the seller on the completion date of Baht 650 million as consideration.

**Boon Anek Co., Ltd and subsidiary of Boon Anek Co., Ltd.**

With reference to the Board of Directors' Meeting No. 4/2018 of the Company held on November 5, 2018 to approve the sale of 5,399,998 ordinary shares or equivalent to 100 percent of the total shares in Boon Anek Co., Ltd., the Company's subsidiary, to Sup Sombut Mai Co., Ltd., the purchaser who was not the Company's connected person, at the purchase price of Baht 514.59 million where the Company had entered into a share sale and purchase agreement with the purchaser and the purchaser had already paid a deposit of Baht 50 million to the Company on November 6, 2018 and must pay the outstanding purchase price of Baht 464.59 million to the Company on the date on which the Company transfers the ordinary shares in Boon Anek Co., Ltd. to the purchaser, i.e. within December 31, 2019, whereas the parties later agreed to extend such transfer period of shares to December 31, 2021 to allow the Company to obtain a new business in replacement of the business of Boon Anek Co., Ltd. prior to such transfer of shares so that the Company would not lack the status of a SET listed company or become a cash company, as well as the resolutions of the Board of Directors' Meeting No. 11/2021 of the Company, held on November 11, 2021 to approve the request for an extension of the transfer period of shares until March 30, 2022.

Since Bio Medical Group Co., Ltd., the seller of 800,000 ordinary shares or equivalent to 80 percent of the total shares in Cannabiz Way Co., Ltd., had completed all key conditions subsequent under the share sale and purchase agreement dated September 29, 2021 between the Company and Bio Medical Group Co., Ltd. on December 15, 2021, the sale and purchase of such shares was completed on December 15, 2021 and Cannabiz Way Co., Ltd. will be able to conduct the hemp cultivation business in accordance with the licenses that it has been granted. Now that the Company has a new business, i.e. the hemp cultivation business, the Company has found it appropriate to proceed with the transfer of ordinary shares in Boon Anek Co., Ltd. to Sup Sombat Mai Co., Ltd. and receive the outstanding purchase price of Baht 464.59 from Sup Sombat Mai Co., Ltd. within December 31, 2021 in line with the original transfer period of shares. the Company has transferred ordinary shares and received the remaining payment for the shares on December 28, 2021.

## 2.2 New financial reporting standards

### A) Financial reporting standards that became effective in the current period.

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.





The management of the Group believes that adoption of these amendments will not have any significant impact on the Company financial statements.

**B) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022.**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group financial statements.

**3. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

**3.1 Basic of preparation of the financial statements**

The financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the securities and Exchange commission under the securities and Exchange Act. B.E. 2535.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**3.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis. (except where otherwise disclosed in the accounting policies)

**3.3 Functional and presentation currency**

The financial statements are prepared and presented in Thai Baht, which is the Group functional currency. All financial information presented in Thai Baht has been rounded to the nearest Baht or million in the notes unless otherwise stated.



#### 4. SIGNIFICANT ACCOUNTING POLICIES

Important accounting policies used in the preparation of the Group financial statements. at as follows;

##### 4.1 Revenues and expenses recognition

Revenue excludes value added tax or other sales taxes and is arrived at after deduction of trade discounts.

Revenue is recognized in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognized as services are provided.

Interest and other income are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

##### 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions or guarantee obligation.

##### 4.3 Financial instruments

The Group recognized initially measures financial assets at its fair value plus transaction costs, in the case of financial assets that are not measured at fair value through profit or loss. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to trade receivables.

###### Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

###### Financial assets at amortized cost

the Group measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

###### Financial assets at FVTPL

Unit trust of open – ended Fund and derivative measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.



#### Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

#### Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### Impairment of financial assets

The Group measures expected credit losses (ECLs) that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment loss is recognized in profit or loss under the account. "Administrative expenses"

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **4.4 Inventories**

Inventories are stated at the lower of cost and net realizable value.

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

Cost of cassava plantation is stated at cost that comprise direct cost related to cultivation of cassava which land rental and overhead.

Allowance for inventory is considered by 2 factors of risk, which are risk from growing and natural disaster following prior year experience.



#### 4.5 Investments

Investments in subsidiaries is recorded at cost method with less impairment losses (if any).

Investments in subsidiary companies and associates are recorded at cost method in the separate financial statements and investments in associated companies are recorded at equity method in the consolidated financial statements.

#### 4.6 Investment property

Investment property is property held to earn rentals or for capital appreciation or both, disclosed separately from the land building and equipment.

The Group has cost method for investment property accounting with cost less accumulated depreciation and accumulated impairment losses of assets (if any).

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method.

#### 4.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. (If any)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment are as follows:

Land improvements	10 years
Employees' dormitory, machinery and equipment	5-20 years
Building improvements, office furniture and equipment, vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Group writes off assets from its account. When disposing of assets or the expected future economic benefit from the use or disposal of assets gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other (losses)/gains - net' in statement of comprehensive income.

#### 4.8 Leases

##### Leases - where the Group is the lessee

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

**Leases - where the Group is the lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases are recognised as income in the income statement on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

**4.9 Goodwill**

The Group initially records goodwill at cost method, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

The Group presents goodwill at cost method less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

**4.10 Impairment of an asset not a financial statement**

The carrying amounts of the Group 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 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 recognized 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.

Calculation of recoverable amount

The recoverable amount of a non - financial asset is the greater of the asset's value in use or 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.



#### Reversals of impairment

An impairment loss recognised in prior years 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.

The Group performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group determines the devaluation of such assets based on net realisable value. The determination of what is devaluation requires the management to exercise judgment.

#### **4.11 Employee benefits**

##### **a.) Short - term employee benefits**

Short - term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized 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.

##### **b.) Post - employment benefits**

The Group records post - employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

#### Defined contribution plan

A defined contribution plan contribution plan is a post - employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the years during which services are rendered by employees.

#### Defined benefit plan

A defined benefit plan is a post - employment benefit plan other than a defined contribution plan. The Group net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Group recognized immediately all actuarial gains or losses arising from defined benefit plans in profit or loss.



**c.) Other long - term employee benefits**

The Group net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years, that benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the year in which they arise.

**d.) 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 recognized costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of reporting year, then they are discounted.

**4.12 Income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

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

Deferred tax is recognized 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 recognized 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 or taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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 judgments about future events. New information may become available that causes the Group to change its judgment 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 realized simultaneously.



Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

#### 4.13 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.

#### 4.14 Business transactions with related persons or businesses

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company.

Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

#### 4.15 Profit (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares issued and paid during the year.

#### 4.16 Segment information

Operating segments are reported in the same manner as internal reports presented to the chief operating decision maker. Chief operating decision maker makes strategic decisions. However, the management sees that there is only one operating segment of the Group.

#### 4.17 Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows





At the end of each reporting year, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting year that are measured at fair value on a recurring basis.

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting statements at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

### Expected credit losses

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

### Impairment of investments

The Group treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

### Depreciation of property plant and equipment

In determining depreciation of property plant and equipment, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property plant and equipment are subject to impairment if there is an indication, they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavorable regulatory and court decisions that impact the business.

The impairment analysis property plant and equipment require management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses



relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

#### Impairment of assets

The Group performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group determines the devaluation of such assets based on net realisable value. The determination of what is devaluation requires the management to exercise judgment.

#### Post - employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, salary expected to increase in the future, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

## 6. BUSINESS TRANSACTIONS WITH RELATED PERSONS OR BUSINESSES

Related parties are those parties linked to the Group as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The Company or have related party transactions and balances with the Group.

<u>Related Parties</u>	<u>Business type</u>	<u>Nature of Relationship</u>
1. Boon Anek Co., Ltd.	Property rental and Agriculture	Subsidiary
2. Cannabiz Way Co., Ltd.	Plant,extraction,processing, distribution,import, export, doing business in all fields related to hemp raw materials, cannabis	Subsidiary
3. Chareonporn Energy Co., Ltd.	Property rental and Agriculture	Indirect subsidiary
4. SSUT Co., Ltd.	Generate and operate an electricity and steam small power plant	Associate company
5. I Tower Co., Ltd.	Building rental	Common shareholders
6. Sahasamakkee Co., Ltd.	Cleaning service	Former Director's relative
7. Srisawad Finance Public Company Limited	Finance business	Former the Directors are relatives of Common shareholders of the Company.
8. Com-Link Co., Ltd.	Installing utilities	Common shareholders



Related Parties

9. Khyber Pass Communications Co., Ltd.

Business type

Producing radio programs,  
television, dramas, advertisings,  
communications, publications,  
public relations

Nature of Relationship

Director's relative of subsidiary

Related Person

Miss Kwansirintr Rojanapruk

Nature of Relationship

Former Executive Chairman

The pricing policies for particular types of transactions are explained further below:

Related Transactions

Rental and service expenses

Management fee

Directors' remuneration and other benefits expenses

Investment in associates

Estimate Interest expense

Director loans

Pricing policies

Contract approximately market price

Agreement

As the approval by shareholders meeting

Market rate

Interest rate 4.5% per annum (Note 13)

No interest

Income and expenses between persons and related companies for the years ended December 31, 2021 and 2020 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<u>Management fees income</u>				
Boon Anek Co., Ltd.	-	-	897,196	897,196
Chareonporn Energy Co., Ltd.	-	-	1,009,346	1,009,346
	-	-	1,906,542	1,906,542
<u>Interest income</u>				
Srisawad Finance Public Company Limited.	215,077	1,079,313	62,384	525,030
<u>Interest expense</u>				
Com-Link Co., Ltd.	-	26,880,028	-	26,880,028
<u>Service expenses</u>				
I Tower Co., Ltd.	1,449,514	1,629,785	1,449,514	1,629,785
Sahasamakkee Co., Ltd.	192,000	192,000	192,000	192,000
Khyber Pass Communications Co., Ltd.	380,000	-	-	-
	2,021,514	1,821,785	1,641,514	1,821,785



(Unit: Baht)

	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<u>Directors' remuneration and</u>				
<u>Management and other benefits</u>				
Short-term employee benefits	9,400,633	11,423,280	8,200,633	11,423,280
Post-employment benefits	139,074	103,984	64,072	103,984

Balance as at December 31, 2021 and December 31, 2020 with related parties are as follows:

(Unit: Baht)

	Consolidated		Separate	
	As at December 31, 2021	As at December	As at December 31, 2021	As at December
<u>Other current receivables</u>				
Srisawad Finance Public Company Limited	-	214,437	-	104,199
<u>Other current financial assets</u>				
Srisawad Finance Public Company Limited				
Over 3 months to 6 months	-	51,700,000	-	20,000,000
<u>Other non – current assets</u>				
I Tower Co., Ltd.	584,562	584,562	584,562	584,562
SSUT Co., Ltd.	-	5,719,616	-	5,719,616
	584,562	6,304,178	584,562	6,304,178
<u>Provision for accrued interest</u>				
Com-Link Co., Ltd.	-	107,520,113	-	107,520,113
<u>Other current payable</u>				
I Tower Co., Ltd.	10,771	12,673	10,771	12,673
<u>Estimated liability – employee benefit</u>				
Director and Director Management	139,074	1,417,700	64,072	1,417,700



	(Unit: Baht)	
	Consolidated	
	2021	2020
<u>Short - term loans</u>		
Miss Kwansirinr Rojanapruk		
Balance as at January 1	600,000	-
Additions (Decrease)	(600,000)	600,000
Balance as at December 31	-	600,000

