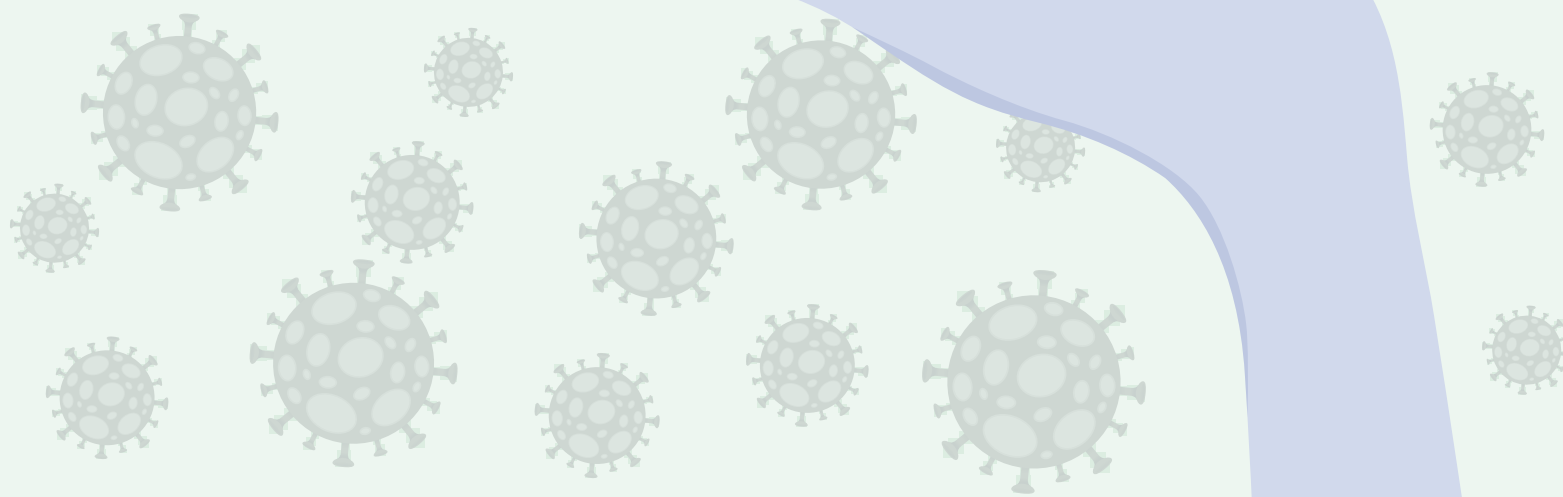


รายงานประจำปี 56-1
ONE REPORT
2021

**BUSINESS
OPPORTUNITY**



Contents

Part 1 Business Operations and Performance

1. Structure and Business Operations	11
2. Risk Management	51
3. Driving Business Value through Sustainability	73
4. Management Discussion and Analysis	80
5. General Information	85

Part 2 Corporate Governance

6. Corporate Governance Policy	89
7. Corporate Governance Structure and Significant Information about Board of Director, Sub-committee, Management Team, Employee and others	122
8. Corporate Governance Report	160
9. Internal Control and Related Party Transaction	195

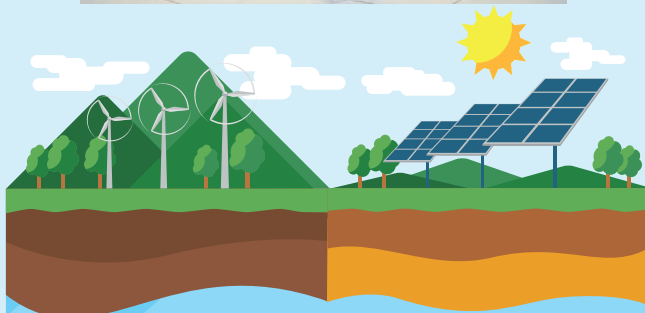
Part 3 Financial Statement

Financial Statement	210
---------------------	-----

Attachment

Attachment 1 Details of Directors and Executives, Controlling Persons, CFO, Person Supervising Accounting and Company Secretary	297
Attachment 2 Details of the Directors of the Subsidiary	326
Attachment 3 Details of Internal Audit and Head of Compliance	327
Attachment 4 Assets in Operations and Information of Assets Valuation	329
Attachment 5 Corporate Governance Policy and Practice and Code of Conduct	330
Attachment 6 Report of the Audit Committee	349





วิสัยทัศน์ VISION

เราจะเป็นผู้นำในกลุ่มผู้ผลิตพลังงานขนาดเล็ก และธุรกิจที่เกี่ยวข้อง โดยการพัฒนาองค์กรอย่างต่อเนื่องและยั่งยืน เพื่อสร้างความพึงพอใจสูงสุดแก่ผู้มีส่วนได้ส่วนเสีย

We will be a leading producer of small power and related businesses with the continuous and sustainable developments to the satisfaction of stakeholders.

ค่านิยม / CORE VALUE

- P** Positive Thinking
ทัศนคติบวก
- I** Initiative
ความคิดริเริ่มสร้างสรรค์
- T** Teamwork
การทำงานเป็นทีม
- E** Entrepreneurship
ความรู้สึกเป็นผู้ประกอบการ
- P** Proactive
การทำงานเชิงรุก

พันธกิจ

- ผลิตและจำหน่ายพลังงานที่มีคุณภาพสูง และมั่นคง เพื่อตอบสนองความต้องการและสร้างความพึงพอใจสูงสุดให้แก่ลูกค้า
- พัฒนาธุรกิจอย่างต่อเนื่องเพื่อเพิ่มศักยภาพขององค์กร
- บริหารงานภายใต้ระบบธรรมาภิบาลด้วยความรับผิดชอบ ต่อสังคม คู่ค้า และพนักงาน
- ดำเนินงานอย่างมีประสิทธิภาพ และประสิทธิผล โดยคำนึงถึงความปลอดภัย อาชีวอนามัย และสิ่งแวดล้อม

MISSION

- To produce and distribute high quality and reliable energy to meet the requirements and satisfaction of customers
- To enhance capability and potentiality by continually development
- To earnestly respond to social, partners, and employees by management in compliance with the good governance
- To efficiently and effectively operate with the awareness of safety, occupational health and environment



THE BOARD OF DIRECTORS

As of January 5, 2022



Mr. Sujarit Patchimnan

- ◆ Chairman
- ◆ Chairman of Nomination and Remuneration Committee



Miss Choosri Kietkajornkul

- ◆ Vice Chairman
- ◆ Nomination and Remuneration Committee



Mr. Sakarin Tangkavachiranon

- ◆ Director
- ◆ Co-Chairman of Executive Committee
- ◆ Nomination and Remuneration Committee



Mr. Udompong Chuntharumporn

- ◆ Director
- ◆ Managing Director
- ◆ Executive Committee



Mr. Vorayos Thongtan

- ◆ Director
- ◆ Executive Committee
- ◆ Corporate Governance and Risk Management Committee
- ◆ Corporate Social Responsibility Committee



Mr. Chinapat Visuttiapat

- ◆ Independent Director
- ◆ Chairman of the Audit Committee



Mrs. Wadeerat Charoencoop
◆ Director



Mr. Thirasak Vikitset
◆ Director



Mr. Vichai Kulsomphob
◆ Director
◆ Nomination and Remuneration Committee



Mr. Natapong Vanarat
◆ Independent Director
◆ Audit Committee



Mr. Pongtep Thithapand
◆ Independent Director
◆ Audit Committee



Mr. Chaisak Yongbanjerd
◆ Independent Director



Message from the Chairman of the Board

Sahacogen & Affiliates successfully achieved the stated vision of being the leader among small power plants and related businesses. The group's vision included continuously and sustainable development to maximize stakeholders' satisfaction and also driving up total market value for shareholders. The board of directors' determination in driving the strategical growth reflexed through the action of seeking new promising partner which is well-known in energy industry, Ratch Group Public Company Limited (RATCH). As a result of the tender offer transaction and subscription of a private placement, RATCH becomes the new business partner and the company major shareholder holding 51 percent of total shares. The acquisition price was considered beneficial and fair referring to the financial advisor's opinion on December 13, 2021. Consequently, the company's board of directors, subcommittee and managements were changed to promote the mix of managerial views and efficiency. The capital raised from the transaction will be used as working capital and investing in new energy projects in Thailand and international to create business growth and sustainable profit for shareholders.

The board of directors focuses on the close monitoring and giving supports to employees amid Coronavirus (COVID-19) pandemic. The organization management was run with care to minimize the negative effect to the operating performance. The policy regarding to social, community and environment concerns was executed regularly. The company also put the reduction of greenhouse gas emission as the agenda with clear action plan similar to many others organizations with the concern of global warming issues.

In 2021, the company's total revenue was THB 4,354.4 million with THB 106.9 million of net profit which was declined by 8.8 percent comparing to last year. The result of the change caused by government's policy to fix electricity price (Ft) that was not related to the change of core cost affected by an increase in global natural gas price. One other main cause came from the financial advisor fee for the shareholder restructuring and capital increase transaction which was one-time expense.

On behalf of the company's board of directors, I would like to show the great appreciation to our shareholders, business partners and employees. Your trust and contribution to our success are very much appreciated. Representing to the company, I assure that we will focus on the business improvement aligning with good corporate governance practice and environment care.

Mr. Sujarit Patchimnan
Chairman



Report of the Audit Committee

The Audit Committee operates responsibly and independently under the Charter of Audit Committee. The committee consists of well-rounded and experienced scholars with capability to review the company financial statements credibility. Since Ratch Group Public Company Limited (RATCH) became one of the major shareholders holding 51% of total shares on December 13, 2021; the company's Board of Director, sub-committee and management were changed reflexing the new control. Then, the Audit Committee members were appointed on December 14, 2021 and January 5, 2022. The committee consists of 3 independent directors.

1. Mr. Chinapat Visuttiapat Chair of the Audit Committee
2. Mr. Natapong Vanarat Audit Committee
3. Mr. Pongtep Thithapand Audit Committee

The Audit Committee arranged 7 meetings with the internal auditor and management to review the results of the prior approved internal audit program on the operation of the company and subsidiaries. The internal audit results were rated consistently at above acceptable level. Some discrepancies were duly noted and promptly rectified by management. The results of the internal audit and remedial action undertaken were routinely reported to the Board of Directors. The Audit Committee reviewed the operating and financial risks of the company to ensure that adequate internal controls presented to mitigate identified risks. The compliance to Personal Data Protection Act B.E. 2019 (2019) was monitored. The Audit Committee approved the revision of policy and procedures regarding to the Coalition Against Corruption (CAC). All related transactions were reviewed and found to be at the best benefit to the company. Such transactions were routinely reported to the Board of Directors. The disclosures were made in full compliance to the regulations of the SEC and SET. The Audit Committee considered and approved the internal audit plan for the year 2022.

In terms of external auditor operational review, the Audit Committee held quarterly meetings with management to review the financial reports and to ensure full compliance to the changing accounting standards (TFRS). The ensuring included changes and implementation awareness created in all relating functions. There was one meeting held with the external auditors without management's presence. This one meeting's purpose was to review the auditor's comments on the adequacy of financial control and management's understanding and readiness to the new accounting standards and implementation.

In summary we are pleased to report that the company's and subsidiaries' financial reports were prepared with adequate disclosure standards and full compliance with the regulatory requirements. The Audit Committee appointed KPMG Phoomchai Audit Company Limited (KPMG) as the new external auditor for the year 2022. The operation of KPMG is satisfied with professionalism and independence with acceptable service fee. Additionally, the company auditor will be the same firm as one of our major shareholder (RATCH)'s auditor. Thus, this auditor appointment will be recommended to the Board of Directors and propose to the shareholders general meeting's approval.



Mr. Chinapat Visuttiapat
Chair of the Audit Committee



Report of the Executive Committee

The executive committee was appointed by the company Board of Directors in order to take operational actions based on the assigned missions from the board and according to the charter of the executive committee.

The executive committee strategically run the company's operation and seek for new business partners to create long term sustainable growth based on guideline from the Board of Directors. In 2021, the company successfully closed the deal that led to the change in major shareholder structure. Ratch Group Public Company Limited or RATCH a leading and well-accepted company in energy industry became the new business partner and major shareholders. The executive committee held 13 meetings details can summarized as follow.

1. Presenting business goals, business strategy and annual operational plan to the Board of Directors: The executive committee are also responsible for monitoring all operational activities in accordance with the policy and to achieved the stated goals. The actions included monthly monitoring and giving supervisory advices in order to stimulate the operational efficiency.
2. Planning and performing on the needed action to achieve on finding new business partners to create long term and sustainable growth: The result was successful according to the set goal.
3. Considering and approving the company's annual investment budget to expand in production technology, information technology, and also to acquire, develop human capital in all levels to be ready for long term business competition
4. Preparing financial statements to support the auditor's review or audit: The executive committee was also responsible for approving the financial reports before proposing to the audit committee and the Board of Directors.
5. Prudently considering the related parties' transactions and acquisition of disposal transactions: The consideration included the validity of price and others conditions. The executive committee performed by putting the company and shareholders' best benefit. The executive committee involving as interested parties of the transaction did not participate in the consideration. The material transactions were proposed the audit committee and the Board of Directors.
6. Supporting and promoting the employees' innovation development in both product and process: The committee also supported the company and product to be certified and accredited by well-known organizations.
7. Reviewing company's policy, procurement policy, retirement policy, anti-corruption policy to be relevant to the current situation and be the operational guideline for transparent and fair operation
8. Reviewing and adjusting the executive committee's charter: The reviewed charter was proposed to the Board of Directors' consideration.