	(Unit : Baht)				
	Consolidated				
	As at January 1, 2021	Increase	( Decrease )	Change the lease increase (decrease)	As at December 31, 2021
<u>Lease liabilities</u>					
I Tower Co., Ltd.					
Lease liabilities	2,543,200	-	(691,900)	(251,940)	1,599,360
Deferred interest expenses	(165,958)	-	75,110	16,057	(74,791)
Lease liabilities - net	2,377,242	-	(616,790)	(235,883)	1,524,569
Khyber Pass Communication Co., Ltd.					
Lease liabilities	-	720,000	(90,000)	-	630,000
Deferred interest expenses	-	(36,183)	8,208	-	(27,975)
Lease liabilities - net	-	683,817	(81,792)	-	602,025
Total	2,377,242	683,817	(698,582)	(235,883)	2,126,594

	(Unit : Baht)				
	Separate				
	As at January 1, 2021	Increase	( Decrease )	Change the lease increase (decrease)	As at December 31, 2021
<u>Lease liabilities</u>					
I Tower Co., Ltd.					
Lease liabilities	2,543,200	-	(691,900)	(251,940)	1,599,360
Deferred interest expenses	(165,958)	-	75,110	16,057	(74,791)
Lease liabilities - net	2,377,242	-	(616,790)	(235,883)	1,524,569



(Unit : Baht)

	Consolidated		Separate	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Finance lease liabilities of which are				
Current lease liabilities	973,598	680,252	636,034	680,252
Non - current lease liabilities	1,152,995	1,696,990	888,535	1,696,990
Total	2,126,593	2,377,242	1,524,569	2,377,242

#### Significant agreements with related parties

1. The Company has entered into the space rental with I Tower Company Limited for a period of 3 years from May 1, 2021 to April 30, 2024 with monthly of Baht 170 per square meters.  
On February 8, 2021, I Tower Company Limited reduced the rental space according to the company requested. From the original rental area of 374 square meters to an amount of Baht 63,580 per month, reducing for the remaining rental area 336 square meters with Baht 57,120 per month.
2. The Company has entered into the service agreement and repair and maintenance on component part of building agreement with I Tower Company Limited for a period of 3 years from May 1, 2021 to April 30, 2024 Service rate with monthly of Baht 120 per square meters and Wage rate with monthly of Baht 231 per square meters, as at December 31, 2021 the remaining rental area 336 square meters and security deposit service agreement and repair and maintenance on component part of building ( other non-current asset Note 17) of Baht 584,562.
3. The Company has entered into a cleaning service with Sahasamakkee Co., Ltd agreement for 12 months, from January 1, 2021 to December 31, 2021 with the service charged by of Baht 16,000 per month.
4. The subsidiary has entered into the rental with Khyber Pass Communication Company Limited for a period of 1 year from October 1, 2021 to September 30, 2022 with Baht 30,000 per month.

#### 7. CASH AND CASH EQUIVALENTS

(Unit: Baht)

	Consolidated		Separate	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Cash	35,000	19,000	15,000	10,000
Cash at banks – current accounts	17,278,297	66,566	30,000	13,065
Cash at banks – saving accounts	801,643,197	4,450,020	801,643,197	3,268,302
Cash at banks – fixed accounts	35,511,659	-	35,511,659	-
Total cash and cash equivalents	854,468,153	4,535,586	837,199,856	3,291,367

Savings and fixed deposits bear interest rates set by the bank.



## 8. OTHER CURRENT RECEIVABLES

	(Unit: Baht)			
	Consolidated		Separate	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Other current receivables				
Advance Payment	1,030,000	306,232	-	24
Prepaid Expenses	405,735	444,244	405,735	437,144
Receivable from Revenue Department	6,551,322	5,210,146	5,252,083	4,635,592
Other	2,335	2,704	2,335	2,704
Total	7,989,392	5,963,326	5,660,153	5,075,464
Accounts receivable - related parties (Note 6)	-	214,437	-	104,199
Total other current receivables	7,989,392	6,177,763	5,660,153	5,179,663

## 9. INVENTORIES

	(Unit: Baht)	
	Consolidated	
	As at December	As at December
	31, 2021	31, 2020
Hemp seeds	4,925,000	-
Cassava plantation	-	44,647
<u>Less</u> allowance for inventories	-	-
Inventories - net	4,925,000	44,647

## 10. OTHER CURRENT FINANCIAL ASSETS

	(Unit: Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December	December	December	December
	31, 2021	31, 2020	31, 2021	31, 2020
Deposit receipt (Note 6)	-	51,700,000	-	20,000,000
Total other current financial assets	-	51,700,000	-	20,000,000



Deposit receipt

	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Amount (Million Baht)	-	51.70	-	20.00
No. of bills	-	7	-	2
Due date	-	January to March 2021	-	January to March 2021
Interest rate (%)	-	1.65	-	1.65
Commitment	-	None	-	None

#### 11. OTHER CURRENT FINANCIAL ASSETS

The Board of Directors' Meeting No. 12/2021 of the Company held on December 14, 2021 resolved to approve to enter in a memorandum of understanding on conducting studies to consider investing in another company. The duration enter into study is 3 months during January - March 2022. The Company paid a deposit a refundable of baht 100 million on the date of signing this Memorandum of Understanding. By the receiver deposit has pledged common shares with the Company as a guarantee for the Company's return of the deposit under the share pledge agreement.





## 12. INVESTMENTS IN SUBSIDIARIES

	Separate							
	Possession Proportion		Paid-up Capital		Cost Method		Dividend's income	
	As at	As at	As at	As at	As at	As at	For the year ended	
	December	December	December	December	December	December	December 31,	
	31, 2021	31, 2020	31, 2021	31, 2020	31, 2021	31, 2020	2021	2020
	(Percentage)	(Percentage)	(Million Baht)	(Million Baht)	(Baht)	(Baht)	(Baht)	(Baht)
<b>Subsidiary</b>								
Boon Anek Co., Ltd.	-	100	-	540	-	514,586,850	-	-
Cannabiz Way Co., Ltd.	80	-	73.25	-	666,000,000	-	-	-
Total					666,000,000	514,586,850	-	-
<u>Less</u> allowance for impairment					-	-	-	-
Investments in								
Subsidiaries - Net					666,000,000	514,586,850	-	-



12.1 Investment in subsidiary (Boon Anek Co., Ltd. and subsidiary of Boon Anek Co., Ltd.)

With reference to the of the Board of Directors meeting of Eternal Energy Public Company Limited 4/2018 held on November 5, 2018, has passed a resolution to sell 5,399,998 ordinary shares in Boon Anek Co, Ltd. equivalent to 100 percent of the registered shares a non-connected party at the price of book value per the Company's financial statements as of September 30, 2018, which is Baht 514.59 million. On November 6, 2018, the Company has entered into purchase and sale of shares capital agreement with non-related company (This company has a director and a major shareholder being another company's shareholder, which a such company is being a major shareholder of Srisawad Finance Public Company Limited). The Company has received deposit of Baht 50 million. The date for transfer of shares within December 31, 2019. (Currently, shares are not transferred to buyers and legal form of ownership in Boon Anek is owned by the Company as the shareholder). Buyer has to pay the remaining amount of Baht 464.59 million at the shares transferred date. The Company has the right not to transfer the shares of Boon Anek to the buyer if the transfer of such shares causes the lack of status of a listed company or a condition of Cash Company. If the damage occurs to the Company on the day of the share transfer, the buyer and the seller will extend the share transfer period by one year each until the share can be transferred.

In addition to buyer eligible to transfer some land ownership of Boon Anek and/or Charoenporn Energy. The buyer is entitled to transfer the ownership of such land to no more than 50 percent of the total land of Boon Anek and Charoenporn together. And the buyer has to pays for at least by the cost amount of land to Boon Anek and/or Charoenporn Energy.

And on February 18, 2019 the buyer has entered into intention letter to the Company, specify that in case Boon Anek's shares has gotten the right or any benefit during the period from purchase and sale of shares capital agreement date until shares transferred date, for example; cash dividend, share dividend, purchase right of share subscription, and any right, right and any benefit still being of Eternal Energy Public Company Limited until shares ownership transferred to the buyer. Moreover, the buyer has to pay a money from sale of land into Boon Anek and/or Chareonporn Energy following an agreement, that's not the repayment of share of Boon Anek.

On December 27, 2019 the Company notifying an extension of the transfer date of Subsidiary ordinary shares for another year to December 31, 2020. The Company is still in the process of negotiating for a new business to replace the former business that Boon Anek Co., Ltd. Operates as the core business. At a result, the buyer has agreed to extend the transfer of ordinary shares of Boon Anek Co., Ltd.

On January 5, 2021 the Company notifying an extension of the transfer date of Subsidiary ordinary shares for another year to December 31, 2021. Since the epidemic situation of COVID-19 continues to exist around the world from the beginning of 2020 until now, business negotiation and business development has to slow down. Moreover, due to the unfavorable economic conditions, there is still a risk to start a new business.

On May 27, 2021, the Company issued a letter attached to the share purchase agreement, both parties agreed to amend the text of the share purchase agreement dated November 6, 2018 as follows:

- 1) The seller has the right not to transfer the ordinary shares of Boon Anek to the purchaser if the transfer of such shares causes any damage to the seller, such as lack of maintaining the status of



a listed company on the Stock Exchange or with the condition of CASH COMPANY, etc. If the transfer of shares will cause damage to the seller within the date of the transfer of shares within December 31, 2019, the seller is willing to extend the transfer period until December 31, 2021 ("contract expiration date")

- 2) At the end of the transfer date If the buyer defaults on the contract and fails to pay the remaining amount of the ordinary shares to the seller allowing the seller to forfeit all the deposit received or suing to force the buyer to comply with the contract made in this contract. However, if the seller does not transfer shares by the end of the contract. The buyer has the right to receive a refund of the deposit that has been paid. And the seller agrees to pay the opportunity cost to the buyer in the amount of Baht 50 million.

The Board of directors Meeting No.11/2021 held on November 11, 2021, It was resolved to grant approval to letter for an extension of the transfer date of Subsidiary ordinary shares to March 30, 2022.

On December 20, 2021 the Company of the transfer period of ordinary shares of the subsidiary Since Bio Medical Group Co., Ltd., the seller of 800,000 ordinary shares or equivalent to 80 percent of the total shares in Cannabiz Way Co., Ltd., had completed all key conditions subsequent under the share sale and purchase agreement dated September 29, 2021 between the Company and Bio Medical Group Co., Ltd. on December 15, 2021 . The sale and purchase of such shares was completed on December 15, 2021 and Cannabiz Way Co., Ltd. will be able to conduct the hemp cultivation business in accordance with the licenses that it has been granted. Now that the Company has a new business, i.e. the hemp cultivation business, the Company has found it appropriate to proceed with the transfer of ordinary shares in Boon Anek Co., Ltd. to Sup Sombat Mai Co., Ltd. and receive the outstanding purchase price of Baht 464.59 million from Sup Sombat Mai Co., Ltd. within December 31, 2021 in line with the original transfer period of shares.

On December 28, 2021 the Company had with of the transfer of ordinary shares of the subsidiary is the Company has transferred ordinary shares of the subsidiary to the buyer, 5,399,998 Ordinary shares or equivalent to all of the total shares amount price of Baht 514.59 million, with in completed on December 28, 2021.