After the shareholders' structure change on December 14, 2021, the Board of Director appointed the new executive committee. The new executive committee composed of members from the former group of the long-served executives and new members with business development experiences. The new executive committee will perform on expanding electricity business through investments in small power plant projects both locally and in Southeast Asia. The consideration includes suitability with the company's financial structure and long-term capability. The goal was set challengingly to have total production capacity not less than 400 megawatts by 2027. The expansion was expected to be around 20-30 megawatts each year.

Mr. Sakarin Tangkavachiranon

Mr. Viroj Theeravatvatee

CO-Chairman of Executive Committee



The Report of Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee members compose of directors and management totaling 3 persons. The committee was appointed by the Board of Directors in order to governance the business operation in accordance with good corporate governance practice, sufficient and systematical risk management and corruption prevention framework. The committee's goal is to ensure the business's credibility to shareholders and stakeholders. In 2021, the Corporate Governance and Risk Management Committee held 3 meetings. The summary of actions taken during the year is shown as follow.

- 1. Corporate Governance:** encouraged the directors, management, and employees to put the emphasis on the responsibilities and fair treatment to stakeholders. The business operation was ensured to be conducted under the information safety and personal data protection laws and regulations. The overall corporate governance practices were all complied. As a result of the matters, the company was rated 5 stars (Excellent) in the appraisal of Good Corporate Governance Report of Thai Listed Company (CGR) by Thai Institute of Directors Association. The annual general shareholders' meeting appraisal was rated the full score or 100 scores for many consecutive years.
- 2. Risk management:** monitored business continuity management (BCM) during the situation of Coronavirus Decease 2019 (COVID-19) surge in new cases and variants. The committee encouraged the involvement of employees in all functions to participate in risk assessment and provided close supervision together with constant monitoring. The risk management framework and charter of the committee were both reviewed.
- 3. Anti-corruption:** reviewed the company anti-corruption policy and rules. The operation was monitor to ensure the compliance. The internal and external activities were promoted. The company and subsidiary companies were certified as members of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the second time. That was the reflection of the determination to comply with the anti-corruption policy in all forms.

The Corporate Governance and Risk Management Committee believes the company has been operating in accordance with good corporate practice with the proper risk management procedure. The committee is committed to the development in corporate governance, risk management and anti-corruption policy to strive for the company's sustainable growth.

Mr.Suthep Dansiriviroj
Chairman of Corporate Governance and
Risk Management Committee





Report of the Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee has accomplished the duties as stated in the charter of the Nomination and Remuneration Committee. The committee held 3 meetings to review the charter, select and nominate new directors, sub-committee and managements. The committee had the key role in such activities since the change in shareholders structure by having Ratch Group Public Company Limited or RATCH as the new major shareholder. The selection and nomination must be in line with the company's expansion policy and strategy to support the company's long-term growth. The selection and nomination focused on suitable qualifications, knowledge and expertise. The qualifications of the new potential director and top management include multi-factors which are skills, experiences, knowledge, expertise in specific topic, leadership, vision, ethic, transparent working experience, no prohibited qualifications based on regulations and the company's articles of association and also the past performance as the director and member of sub-committee. The committee was also responsible for determining the benefits and compensation for directors and sub-committee members of the company, subsidiaries and associated company and the company's top management. The compensation must be in the suitable level to create motivation and retain talented people. The nomination and compensation will be proposed the Board of Directors' meeting.

The Nomination and Remuneration Committee opened opportunity for minor shareholders to participate in nominating candidate(s) to be considered as the director(s) prior to the annual general meeting. In 2021, there was no proposal regarding this issue. The company disclosed the directors' and management's compensation in the Annual Report (Form 56-1 One Report). The compensation was considered appropriate to roles and responsibilities and was approved by the Board of Directors.

On December 14, 2021, the Board of Directors appointed the new Nomination and Remuneration Committee composing of 4 members. There were 3 non-executive directors in this committee. This committee was assigned to perform in accordance with roles and responsibilities stated in the charter of the Nomination and Remuneration Committee.

Mr. Sujarit Patchimnan
Chairman of the Nomination
and Remuneration Committee



Report of the Corporate Social Responsibility Committee

The epidemic of coronavirus disease 2019 continues to be severe since 2020. The company's executive of Sahacogen (Chonburi) Public Company Limited, and subsidiaries be aware of risks that have an ongoing impact on business operations from business partners and society. Therefore increasing preventive inspection measures Continuous support of public health resources and provide goods to local communities and local authorities continuously. The result in the year 2021 the prevention of the impact has achieved the goal.

Amid the challenges of this impact, the company's executive and employee of Sahacogen (Chonburi) Public Company Limited and subsidiaries were still focusing on Social responsibility covers all dimensions, including the Economy, Society and Environment continuous and concrete. As well as accelerating preparations in response to the country's participation in greenhouse gas reduction and climate change action after the year 2020 (INDCs): COP21 in line with the United Nations Sustainable Development Goals (SDGs) and support the Climate Change Act to be enacted in the near future. Therefore, we have hired experts as consultants. Raise the level of greenhouse gas emissions management and reporting results to international standards.

From the focusing on business operations that take into account the risks of the organization, verifiable transparency, Social responsibility and stakeholders in all dimensions throughout the supply chain. Under the supervision according to good governance principles and a determination to create sustainability for the organization. As a result, the company has been assessed on corporate governance of listed companies (Corporate Governance Report of Thai Listed Companies 2021: CGR) from the Stock Exchange of Thailand at the "excellent" level continuously. And passed the assessment criteria and was announced the Thailand Sustainability Investment List 2021 (THSI) Resource Group. 4th consecutive year. Also received the 2021 Sustainability Disclosure Announcement from the Thaipat Institute. 3rd year in a row. The two subsidiaries are Sahacogen Green Company Limited and Saha Green Forest Company Limited was certified for the renewal of the Thai Private Sector Collective Action Against Corruption. And finally received a plaque for the environmental governance award in industrial establishments and a certificate of honor as a model factory in Good Labor Practices (GLP) as well.

Even encountered with the crisis from the epidemic and limitation that are difficult to operate and activities. The company's committee were still focusing on driving and enhancing the collective consciousness of executives, employees, and stakeholders in all sectors. In order to integrate the organization to operate business with sustainability.

A handwritten signature in black ink, appearing to read 'Viroj', is positioned above the printed name of the Chairman.

Mr. Viroj Theeravatvatee

Chairman of the Corporate Social Responsibility Committee

Part 1

Business Operations and Performance



1. Structure and Business Operations of the Company

1.1 Business

The Company is a Small Power Producer (SPP) operating business in generating and distributing electricity and steam. The first power plant of the Company was a Cogeneration Combined Cycle power plant using natural gas as the main fuel. The power plant locates in Saha Group Industrial Park - Sriracha, Nongkharm, Sriracha, Chonburi. The power plant has started the commercial operation since 1999 with total installed capacity of 131.05 Megawatts of electricity and 41 tons per hour of steam. The Company distributes 90 Megawatts of electricity to Electricity Generating Authority of Thailand (EGAT) and 32 Megawatts of electricity and steam to Saha Pathana Inter-Holding Public Company Limited for reselling to factories in Saha Group Industrial Park - Sriracha. This supply helps the factories avoid investment and reduce production cost, as well as to promote electricity stability and reduce Greenhouse gas emission from the production activities. The Company expanded the production capacity in totaling 3 phases to the total installed capacity of 215.58 Megawatts of electricity and 96 tons per hour of steam responding to the continuous growth of customers' demand. The Company set up 2 subsidiary companies, very small power producers (VSPP), operating in electricity generating business by using biomass as main fuel. The power plants locate in Saha-Industrial Park - Lamphun and Prankratai district, Kampangetch Province. The total installed capacity is 17.1 megawatts with 15 Megawatts selling to Provincial Electricity Authority (PEA).

On November 26, 2021, the Company signed the new Power Purchase agreement with EGAT in accordant with the announcement of Energy Regulatory Commission (ERC). on the invitation to purchase the electricity from Small Power Producers, firm contract type with cogeneration system, which the agreement ending between 2019-2025 (Construct the new power plant).

Sahacogen & Affiliates consist of

Company

- Sahacogen (Chonburi) Public Company Limited

Subsidiaries

- Sahacogen Green Company Limited
- Sahagreen Forest Company Limited

1.1.1 Objectives, goals and strategies

In 2021, the Company has set the business strategy to seek for new business partnership to enhance the business stability and strengthen sustainable growth. This resulted to the change of major shareholders of the Company to be Ratch Group Public Company Limited or RATCH as the new major shareholder holding 51% of total shares after purchasing 384,789,131 ordinary shares representing 33.07% from existing shareholders and subscribing newly issued ordinary shares under private placement scheme totaling 208,695,652 shares representing 17.93% on December 13, 2021.



RATCH is a Thai leading private power producer with the goal of becoming a leading energy and infrastructure focused company to create value within the Asia-Pacific region. RATCH's main business is investment in various energy generation projects, from conventional thermal power plants to renewable power plants, including investment in various scale of infrastructure projects both domestically and internationally.

After the change of major shareholders, the Company determined the business strategy to define business segmentation in future investment of power projects which suitable for size and basic potential of the Company and RATCH to achieve the targeted power generation capacity effectively and efficiently. Therefore, the Company will be the Flagship company focusing its business expansion policy on investments in small-sized power plant projects in Thailand and in countries within the Southeast Asia region which in line with the Company's capital structure and long-term capabilities as the investment of Greenfield power plant projects and the Merger and Acquisition of operational power plants require significant capital investment. This included the expansion of the existing natural gas fired power plant and future projects in corporation with Saha Group, current shareholders. However, in the case of the power plant projects located in an industrial estate belonging to the Company or its major shareholder or jointly developed with its shareholder, the Company may invest in such projects without limitation on the project size.

The company set the capacity expansion goal of total capacity not less than 400 Megawatts by 2027 from the current capacity of 215.58 Megawatts. The company has targeted the annual growth of 20-30 Megawatts based on the Company's capital and resources. Nonetheless, this is subject to the Company's ability to generate cash and borrow and the potential investment opportunity under each circumstance.

However, the company has vision to have continuous and sustainable growth and business excellency. The company set clear strategic objectives and used in synchronizing operational plan in each department. The company analyzes to find the strategic drives by sticking to the following concepts.

1. Effective and stable production
2. Service Excellence
3. Improve and enhance the management to meet the vision and business goals by creating and Developing leadership capability (good and smart persons)
4. Manage business operation under "Sufficiency Economy" and "Good Corporate Governance" by treating all stakeholders in a fair, ethical and balanced manner as well as put great importance on compliance with laws relevant to all forms of anti-corruption, which the Company intends to define as one of its organizational culture and core value
5. Run business in accordance with Corporate Social Responsibility policy by building and maintaining relationship with environment and society for good return in a long term

Vision and Mission

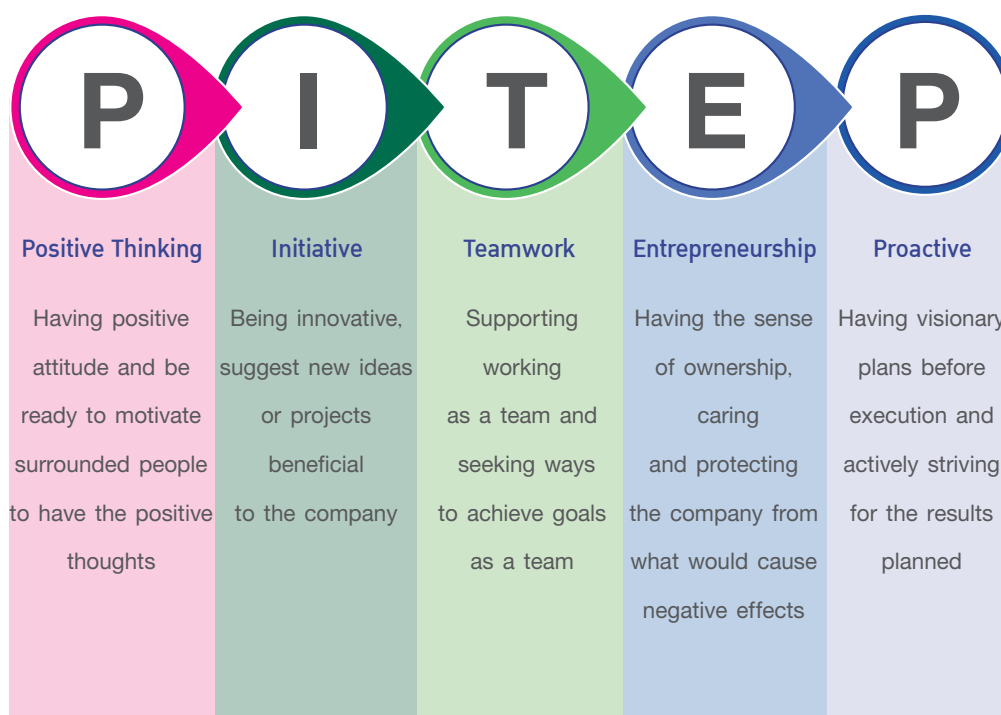
- **Vision**

"We will be a leading small power producer and relating business with the continuous and sustainable developments to maximize the satisfaction of stakeholders"

- **Mission**

1. Produce and distribute high quality and reliable energy to meet the requirements and satisfactions of customers.
2. Enhance capability and competence with continuous development.
3. Comply with good governance principles with respect to society, counter parties and employees.
4. Operate the business with concerns regarding safety, occupational health hazards and environment issues.

- **Core Value**



The Board of Directors set the Company's vision, mission, goals, and core values as the guideline for directors, executives, and employees. By having such guideline, it helps in visualizing the company's target and empowering everyone to work towards the same direction. This guideline will also be promoted to be one of the parts of organizational culture. The Company's vision, mission, goals and core values will be reviewed annually in the regular manner.

In 2021, the Board of Directors considered that its current vision, mission, goals, and strategies are still suitable for its current business context and in line with its operational policy.

1.1.2 Progression and Major Developments

1996	<ul style="list-style-type: none"> On November 20, Sahacogen (Chonburi) Company Limited was established with the registered capital of Baht 12 million to conduct electricity generation and steam power business.
1997	<ul style="list-style-type: none"> The capital was firstly increased to the amount of Baht 680 million in June and was secondly added Baht 30 million in October. As the result of capital increase, its registered capital was totally Baht. 730 million Sahacogen signed the sale of electricity and steam agreement with Saha Pathana Inter-Holding Public Company Limited for 15 years, the sale of electricity contract with the Electricity Generating Authority of Thailand for 25 years, and the operation and service agreement with Operational Energy Group Limited.
1998	<ul style="list-style-type: none"> Sahacogen signed the raw water purchase agreement with Eastern Water Resources Development and Management Public Company Limited for 25 years. Sahacogen has been promoted from the Board of Investment (BOI), the item of 7.1 on infrastructure and basic services with electricity production capacity of 122 MW and 41 tons of steam per hour. Sahacogen signed the purchase of natural gas with the PTT Public Company Limited for 21 years. On September 20, Sahacogen increased its capital, for the third time, totaling Baht 90 million. The total registered capital was Baht 820 million.
1999	<ul style="list-style-type: none"> Sahacogen commercially operated to distribute (COD) in April by distributing electricity to the Electricity Generating Authority of Thailand and other factories in the Saha Group Industrial Park-Sriracha and steam in May
2000	<ul style="list-style-type: none"> On September 20, Sahacogen was awarded as the good corporate practicing in accordance with the criteria of the good environmental governance to reduce the environmental impact of the power plant projects for the year 2000 by the Office of Environmental Policy and Planning, Ministry of Science, Technology and Environment
2001	<ul style="list-style-type: none"> In March, Sahacogen was approved by the Board of Investment (BOI) to subsidize on its expansion project for an additional electricity production capacity of 10 MW and 20 tons of steam per hour
2002	<ul style="list-style-type: none"> In February 2, Sahacogen was certified the environment management system (ISO14001:1996) from Thailand Environment Institute In September, Sahacogen received the quality management system certification (ISO 9001:2000) for the production of electricity and steam from RWTUV (Thailand) On October 4, Sahacogen registered as a public limited company and changed its name to Sahacogen (Chonburi) Public Company Limited.

2003	<ul style="list-style-type: none"> Sahacogen increased its registered capital from Baht 820 million to Baht 955 million and changed its common stock price from 10 Baht to 1 Baht, including selling the recapitalized common shares, totally 135 million shares, to public in order to invest as the equity funding for phase 2 expansion totaling 44 megawatts project. Sahacogen obtained authorization from Securities and Exchange Commission to sellits recapitalized shares to public on November 26, and conduct an Initial Public Offering (IPO) shares at 3.20 Baht/share during December 17-19.
2004	<ul style="list-style-type: none"> On January 7, Sahacogen traded its IPO shares on the Stock Exchange of Thailand, with the symbol of “SCG”
2005	<ul style="list-style-type: none"> The company started the commercial operation to distribute the electricity (COD) in April for phase 2 Project with electricity capacity of 42 megawatts. Total production capacity was 174 megawatts of electricity and 81 tons per hour of steam. On September 9, Sahacogen was certified the quality management system certification (ISO 9001:2000) from Management System Certification Institute (Thailand) or MASCI. On November 25, Sahacogen was certified the environment management system (ISO14001:2004) from Management System Certification Institute (Thailand) or MASCI.
2006	<ul style="list-style-type: none"> On February 22, Sahacogen received the certification of participation in energy conservation program for well successfully achievement from Department of Alternative Energy Development and Efficiency, Ministry of Energy. On November 2, Sahacogen established its subsidiary named Sahacogen Green Company Limited with the registered capital of Baht 250 million with holding major shares to operate biomass power plant with the electricity generating capacity of 9.6 megawatts and 25 tons of steam per hour, located in the Saha Group Industrial Park-Lumphun, Lumphun province. On September 10, 2013, Sahacogen Green Company Limited increased capital to Baht 1,520 million.
2007	<ul style="list-style-type: none"> On December 21, Sahacogen was awarded as the good corporate practicing in accordance with the criteria of the reports on environment impact assessment and excellent environmental management of the power plant projects for the year 2007 by the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment.
2008	<ul style="list-style-type: none"> Sahacogen was re-awarded as the good corporate practicing in accordance with the criteria of the reports on environment impact assessment and excellent environmental management of the power plant projects for the year 2008 by the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment. On December 12, Sahacogen was certified the occupational health and safety management system (TIS 18001-1999 and BS OHSAS 18001:2007) from Management System Certification Institute (Thailand) or MASCI.

2008	<ul style="list-style-type: none"> Sahacogen established its subsidiary named Sahagreen Forest Company Limited with theregistered capital of Baht 5 million on December 18, 2008, which is the joint venture at holding 75:25 with Siam Forestry Company Limited to operate biomass power plant with the electricity generating capacity of 7.5 megawatts located at Prankratai district, Kamphaengphet province. Sahagreen Forest Company Limited. On June 1, 2012, had registered capital of Baht 190 million.
2009	<ul style="list-style-type: none"> Energy Regulatory Commission approved and issued the license to produce electricity in accordance with the Act Operating Power B.E. 2550 under a license 15 years effective from July 16, 2009 to July 15, 2024. The previous concession on operation of power plants issued by the Ministry of the Interior during the period of May 26,1998 to May 25, 2013 was cancelled. On October 22, Sahacogen improved the operation by adopting the quality management standard (ISO 9001:2008) certified by Management System Certification Institute (Thailand) or MASCI.
2010	<ul style="list-style-type: none"> On September 28, Sahacogen received the certification of good corporate practicing in accordance with the criteria of well environmental governance on workplace project for 2010 held by Ministry of Industry Thailand.
2012	<ul style="list-style-type: none"> Sahacogen was certified, the certification for the Green Industry, level 3, on contribution of environmental system management, monitoring and assessment, and continually review for development from Department of Industrial Works, Ministry of Industry Thailand on October 15 which was valid until October 14, 2015. On March 16, Sahacogen established its subsidiary named Sahagreen Energy Company Limited with the registered capital of Baht 40 million to operate and distribute biomass pellets. Sahacogen was certified the occupational health and safety management system (TIS 18001-2011) from Management System Certification Institute (Thailand) or MASCI effectively on September 14 and recertified in accordance with (BS OHSAS 18001:2007) on December 12, 2014 and recertified every three years. On December 19, Sahacogen was awarded and certified as standard responsibility of workplace to social on its fundamental in accordance with the assessment criteria from the committee of Department of Industrial Works under CSR-DIW for Beginner Award project.
2013	<ul style="list-style-type: none"> Sahacogen (Chonburi) Public Company Limited was awarded the CSRI Recognition 2013, general category, held by the Institute of Social Business (CSRI), the Stock Exchange of Thailand. Sahacogen and Affiliates, Sahacogen Green Company Limited., was awarded the outstanding biomass fired cogeneration plant for Renewable Energy, which was organized by the Department of Alternative Energy Development (DEDE), Ministry of Energy. Moreover, it won the ASEAN Energy Awards 2013 for energy conservation and renewable energy development in ASEAN.

2013	<ul style="list-style-type: none"> On June 19, Sahacogen Green Company Limited., its subsidiary, received the promotion certificate from The Board of Investment of Thailand (BOI), in category no: 1.3 economic forest plantations.
2014	<ul style="list-style-type: none"> Sahacogen (Chonburi) Public Company Limited was awarded Investor Choice Award 2014 organized by Thai Investors Association (TIA), the Stock Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) for having achieved a complete score of 100 on running a quality AGM, which it has now done so for the previous five consecutive years from 2010-2014. Sahacogen was awarded “CSR Recognition Award 2014” from the Stock Exchange of Thailand (SET), which honored and encouraged listed companies running business under sustainable growth. Moreover, it also received the prize in SET Award 2014 for Outstanding Corporate Social Responsibility Awards 2014, (awarded in section “SET Market Capitalization of Baht 2,000 - 10,000 Million”).
2015	<ul style="list-style-type: none"> On March 16, the Board of Directors’ Meeting No. 5/2015 approved the Expansion phase 3 Project of combined-cycle power plant with the subsidy from the Board of Investment. The additional capacity was 42 megawatts of electricity and 30 ton per hour of steam. Sahacogen (Chonburi) Public Company Limited passed the sustainability assessment criteria for “Thailand Sustainability Investment 2015” in Group 4 : Market Capitalization between Baht 3,000-10,000 Million. Moreover, the Company was awarded “ESG 100 Certificate” for outstanding business operation towards environment, social and governance. Sahacogen Green Company Limited. was awarded “Honorary Awards” in Thailand Green Design Awards 2015 for energy saving product (excluding edible products) from Kasetsart Agricultural and Agro-Industrial Product Improvement Institute (KAPI), Kasetsart University. Sahacogen Green Company Limited., its subsidiary, received the certification in forest management operations that meet the standards of the Forest Stewardship Council (FSC) by Bureau Veritas, with the exhibition on fast growing tree plantation for producing energy in association with the Forest Industry Organization, Ministry of Natural Resources and Environment on June 5 which will be invalid on June 4, 2020. Sahagreen Forest Company Limited. (its subsidiary) was awarded Thailand Energy Awards 2015 for renewable energy projects associated with the transmission system (On-Grid) by Department of Alternative Energy Development and Efficiency (DEDE). Moreover, the company also received the prize in “CSR-DIW Awards 2015 for Corporate Social Responsibility projects, and was certified, for the Green Industry, level 3, on contribution of environmental system management from the Ministry of Industry on September 30.
2016	<ul style="list-style-type: none"> Sahacogen Green Company Limited. and Sahagreen Forest Company Limited. (its subsidiaries) were approved on the transition from Adder to Feed-in Tariff (FiT) for generating electricity from renewable energy, which was effective on March 11 by the National Energy Policy Council (NEPC). On December 6, the company was certified from Thailand’s Private Sector Collective Action Coalition against Corruption (CAC). The company supported the subsidiaries, Sahagreen Forest Co., Ltd. and Sahacogen Green Co., Ltd. to join CAC project.

2017	<ul style="list-style-type: none"> • In November, the company started commercial operation of phase 3 power plant expansion. The additional capacity of electricity was 28.68 MW and 15 tons per hour for steam. • On September 9, Sahacogen has certified the quality management system certification (ISO 9001:2015) and (ISO 14001:2015) from Management System Certification Institute (Thailand) or MASCI effectively.
2018	<ul style="list-style-type: none"> • On February 12, Sahacogen Green Co., Ltd., and Sahagreen Forest Co., Ltd. the subsidiaries received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) • The Board of Directors' Meeting No. 4/2018 has approved the investment in Impact Solar Company Limited. for 21% by holding 9,093,000 shares equivalent to Baht 90.93 million. Impact Solar Company Limited. is a private solar power producer and supplier of solar rooftop system. • Sahacogen (Chonburi) Public Company Limited has passed the sustainability assessment criteria for "Thailand Sustainability Investment 2018" (THSI) in group 4 for Market Capitalization between Baht 3,000-10,000 Million.
2019	<ul style="list-style-type: none"> • On August 13, the Board of Directors approved to subscribe rights offering capital increase in in the joint venture company, Impact Solar Company Limited (ISL). The subscription was made to earn 2,730,000 shares at par value of Baht 10 each. The first capital increase payment was made by 50 percent totaling 13,650,000 Baht. The company's total investment in ISL became 104,580,000 Baht. • On October 18, Sahacogen (Chonburi) Public Company Limited the subsidiaries received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for the second time. • On December 11, the Board of Directors approved that Sahacogen Green Company Limited (the subsidiary company) divested its entire shares to a none related person. • Sahacogen (Chonburi) Public Company Limited has passed the sustainability assessment criteria for "Thailand Sustainability Investment 2019" (THSI) in group 4 for Market Capitalization between Baht 3,000-10,000 Million. And Company received the Sustainability Disclosure Acknowledgement from Thaipat Institute.
2020	<ul style="list-style-type: none"> • On March 13, the company paid the un-paid capital in jointed investment company, Impact Solar Company Limited. The additional amount was 13,650,000 Baht which made the total investment value of 118,230,000 Baht. • On August 27, Sahacogen (Chonburi) Public Company Limited was certified the occupational health and safety management system (ISO 45001:2018) from Management System Certification Institute (Thailand) or MASCI effectively. • Sahacogen (Chonburi) Public Company Limited has received the Corporate Governance Assessment results at the level of "Excellent or five stars" From the survey results of Corporate Governance Report of Thai Listed Companies (CGR) for 2020 by the Thai Institute of Directors (IOD)

2020	<ul style="list-style-type: none"> Sahacogen (Chonburi) Public Company Limited has passed the sustainability assessment criteria for “Thailand Sustainability Investment 2020” (THSI) in group 4 for Market Capitalization between Baht 3,000-10,000 Million. and received the Sustainability Disclosure Acknowledgement from Thaipat Institute On December 31, Sahagreen Forest Co., Ltd. and Sahacogen Green Co., Ltd., (the subsidiary company) received the certification from Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) for the second time.
2021	<ul style="list-style-type: none"> On October 28, the Board of Directors meeting No. 8/2021 approved to sign an agreement with Electricity Generating Authority of Thailand (EGAT) in order to replace the current contract expiring in April 2024. The decision of the company was the response to Energy Regulatory Commission announcement promoting additional power purchasing from small power producers with cogeneration system whose current contract expiring in 2019-2025. The announcement made on May 6, and required the counter parties to construct new power plant in order to qualified as the new purchase agreement. The Board of Directors also approved to sign a contract with Jurong Engineering Limited from Singapore to design, procure and construct the power plant. The total contract cost was approximately THB 2,476.19 million. The power plant’s electricity generation capacity is 73 megawatts and steam generation capacity 75 tons per hour. This design and construction contracts were made to comply with the conditions set in the renewed long-term power purchased agreement made with EGAT on November 26, 2021. On December 7, the extraordinary general meeting of shareholders no. 1/2021 approved the capital increase 208,695,652 Baht. The registered capital was changed from 955,000,000 Baht to 1,163,695,652 Baht by issuing additional 208,695,652 shares at par value 1.00 Baht. The allotment was set to private placement with the specific issue price. On December 13, Ratch Group Public Company Limited (RATCH) bought the company’s shares at 5.75 Baht per share from the existing major and non-major shareholders amounting 384,789,131 shares or equivalent to 33.07 percent. RATCH also subscribed the private placement share allotment 208,695,652 shares or 17.93 percent. After the transactions completed, RATCH held 593,484,783 shares or 51 percent of total company’s paid-up share, 1,163,695,652 shares at par value 1.00 Baht. RATCH then became the new major shareholder. On December 19, the company signed the new long-term natural gas buying contract with PPT Public Company Limited. The contract lasts 25 years starting from April 2024. The contract was made to support the expansion of new power plant as conditioned in the new electricity sell contract made with EGAT.