Details of sales of investments in Boon Anek Company Limited and subsidiary of Boon Anek Company Limited as at December 28 ,2021 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Cash received from sales of investments in subsidiary	514,586,851	514,586,851
Less: Net assets/ investment cost of Boon Anek and Subsidiary of Boon Anek	(511,748,716)	(514,586,851)
Gain on sales of investment in subsidiary	2,838,135	-



Details of assets and liabilities relating to Boon Anek Company Limited and subsidiary of Boon Anek Company Limited as at December 28, 2021 are as follows:

	(Unit: Baht)
	Consolidated /Separate
<b>Assets</b>	
Cash and cash equivalents	32,893,032
Trade and other current receivables	803,166
Inventory	53,840
Investment Property	342,951,071
Property, plant and equipment	135,692,725
Other non – current assets	131,077
<b>Total assets</b>	<b>512,524,911</b>
<b>Liabilities</b>	
Trade and other current payables	318,191
Accrued income tax	300,327
Non-current provisions for employee benefits	157,677
<b>Total liabilities</b>	<b>776,195</b>
<b>Net assets</b>	<b>511,748,716</b>
Cash received from sale of investment in subsidiary	514,586,851
Less: Advance received from disposal of investment in subsidiary (Note 18)	(50,000,000)
Less: Cash and cash equivalents of the subsidiary	(32,893,032)
<b>Net cash received from sale of investment in subsidiary</b>	<b>431,693,819</b>

#### 12.1 Investment in subsidiary (Cannabiz Way Co., Ltd.)

The Board of Directors' Meeting No. 9/2021 of Eternal Energy Public Company Limited (the "Company") held on September 29, 2021 resolved to approve the acquisition of 800,000 ordinary shares or 80 percent of the total issued shares in Cannabiz Way Company Limited, a limited company incorporated in Thailand engaging in the cultivation and sale of hemp, from Bio Medical Group Company Limited (the "Seller"), where the Company has agreed to pay to the Seller on the Completion Date of Baht 650 million as consideration (collectively the "Transaction"). In addition, a resolution was further passed to approve the execution of the Sale and Purchase Agreement in respect of Cannabiz Way Company Limited (the "SPA"), the Shareholders Agreement in respect of Cannabiz Way Company Limited (the "SHA"), and other documents contemplated in the Transaction and the delivery and performance of the Company's obligations thereunder, and the delegation of authority to the authorized directors according to the corporate affidavit of the Company or any of their designee(s) to undertake all necessary actions in connection with the Transaction, including, but not limited to, the following: (a) negotiating terms and conditions under the Sale and Purchase Agreement and the Shareholders Agreement; (b) determining and/or amending other details in relation to the Transaction; (c) signing agreements and documents in relation to the Transaction, including, but not limited to, the Sale and Purchase Agreement and the Shareholders Agreement; (d) signing applications, as well as other documents and evidence which are necessary for and relevant to the Transaction, including



contacting and filing such applications, documents, and evidence with the relevant governmental authorities and/or competent regulatory agencies; and (e) undertaking any other actions which are necessary for and relevant to the completion of the Transaction.

On October 1, 2021, the Company paid the payment under the share purchase agreement of Baht 650 million and received the share transfer instrument.

On December 15, 2021 the Company Report on the progression of investment in Cannabiz Way Company Limited, On August 9, 2021 that Cannabiz Way Company Limited has received a greenhouse construction permit for the production (planting) of hemp plants from the Khlong Ruea Subdistrict Administrative Organization, Wiharn Daeng District, Saraburi Province. It is effective until August 9, 2022 and has received a license to produce (plant) narcotics of category 5, cannabisonly, license number Sorbor 9/2564 (Por) dated December 2, 2021, signed by the Deputy Secretary-General acts on behalf of the Food and Drug Secretary. This is effective until December 31, 2021. However, the Company is in the process of requesting for renewal of the license to produce (plant) hemp plants, which is expected to apply for the license renewal by December 24, 2021.

On December 28, 2021 the Company would like to inform that on the progression in requesting for renewal of license to produce (plant) hemp. Cannabiz Way Company Limited Has already submitted an electronic request for a license to produce (plant) narcotics of category 5, specifically Hemp, which will expire on December 31, 2021 with the Secretary-General of the Food and Drug Administration. The original license will remain in effect for the time being until the renewal of the license is considered due to the Ministerial Regulation published in the Government Gazette dated December 30, 2020 regarding request, and permission to produce, import, export, sell or have possession of Category 5 narcotics, only Hemp, B.E.2563, Article 22, regarding license renewal. An application for permission is usually considered when the evidence is accurate and complete, bills are paid. The authorization process will be completed within one hundred and twenty days (120 days). Each license is valid until December 31 each year. Therefore, the renewal license will be valid until December 31, 2022. If there is any progress. It will be notified through the SET's dissemination system.

During the year 2021 The Company has hired an independent appraiser (Capital Advantage Co., Ltd.) to evaluate the share value of Cannabiz Way Company Limited on September 29, 2021. This using the net present value of cash flow method (Discounted Cash Flow), That into account the operating results of Cannabiz Way Company Limited in the future from the business plan of Cannabiz Way Company Limited. Which is calculated for the weighted average cost of financial (Weighted Average Cost of Capital: WACC) to use as a discount rate and to calculate future net cash flows from financial projections of Cannabiz Way Company Limited. In preparing this financial projection, considering the financial projection and business plan for the next 10 years (year 2021-2031) based on estimated useful life of buildings and Greenhouse. The purchase price of Cannabiz Way Company Limited ordinary shares in the proportion of 80 percent at of Baht 650 million is within the fair value of the shares the proportion is 80 percent, With a price range of Baht 467.96-734.49 million.



The detail of value asset from new acquisition are following:

**The consideration transferred :**

	Amount ( Unit : Baht)
Cash paid	650,000,000

**Identifiable Acquired Assets and Liabilities**

	Fair Value ( Unit : Bath)
Cash and cash equivalents	12,166,559
Other current receivables	1,096,546
Property, plant and equipment	39,142,797
Other non - current assets	162,200
Other current payables	(646,886)
Deferred tax liabilities	(144,000)
Total net - asset	51,777,216
Non - controlling interests (20%)	(10,355,443)
Book value of net assets acquired (80%)	41,421,773
Total consideration paid	(650,000,000)
<b>Goodwill</b>	<b>608,578,227</b>

As at December 31, 2021, the Company is considering the fair value of the business. The management has appointed an independent appraiser to assess the fair value. However, as of the date of the financial statements have been approved such information is still being considered by the Company. Therefore, the fair value of identifiable acquired assets and liabilities assumed is estimating amount at the date of purchase may be adjust.

According to Thai Financial Reporting Standards No.3, the management shall estimate the fair value of the purchase this business at the date of purchase within period of measuring value which cannot more than one year from the date of purchase. The buyer is required to retrospectively adjust the estimates recognized at the date of purchase to reflect the effect of additional information obtained about the facts and circumstances available at the date of purchase. The determination of the fair value of businesses purchases during 2021 is based on the determination of the final purchase price and the effect of the purchase price allocation.

On December 21, 2021, the subsidiary called up for ordinary shares in the amount of Baht 34.20 million by two installments. The first payment is Baht 16 million and the second payment is Baht 18.20 million within January 30, 2022.

The Company paid the first and second installments on December 24, 2021, and January 26, 2022, respectively.



### 13. INVESTMENTS IN ASSOCIATED COMPANIES

13.1 The movement of Investments in associated for the year ended December 31, 2021 are as follow:

	(Unit: Baht)	
	Consolidated (Equity method)	Separate (Cost method)
Balance as at January 1, 2020	1,043,240,537	816,266,250
Impact from the first-time adoption of new financial reporting standards		
Net profit (loss) retained earning	683,178	-
Other comprehensive income (loss) for the period	(45,250,268)	-
Balance as at January 1, 2020 - restated	998,673,447	816,266,250
Purchase / Increase investment	-	-
Share of profit (loss) from investments in associates	50,466,504	-
Other comprehensive income (loss) for the period	(19,533,060)	-
Balance as at December 31, 2020	1,029,606,891	816,266,250
Purchase / Increase investment	-	-
Share of profit (loss) from investments in associates	63,998,646	-
Other comprehensive income (loss) for the period	17,823,131	-
Disposition of investments in associates	(1,111,428,668)	(816,266,250)
Balance as at December 31, 2021	-	-



13.1 Details of investments in associate is consist of:

(Unit: Baht)								
Company's name	Paid – up capital		Holding portion		Consolidated		Separate	
	As at December		As at December		Equity method		Cost method	
	31, 2021	31, 2020	31, 2021	31, 2020	31, 2021	31, 2020	31, 2021	31, 2020
	(Million Baht)	(Million Baht)	(Percentage)	(Percentage)	(Baht)	(Baht)	(Baht)	(Baht)
SSUT Co., Ltd.	-	2,919	-	25	-	1,029,606,891	-	816,266,250
Total					-	1,029,606,891	-	816,266,250
<u>Less</u> allowance for investment					-	-	-	-
Investments in associate - net					-	1,029,606,891	-	816,266,250





#### Investment in SSUT Company Limited

The Extraordinary General Meeting of Shareholders No. 1/2014 held on November 28, 2014 Approved the investment to purchase the ordinary shares in SSUT Co., Ltd. whose main business is to generate and operate an electricity and steam small power plant in Bangpoo Co-Generation Power Plant Project Block 1 and Bangpoo Co-Generation Power Plant Project Block 2 with a production capacity at 240 megawatts for electricity and 60 tons for steam, located on an approximate area of 17 rai in Bangpoo Industrial Estate, Praksa Sub-district, Mueang Samut Prakan District, Samut Prakan Province. The investment will be made by acquiring ordinary shares in SSUT in the proportion of 40% of the total paid-up capital of SSUT from Com-Link Company Limited. Currently, Com-Link is a connected person of the Company with a total value of not exceeding Baht 1,562.04 million. the price is reasonable. According to an appraisal by Agency for Capital Plus Advisory Co., Ltd. independent financial advisor approved by the SEC. The payment shall be made by 2 installments; the first payment for the acquiring of shares at the proportion of 25% shall be made by cash within December 30, 2014 and the second payment for the acquiring of shares at the proportion of 15% shall be made by cash within June 30, 2016. The said investment shall be subject to performance and/or undertake any terms and conditions of which the Company and Com-Link have engaged in a share sale and purchase agreement (including any conditions precedent before the relevant payments).

Acquired Asset and shareholder's obligation is as follows:

Items	Value (Million Baht)
Acquisition of SSUT Co., Ltd.	1,041.64
Capital call for the unpaid capital portion (at par value)	390.00
SBLC for expected cost overrun (proportionate to the shareholding portion)	56.40
Subordinated loan for land 50 rai (proportionate to the shareholding portion)	74.00
Total value of the investment	1,562.04

On December 19, 2014 the Company has done contract the share purchase agreement with Com-Link.

Under the condition and agreement of this agreement, Com-Link agrees to sell ordinary shares and EE agrees to buy all those ordinary shares, and immediately after buying ordinary shares, EE has committed to follow the following process as mentioned below:

1. To be legally bound by shareholder agreement, facility agreement, project agreement, and amended agreement and shall be obligated as a shareholder under each agreement.
2. Provide funding in saving account of SSUT in the amount of Baht 390 million which calculated from the portion of 25% to ensure that it would be efficient fund to discharge unpaid capital at payment date.
3. Prepare standby letter of credit in amount of Baht 35.25 million from the total of Baht 56.40 million which is an obligation under the facility agreement which is equivalent to 25% to be guaranteed to financial institution in case that SSUT has the (cost overrun).
4. Provide loan to SSUT in the amount of Baht 46.25 million or equivalent to 25% of land value which is Baht 185 million for the sale of SSUT's land.