1.1.3 Objectives of the Issuance of New Ordinary Shares and Planned Use of Proceeds

1. Capital raised and usage

The extraordinary shareholders' meeting No. 1/2021 of Sahacogen (Chonburi) Public Company Limited on Tuesday December 7, 2021 approved the capital raised and private placement allotment to Ratch Group Public Company Limited. On December 13, 2021, the company successfully completed the transaction by issuing 208,695,652 shares at 5.75 Baht each totalling 1,199,999,999 Baht or equivalent to 17.93 percent of registered capital after capital increased. As of December 31, 2021, the company would like to summarize the detail of capital raised as shown in the table.

Purpose	Scheduled Year	Approximate Capital Raised (THB million)	Capital Used (THB million)	Balance (THB million)
a) Expand the Company's power generation business through investment in domestic and overseas projects according to investment opportunities and the Company's own business development after the transaction*	2022 - 2024	900-1,000	-	900-966*
b) Working Capital	Within Quarter 4 of 2021-Quarter 2 of 2022	200-300	234	0-66
Total		1,200	234	966

Remark : * In this regard, the Company is still in the process of evaluating the potential investment opportunities and have yet to come to a definite conclusion which can be disclosed in detail. Furthermore, the information regarding investment opportunities is confidential and commercially sensitive in nature and may not yet be disclosed. The Company will fulfil its obligations according to requirements on disclosure once certain and applicable.

2. Law enforcing to debt instruments

The company does not have debt instrument.

1.1.4 Commitment on the Information form for securities issuance or SEC approval condition (if any) or SET listing condition (if any)

-None-

1.1.5 General Information

Name	: Sahacogen (Chonburi) Public Company Limited
Stock Code	: SCG (Listed on the Stock Exchange of Thailand – SET)
Registered Number	: 0107545000306
Registered Date	: November 20, 1996
Registered Date to Public Company	: October 4, 2002
First Trading in the Stock Market	: January 7, 2004
Sector	: Energy & Utilities
Business type	: Generation of electricity and distribution of steam
Industry	: Resources
Foreign Limit	: 30.00%
Free Float	: 27.44 % @ March 11, 2021
Head Office Location	: 636 Moo 11, Sukaphiban 8 Road, Nongkharm, Sriracha,Chonburi 20230
Telephone	: 66 3848 1555
Fax	: 66 3848 1551
Website	: www.sahacogen.com
Registered and Paid-up Capital	: Baht 1,163,695,652 (including 1,163,695,652 common shares, Baht 1 per share)



1.2 Company Business

1.2.1 The revenue structures

The revenue structure for the year 2021

- The revenue from electricity 86.50 %
- The revenue from steam generation 9.99 %
- The revenue from Biomass products 0.09 %
- Other revenue 3.42 %

Unit : Thousand Baht

Revenue	Company	Share holding (%)	2019		2020		2021	
			Amount	%	Amount	%	Amount	%
Electricity	SCG		3,385,781	90.44	3,117,672	91.71	3,319,658	87.06
	SGN	99.99	282,652	81.97	285,270	84.60	220,101	69.61
	SGF	75	245,078	99.86	253,320	99.84	240,192	99.74
Total			3,913,511	90.30	3,656,262	91.63	3,779,951	86.50
Steam generation	SCG		346,872	9.27	265,064	7.80	357,741	9.38
	SGN	99.99	52,969	15.36	45,246	13.42	78,684	24.88
	SGF	75	-	-	-	-	-	-
Total			399,841	9.23	310,310	7.78	436,425	9.99
Biomass products	SCG		-	-	-	-	-	-
	SGN	99.99	6,618	1.92	4,464	1.32	4,114	1.30
	SGF	75	-	-	-	-	-	-
Total			6,618	0.15	4,464	0.11	4,114	0.09
Other Revenue	SCG		10,992	0.29	16,670	0.49	135,551	3.56
	SGN	99.99	2,575	0.75	2,229	0.66	13,310	4.21
	SGF	75	340	0.14	407	0.16	615	0.26
Total			13,907	0.32	19,306	0.48	149,476	3.42
Total	SCG		3,743,645	100	3,399,406	100	3,812,950	100
	SGN	99.99	344,814	100	337,209	100	316,209	100
	SGF	75	245,418	100	253,727	100	240,807	100
Total			4,333,877	100	3,990,342	100	4,369,966	100

Note: More details have been disclosed in the note to the company's financial statement as of December 31, 2021 number 27 "The financial information by segmentation"

1.2.2 Product or Service

(1) Product, service and innovation

1.1 The core product

1. **Electricity** is a form of energy that was produced to use in generating other kind of energy. The examples are thermal energy and mechanical energy used in industrial production, commerce and public utilities. The transmission will be made through transmission lines with different voltages i.e. 115 kV or 22 kV.
2. **Steam** is a form of thermal energy. The production is made by using the left-over thermal energy from electricity generation to produce steam. In some cases, the production is made by burning fuel to produce steam. The transmission can be made in variety of pressure levels and temperatures based on customers' need.

Sahacogen (Chonburi) Public Company Limited is a small power producer (SPP). The company is operating in power plant business by selling electricity and steam. The first power plant is a combined-cycle power plant using the natural gas as the main fuel. It was established in Saha Group Industrial Park, Sriracha, Chonburi and started commercial operation since 1999. The plant has installed capacity of 90 MW distributing the electricity under the power purchase agreement by Electricity Generating Authority of Thailand (EGAT). It also supplies electricity and steam to Saha Pathana Inter-Holding Public Company Limited, the sole distributor of electricity and steam to factories in Saha Group Industrial Park. The electricity and steam generating business helps factories in production cost reduction, promoting the stability of the electricity generating system in the industrial park and also reducing greenhouse gas emission from the production activities within the park. Sahacogen's business has an indirect effect to stimulate the business growth and investment expansion within the industrial park, which consequentially leads to higher demand for electricity. The Company expanded 3 phases of combined-cycle cogeneration power plant.

The current power purchase agreement between the company and Electricity Generating Authority of Thailand (EGAT) will end in 2024. In 2017, Energy Regulatory Commission announced the regulations regarding the power purchasing from small power producers with cogeneration system. This announcement allowed the small power producers (SPP) with the expiring contract to submit new proposal with the condition of having the new machines installation. The company then decided to launch the SPP Replacement extension phase 4 project. The extension electricity installed capacity will be 79.5 MW with the steam generating capacity of 75 tons per hour. The total power generating capacity will be 238 MW and steam 170.5 tons per hour. The objectives are developing the stable electricity source for Thailand and supporting electric consumption of manufacturers in the Saha Group Industrial Park-Sriracha. The electricity production will be commenced in April 2024.

Sahacogen realizes an important of the harmony with local communities and environment, so the company has set policies for affiliates in running businesses in accordance to this value. Specifically, Sahacogen and affiliates develop new projects that use renewable energy. Due to the fact that the nonrenewable energy and natural gas price

has been rising up, the company thrives for reducing the effect of global warming by setting up subsidiaries operating biomass power plant and producing biomass pellets in order to conform to the company's vision and mission.

Sahacogen Green Company Limited is located in Saha Group Industrial Park, Lamphun. It is a very small power producer (VSPP) producing electricity by utilizing biomass as the fuel, with the installed capacity of 9.6 MW. This company has started commercial operation since March 2011, distributing electricity to Provincial Electricity Authority (PEA), and distributing steam to manufacturers in Saha Group Industrial Park, Lamphun.

Sahagreen Forest Company Limited is located in Prankratai district, Kamphaengphet. It is a very small power producer (VSPP) producing electricity by utilizing biomass as the fuel, with the installed capacity of 7.5 MW. This company has started commercial operation since December 2012, distributing electricity to Provincial Electricity Authority (PEA).

1.2 Rights and Privileges

- Promotional privileges

Company	Date of Promotion Granted	Promotion Certificate	Privileges	Business
Sahacogen (Chonburi) PLC.	October 3, 2014	1308(2)/2015 Dated March 16, 2015	20 November 2017 - 19 November 2025	Electricity & Steam ¹
Sahacogen Green Co., Ltd.	December 2, 2008	1563(1)/2009 Dated July 31, 2009	March 22, 2011- March 21, 2019	Electricity & Steam ²
	April 18, 2013	1858(3)/2013 Dated June 19, 2013	July 2, 2015 - July 1, 2023	Plantation ³
	July 15, 2016	59-1260-0-00-2-0 Dated October 3, 2016	June 16, 2017 - June 15, 2025	Plantation ⁴
	December 15, 2016	59-1632-0-00-1-2 Dated December 15, 2016	September 15, 2016 - September 8, 2023	Biomass Pellet ⁵
Sahagreen Forest Co., Ltd.	October 19, 2010	1856(1)/2011 Dated July 27, 2011	December 25, 2012 - March 24, 2020	Electricity ⁶

Remark

- ¹ Exemption of corporate income tax for net profit from promoted business for 8 years but not exceeding 100% of the investment and import duty exemption on machinery.
- ² Exemption of corporate income tax for net profit from promoted business for 8 years, and reduction on corporate income tax by 50% of the normal rate for 5 years including import duty exemption on machinery.
- ^{3,4} Exemption of corporate income tax for net profit from promoted business for 8 years and import duty exemption on machinery.
- ⁵ Exemption of corporate income tax for net profit from promoted business until 8 September 2023, and import duty exemption on machinery.
- ⁶ Exemption of corporate income tax for net profit from promoted business for 8 years but not exceeding 100% of the investment and import duty exemption on machinery and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period end

More information is disclosed in the notes of the financial statements as at no. 25

“Promotional privileges”.

1.3 The Production Innovation and Investment During the Year

The company has developed innovatively in both production and investment. The environment care has also been an issue that was emphasized along the process.

- (1) **Renewable Energy Certificate (RECs)** This project is run in accordance with government policy to reduce greenhouse gas and aiming to the net zero emission with in the year 2065-2070. The 2 power plants of subsidiaries are registered biomass renewable power plants. The certificate shows the capability to produce and and sell the renewable energy to clients that wish to help reduce greenhouse gas emission within electricity production process. The agreement covers the selling of renewable energy totaling 40,885 RECs to Lion Corporation (Thailand) Limited as the our first client. The delivery will be made on February 24, 2022

Thailand set the goal to reduce the net zero carbon dioxide emission (Carbon Neutrality) within 2608 – 2613. by the Energy Policy and Planning Office (EPPO) together with Department of Alternative Energy Development and Efficiency (DEDE) . and Office of Energy Regulatory Commission (OERC) revised the production plan to add the clean energy production referring PDP2018 Rev.1 during B.E. 2021 – 2030 approved by Committee on Energy Policy Administration (CEPA)

1.4 Business Development Plan

- **Short-term Plan**

1. Invest in Cogeneration power plant (SPP Renewal Project) based on the power purchasing plan from SPP firm contract, cogeneration type, which expired during 2019-2025 (new power plant).
2. Study the government policy about Smart Grid and power liberalization plan (Power Pool)
3. Joint developing the electricity distribution system in Saha Group Industrial Park-Sriracha to be the Micro Smart Grid. It can be received electricity from Solar rooftop and floating to combine with electricity from the existing cogeneration power plant including energy storage to deliver to the end users.
4. Extend the knowledge of producing biomass to new business by promoting new product creation from bamboo parts.

- **Long-term Plan**

1. Expand the capacity by purchasing or merging with other business entities with the target to have production capacity based on shareholding percentage (Equity MW) not less than 400 MW within 2027. The estimation will be 20-30 MW per year. The expansion is subjected to company’s resource, capital and market competition situation.
2. Study the feasibility of renewable energy expansion along with select experienced and professional strategic partners to strengthen the business competency of the Company and its affiliates



3. Study the feasibility of investment in energy business in ASEAN region in order to meet the business growth of the ASEAN Economic Community

1.5 Research and Development Policy (R&D)

The company cooperates with educational institutions to conduct studies in product development that related to the company's vision and mission. The company's business development plan aims to extend knowledge in biomass to other value creation businesses.

1. The company cooperates with Center of Fuels and Energy from Biomass, Chulalongkorn University to conduct the research and development of bamboo tree charcoal. The products are smoke-less charcoal used in BBQ grill and activated carbon used in various industries. The activated carbon can be used in medical cosmetics industry and used as smell absorption carbon. The product was extended to be used as soil improvement ingredients called Biochar. The project was tested-run in golf fields. Biochar helps in 20-40% reduction of chemical usage, water needed and fertilizer used.
2. The company cooperates with Kasetsart Agricultural and Agro-Industrial Product Improvement Institute to conduct the research to invent fiber generating machine using steam explosion method. The study scales up the prototype machine to industrial scale. The fiber produced is eco-friendly and to be replaced one from the traditional production process, boiling with chemical substances. The fiber generating machine using steam explosion method registered petty patent Department of Intellectual Property with reference number 17814.

Fiber can be applied in 2 different forms.

- 1) Fiber to be used in degradable containers production as the replacement of foam or plastic containers
- 2) Fiber to be used in garment industry with anti-bacteria qualification that helps reduce musty smell and increase water absorption ability

In 2021, research and development cost of the company and subsidiaries was not significant comparing to total expenses. The company did not show R&D separately in the financial statements.

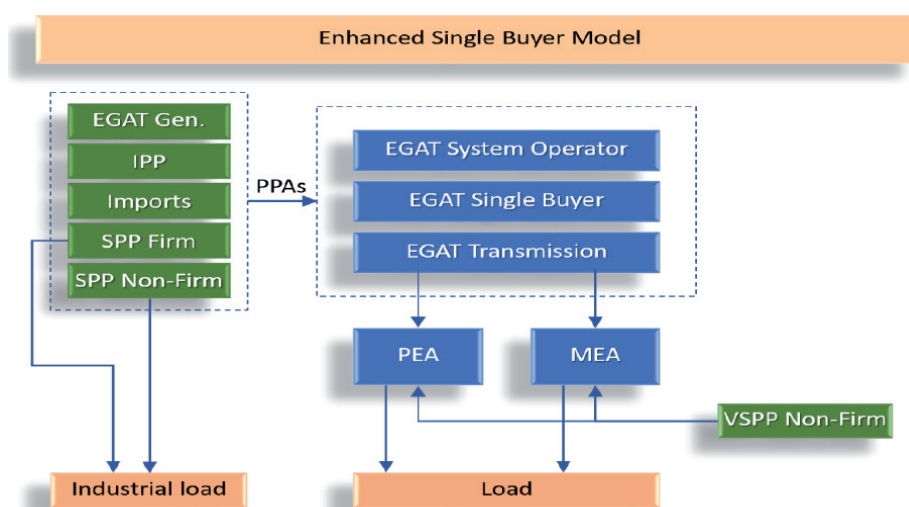
Unit: Thousand Baht

	2019	2020	2021
Research and Development Cost (R&D)	221.22	4,671.54	1,284.59

(2) Market and Competition

2.1 The industry landscapes

Thailand electricity industry is in an enhanced single buyer system. The main buyers are state owned entities which are Electricity Generating Authority of Thailand (EGAT), Metropolitan Electricity Authority (MEA) and Provincial Electricity Authority (PEA). These direct buyers under control of the Energy Regulatory Commission will later on distribute the electricity to the end users.



Source : Petroleum Institute of Thailand

Generating Authority of Thailand (EGAT) has authority to manage the electricity generating and the electric power system in Thailand. EGAT manages buying electricity from power plants in Thailand and overseas. Moreover, EGAT is the authority selling electricity to the main users. As of 2021, EGAT has 35 percent of the electricity generating capacity in Thailand.

Metropolitan Electricity Authority (MEA) and Provincial Electricity Authority (PEA) have the authority to sell electricity to general users and buy from local small power Producer. MEA's areas of service include Bangkok Metropolitan, Nonthaburi and Samut Prakan Province. While PEA will service in the other areas throughout country. In 2021 MEA and PEA control market share of 26 and 73 percent consecutively.

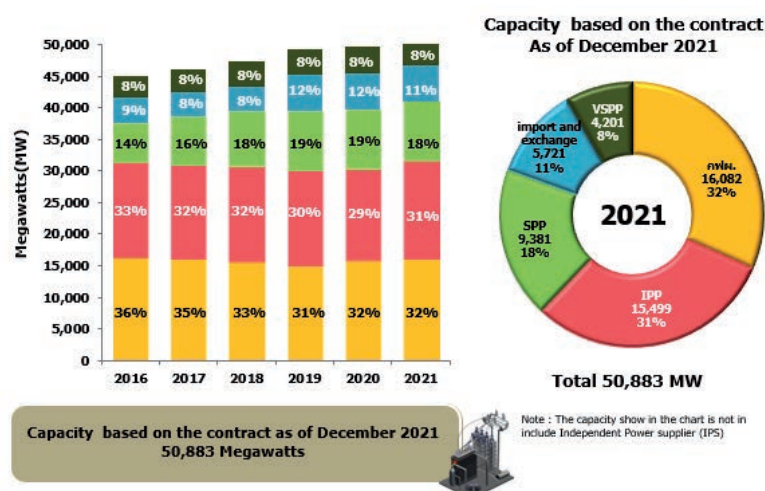
Public sector in electricity generation has been enhancing the competition and efficiency. The alternative energy has been supported in several ways. The electricity generating businesses can be segmented based on the capacity which are Independent Power Producer (IPP), Small Power Producer (SPP) and Very Small Power Producer (VSPP).

Type	Counterparty	Condition
Independent Power Producer (IPP)	EGAT	More than 90 MW
Small Power Producer (SPP)	EGAT	Starting from 10 MW but not more than 90 MW
Very Small Power Producer (VSPP)	PEA and MEA	Not more than 10 MW

Source : Energy Regulatory Commission

Small Power Producer (SPP) can deal directly to the industrial sector in their area and sell the electricity through their own power supply system together with the supply of thermal energy in form of steam or chilled water

Public sector has been playing more important role in the industry. As of December 31, 2021, Independent Power Producer (IPP), Small Power Producer (SPP) and Very Small Power Producer (VSPP) had total production capacity of 29,081 Megawatts. This production capacity accounted for 57% of the total capacity of Thailand at 50,883 Megawatts.

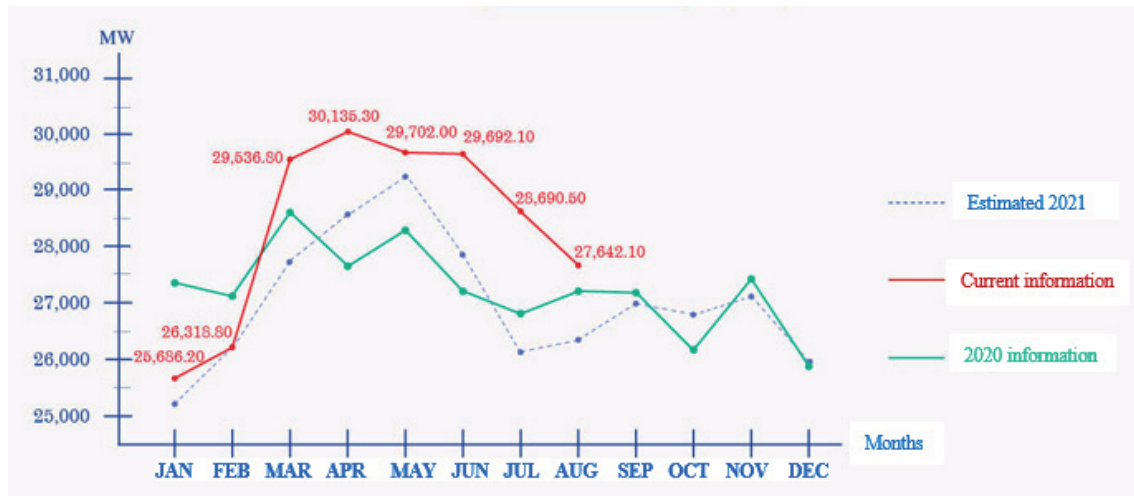


Source: Energy Policy and Planning Office

2.2 Demand and Usage in Thailand

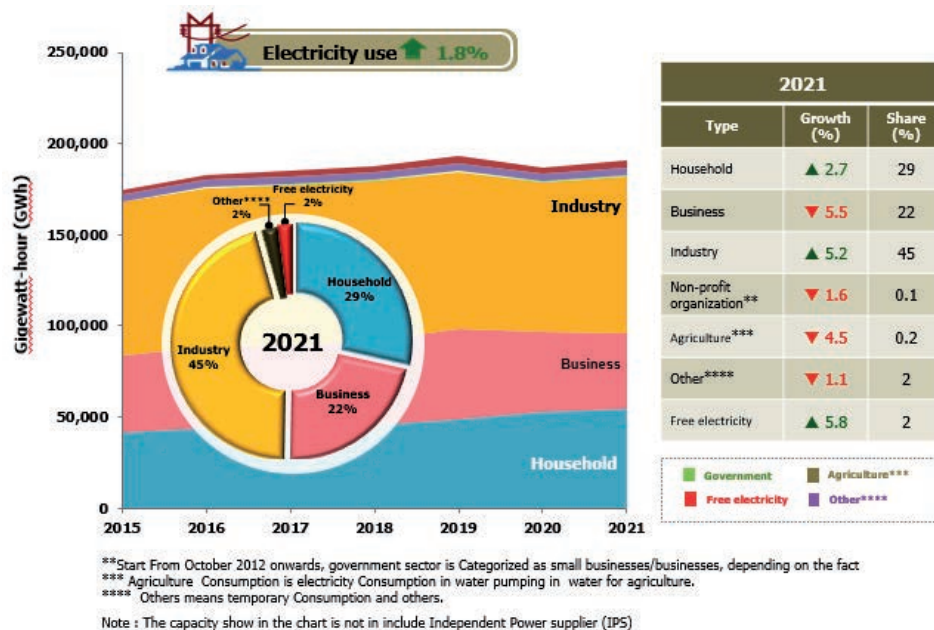
The peak demand of electricity in the system was 28,636.70 Megawatts in 2020. The total demand went up to 30,136.30 Megawatts in 2021. The demand was increased based on the recovery of economy situation.

The peak demand of electricity in the 3 systems was 30,342 Megawatts in 2020. The total demand went up to 27,624.10 Megawatts in as of August 31, 2021. The demand was decreased comparing to last year.



Source: Electricity Generating Authority of Thailand

Domestic electric consumption trend was growing relatively to economic growth. However, the actual consumption in December 2021 was in increase by 1.8 comparing to last year. The proportion of the consumption divided by category of Industrial, business, household, and others were 45%, 22%, 29% and 4% respectively. The only category with higher level of consumption was household. The reason was the consequence of measures to control the pandemic of Coronavirus Disease 2019 (COVID-19), i.e. travel restriction, and announcing working from home protocol in many companies.



Source: Energy Policy and Planning Office

2.3 Trend and Energy Development Plan

The revision of Thailand electric production plan 2018-2037 (PDP2018 Revision 1) was announced to create infrastructure and create stability of regional electricity system by promoting self-sufficient concept. PDP2018 Revision 1 had 4 main differences comparing to the previous version of PDP.

1. Government promotion power plants: The policy aims to strengthen electricity system for local communities by encouraging the power generation from renewable energy specifically waste and biomass in the area of 3 southern border provinces.
2. Main power plants using fossil fuel: Power plants of Electricity Generating Authority of Thailand (EGAT), Independent Power Producers (IPP) and electricity bought from other countries are the main source in line with plan stated in PDP2018. The capacity of power plants serving 7 regions; the North, the North-east, the East, the West, Central region, the south and Metropolitan are sufficient. EGAT is responsible for stability of the power system.
3. Renewable energy power plants: This type covers power plant generation using biomass, biogas, solar power, floating solar power, and hydro power, small hydro power of EGAT and other type of renewable energy. The purchasing target will be set annually. The purchase price will not be higher than grid parity to stabilize the retail price level.
4. Energy saving policy: The revision plan supports the energy saving concept that focuses on quality of production and competitive price that is not higher than Grid Party.

The predicted level of electricity consumption was calculated by Office of National Economic and Social Development Council. The forecasted long term economic growth (GDP) during 2017-2037 is 3.8% per annum. The population growth rate is -0.02% per annum.

The forecasted level of electricity consumption based on the PDP2018 Revision 1 was the same as used in the previous version of PDP. During 2017-2037, the forecasted electricity energy consumption in the system of the 3 electricity authorities will be around 367,458 million units. The peak Demand in 2037 will be around 53,997 megawatts

Year	PDP2018		Revision 1		Change	
	Capacity (MW)	Consumption (Million Units)	Capacity (MW)	Consumption (Million Units)	Capacity (MW)	Consumption (Million Units)
2018	29,969	203,203	29,969	203,203	-	-
2022	35,213	236,488	35,213	236,488	-	-
2027	41,079	277,302	41,079	277,302	-	-
2032	47,303	320,761	47,303	320,761	-	-
2037	53,997	367,458	53,997	367,458	-	-

Source: PDP 2018 Revision 1

Power plant allocation

The regional allocation was planned based on PDP2018 in order to facilitate the electricity stability in each region. The production plan was considering the local resources usage to reduce the additional investment, and new technology of new renewable resources. The utilization of local energy resource would gradually help reduce the reliance on the main systems, risk from disruptive technology, and duplicate investment. The production level of central power generating system could be maintain and independent from regional production capacity.