On December 20, 2018, the Company received the land insurance from SSUT Co., Ltd. some amount of Baht 40.53 million because the Company can sell 50 rai 2 ngan 37.5 square wah of land at the price of Baht 176.32 million baht from 52 rai 1 ngan 37.55 square wah of land worth 182 million. (Note 17)

5. After the acquisition of second part of SSUT's ordinary shares (15%), EE shall be obligated under the facility agreement clause 1 – 4 which shall increase as the holding portion increase. Thus, shareholders of SSUT shall be responsible by proportionate to shareholding portion which has agreed under the facility agreement. And the parties agreed to impose conditions on the stock to trade, Part 2 (Number 4,378,500 shares, representing 15 percent of all shares of the SSUT) as follows.
- A) The Company will refer to Com – Link to sale and delivery of shares part 2 traded at any time. After the first payment date, but no later than June 30, 2016, the Company must send a written request to the Com - Link at least 14 days before the company will pay the price of Exercise of stock, part 2 at one time.
  - B) The Company has operated in accordance with the terms and conditions in paragraphs 1 to 4 above. The obligations of the shareholders of the Company will be responsible for more, calculated on a percentage of shares in the SSUT is that it has purchased.
  - C) The Company has the right to cancel the purchase of shares traded Part 2 is available by request made to the Com - Link in advance on or before March 30, 2016, In such cases, Com – Link has not agree with and waive the right to claim any claim or action to the Company to comply with this agreement or responsible for any damages due to the cancellation of the Company's shares traded in section 2 above.

Are entitled to cancel the acquisition by submitting a written notice to each other if the following events occur:

- 1) Each party has not followed the agreement and condition under the agreement or fail to contend significant confirmation information or certification or verification of identity is invalid and not true.
- 2) Either party is insolvent or bankrupt or a liquidator to liquidate.
- 3) The condition precedence could not be completely fulfilled within the first settlement date and count Not be waived from EE. If there are any event of breach of contract, the commitment and the guarantee of Com- link before the payment date. This agreement shall be terminated straightaway.
- 4) If there are any Thai Law, or command from relating government, or regulation or command from the SET and/or SEC which resulting that the condition and agreement under this agreement cannot be fulfilled.
- 5) EE has not obtained approval from its shareholders, then buyer shall not purchase shares within December 30, 2014.
- 6) EE could not make payment of ordinary share for part 1 and 2 within December 30, 2014 and June 30, 2016 respectively.

Transfer of shares of 7,297,500 shares is consisted of



Share	Par value	Paid up	Amount (Baht)
750,000	100	100 %	97,500,000
2,700,000	100	100 %	290,250,000
3,550,000	100	100 %	396,535,000
297,500	100	100 %	31,981,250
7,297,500			816,266,250

The Company has used the share of all associated company as collateral for the associated company loans granted by financial institutions, for the operation purpose.

#### Cancellation of the purchase agreement of ordinary shares of SSUT Company Limited part 2

On May 24, 2021 Com-Link Company Limited issue a letter from canceling purchase agreement of SSUT Company Limited under the share purchase agreement dated December 19, 2014 the said share purchase agreement according to the condition specified counterparties has Eligible Terminate this contract. If the buyer was unable to pay the second part to the seller within June 30, 2016. Later, the Company requested Com-Link Company Limited an extension of the Part 2 payment until now but the Company still cannot find the source of funds to pay for the shares. Accordingly, Com-Link Company Limited therefore, hereby exercise the right to cancel the said share purchase agreement according to the conditions specified in the contract. However, from the cancellation of the share purchase agreement and including all accrued interest. As a result, the Company reversed the estimated accrued interest expense that would not be paid to other income from the reversal of provisions in the statement of comprehensive income amounting to Baht 107.52 million. (Note 6, Note 18)

#### Plan on disposition of investment in SSUT Company Limited

The Board of Directors Meeting No. 4/2021 held on May 31, 2021, It was resolved to grant approval to propose the Shareholders Meeting to consider approving the disposal of 7,297,500 ordinary shares in SSUT Company Limited, 25 percent of the total registered capital of SSUT Company Limited, to Eastern Cogeneration Company Limited, who is an indirect subsidiary of Eastern Power Group Public Company Limited and is not connected person of the Company, which is Baht 1,246.12 million or 170.76 baht per share in order to be used as working capital, be used as funding to invest in agricultural business, and enhance liquidity of the Company. The Company will enter in into the share purchase agreement by June 4, 2021 The significant conditions precedent may be summarized below.

- 1) The shareholders' meeting of the Company shall have resolved to approve the disposal of investment transaction, including approval on various matters necessary for and/or in connection with such transactions.
- 2) There is no material adverse change to the Company or business of SSUT Company Limited, The Company has obtained the consent letter in relation to this disposal of investment transaction from all shareholders as specified in the shareholders agreement of SSUT Company Limited.
- 3) SSUT Company Limited has obtained an approval from the financial institution in respect of the entering into with this Disposal of Investment Transaction.



The Company expects to complete the transfer of shares and receive payment for shares within August 2021. Total value is Baht 1,287.09 million consisting of value of selling SSUT Company Limited shares of Baht 1,246.12 million, value of loan to SSUT Company Limited of Baht 5.72 million (Note 17), At present in the process of requesting a refund of the security deposit, and the value of restricted bank deposits of Baht 35.25 million. (Note 28) The Company has currently terminated the contract regarding the guaranteed agreement.

On July 16, 2021, the Company received a dated check. by specifying the due date for payment on September 4, 2021 as a guarantee of liability for compensation of the amount Baht 1,246.12 million as stipulated in the share purchase agreement, SSUT Company Limited and the Company received a letter of guarantee dated June 7, 2021 issued by a commercial bank to guarantee amount 1 bill the buyer's performance under share purchase agreement This includes the obligation to settle the purchase price of the shares under the contract. with the total amount of guarantee Baht 1,246.12 million and has a warranty period until September 4, 2021.

The Extraordinary General Meeting of Shareholders No. 1/2021 held on August 4, 2021 It was resolved to grant approval to the disposal ordinary shares in SSUT Company Limited, The Company expects to complete the transfer of shares and receive payment for shares within August 2021.

And on September 10, 2021, the Company has not been able to transfer the aforementioned shares as required. Due to the condition precedent agreed upon by the purchaser regarding the written consent letter in relation to the Disposition of Investment Transaction from all shareholders as specified in the SSUT Company Limited Shareholders Agreement. Meanwhile, the Company has not yet received all of the aforementioned consent letters, but plans to do so by September 30, 2021.

Later the Company has notified the progress of disposition of investment in SSUT Company Limited, that the Company has successfully completed the conditions precedent of the Share Purchase Agreement in SSUT Company Limited, which the Company holds in a total of 7,297,500 ordinary shares in SSUT Company Limited, representing 25% of the total registered capital of SSUT Company Limited, to Eastern Cogeneration Company Limited ordinary shares Turnover total was Baht 1,246.12 million. On September 23, 2021, The Company transfers the cumulative gain or loss previously recognized in other comprehensive income. Leaving the owner's equity onto the profit or loss of Baht 46.96 million, the Company transferred the aforementioned shares and received the full payment. As a result, the Company had profits from the disposal of investments of Baht 87.73 million and Baht 429.85 million were recorded in the consolidated and separate financial statements, respectively, and profit from the sale of such investments was recorded in the statement of comprehensive income for the year ended on December 31, 2021.



#### 14. INVESTMENT PROPERTY

The significant movements during for the years ended December 31, 2021 and 2020 are as follows:

	(Unit: Baht)
	Consolidated
<b>Land</b>	
<b>Cost</b>	
As a January 1, 2020	342,951,071
Increase (Decrease)	-
Transferred In/(Out)	-
As at December 31, 2020	342,951,071
Disposal of subsidiaries during in the year	(342,951,071)
As at December 31, 2021	-
<b>Net book value</b>	
As at December 31, 2020	342,951,071
As at December 31, 2021	-

As December 31, 2020 Investment property of subsidiary, namely land that has no purpose use amount 1,455 rai 3 ngan 67 square wah. Presented by the cost method in consolidate financial statement amount of Baht 342.95 million (appraisal value by independent appraisers in year 2017 amount of Baht 358.27 million).



## 15. PROPERTY, PLANT AND EQUIPMENT

15.1 The significant movements during for the years ended December 31, 2021 and 2020 are as follows:

(Unit: Baht)

	Consolidated												
			Resident	Machinery	Furniture,				Cannabiz	Galvanized	Electrical,	Building	
	Land	Land	building for	and	office		Pool for	Work in	green	mesh	Water system	under	Total
Cost	improvements	employee	Equipment	equipment	Vehicles	agriculture	Process	house under	fence	installation	construction		
Balance as at January													
1, 2020	135,016,240	144,678	470,954	1,813,642	10,394,533	12,976,083	141,935	89,656,939	-	-	-	-	250,615,004
Increase	266,223	-	-	-	-	-	-	-	-	-	-	-	266,223
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at December													
31, 2020	135,282,463	144,678	470,954	1,813,642	10,394,533	12,976,083	141,935	89,656,939	-	-	-	-	250,881,227
Acquisition from													
investment in													
subsidiaries	22,000,020	2,015,258	-	63,350	792,060	-	-	-	11,842,000	2,019,040	411,069	-	39,142,797
Increase	374,325	50,000	-	6,200	111,051	-	-	-	937,500	235,000	746,875	676,000	3,136,951
Disposals	-	-	-	-	-	(11,599,165)	-	-	-	-	-	-	(11,599,165)
Amortization	-	-	-	-	-	-	-	(89,656,939)	-	-	-	-	(89,656,939)
Disposal subsidiary													
during in the year	(135,656,788)	(144,678)	(470,954)	(1,777,812)	(73,905)	(1,376,918)	(141,935)	-	-	-	-	-	(139,642,990)
Balance as at December													
31, 2021	22,000,020	2,065,258	-	105,380	11,223,739	-	-	-	12,779,500	2,254,040	1,157,944	676,000	52,261,881



	Consolidated												
	Land		Resident building for employee	Machinery and Equipment	Furniture, Fixtures and office equipment	Vehicles	Pool for agriculture	Work in Process	Cannabiz green house under constuction	Galvanized mesh fence	Electrical, Water system installation	Building under construction	Total
	Land	improvements											
Accumulated depreciation													
Balance as at January 1, 2020	-	141,395	470,216	1,765,839	10,348,407	12,975,988	127,701	-	-	-	-	-	25,829,546
Depreciation for the year	-	2,815	595	5,985	26,338	-	14,231	-	-	-	-	-	49,964
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2020	-	144,210	470,811	1,771,824	10,374,745	12,975,988	141,932	-	-	-	-	-	25,879,510
Depreciation for the year	-	468	142	9,325	32,181	-	-	-	-	52,491	-	-	94,607
Disposals	-	-	-	-	-	(11,599,152)	-	-	-	-	-	-	(11,599,152)
Disposal subsidiary during in the year	-	(144,678)	(470,953)	(1,741,972)	(73,894)	(1,376,836)	(141,932)	-	-	-	-	-	(3,950,265)
Balance as at December 31, 2021	-	-	-	39,177	10,333,032	-	-	-	-	52,491	-	-	10,424,700



(Unit: Baht)

	Consolidated												
	Land	Land improvements	Resident building for employee	Machinery and Equipment	Furniture, Fixtures and office equipment	Vehicles	Pool for agriculture	Work in Process	Cannabiz green house under constuction	Galvanized mesh fence	Electrical, Water system installation	Building Under construction	Total
Impairment													
Balance as at December 31, 2020	-	-	-	-	-	-	-	(89,656,939)	-	-	-	-	(89,656,939)
Reeseval of impairment the year	-	-	-	-	-	-	-	89,656,939	-	-	-	-	89,656,939
Balance as at December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Book Value													
As at December 31, 2020	135,282,463	468	143	41,818	19,788	95	3	-	-	-	-	-	135,344,778
As at December 31, 2021	22,000,020	2,065,258	-	66,203	890,707	-	-	-	12,779,500	2,201,549	1,157,944	676,000	41,837,181