Thailand Power Development Plan for 2018-2037, the first revision (PDP2018 Revision 1) targets the production capacity in the system of the 3 electricity authorities at the end of 2037 at 77,211 Megawatts. The total production capacity as of the end of 2017 was 46,090 Megawatts comprised of new capacity at 56,431 Megawatts and 25,310 Megawatts from the retired capacity during 2018-2037.

Electricity Generating Plan

Unit: Megawatt

Electricity Generation during 2018-2037		New PDP
Contracted Capacity as of December 2017		46,090
New Capacity add during 2018-2037		56,431
Capacity Retired during 2018-2037		-25,310
Total capacity at the end of 2037		77,211
New Electricity Generation during 2018-2037		
Renewable Energy Power Plant		18,833
Community Power Plant		1,933
Pumped- storage Hydropower Plant		500
Cogeneration Power Plant		2,112
Combined Cycle Power Plant		15,096
Coal Power Plant		1,200
Buying from other countries		5,857
New/Replacement Power Plant		6,900
Energy Saving Measure		4,000
Total		56,431

Source : PDP 2018 Revision 1



Renewable Energy Power Plant based on AEDP**Unit : Megawatt**

Renewable Energy Power Plant based on AEDP during 2018-2037	
Biomass Power Plant	2,780
Biogas Power Plant	400
Solar Power	8,740
Floating Solar Power + Hydro Power	2,725
Wind Power	1,485
Industrial waste	44
Small hydro power plant of EGAT	69
Total	16,243

Source : PDP 2018 Revision 1

The company is operating a SPP Cogeneration plant by using natural gas as the fuel source and 2 biomass power plants. The PDP 2018 Revision 1 has stated the power purchasing from SPP Cogeneration which expired in 2019-2025 referring to resolution of National Energy Policy Council (NEPC) on May 30, 2016. PDP 2018 Revision 1 promotes the renewable energy which in line with the 2 biomass power plants operated by the company.

Business competition

In 2021, the Energy Policy and Planning Office (EPPO) announced the plan the open public hearing about National Energy Plan 2022. The national plan will help set the direction of the energy management and guideline for energy development in the next 5, 10 and 20 years. The transition will be changing from fossil fuel to clean energy. The nation plan will be launched in action in 2023.

The resolution of Committee on Energy Policy Administration (CEPA) on October 28, 2021 approved to expedite an increase in clean energy proportion during 2021 - 2030. CEPA considered that production capacity in national plan (PDP2022) will specify to increase green energy for the first 10 years. The fossil fuel will be reduced by cutting natural gas power plants production capacity down by 700 Megawatts comparing to amount specified in PDP 2018 Rev. 1. The former level was set at 5,550 Megawatts and the new level will be 4,850 Megawatts. The green energy will be added by 1,000 Megawatts. The details of the revision can be summarized as shown in the table

The energy types

New power plants

Unit: Megawatt

Fossil fuel	PDP2018 Rev.1(A)	Revision (B)	Difference (B-A)
Natural gas power plant	5,550	4,850	-700
Coal (Lignite) power plant	600	600	0
Total (1)	6,150	5,450	-700
Green energy	PDP2018 Rev.1(A)	Revision (B)	Difference (B-A)
Hydro power from other countries	1,400	2,766	1,366
Solar power	5,194	4,455	-739
Wind power	270	1,500	1,230
Biomass power	1,120	485	-635
Biogas power	783	335	-448
Waste	400	600	200
Small hydro power	26	52	26
Total (2)	9,193	10,193	1,000
Total (1+2)	15,343	15,643	300

Source: Energy Policy and Planning Office

The resolution of Committee on Energy Policy Administration (CEPA) meeting number 11/2021 (no. 33) on October 28, 2021 approved the revision of national energy plan B.E. 2018-2037 (PDP2018 Rev.1) for the year 2021-2030. The details can be summarized as follow.

1. On August 4, 2021, National Energy Policy Council (NEPC) considered the framework of national energy plan and assigned Committee on Energy Policy Administration (CEPA) to revise the purchasing plan and focusing on buying green energy based on Thailand energy production development B.E. 2018-2037 (PDP2018 Rev. 1). The goals are increasing green energy production in several formats and reducing fossil fuel energy purchasing amount during the next 10 years (2021 - 2037). NEPC assigned Energy Policy and Planning Office and Department of Alternative Energy Development and Efficiency (DEDE) to revise the plan.
 - (1) Considering an increase or reduction of annual new additional capacity of fossil fuel power plants (coal/natural gas), renewable energy power plants and purchasing electricity from hydro power plants from Neighboring Countries.
 - (2) Reviewing the purchasing plan from renewable energy which is delayed from PDP2018 Rev. 1 and revising the commercial operation date.

- (3) Considering the additional capacity from potential renewable energy with energy storage technology to enhance efficiency and stability.
 - (4) The Ministry of Energy and Electricity Generating of Thailand (EGAT) will revise the power purchase agreement with the hydro power plant in Lao People's Democratic Republic (Laos). On August 4, 2021, National Energy Policy Council (NEPC) acknowledged the proposal from Laos to increase the maximum purchasing amount in MOU. The adjustment is subject to the consideration of NEPC since the power generation timeline might not match with SCOD in PDP2018 Rev. 1. The consideration of NEPC approved to schedule SCOD to match with the readiness of the project and add on the purchase amount from the previous plan.
2. PDP2018 Rev. 1 during 2020-2030 plan to have new power plants generate electricity totaling 15,343 Megawatts. The production is from (1) Fossil fuel power plants 6,150 Megawatts including Natural gas 5,550 Megawatts and Coal (Lignite) 600 Megawatts. (2) Green energy power plants 9,193 Megawatts including Hydro power from other countries 1,400 Megawatts and other renewable energy 7,793 Megawatts. Currently, there are delayed purchasing projects and ones that could not be continued as follow.
 - (1) Local community power plants for local economy: The previous plan was set for 2020-2024 amounting 1,933 Megawatts. The current purchasing level is 150 Megawatts with the generation plan in 2024-2025.
 - (2) Solar power plants during 2020-2021: The previous plan was 442 Megawatts. The current purchasing level is 100 Megawatts.
 - (3) The local waste-to-energy power plants: The production plan for 2022 was 400 Megawatts. The current status is expected to be delayed.
 - (4) The public and private biomass power plants: The previous plan was set to purchase and generating electricity in 2022-2023 totaling 120 Megawatts. The current status is expected to be delayed. The hydro power plants from other countries are now on process 2 projects. The commencement date will be in 2026 totaling 469 Megawatts and in 2028 totaling 897 Megawatts. One more project under consideration will start to generate the electricity in 2030 totaling 1,400 Megawatts.

3. The revision of green energy production plan under PDP2018 Rev. 1 during 2022-2030 aims to add up the proportion of green energy in 2030. The carbon dioxide emission will reduce from the previous version of the plan. The energy storage technology will be implemented with the green energy production plan. The large hydro electric plan of EGAT will work with floating solar. The overall of green energy production will be increased, add up the stability of the system and serve the increasing usage demand. The government supports the addition study of various types of green energy production. The floating solar project that run on the large reservoirs must be complied with related rules and regulations. The revision of the electricity production plan will not have negative impact to public since the government tends to purchase the electricity at the lower price comparing to the average selling price of EGAT except for some types of the power plants that need government subsidy i.e. local community power plants, and waste-to-energy power plant. The purchase price for fuel-free green energy power plants, specifically solar, wind and hydro can be fixed over the period of the contract. The green energy is believed to be competitive comparing to other type of energy in long term. The proportion from green energy will reduce to impact from global energy price volatility. The consideration of green power purchasing should also include the potential of the energy resource in terms of quantity and location. The study should cover the transmitting line efficiency and the coverage.

(3) Products and Services

3.1 Products

The Operating Performance Capacity and Utilization Report

Electricity	Unit	2021	2020
Power plant -Sriracha			
Installed Capacity	Megawatt	215.58	215.58
Production Capacity	Magewatt-hour/yea	1,888,481	1,888,481
Actual Production	Magewatt-hour/yea	1,051,701	1,019,006
Utilization Factor	%	55.69	53.96
Power plant -Lamphun			
Installed Capacity	Megawatt	9.6	9.6
Production Capacity	Magewatt-hour/yea	84,326	84,326
Actual Production	Magewatt-hour/yea	52,483	68,116
Utilization Factor	%	62.24	80.78
Power plant -Kamphaengphet			
Installed Capacity	Megawatt	7.5	7.5
Production Capacity	Magewatt-hour/yea	65,880	65,880
Actual Production	Magewatt-hour/yea	57,279	56,588
Utilization Factor	%	86.94	85.90
Steam	Unit	2021	2020
Power plant -Sriracha			
Installed Capacity	Megawatt	96	96
Production Capacity	Magewatt-hour/yea	840,960	840,960
Actual Production	Magewatt-hour/yea	324,952	303,638
Utilization Factor	%	38.64	36.11
Power plant -Lamphun			
Installed Capacity	Megawatt	25	25
Production Capacity	Magewatt-hour/yea	219,600	219,600
Actual Production	Magewatt-hour/yea	85,672	69,110
Utilization Factor	%	39.01	31.47

The company has the key earnings from distributing electricity to EGAT and PEA, including electricity and steam sold to industrial users in Sriracha Saha Group Industrial Park. In addition, steam sales are earned from industrial users in Lamphun Saha Group Industrial Park.

(Unit : Million Baht)

Item	Sahacogen (Chonburi) PCL.	Sahacogen Green Co., Ltd.	Sahagreen Forrest Co., Ltd.
Income	3,812.95	316.21	240.81
Net profit (Loss)	109.66	(6.9)	21.01

3.2 Raw Material

Major raw materials for power generation are natural gas which is the primary fuel and diesel oil which is the secondary fuel. In addition, there are water and chemicals such as water treatment agent, fuel additive and biofuels such as chopped wood, husk and corncobs. Major raw materials for power generating are described as follows;

1) Natural Gas

Sriracha combined-cycle power plant uses natural gas as the key fuel in electricity and steam generating process. The company signed a long-term contract to purchase natural gas from PTT Public Company Limited for 21 years. Such contract can be extendable for 4 years. In July 2019, the natural gas purchase agreement with PTT Public Company Limited was amended to 25 years. The contract will be expired in March 2024.

On December 19, 2021, the company has signed the new natural gas purchase agreement with PTT Public Company Limited for 25 years starting from April 2024. The new contract, expiring in April 2024, was made to support the new power plant construction project and replace the current contract.

From then until now, the Company has never encountered bad quality of natural gas and insufficient natural gas storage.

2) Biofuels

Lamphun power plant uses biomass as the fuel in electricity and steam generating process. The company has managed by planting fast growing plants throughout the region and also has the research center to study about fast-growing plants in Mueang Lamphun District, Lamphun to ensure the sustainable operating business. Moreover, the company has many biomasses procurement centers to purchase biomass from farmers and also manage the reserve level of fuel to ensure business continuity.

Kamphaengphet power plant uses biomass as the main fuel in electricity and steam generating process. The company signed a contract to purchase biomass from Siam Forest Tree Company Limited, a jointed investment company which is the twenty-five percent shareholder. The meetings between the company and the partner were arranged monthly to set the direction and monitor the operation. The company has been sourcing alternative biomass fuel from various sources to reduce cost. The company also manages the reserve level of fuel to ensure business continuity.

Starting from the beginning of the operation, there was no situation which the company has insufficient biomass fuel leading to the production process pause.

3) Diesel Oil

Diesel oil is reserved to cope with primary natural gas shortage. The company has to make available diesel oil reserve for full generation of steam distributed to customers on regular basis. Diesel oil is shipped to the plant by truck.

Since the electricity and steam generation and distribution, the company has never encountered the halt of shipping the natural gas. However, the Diesel Oil is only used for test-run of the reserved boiler.

4) Water

Sahacogen & Affiliates have policies to manage the raw water resources to ensure the sufficiency as well as supervise the water consumption beneficially.

Sriracha power plant has a 25-year contract to secure the raw water supply with the Eastern Water Resources Development and Management Public Co., Ltd. In June 2020, the raw water purchasing contract was amended by extending the term to 10 years ending in June 2030. The contract will be automatically renewed by 5 years along with the electricity generation contract to EGAT. Furthermore, the company also has another source of raw water which is the water reservoir located in the area of Saha Group Industrial Park, Sriracha, Chonburi, and 2,000 cubic meters retention pond within the power plant.

Lamphun power plant has a long contract for raw water supply with Saha Pathana Inter-Holding PLC.

Kamphaengphet power plant has been granted to use water from Kamphaengphet Irrigation Project. Moreover, the company also has a water reservoir on 40 rai of land with 370,000 cubic meters per year, which is sufficient for power generation.

The current operation under this water management scheme and plan to use water most efficiently has proven no raw water scarcity problem in the previous year.

5) Chemicals

Key chemicals used in combined-cycle power plant are for improving water quality, which runs for demineralized water. All chemicals are supplied by domestic vendors and suppliers.

In this regard, the company has no relationship with all raw material vendors and suppliers. However, there is only business relationship relating the purchase of raw water from the reservoir at the industrial park with Saha Pathana Inter-Holding PLC.

3.3 Standards and certifications

The company and subsidiaries have passed the global standard in management system.