(Unit : Bath)

	Separate				
	Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Work in process	Total
<b>Cost</b>					
Balance as at January 1, 2020	35,830	10,320,627	11,599,165	89,656,939	111,612,561
Increase	-	-	-	-	-
Transfers In (Out)	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at December 31, 2020	35,830	10,320,627	11,599,165	89,656,939	111,612,561
Increase	-	111,051	-	-	111,051
Transfers In (Out)	-	-	-	-	-
Disposals	-	-	(11,599,165)	-	(11,599,165)
Amortization	-	-	-	(89,656,939)	(89,656,939)
Balance as at December 31, 2021	35,830	10,431,678	-	-	10,467,508
<b>Accumulated depreciation</b>					
Balance as at January 1, 2020	35,819	10,274,814	11,599,152	-	21,909,785
Depreciation for the year	-	26,037	-	-	26,037
Transfers In (Out)	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at December 31, 2020	35,819	10,300,851	11,599,152	-	21,935,822
Depreciation for the year	-	8,505	-	-	8,505
Transfers In (Out)	-	-	-	-	-
Disposals	-	-	(11,599,152)	-	(11,599,152)
Balance as at December 31, 2021	35,819	10,309,356	-	-	10,345,175



(Unit : Bath)

	Separate				
	Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Work in process	Total
<b>Impairment</b>					
Balance as at December 31, 2020	-	-	-	(89,656,939)	(89,656,939)
Reserves for impairment the year	-	-	-	89,656,939	89,656,939
Balance as at December 31, 2021	-	-	-	-	-
<b>Net Book Value</b>					
As at December 31, 2020	11	19,776	13	-	19,800
As at December 31, 2021	11	122,322	-	-	122,333

As at December 31, 2020 the land of subsidiary and indirect subsidiary is intended for agricultural production of 3,973 rai 1 ngan 68.30 square wah. presented by the cost method in consolidated financial statement amount of Baht 135.03 million (Appraised by an independent appraiser during the year 2017 the amount of Baht 187.75 million).

As at December 31, 2021, the Company have fully depreciated assets but still in operation at cost of Baht 10.33 million.



## 16. RIGHT-OF-USE ASSETS

As at December 31, 2021 and 2020 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<b>Right of use assets</b>				
Building and building improvements	2,095,768	2,331,434	1,497,428	2,331,434
<b>Total right of use assets</b>	<u>2,095,768</u>	<u>2,331,434</u>	<u>1,497,428</u>	<u>2,331,434</u>
<b>Lease liabilities, net</b>				
Current	973,598	680,252	636,034	680,252
Non-current	1,152,995	1,696,990	888,535	1,696,990
<b>Total lease liabilities, net</b>	<u>2,126,593</u>	<u>2,377,242</u>	<u>1,524,569</u>	<u>2,377,242</u>

The statement of income included following transactions related to leases.

	(Unit: Baht)	
	Consolidated	Separate
<b>For the years ended December 31, 2021</b>		
<b>Depreciation charge of right-of-use assets</b>		
Building and building improvements	732,038	646,561
<b>Total depreciation charge of right-of-use assets</b>	<u>732,038</u>	<u>646,561</u>
 Finance cost relating to leases	 83,318	 75,110

The present value of finance lease liabilities is as follows:

	(Unit: Baht)	
	Consolidated	Separate
<b>As at December 31, 2021</b>		
Not later than one year	973,598	636,034
Later than 1 year but not later than 5 years	1,152,995	888,535
	<u>2,126,593</u>	<u>1,524,569</u>
<b>As at December 31, 2020</b>		
Not later than one year	680,252	680,252
Later than 1 year but not later than 5 years	1,696,990	1,696,990
	<u>2,377,242</u>	<u>2,377,242</u>



## 17. OTHER NON-CURRENT ASSETS

	(Unit: Baht)			
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Deposit for land (Note 6 and 13)	-	5,719,616	-	5,719,616
Deposit for rental and service – related parties (Note 6)	584,562	584,562	584,562	584,562
Deposits and other deposits	110,672	12,472	472	472
Deposits purchase ordinary share (Note 17.1)	150,000,000	-	150,000,000	-
Other	-	199,798	-	119,358
Total other non-current assets	150,695,234	6,516,448	150,585,034	6,424,008

17.1 According to the Board of Directors Meeting No. 10/21, held on October 28, 2021, it was resolved to approve the Company to enter a preliminary memorandum of understanding with an unrelated company and deposit a refundable of Baht 150 million for the purchase of ordinary shares in a target company. The price to be traded according to the memorandum is approximately 650 million baht. The final trading price of the shares depends on the results of the due diligence as a guarantee of compliance with the preliminary agreement and the refund of the deposit. The seller has delivered all the share certificates of the target company to the Company, together with check ordered to pay to the Company in the amount of Baht 150 million as a guarantee for the refund of the deposit.

## 18. OTHER CURRENT PAYABLES

	(Unit: Baht)			
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Other current payables				
Accrued expense	2,114,915	498,812	1,324,642	395,057
Advance received from sale of investment (Note 12.1)	-	50,000,000	-	50,000,000
Payable to revenue department	171,247	389,066	114,343	354,410
Others accounts payable	1,573,780	47,698	1,573,780	29,220
Total other current payables	3,859,942	50,935,576	3,012,765	50,778,687
Provision for accrued interest (Note 6, 13)	-	107,520,113	-	107,520,113
Other current payable - related parties (Note 6)	10,771	12,673	10,771	12,673
Total other current payables	3,870,713	158,468,362	3,023,536	158,311,473



## 19. ESTIMATED LIABILITY – EMPLOYEE BENEFIT

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Group has provided the provision for employees' long-term benefits as follows:

	(Unit: Baht)	
	Consolidated	Separate
Provision for employee benefits - beginning	2,422,508	2,280,476
<u>Add</u> recognized amount	385,660	184,261
<u>Add</u> actuarial (gains) loss	(467,111)	(467,111)
<u>Less</u> payment of employee benefits	(1,467,300)	(1,467,300)
<u>Less</u> disposal subsidiary during in the year	(157,677)	-
Provision for employee benefits - ending	716,080	530,326
Present value of unfunded obligation as at December 31, 2021	176,080	530,326
Current service cost	369,342	170,457
Interest cost	16,318	13,804
Past service cost	-	-
Total – recognized in the statement of comprehensive income	385,660	184,261

Principal actuarial assumptions at the valuation date are as follows:

	Consolidated	
	December 31, 2021	December 31, 2020
Discount rate (% per annum)	1.77 - 2.32	1.60, 1.77
Average salary increases rate (% per annum)	5.00	5.00
Turnover rate	Age band	Age band
Retirement age	60 years old	60 years old
	Separate	
	December 31, 2021	December 31, 2020
Discount rate (% per annum)	2.22	1.60
Average salary increases rate (% per annum)	5.00	5.00
Turnover rate	Age band	Age band
Retirement age	60 years old	60 years old



The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 are summarized below:

(Unit: Baht)

	Change of the present value of the employee benefit obligations increase (decrease)			
	Consolidated		Separate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(77,757)	90,929	(64,072)	75,117
Salary increase rate	87,446	(76,537)	72,224	(63,057)
Turnover rate	(46,050)	51,628	(38,283)	42,991

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2021, the maturity analyses of benefit payments are as follows:

(Unit: Baht)

	Consolidated	Separate
Within 1 year	-	-
Over 1 and up to 5 years	72,721	-
Over 5 years	869,283	715,549

## 20. DISCOUNT ON ORDINARY SHARES AND LEGAL RESERVE

(Unit: Baht)

	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Premium on ordinary shares	399,500,000	399,500,000	399,500,000	399,500,000
Discount on ordinary shares	(962,000,000)	(962,000,000)	(962,000,000)	(962,000,000)
Net	(562,500,000)	(562,500,000)	(562,500,000)	(562,500,000)

### Share premium

Section 51 of the Public Companies Act A.D.1992 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.

### Reserve

The Public Companies Act A.D.1992 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve fund account ("legal reserve fund"), until this account reaches an amount not less than 10 % of the registered authorized capital. The legal reserve fund is not available for dividend distribution.



## 21. OTHER INCOME

(Unit: Baht)				
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Revenue management fee (Note 6)	-	-	1,906,542	1,906,542
Profit from sale of property, plant and equipment	1,560,734	-	1,560,734	-
Other	127,630	1,140,007	75,438	-
Total	1,688,364	1,140,007	3,542,714	1,906,542

## 22. EXPENSES BY NATURE

For the years ended December 31, 2021 and 2020 Consist of ;

(Unit: Baht)				
	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Employee benefit expenses	13,384,663	16,724,863	11,711,245	16,313,615
Rental and services expense	1,501,714	3,723,129	1,449,514	1,629,785
Consulting fees and professional services	9,049,804	2,348,253	8,105,004	1,795,253

## 23. SEGMENT INFORMATION

Segment information is presented in respect of the Group business segments. The primary format and business segments is based on the Group's management and internal reporting structure.

Segment income and operating results are transactions directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises the following main business segments represents cassava plantation.



## 24. INCOME TAX

Income tax is calculated on the earnings of the Group and subsidiaries after adding back certain expenses and provisions for expense not yet currently allowable for tax computation purposes of effective tax rate 20% pursuant.

For the years ended December 31, 2021 and 2020 the Group has tax profit (loss) as follows;

(Unit: Baht)

	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<b>Current income tax :</b>				
Current income tax for the year	43,238,715	394,025	42,937,562	-
<b>Deferred income Tax :</b>				
Deferred income tax arising From				
temporary differences and				
reversal of temporary	-	-	-	-
<b>Tax expense reported in the</b>				
<b>statement of comprehensive</b>				
<b>income</b>	<u>43,238,715</u>	<u>394,025</u>	<u>42,937,562</u>	<u>-</u>

Reconciliation between the accounting profit to income tax expense is as follows:

(Unit : Baht)

	Consolidated		Separate	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Accounting profit (loss) before tax	<u>238,124,659</u>	<u>5,382,540</u>	<u>515,200,615</u>	<u>(46,034,071)</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied				
by income tax rate	47,624,932	1,076,508	103,040,123	(9,206,814)
<b>Taxable effects for :</b>				
Add expenses that are not considered				
expenses under the Revenue Code	77,490	5,545,555	36,852	5,543,045
Less revenues that are granted income tax				
exemption	(39,728,870)	(3,990)	(39,728,870)	(3,990)
Less Accumulated loss for the past 5 years	(20,578,251)	(19,774,032)	(20,410,543)	(19,606,324)
Temporary difference	798,176	23,643,285	-	23,274,083
Total adjustment of profit and loss financial				
statements	<u>55,045,238</u>	<u>(10,093,301)</u>	<u>-</u>	<u>-</u>
<b>Income tax in the statement of comprehensive</b>				
<b>income</b>	<u>43,238,715</u>	<u>394,025</u>	<u>42,937,562</u>	<u>-</u>





## 25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the years attributable to equity holders of the Group (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 26. FINANCIAL INSTRUMENTS

### 26.1 Risk management policy

Since the majority of the Group financial instruments are short - term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### 26.2 Interest rate risk

Risk on interest rates is derived from the change of the interest rate in the future, which will affect upon the Group operating results and cash flows. The Group is exposed to the risk related to interest rate since they have deposits from financial institutions that bear interest rates comparable to market interest rates. However, The Group does not used the financial instruments.