(4) The Operational Assets**4.1 The property, plant and equipment of Sahacogen & Affiliates as at December 2021 are summarized as follows;**

- Sahacogen (Chonburi) Public Company Limited**

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan Guarantee
			2020	2021		
Land	636, Moo 11, Nongkharm, Sriracha, Chonburi	29-2-87.7 Rai	142.50	142.50	Owner	None
	Total	29-2-87.7 Rai	142.50	142.50		
Plant	636, Moo 11, Nongkharm, Sriracha, Chonburi	-	3,142.37	2,896.71	Owner	None
	Total	-	3,142.37	2,896.71		
Building	636, Moo 11, Nongkharm, Sriracha, Chonburi	1,411 M ²	19.99	17.79	Owner	None
	Total	1,411 M²	19.99	17.79		
Grand Total			3,304.86	3,057		

- Sahacogen Green Co.,Ltd.**

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan Guarantee
			2020	2021		
Land	88, Moo 5, Pasak, Lamphun	24-3-49.8 Rai	463.47	458.56	Owner	None
	298, Moo 2, Pasak, Lamphun	106-2-91.30 Rai				
	Wiengtana, Hangchat, Lampang	31-1-80 Rai				
	Wokaew, Hangchat, Lampang	143-3-28 Rai				
	Nakaew, Koh Kha, Lampang	1,376-1-45 Rai				
	Huasue, Maeta, Lampang	131-3-48.40 Rai				
	Banoem, Lampang	587-1-97.3 Rai				
	Tungfaii, Lampang	259-2-5.2 Rai				
	Naseang, Koh Kha, Lampang	49-1-97.2 Rai				
	Maepoo, Maeprik, Lampang	453-3-95.2 Rai				
	Pongyangkok, Hangchat, Lampang	16-3-6 Rai				
	Soppad, Maemoh, Lampang	208-3-39.80 Rai				
	Nonglom, Hangchat, Lampang	15-1-0.8 Rai				
	Namjoh, Maetah, Lampang	201-0-62.7 Rai				

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan Guarantee
			2020	2021		
Land	Lampangluang, Koh Kha, Lampang	23-0-25 Rai			Owner	None
	Sala, Kho Kha, Lampang	14-2-96.8 Rai				
	Nongyuang, Pahzang, Lamphun	361-0-77.6 Rai				
	Nasai, Li, Lamphun	47-1-29 Rai				
	Maekueng, Wangchin, Phrae	172-0-70.20 Rai				
	Maepark, Wangchin, Phrae	54-1-17 Rai				
	Maeyangtan, Rongkwang, Phrae	20-2-4 Rai				
	Rongkhem, Rongkwang, Phrae	0-0-81.7 Rai				
	Total	4,301-0-68 Rai	463.47	458.56		
Plant	88, Moo 5, Pasak, Lamphun	-	863.51	872.31	Owner	None
	Total	-	863.51	872.31		
Plant Building/	88, Moo 5, Pasak, Lamphun	1,087.65 M2	166.88	171.45	Owner	None
Office Building/	298, Moo 2, Pasak, Lamphun	157 M2				
Biomass Storage/	29 Moo 5, Naseang, Koh Kha,	108 M2				
Land for drying biomass	Lampang					
	Total	1,352.65 M2	166.88	171.45		
	Grand Total		1,493.86	1,502.32		

- Sahagreen Forest Company Limited**

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan Guarantee
			2020	2021		
Land	88, Moo 6, Khui Ban Ong, Phran Kartai, Kamphaengphet	79-0-43.5 Rai	15.27	15.27	Owner	Mortgaged
	88, Moo 6, Khui Ban Ong, Phran Kartai, Kamphaengphet	54-3-13 Rai				
	Total	133-3-56.5 Rai	15.27	15.27		
Plant	88, Moo 6, Khui Ban Ong, Phran Kartai, Kamphaengphet	-	578.16	573.16	Owner	Mortgaged
	Total	-	578.16	573.16		
Building	88, Moo 6, Khui Ban Ong, Phran Kartai, Kamphaengphet	686 M2	44.16	46.24	Owner	Mortgaged
	Total	686 M2	44.16	46.24		
	Grand Total		637.59	634.67		

4.2 Intangible assets

The Intangible assets of Sahacogen & Affiliates as at December 31, 2021 are summarized as follows;

(Unit : Million Baht)

Items	Company	Details	Book Value (Net)	
			2020	2021
1	Sahacogen (Chonburi) PCL.	Computer software	4.68	4.43
		Rights of use transmitting lines	-	9.01
2	Sahacogen Green Co.,Ltd	Computer software	1.50	1.43
3	Sahagreen Forest Co.,Ltd	Computer software	0.21	0.47
Total			6.39	15.34

4.3 Non-operating Assets

-None-

4.4 Operating agreements

- Long-term lease

On December 31, 2021 the company and subsidiaries had significant operating lease agreements as shown in the table.

Tenant	Renter / Sublease	Contract	Objective	Years
Sahacogen (Chonburi) PCL.	Sinparadorn Co.,Ltd.	Rental area	To be an access route to the power plant	3
Sahacogen Green Co.,Ltd.	-	-	-	-
Sahagreen Forest Co.,Ltd.	Ms. Jintana Inkhum	Rental area	To be store biomass	2

4.5 Investment Policy in Subsidiaries and/or Affiliate companies

The company has monitored the investment and management policy in subsidiaries and/or affiliate companies based on “Sustainable Energy & Social Responsibility” as the company’s vision. Therefore, the policy of increase in investment depends on economic situation for the benefit of shareholders.

(Unit : Million Baht)

Name	Business	Registered Capital	Proportion (%) of shares holding
Subsidiaries			
Sahacogen Green Co., Ltd.	Electricity and Steam	1,520	99.99
Sahagreen Forest Co., Ltd	Electricity	190	75
Associates			
Impact Solar Limited	Manufacture of electric motors and generators	563	21

4.6 Asset Valuation

The company and subsidiaries did not have business restructuring that leads to significant acquisition or disposals of assets or appraisal of new assets during accounting period.

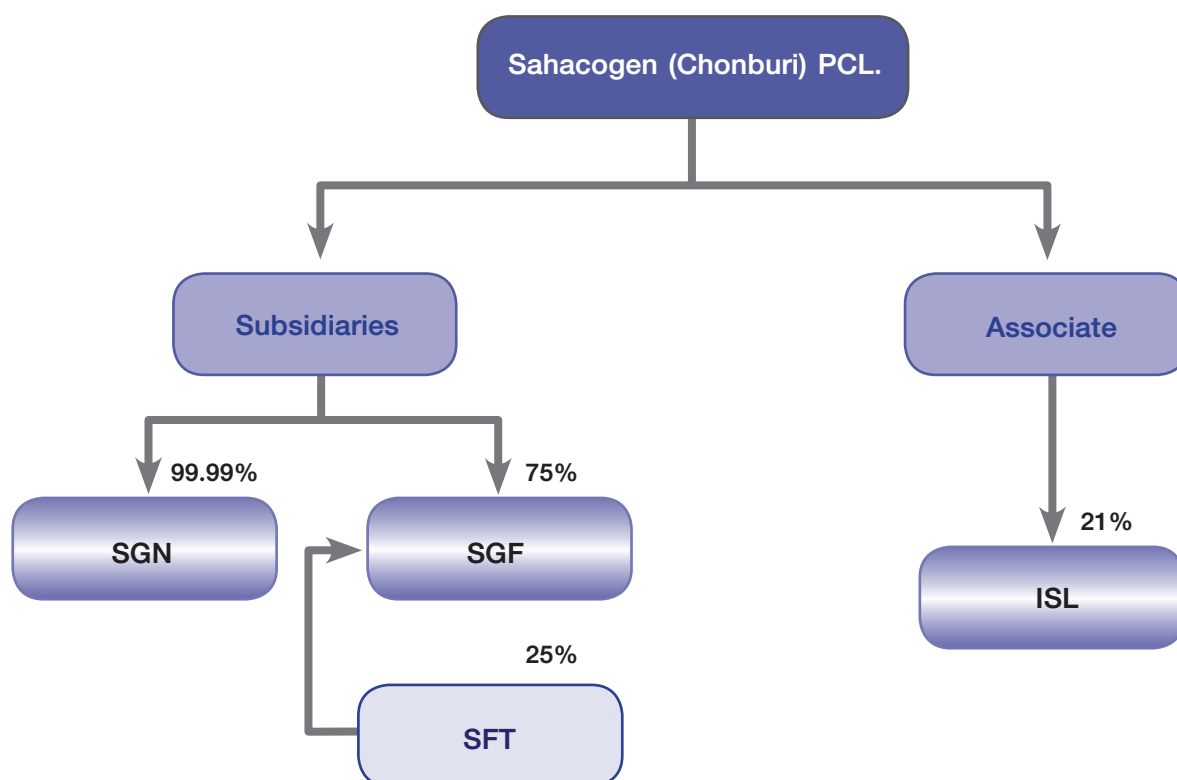
In 2021, the company and subsidiaries appointed an independent asset appraiser registered on SEC’s list. The appraisal’s purpose was for public purposes to evaluate fair value of the group company as disclosed in the company’s opinion of the securities tender offer (Form 250-2).

5. Undelivered Works

-None-

1.3 Shareholding structure

1.3.1 Shareholding structure



Remark : Voting rights in the subsidiaries and associates depends on shareholding proportion

SGN = Sahacogen Green Co., Ltd. SFT = Siam Forestry Co., Ltd.

SGF = Sahagreen Forest Co., Ltd. ISL = Impact Solar Co., Ltd.

Sahacogen Investment Policy

The company considers investment and joint venture opportunities based the synergy to current businesses, vision and mission. The focus of the businesses is providing the sustainable power sources for value to society. The return in terms of dividend is also one of the consideration criteria.

Business Operation Policy

1. The Board of Directors of the joint venture company has the authority to manage under the set objectives.
2. The company's Board of Directors will appoint the representatives to be the directors in joint venture company. The number of the appointed directors will be proportionated to the percentage of shareholding.

The company has Asset Management Division to analyze and monitor the operating performance of the joint venture company.

1.3.2 The investment and shareholding in subsidiaries of which their operations are significant and the company has held more than 10% of share, as of December 31, 2021

Name	Sahacogen Green Co., Ltd. (SGN)	Sahagreen Forest Co., Ltd. (SGF)	Impact Solar Limited (ISL)
Sector	Energy & Utilities	Energy & Utilities	Industrials
Industry	Resources	Resources	Industrial Materials & Machine
Business	Electricity and Steam	Electricity	Manufacture of electric motors and generators
Location	88 Moo 5, Pasak, Muang, Lamphun 51000	88 Moo 6, Khui-Ban-Ong, Phran Kratai, Kamphaengphet 62110	999/9 The Offices at Central World 45/F Rama 1 Road, Patumwan, Bangkok 10330
Registration No.	0255549000766	0625551000189	0105558156308
Telephone No.	66-5353-7444	66-5585-8033	66-2825-9211
Fax No.	66-5353-7120	66-5585-8031	66-2825-9299
Website	www.sahacogen.com	www.sahacogen.com	www.impact solar.co.th
Registered Date	November 2, 2006	December 18, 2008	September 25, 2015
Registered Capital	1,520 Million Baht	190 Million Baht	563 Million Baht
Type of Shares	Common Shares	Common Shares	Common Shares
No. of Total Paid-up Shares	152,000,000	19,000,000	56,300,000
No. of Shares held (shares)	151,999,993	14,249,997	11,823,000
No. of Votes	151,999,993	14,249,997	11,823,000
No. of Shares held (Amount Baht)	1,519,999,930	142,499,970	118,230,000
Proportion (%) of shares holding	99.99	75	21

Cross-shareholding as of December 31, 2021

While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is neither conflicting nor contradicting to the announcement by The Capital Market Supervisory Board no14. Thor Chor 28/2008 regarding “the permission request and the permission to offer newly-issued shares”

Company Name	Shareholding Percentage	
	Shareholding by the company	Shareholding in the company
1. In the case of over 50% shareholding		
(A) For other companies holding over 50% shares in the company, cross-shareholding is not allowed.		
1. Ratch Group Public Company Limited	-	51.00
(B) The company holding over 50% shares in other companies, cross-shareholding is not allowed.		
1. Sahacogen Green Company Limited.	99.99	-
2. Sahagreen Forest Company Limited.	75.00	-
(C) The company holding over 50% shares in 2 other companies and over Cross- shareholding between other such companies is not allowed.	-	-
2. In the case of over 25% shareholding, but not exceeding 50% shareholding	-	-
(A) Other companies holding over 25% but not exceeding 50% shares in the company, over 10% cross-shareholding by the company in other companies is not allowed.		
(B) The company holding over 25% but not exceeding 50% shares in other companies, over 10% cross-shareholding by other companies in the company is not allowed.	-	-
3. In the case of not exceeding 25% shareholding	-	-
(A) Other companies holding not exceeding 25% shares in the company, over 25% shareholding by the company in other companies is not allowed.	-	-
(B) The company holding not exceeding 25% shares in other companies, over 25% shareholding by other companies in the company is not allowed.	-	-
1. S&J International Enterprises Public Company Limited	0.07	9.625
2. I.C.C. International Public Company Limited	0.07	4.554

1.3.3 Business Relationship with the company's major shareholding parties

- RATCH Group Public Company Limited (RATCH)**

The company operates as an electricity producer and sells the electricity based on contract of 90 megawatts signing with Electricity Generating Authority of Thailand (EGAT). EGAT is a major shareholder of RATCH holding 45 percent.