Significant financial assets classified by type of interest rate with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date.) as at December 31, 2021 and 2020.

							(Unit : Baht)
Consolidated							
As at December 31, 2021							
Items	Note	Fixed			Total	Interest rate	
		Floating interest rate	interest rate	Non- interest rate			
<u>Financial assets</u>							
Cash and cash equivalents	7	801,643,197	35,511,659	17,313,297	854,468,153	0.15-0.30%	
Other current receivables	8	-	-	7,989,392	7,989,392	-	
							(Unit : Baht)

							(Unit : Baht)
Consolidated							
As at December 31, 2020							
Items	Note	Fixed			Total	Interest rate	
		Floating interest rate	interest rate	Non- interest rate			
<u>Financial assets</u>							
Cash and cash equivalents	7	4,450,020	-	85,566	4,535,586	0.15-0.25%	
Other current receivables	8	-	-	6,177,763	6,177,763	-	
Other current financial assets	10	-	51,700,000	-	51,700,000	1.65-1.75%	
Restricted bank deposits	28	-	35,250,000	-	35,250,000	0.35%	



(Unit : Baht)

Separate						
As at December 31, 2021						
Items	Note	Fixed			Total	Interest rate
		Floating	interest	Non- interest		
		interest rate	rate	rate		
<u>Financial assets</u>						
Cash and cash equivalents	7	801,643,197	35,511,659	45,000	837,199,856	0.15 – 0.30%
Other current receivables	8	-	-	5,660,153	5,660,153	-

(Unit : Baht)

Separate						
As at December 31, 2020						
Items	Note	Fixed			Total	Interest rate
		Floating	interest	Non- interest		
		interest rate	rate	rate		
<u>Financial assets</u>						
Cash and cash equivalents	7	3,268,302	-	23,065	3,291,367	0.15-0.25%
Other current receivables	8	-	-	5,179,663	5,179,663	-
Other current financial assets	10	-	20,000,000	-	20,000,000	1.65%
Restricted bank deposits	28	-	35,250,000	-	35,250,000	0.35%

## 26.1 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss (FVPL), as well as credit exposures to customers, including outstanding receivables.

### Financial asset measured at fair value through profit or loss (FVPL)

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

## 26.2 Liquidity risk

The Group oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.



## 26.3 Fair values of financial instruments

### Carrying amount and fair value

Since the majority of the Group financial instruments are short - term in nature or carrying interest at rates close to the market interest rates, the company's fair value is not expected to be materially different from the amounts presented in the statement of financial position.

For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other current receivables, Other current financial assets, trade and other current payables, their carrying amounts in the statement of financial position approximate their fair values.

Book value of the above financial assets and liabilities are measured at amortized cost, exceptional as below mentioned.

As at December 31,2021, the Company has financial assets that are measured at fair value. As shown the carrying amount and fair value of financial assets, including their levels in the fair value hierarchy, are as follows:

(Unit: Baht)							
Consolidated							
Level 1		Level 2		Level 3		Total	
2021	2020	2021	2020	2021	2020	2021	2020
Financial assets for which fair value are disclosed					342,951,07	342,951,07	
Investment Property	-	-	-	-	1	-	1

The Group not any transferred transaction during level 1 level 2 and level 3 of fair value hierarchy during the year.

The following methods and assumptions are used in estimating fair values of financial instruments as disclosed herein :

Type	Valuation technique
Financial assets at FVTPL	<ul style="list-style-type: none"> <li>- The fair value of debt instruments listed on stock exchanges is estimated by using the bidding prices at The Stock Exchange of Thailand on the last business day of the period (Fair value level 1)</li> <li>- The fair value of debt instruments listed on stock exchanges is estimated by using the close price at stock exchanges as of the last business day of the period. (Fair value level 2)</li> </ul>



## 27. FAIR VALUES OF HIERARCHY

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

As at December 31, 2021, the Group had not held any assets and liabilities for which fair value were measured or disclosed at fair value in the statement of financial position.

## 28. COMMITMENTS AND SIGNIFICANT AGREEMENTS

As at December 31, 2020, the Company has deposits with a financial institution amounting to Baht 35.25 million has obligations with commercial banks as a guarantee for payment of debt under the share purchase agreement in the associated company (Note 13.2). At present, the Company has cancelled the guarantee agreement.

## 29. EVENTS AFTER THE REPORTING PERIOD

The Extraordinary General Meeting of Shareholders No.1/2022 held on January 28, 2022 of Eternal Energy Public Company Limited.

- The issuance and offering of the Warrants to Purchase the Company's Newly Issued Ordinary Share No. 1 (EE-W1) (the "Warrants W1") at the number of 1,390,000,000 units to be allocated to the existing shareholders proportionate to their respective shareholdings (Rights Offering).
- The increase in the Company's registered capital in the number of Baht 1,390,000,000 from the existing registered capital of Baht 2,780,000,000 to Baht 4,170,000,000 by issuing 1,390,000,000 newly issued ordinary shares at a par value of Baht 1 per share and the amendment the Memorandum of Association.
- The allocation of the 1,390,000,000 newly issued ordinary shares of the Company at a par value of Baht 1 per share to accommodate the exercise of rights under the Warrants W1 which shall be allocated to the Company's existing shareholders proportionate to their respective shareholdings without charge, including the relevant authorization.

## 30. CAPITAL MANAGEMENT

The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

### Consolidated

As at December 31, 2021 debt to equity ratio in the consolidated financial statements was 0.029 : 1

### Separate

As at December 31, 2021 debt to equity ratio in the separate financial statements was 0.028 : 1



### 31. RECLASSIFICATION

Certain amounts in the 2020 financial statements have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholder's equity.

### 32. APPROVAL OF FINANCIAL STATEMENTS

The Company's director has authorized these financial statements for issue on February 24, 2022.



## Part 4

### Certification of Information

The Company has reviewed the information in this annual registration statement/annual report with caution. The Company certifies that Such information is correct, complete, not false, and does not mislead others or lack of information that should be notified in material matters.

- (1) The financial statements and financial information summarized in the annual registration statement/annual report present accurate and complete information in all material respects regarding the financial position, performance, and cash flows of the Company and its subsidiaries.
- (2) The Company has set up a good information disclosure system, to ensure that the company discloses information in the important parts of both the Company and its subsidiaries are completely correct, including control and supervise the implementation of the said system.
- (3) The Company has set up a good internal control system and supervises to ensure compliance with the said system. And the company has informed the internal control system assessment information as of the latest available, to the auditor and the Company's Audit Committee which was covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of the Company's financial reports and subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has been verified, the Company has assigned Mrs.Thanyathorn Chonlavorn to sign this document on every page. If any document does not have the signature of Mrs.Thanyathorn Chonlavorn on it, the Company will assume it is not the information that the company has certified for the accuracy of the above information.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Worasak Kriengkomol	Authorized Director	_____
2. Miss Varaporn Suprucksaskul	Authorized Director	_____

Attorney

Mrs.Thanyathorn Chonlavorn	Company Secretary	_____
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## Attachment

Attachment 1 Details of Directors, Executives, and Controlling Person, A person assigned the highest responsibility in accounting and finance, A persons assigned to be directly responsible for overseeing accounting, the Company Secretary and coordinating agent in case of foreign company



The Board of Directors



Mr. Thanachai Santichaikul

Chairman of the Board of Directors

Age 67 Years

Education

- Master's degree MBA, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor's Degree in Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- Higher Diploma in Auditing Faculty of Commerce and Accountancy, Chulalongkorn University

Directorship at EE November 16, 2021

IOD Director Training Program DCP 18/2002

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 year -None-

Work experience in the past 5 years

- 2012 - 2020 Member of the Professional Accounting Committee, Accounting Federation of Accounting Professions under Royal Patronage
- 2012 - Jun 2020 Member of the Audit Committee, Chulalongkorn University
- 2016 - Jul 2018 Director, Spring News Corporation Company Limited
- 2016 - Apr 2018 Director, News Network Multimedia Company Limited
- Dec 2017 - 2018 Assistant Managing Director, Salee Printing Public Company Limited

Positions in other listed companies (4)

- Nov 2018 – Present Audit Committee Member, Nation Multimedia Group Public Company Limited
- Jun 2018 – Present Director/Executive Director/Managing Director, Salee Printing PLC
- May 2013 - Present Independent Director/Chairman of Audit Committee, M Pictures Entertainment PLC
- 2013 - Present Independent Director/Audit Committee, Eastern Polymer Group PLC

Positions in other non-listed companies (5)

- 2020 - Present Member of the Professional Accounting Committee in Management, Accounting Federation of Accounting Professions under Royal Patronage
- 2018 - Present Independent Director/Chairman of the Company, AIM Real Estate Management Co., Ltd.
- 2016 - Present Audit Committee/Chairman of the Company, Siam Syndicate Technology Co., Ltd.
- 2016 - Present Independent Director/Chairman of the Company, AIM REIT Management Co., Ltd.
- 2012 - Present Executive Director, Chulalongkorn University Book Center





Mr. Worasak Kriengkamol

Chief Executive Officer

Age 50 Years

Education

- MBA, Western Illinois University, USA
- BA (Economics), Thammasat University

Directorship at EE October 28, 2021

Training Courses from IOD -None-

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 years -None-

Work experience in the past 5 years

- 2014 - 2016 Director, GL Leasing (Lao) Company Limited Laos
- 2014 - 2016 Director, Thanaban Company Limited Thailand
- 2012 - 2016 Chairman and Founder, GL Finance Public Company Limited, Cambodia
- 2012 - 2016 Director, Group Lease Holdings Pte.Ltd. Singapore
- 2011 - 2016 Director and Executive Director, Group Lease Public Company Limited
- 2011 - 2016 Director, Engine Holdings Asia Private Company Limited Singapore

Director / Management position in other listed company -None-

Director / Management position in non-listed company -None-



Miss Varaporn Suprucksaskul  
Managing Director

Age 54 Years

Education

- Master Degree of Development Economic, Major in Financial Business, NIDA
- B.S. (Econ), Kasetsart University

Directorship at EE June 29, 2021

Training Courses from IOD -None-

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 years -None-

Work experience in the past 5 years

Jun 2005 – Sep 2019	Director of Investment Management	CIMB Principle Fund Management Co., Ltd.
Oct 2011 – Mar 2012	Investment Management Manager	Gold Asset Management Co., Ltd.
Mar 2012 – Mar 2013	Senior Director of Investment Management	Land and House Fund Management Co., Ltd.
Apr 2013 – Mar 2018	Senior Director of Investment Management	Solaris Fund Management Co., Ltd.
Director / Management position in other listed company		-None-
Director / Management position in non-listed company		-None-



Mr. Prapat Yorkhant

Director/ Risk Management Committee Chairman

Age 48 Years

Education

- Master of Business Administration, City University, Vancouver, B.C. Canada
- Bachelor of Arts, University of Victoria, Victoria, B.C. Canada

Directorship at EE September 23, 2021

IOD Director Training Program DCP /2020

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 year -None-

Work experience in the past 5 years

- 2020 - 2021 Director/CEO, News Network Corporation Public Company Limited
- 2018 - 2020 Director and Top Management, AQ Estate Public Company Limited
- 2016 - 2018 CEO, One Plus International Company Limited
- 2014 - 2016 Managing Director, KPN Chinese Academy Company Limited  
General Manager/Shareholder, Eastern Cuisine (Thailand) Company Limited  
Managing Director, Munkong Broker Company Limited  
Area Manager, Center Network Development, Kumon (Thailand) Company Limited  
Co-owner/General Manager, Krua Thai Restaurant, Canada

Director/Management position in other listed company (2)

- 2020 - Present Director, Inter far East Energy Corporation Public Company Limited
- 2020 - Present Director, Max Metal Corporation Public Company Limited

Director/Management position in non-listed company -None-



Mr. Pipat Chanasongkram

Independent Director / Chairman of the Audit Committee

Age 63 Years

- M.A. in Political Economic, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University

Directorship at EE May 31, 2021

Training Courses from IOD -None

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 years -None-

Work experience in the past 5 years

- 2014 - 2018 Policy Director, Thai Public Broadcasting Service (Thai PBS)

Director / Management position in other listed company (2)

- 2019 - Present Director / Risk Management Committee Member, News Network Corporation PLC
- 2019 - Present Audit Committee Member, MAX Metal Corporation PLC

Director / Management position in non-listed company (3)

- 2020 - Present Director, Thansettakij Capital Mutual Fund Brokerage Securities Company Limited
- 2020 - Present Director, Thansettakij Multimedia Company Limited
- 2020 - Present Director, Thansettakij Capital Company Limited



Mr. Ekkawit Kaewwichian  
Independent Director / Audit Committee /  
Nomination, Remuneration, and Good Governance Committee

Age 43 Years

Education

- Graduate Diploma in Business Law, Banking and Finance Law, Thammasat University
- Bachelor of Laws, Ramkhamhaeng University

Directorship at EE May 25, 2021

Training Courses from IOD DCP#254/2018, BMT#5/2018

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 years -None-

Work experience in the past 5 years

- 2015 - 2020 Legal Director / Senior Manager /  
Secretary of the Audit Committee /  
Secretary of the Remuneration Committee,  
Demeter Corporation Public Company Limited

Director / Management position in other listed company -None-

Director / Management position in non-listed company (1)

- 2021 - Present Managing Director, Chuanta Exchange (Thailand) Company Limited



Miss Suvicha Kaewfacharoen

Independent Director / Audit Committee Member / Nomination Committee Director

Age 36 Years

Education

- Bachelor Degree of Business Administration, major in Accounting, Srinakharinwirot University
- Certified Public Accountant No. 11191, Federation of Accounting Professions

Directorship at EE October 28, 2021

Training Courses from IOD -None-

Number of EE Shareholding -None-

Family relationship between directors and management -None-

Crime records in the past 10 years -None-

Work experience in the past 5 years

- 2019 - 2020 Assistant Chief Financial Officer, Siamnuwat Company Limited
- 2018 - 2019 Accounting and Finance Manager, Electronics Industry Public Company Limited
- 2013 - 2017 Audit Manager, EY Office Limited

Director / Management position in other listed company -None-

Director / Management position in non-listed company (1)

- 2020 – Present Accounting and Finance Director, News Network Corporation Public Company Limited



Person assigned as directly responsible for overseeing accounting

Ms. Jiraporn Yuwasakulpong

Position	Accounting Manager and Acting Director of Accounting and Finance
Age	48 years old
Certified Public Accountant	Registration No. 10630
Education	Bachelor's Degree in Accounting, Siam University
Work experience	
2021 - Present	Accounting Manager and Acting Director of Accounting and Finance
2014 - 2020	Senior Accounting Officer, Eternal Energy Public Company Limited
2010 - 2014	Accountant, Sor. Pattana Paper Co., Ltd.
2000 - 2010	Accounting and Auditing Officer, P.T.L. Management Company Limited
Training	Received training following accounting standards in courses by the Federation of Accounting Professions, Department of Business Development, Securities and Exchange Commission annually, several courses for example; Executive Accounting for Planning and Decision Making, Accounting, tax, financial statement analysis, financial reporting standards, Accounting standards related to land, income, Difference Between Accounting and Tax, building and equipment For businesses that do not have the public interest, Cash Flow Statement, accounting information, deferred income tax, Executive Accounting for Planning and Decision Making, Disclosure for Company Operations Analysis (MD&A), Accounting-Tax Effects Every TFRS, Workshop on Electronic Financial Statement Submission System (DBD-e-Filing), and Accounting and tax planning for general businesses, etc.



#### Company Secretary information

The Board of Directors appointed Mrs.Thanyathorn Chonlavorn as the company secretary since November 12, 2007, with the following qualifications:

- Education
- Bachelor's degree in Economics (Theory) from Thammasat University
  - Bachelor's degree in Law (Second Class Honors) from Chulalongkorn University
  - Master's degree in General Business Administration from Roosevelt University, USA
- Experience
- Kasikorn Bank Headquarters (Year 1971 - 1999)
  - Com-Link Company Limited (Year 2000 - 2006)
  - Associate Judge Central Intellectual Property and International Trade Court (2000-2001)
  - Authorized Director, Bangkok Thanathon Finance PCL. (2007-2017)
- Training
- Company Secretary Class 16/2007, DAP Class 68/2008, and DCP Class 140/2010 from IOD
  - Executive Course on Justice Administration, Class 13 (Bor.Yor.Sor) from the Court of Justice, 2008

#### Duties of Company Secretary

To perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which came into force on August 31, 2008 with responsibility, caution and honesty, including to comply with the law, objectives, company regulations, Board resolutions as well as shareholders' meeting resolutions. The legal duties of the company secretary are as follows:

1. Prepare and maintain the following documents:
  - a. Register of directors
  - b. Notice of the Board of Directors board meeting, minutes and the company's annual report
  - c. Notice of the shareholders' meeting and the minutes of the shareholders' meeting
2. Keeping stakeholder reports that reported by directors or executives and send a copy of the report of stakeholder under Section 89/14 to the Chairman of the Board of Directors within 7 working days from the date the company receives such report.
3. Other actions as announced by the Capital Market Supervisory Board

Besides the company secretary also has other duties according to the company or the Board of Directors assigned as follows:

- 1) Providing advice on laws and regulations related and good governance practices in carrying out the activities of the Board of Directors to be following the law.





- 2) Responsible for arranging meetings of the Board of Directors and shareholders' meetings
- 3) Contact with departments within the company to comply with the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
- 4) Contact with regulatory agencies such as the Office of the Stock Exchange of Thailand and supervise the disclosure of information and report information to regulatory agencies and the public to be accurate and complete according to the law
- 5) Arrange an orientation advising newly appointed directors
- 6) Overseeing compliance with the rules of the official departments that govern the company's business operations.
- 7) Overseeing of investor relations

The Board of Directors has approved the qualifications of the person holding the position of Company Secretary as follows:

- Knowledge and understanding of the company's business, including the roles and responsibilities related to company secretary work.
- Knowledge of relevant laws and regulations
- Adhering to morals and ethics, taking into account all stakeholders, do not seek personal gain from the company's business opportunities and keep the company's confidentiality very well.
- Good human relations and the ability to coordinate with various departments both inside and outside the company
- Good knowledge of English



[Attachment 2](#) Details of Directors in subsidiaries

Directors of subsidiaries as at December 31, 2021 are as follows:

List of directors	Cannabiz Way Company Limited
1. Mr. Worasak Kriengkomol	//
2. Miss Unarin Kitpaiboonthawee	//
3. Miss Varaporn Suprucksaskul	//

Note

/ = Director

X = Chairman

// = Executive Director



### Attachment 3 Details of the Head of Internal Audit and Compliance

#### 1) Head of Internal Audit

At the Audit Committee meeting no.1/2022 held on February 24, 2022, the Audit Committee has appointed Porama Consultant Company Limited to be Company and subsidiaries' internal auditor for the year 2022. Mrs. Naruemon Tirathampol had been assigned to be head of internal auditor. The Audit Committee has considered the qualifications of Porama Consultant Company Limited and Mrs. Naruemon Tirathampol, and had opinion that they are appropriated to be Company internal auditor as they are independent and having knowledge in accounting and sufficient experience in internal auditing in the same line of business for at least 10 years and have been trained in courses related to internal audit operations. In this regard, the appointment, rotation, and removal of the head of internal auditor, are subject to the approval from the Audit Committee.

The Company had also assigned Ms. Jiraporn Yuwasakulpong, secretary of the Audit Committee, to be coordinator with the internal auditor.

#### Porama Consultant Company Limited

Porama Consultant Company Limited was established on September 9, 2005 with the aim of providing internal audit services, set up an accounting system and provide consulting services such as internal audit, Internal Control Performance Assessment, Accounting System, and consulting work under management.

Ms. Meena Ketlek provided internal audit services to the company since 2012 who is responsible for supervising the business operations of the Group following the laws, rules, regulations, policies, and requirements of relevant authorities such as; Stock Exchange of Thailand, Office of the SEC, or other official entities related to the Company's business operations, including the duty to test compliance with the internal control system and corruption risk assessment. The Board of Directors has approved the Compliance Policy by stipulating that the Board of Directors, Audit Committee, senior management, and employees of all departments must comply with the law, including communication with employees to realize that every employee has a duty and the responsibility to study and understand the laws and regulations relevant to the job responsibilities and practice correctly and strictly following the rules.



The internal audit team for the year 2021

NO.	Position	Name	A relevant qualification or certificate	Work experience
1.	Head of Internal Audit	Mrs. Naruemon Tirathampol	Bachelor of Business Administration, Rajamangala University of Technology PhraNakhon	Experienced in accounting audit and internal audit, a total of not less than 10 years.
2.	Internal Audit Operator	Miss Kanjana Polrit	Bachelor of Business Administration, Rajamangala University of Technology Rattanakosin	Experienced in accounting audit and internal audit, a total of not less than 9 years.
3.	Internal Audit Operator	Miss Nonthanee Ninpruk	Bachelor Degree of Accounting, Rajamangala University of Technology PhraNakhon	Experienced in accounting audit and internal audit, a total of not less than 1 years.
4.	Internal Audit Operator	Miss Srivimon Klinnamngoen	Bachelor Degree of Accounting, Rajamangala University of Technology Rattanakosin	Experienced in accounting audit and internal audit, a total of not less than 7 years.

**2) Compliance**

The Board has appointed Mrs.Thanyathorn Chonlavorn, Company Secretary, to be responsible for the compliance to ensure the Company compliance with the laws and regulations relating to the Company business.



[Attachment 4](#) Business assets and details on asset valuation

-None-



Attachment 5 Full version of Corporate Governance Policy and Practice and business ethics

5.1 Corporate Governance

[https://drive.google.com/file/d/1IHJcMtTxqIV1P-vpxNw7Q\\_QzMX3axA2I/view](https://drive.google.com/file/d/1IHJcMtTxqIV1P-vpxNw7Q_QzMX3axA2I/view)

5.2 Code of Business Conduct

[https://drive.google.com/file/d/1roZO1wxXehJQ30n3igxguGp7F\\_F9dtsE/view](https://drive.google.com/file/d/1roZO1wxXehJQ30n3igxguGp7F_F9dtsE/view)

5.3 Risk Management Policy

<http://www.eternalenergy.co.th/02-risk-management.php>

5.4 Anti-Corruption Policy

<https://drive.google.com/file/d/1EUxa42uJ8k8kqf33FWy7BZRDQ-AQC3to/view>

5.5 Charter of the Board of Directors

[https://drive.google.com/file/d/1VAhh46g5c3oT\\_nBTDFtIWC1kF8ZvrugW/view](https://drive.google.com/file/d/1VAhh46g5c3oT_nBTDFtIWC1kF8ZvrugW/view)

5.6 Charter of Audit Committee

[https://drive.google.com/file/d/1vuk0SdNeDOPsqvfsbSbbMfsJIGORic3\\_/view](https://drive.google.com/file/d/1vuk0SdNeDOPsqvfsbSbbMfsJIGORic3_/view)

5.7 Charter of Nomination, Remuneration and Corporate Governance Committee

<https://drive.google.com/file/d/1Lre8R6VqtEzKpUc6q0sQfYOjyVuor5ls/view>

5.8 Charter of Risk Management Committee

<https://drive.google.com/file/d/1XyJE-ks6kiDJhQvQkbpb2AUixz21FEKE/view>



[Attachment 6](#) Sub-Committee Report

1) Report of Audit Committee

Dear Shareholders

The Audit Committee is appointed by the Board of Directors to supervise the operations of the Company to be transparent and fair, trustworthy among shareholders, investors, and stakeholders. There are 3 members, all of them are independent directors, those are

- |                               |                                 |
|-------------------------------|---------------------------------|
| 1. Mr. Pipat Chanasongkram    | Chairman of the Audit Committee |
| 2. Mr. Ekkawit Kaewwichian    | Audit Committee Member          |
| 3. Miss Suvicha Kaewfacharoen | Audit Committee Member          |
| Miss Jiraporn Yuwasakulpong   | Secretary                       |

Miss Suvicha Kaewfacharoen is a member of the Audit Committee with knowledge, understanding in accounting and finance, and has sufficient experience to review the reliability of the financial statements.

The Audit Committee has performed its duties and responsibilities assigned by the Board of Directors, and as prescribed in the Audit Committee Charter which aligned with the regulations of the Stock Exchange of Thailand (SET) and stipulated with all the rules of the Securities and Exchange Commission (SEC) and regularly reported the committee's meeting resolutions to the Board of Directors. In 2021, the Audit Committee held 4 meetings, with the management, the Chairman and member of the Risk Management Committee, the internal auditor and the external auditor and having a meeting with the auditor without the management attending 1 time, totaling 5 times. Summary of the Audit Committee's Activities were:

1. Financial statements

Reviewed the quarterly and annual financial statements for 2021 with the external auditors and the Management. To ensure the accuracy and completeness of the financial statements and significant adjustments which affected the financial statements, the financial statements complied with the generally accepted accounting principles, and the information disclosed in the financial statements was adequate, accurate, reliable, and complied with the governing laws and regulations. The meeting with internal auditors and auditors was held without management for discussion regarding the audit plan, internal control system, complaints, and fraud, independence in the performance of duties, the opinions of the auditors focusing on presenting additional information of the auditor in the audit matter report.



2. The internal control system

Reviewed the adequacy and appropriateness of the internal control system for the year 2021 to ensure that the Company has an appropriate internal control system that is efficient and effective for the Company to achieve its objectives and goals by considering the report of the internal and external auditor. Audit Committee opines that the Company has good internal control system and being sufficient for the operation, which results in the efficiency and effectiveness.

3. Legal compliance

Reviewed with the Management to ensure that the Company's activities were conducted in compliance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and relevant laws. Audit Committee opines that the Company has the internal control system that make the activities to follow the law efficiently.

4. Connected transactions and conflicts of interest

Review the connected transactions or any transactions that may cause conflicts of interest. The agreement to enter into the transaction is reasonable, highly beneficial to the business operations, and transparent, and disclose information correctly and completely.

5. Risk management

Review and monitor the sufficiency of the internal control system, risk management, policy compliance with the Company's risk management policies and guidelines with the Risk Management Committee and the Management Department, Including the review of the effectiveness of risk management from the operational reports of the responsible management departments, and the audit results of internal auditors and auditors This makes it possible to believe that the company has managed its risks to an acceptable level.

6. Good corporate governance

Review, assess, and give opinion on good corporate governance practices and Company business conduct, including anti-corruption policy and proposed to the Nomination, Remuneration, and Corporate Governance Committee for further improvement.

7. The Audit Committee Charter

Annual review the Audit Committee Charter to ensure that its assigned duties were achieved and its duties and responsibilities aligned with the Stock Exchange of Thailand best practice and appropriated for the Company's business.





8. The appointment of the internal auditor, supervision, and the annual audit plan

Review the qualifications and assess the last year performance of the internal audit, Porama Consultant Company Limited in accordance with the annual audit plan. It is appropriate to appoint Porama Consultant Company Limited to be internal auditor for the Company and subsidiaries for the year 2022 and to appoint Ms. Naruemon Tirathampol as the Head of Internal Auditor, and proposed to the Board of Director meeting.

9. The appointment of the external auditor

Review the last year performance of the external auditor from Karin Audit Company Limited and find that its auditors are independent, expertise in auditing, appropriate experience, satisfactory performance, that should be propose to the board and shareholders' meeting for approval to appoint Karin Audit Company Limited to be Company and subsidiaries auditor for the year 2022. The audit fees proposed of 1,000,000 Baht.

In summary, in 2021, the Audit Committee performed its duties as specified in the charter with prudence and independence. As well as with good cooperation from the board of directors, the management, the auditor and the internal auditor. Its opinion is that the Company has maintained good corporate governance, sufficient internal control systems, appropriate risk management, accurate and reliable financial reporting, and full compliance with the laws, rules and regulations relevant to the Company's operation.

(Mr. Pipat Chanasongkram)

Chairman of the Audit Committee



## 2) Report of the Nomination, Remuneration and Corporate Governance Committee

### (Nomination Committee)

Dear Shareholders

Nomination, Remuneration and Corporate Governance Committee appointed by the Board of Directors, consists of 2 independent directors and 1 authorized director, totaling 3 persons. Chairman of the Nomination Committee is an independent director. The names are:

- |                                |                                      |
|--------------------------------|--------------------------------------|
| 1. Mr. Ekkawit Kaewwichian     | Chairman of the Nomination Committee |
| 2. Miss Suvicha Kaewfacharoen  | Nomination Committee Member          |
| 3. Miss Varaporn Suprucksaskul | Nomination Committee Member          |
| Mrs. Thanyathorn Chonlavorn    | Secretary                            |

The Nomination Committee has performed all duties as assigned by the Board of Directors. Determined to perform duties with transparency and in accordance with the rules prescribed under the principles of good corporate governance. Ensure that the Company has complied with the good corporate governance policy and business ethics in order to support the Company's operations to be efficient and sustainable, gaining trustworthy to the stakeholders for the Company best benefit. In 2021, there were 4 meetings held. All members attended every meeting. The duties can be summarized as follows.

#### Recruitment

- Review the rules and procedures for the selection of directors to replace those who are due to retire by rotation, to propose to the board for the agreement before proposing to the shareholders' meeting by considering the composition of the Board as specified by the Company, i.e. knowledge, capability, and experience (Board Skill). Matrix) that is suitable for the Company's business strategy and technological progress that will change in the future, including the number of other listed companies not more than 5 companies, in which that person holds the position and having conflicts of interest.
- Select and nominate a person to be a director to replace the director who completed their term in year 2021 by allowing the shareholders to propose the names of suitable persons to be directors in advance of the shareholders' meeting for a period of not less than three months. After the expiration, it turns out that there is no nominating any person to the Company. Therefore, the Nomination Committee recommended the names of the same directors who completed their terms to the Board, those were Mr. Thanachai Trirapatanawong, Mr. Thira Ratanavit and Mr. Apivut Thongkam to be directors for another term. Their qualifications are qualified in accordance with the Company's business strategy. The board has agreed to the recommendation and presented to the shareholders' meeting for re-appointment. The shareholders' meeting has approved as proposed. In 2021 there was a resignation of the former Board of Directors. The Nomination Committee has already selected a new director to be a replacement director.



#### Director Remuneration

- Review the remuneration structure, composition and other benefits of the directors.
- Consider the remuneration of the board of directors and sub-committees at a reasonable rate in accordance with the duties and responsibilities, economic conditions, and Company's performance together with the survey in other company in the same industry which have similar size of business, and propose to the Board of Directors for consideration and propose to the shareholders' meeting to maintain the director remuneration and components at the same rate. The shareholders' meeting has approved as proposed.

#### Corporate Governance

- Promote the performance of the board of directors, executives and employees of the Company in accordance with the good corporate governance policy and business ethics, i.e., providing training for additional knowledge on various Company policies, such as the corporate governance policy, business ethics, anti-corruption policy, policies and measures for supervising the use of insider information for securities trading, policies to protect the environment, etc., and to communicate to partners as a guideline for conducting business that is transparent, honest, in accordance with related laws.
- Promote, support, and provide opportunities for small shareholders to take part in proposing shareholders' meeting agendas and proposing suitable candidates to be appointed as directors in advance for a period of not less than three months before the shareholders' meeting in accordance with the rules specified by the Company.
- Evaluate and review the implementation of the principles of good governance and business ethics for improvement.
- Organize annual self-assessment of the board and sub-committee by group, individual director and sub-committee member. The annual assessment of the Executive Chairman has been reported to the Chairman of the Board.
- Self-assessment, it appeared that duties had been done according to the charter.
- Reviewing the Nomination Committee Charter to be update in accordance with the Company business context and with the regulations of the regulatory agency.
- Prepare the annual operation report to the board at least once a year.

The performance has been already reported to the Board of Directors.

(Mr. Ekkawit Kaewwichian)

Chairman of the Nomination, Remuneration and Corporate Governance Committee



### 3) Report of the Risk Management Committee

Dear Shareholders

The Risk Management Committee is appointed by the Board of Directors of 3 members who have knowledge, ability, experience and understanding of business operations. and 1 risk management committee chosen from the business development manager, a total of 4 members. They have performed their duties independently in overseeing the Company and its subsidiaries risk management according to the scope of duties and responsibilities as specified in the charter and as assigned by the board. The names are:

- |                                |   |
|--------------------------------|---|
| 1. Mr. Prapat Yorkhant         | Chairman of Risk Management Committee   |
| 2. Mr. Worasak Kriengkamol     | Risk Management Committee Member        |
| 3. Miss Varaporn Suprucksaskul | Risk Management Committee Member        |
| 4. Miss Sarunya Noihaiboon     | Risk Management Committee and Secretary |

In 2021, there was 1 meeting in which all directors attended the meeting, and 4 meetings with the Audit Committee quarterly. The performance can be summarized as follows;

1. Review and revise risk management policy and the annual risk management framework of the organization to be suitable, flexible, in line with the goals, Company's strategy under the current situation that is volatile, by considering the level of acceptable risk along with the administrative suggestion and preventative measures, and present to the Board of Directors for approval.
2. Monitoring and evaluation of the implementation of various risk management frameworks of the organization in order to be able to handle uncertain situations. Comment, suggestions on risk management guidelines and preventive measures to be in the framework specified, and consistent with the business conditions.
3. Assess the risk of corruption occurring in various systems covering the entire organization, while considering appropriate preventive measures.
4. Meeting with the audit committee to set guidelines on important issues of risk management and internal control in order to maximize benefits in overseeing the operations to be complete.
5. Reviewing the performance of duties and review the appropriateness of the charter to be suitable for the risk management of the organization.
6. Reviewing the performance of duties and reviewing the suitability of the Charter to be appropriate
7. Report the performance to the Board of Directors at least once a year.



In summary, the Risk Management Committee believes that the organization's risk management system covers all aspects of risk factors. There is risk management in line with changing circumstances. Management is appropriate and controlled at an acceptable level. The results of operations in 2021 have already been reported to the Board of Directors' meeting.

(Mr. Prapat Yorkhant)

Chairman of Risk Management Committee



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