EGAT is a state-owned enterprise operates energy business under the supervision of Ministry of Energy and Ministry of Finance. EGAT's main business is electric power generation, purchasing and transmission in both Thailand and nearby countries. EGAT's business includes investing in other businesses and joint-investment in businesses under the regulations of EGAT Act. EGAT has 5 group companies.

company	Proportion (%) of shares holding
RATCH Group PCL. (RATCH)	45.00
EGAT Diamond Service Co., Ltd. (EDS)	45.00
District Cooling System and Power Plant Co., Ltd. (DCAP)	35.00
The Electricity Generating PCL. (EGCO)	25.41
EGAT International Co., Ltd. (EGAT International)	99.99

EGAT's policy towards the future investment is uniting companies in the same business to cooperate in the big investment projects in other countries. The corporation will build group EGAT group strength and become more competitive among others in energy industry.

RATCH Group Public Company Limited (Parent Company) has 4 representing directors out of 12 directors of the company. The number of representatives is based on the percentage of shares holding. However, the company can freely set the policy, operate on normal operation and make decision on investment.

- Saha Pathana Inter-Holding Public Company Limited**

The Company and Saha Pathana Inter-Holding Public Company Limited, a major shareholder, have been involved in joint business activities. These mentioned activities enhance the strength of the Company's business as well as implement the integration in line of power - producing industry and public utility to companies within Saha Group Industrial Park, ranging from materials procurement to the distribution as well as providing land rental services.

1.3.4 Shareholders

1. Major Shareholders

(A) Top Ten of Shareholders as the close of share register on December 31, 2021

Shareholders	No. of Shares	% Holder
1. Ratch Group PCL.	593,484,783	51.000
2. Saha Pattana Inter-Holding PCL.	173,939,761	14.947
3. S&J International Enterprises PCL.	112,000,000	9.625
4. Saha Pathanapibul PCL.	66,850,000	5.745
5. I.C.C. International PCL	53,000,000	4.554
6. Mr. Veerapat Punsak-Udomsin	39,665,000	3.409
7. U.B.Chemical Industries Co., Ltd.	15,485,400	1.331
8. International Laboratories Co., Ltd.	10,700,000	0.919
9. Mr. Boonkiet Chokwatana	7,400,000	0.636
10. Mr. Boonsithi Chokwatana	5,000,000	0.430

Shareholders of Ratch Group PCL. on December 31, 2021

Shareholders	No. of Shares	% Holder
1. ELECTRICITY GENERATING AUTHORITY OF THAILAND	652,500,000	45
2. Thai NVDR Company Limited	77,276,896	5.33
3. SOCIAL SECURITY OFFICE	67,913,700	4.68
4. ELECTRICITY GENERATING AUTHORITY OF THAILAND SAVING AND CREDIT COOPERATIVE LIMITED	56,792,500	3.92
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES	37,855,165	2.61
6. MR. MIN TIENWORN	20,076,200	1.38
7. STATE STREET EUROPE LIMITED	12,880,959	0.89
8. MR. PRATEEP TANGMATITHAM	11,888,600	0.82
9. SUPALAI PROPERTY MANAGEMENT CO.,LTD	8,036,300	0.55
10. VAYUPAK FUND 1 BY MFC ASSET MANAGEMENT PUBLIC COMPANY LIMITED	7,068,750	0.49

Divided by Shareholder's Nationality as of share registration book closing date on December 31, 2021

Shareholders	Person	Shares	%	Juristic Persons			Private Individuals		
				Person	Shares	%	Person	Shares	%
Thai	2,669	1,163,045,652	99.94	29	1,056,611,798	90.80	2,640	106,433,854	9.14
Foreign	2	650,000	0.06	1	600,000	0.05	1	50,000	0.01
Total	2,671	1,163,695,652	100.00	30	1,057,211,798	90.85	2,641	106,483,854	9.15

Divided by Shareholder's Nationality as of share registration book closing date on December 31, 2021

Shareholders	Person	Shares	%	Juristic Persons			Private Individuals		
				Person	Shares	%	Person	Shares	%
- Holding share over	9	1,072,524,944	92.17	7	1,025,459,944	88.12	2	47,065,000	4.05
- Holding share not over 0.5% but not less than 1 selling unit	2,251	91,164,656	7.83	23	31,751,854	2.73	2,228	59,412,802	5.10
- Holding share less than 1 selling unit	411	6,052	0.00	0	0	0.00	411	6,052	0.00
Total	2,671	1,163,695,652	100.00	30	1,057,211,798	90.85	2,641	106,483,854	9.15

Note : Shareholders can update their number of shares at www.sahacogen.com before commencement of the Annual General Meeting of Shareholders

As of March 11, 2021

Shareholding proportion by institutional investors

Shareholding proportion in the company by institutional investors stood at 0.41% of the total issued and paid up stock. This number is less than the criterion regulated in the Corporate Governance of Thailand Listed Companies. It determines that the proportion of institutional investors should be over 5 percent.

Minor Ordinary Shareholders

The numbers of minor shareholders (Free Float) are 2,116 shareholders, or 27.44 % of the issued and paid up stock which is more than 25%

Restriction of Foreign Shareholders

Foreigners can be shareholders but the total number of shares should not be more than 30% of the issued and paid up stock. As of March 11, 2021 the Company stock was hold by foreigner amounted 0.06%.

- (B) The major shareholders who have de facto control to influence the policy determination, management or business operation of the Company on December 31, 2021

Shareholders	No. of Shares	% Holder
1. Ratch Group PCL.	593,484,783	51.000

2. Shareholders' Agreement between major shareholders (Shareholder's agreement)

-None-

3. Share Repurchase

The company has policy on the equitable treatment of shareholders based on corporate governance code (CG Code). In the previous year, the company did not announce share repurchase program.

The company does not have the anti-takeover mechanism; however, the company has been monitoring the change in major shareholders. In the Board of Directors' meetings, the significant change in major shareholders will be reported to the Board.

1.4 Registered capital and paid-up capital as of 31 December 2021

- The company has total registered capital of 1,163,695,652 Baht, fully paid-up and classified into total 1,163,695,652 million ordinary shares, with the par value of 1 Baht per share. with its securities transaction code designated as "SCG".
- The Company has not issued other types of shares having the rights or terms different from ordinary shares. Moreover, the Company has never issued any securities other than the ordinary shares.

1.5 Issuing other securities

- In the past year The Company does not issue any other securities. And no issuance of ordinary shares to increase capital

1.6 Dividend Policy

- Sahacogen (Chonburi) PCL.

The Company has a dividend policy to pay out at least 50% of its net profits of the consolidated financial statements attributable to equity holders of the Company in each accounting period. It might occasionally be waived or adjusted if the Board of Directors considers that there are conditions creating the maximum benefit to the shareholders, such as reserves for debt, or funding for business expansion, or serving any needs during the market changes causing adverse impact to the company's cash flow in the future. Reference to the Articles of Association No. 34, each payout of the dividend is subject to the net profit of the company only. If the company retains loss, the dividend payment is prohibited. Upon approval by the Board of Directors, the annual dividend payout is to be presented to the shareholders' meeting for approval. However, the Board of Directors is authorized to pay an interim dividend and report such payout at the next shareholders' meeting. As a rule, the company shall pay the dividend within one (1) month after the date of shareholders' approval on the shareholders' meeting or the Board of Directors' meeting.

The company has paid dividends since 2004, which is the first year that the stock is traded on the stock market at a rate of 0.34 baht / share and is paid continuously every year.

Dividend payment information in the past year

Unit: Baht/share

Performance	Consolidated financial statements		Separate financial statements
	2021	2020*	2019
Profit (Loss) attributable to equity holders of the Company	0.11	0.11	0.08
Interim dividend payment	-	-	0.061
Annual Dividend	0.061**	0.061	-
The Dividend payment	0.061	0.061	0.061
Payout Ratio	69.85%	54.89%	81.02%

Note * Approved the change in the Company's dividend policy by the Board of Directors' Meeting No. 2/2021, which was held on February 23, 2021

** Dividend payout ratio which the Board of Directors considered and agreed to propose to the 20th Annual General Meeting of Shareholders on 22 April 2022 to consider and approve

- Subsidiary Company**

- The dividend payment policy of Sahacogen Green Co., Ltd. is based on the result of their operation.
- The dividend payment policy of Sahagreen Forest Co., Ltd. is to pay out at least 50% of its net profit according to the terms of the joint venture agreement.

2. Risk Management

2.1 Risk Management and Policies

The company has an adequate internal control system. Controlling methods have the balance between the control efficiency and operation agility. The risk management policy and the Corporate Governance and Risk Management Committee Charter have been set up. The Board of Directors, executives and employees have the contribution in evaluating, supporting and complying with the policy and risk management procedures. The Corporate Governance and Risk Management Committee is a group of the representatives in charge of conducting the actions to ensure the business operation is under the proper control.

The company's risk management policies can be listed as follow.

1. To keep the balance of risk and reward from business operation in order to ensure that the operational goals and stakeholders' expectation are achieved under accepted risk level
2. To set strategy in line with risk levels which the Board of Directors considers as acceptable
3. To support the risk management to become a part of organizational cultures, which is necessary to operate it effectively and efficiently by all executives and employees
4. To handle risks impacting on the company's objectives and strategy immediately and continually
5. To set risk management framework in accordance with the company anti-corruption policy

The Corporate Governance and Risk Management Committee is always aware of the fast-changing economic situations both local and international circumstances. The Committee always adopted an alert attitude with necessary preparations to implement changes in business sustainable strategies and business continuity plans to cope with any serious developments possibly affecting the company's operations. Therefore, the risk management and operational risk assessment working groups have been appointed to be representing to each business function in order to evaluate and identify risks possibly affecting the organization as well as subsidiaries and other projects in both internal and external risk factors. The working groups are responsible for set the risk management plan for risk factors higher than medium level which is the acceptable range based on the company's risk appetite. The groups must engage in regular follow-up on the implementation of such plans (BCP). At the same time, the groups also have the duties to present regular updates to the executive directors and the Board of Directors on the progress regarding set plans and implementation continually.

To encourage the risk awareness culture in the organization, the company's top executives and the Corporate Governance and Risk Management Committee had agreed to launch through meetings and interactive seminar. In 2020, there were trainings to promote the understanding of the international practice of risk management (COSO ERM) and the business continuity plan for the Board of Directors, company secretary, the members of the Corporate Governance and Risk Management Committee, management and employees. The engagement in terms of the risk management awareness was included into the performance evaluation for each individual staff and also set as KPI of the heads.

2.2 Risk Factors That Might Affect the Company's Operation

2.2.1 Risks That Might Affect The Company and Sahacogen Group's Business

1. Strategic and Operational Risk

1.1 Changes that may affect the company's business operations in the next 3-5 years (Emerging Risk)

Emerging risks are the newly arise issues with the high level of uncertainty. The likelihood and the impact are not easy to estimate. The company reviewed the organizational risks, economic risks, society and environment risks. The external issues might affect business operation include the government policy of Thailand smart grid system development, the power pool policy; and the change of technology of the energy storages.

Risk Management

- The company has the policy to invest with partners in solar rooftop business including energy storage.
- The company developed and installed Smart Meter system as a service for operators in Saha Group Industrial Park - Sriracha. This system will be the foundation for the future smart grid system.
- The company will extend the knowledge in biomass field into different areas by supporting bamboo plantation as the raw material of making Lamboo Char product.
- The company will build new power plants and improve the efficiency of the current power plants.
- The company together with partners setup the project to study the micro smart grid system management.
- The company has been closely monitoring the development in the industry.

1.2 Changes in the industry in which the company operates

Solar rooftops are very popular among household users and industrials. The popularity of the solar rooftops, as an alternative choice of electricity source, has negative impact to the company's income. However, the company has decided to jointly invest in Impact Solar Co., Ltd. The main business purpose is supplying electricity from solar rooftops to businesses in Saha Group Industrial Parks and others businesses. This company has the "Connection Code" with the solar rooftop customers similar to one designated by the PEA.

Risk Management

- The company has been continuously improving the business operation and cost control. The key performance indicators (KPIs) are used and monitored monthly.
- The company has been closely monitoring on the investment in renewable energy businesses based on the national power development plan (PDP)
- The company has been closely monitoring the development in the industry.

1.3 Changes in behavior or needs of customers / consumers

Climate change issue happening throughout the world leads to the greenhouse gas emission reduction trend by setting goal to have net zero emission. Many players in energy industry which some are the company's client, put more emphasis on using renewable energy. One of the examples of the change is adopting solar rooftop system for own use. This changing trend might affect the demand of the electricity generated from power plants. However, the renewable energy adoption trend can also be new opportunity to invest in different kinds of renewable energy business and selling the renewable energy certificate (REC). The company has been monitoring clients' electricity and steam usage. The meetings were regularly set to conduct the customer survey and monitoring clients' business change. Based on these actions, relationship with clients was well-established. The company considered the risk is low.

Risk Management

- The company set up operational procedure in accordance with clients contact and relationship management. The procedure compliance was monitored.
- The company expanded into new business which is selling renewable certificate (REC) to the clients focusing on using electricity produced from renewable sources.
- The company has been closely monitoring the development in the industry.

1.4 Changes in government policy and the enforcement of new laws or regulations

The company has set the monitoring procedure and policy to monitor the change in law and government policy. The company assigned specific representative to attend public hearing events and seminars regarding the change in new laws, rules and regulations. The impact assessment, details study and preparation help the company to be ready when the new regulations become effective. The risk is considered low.

Risk Management

- The company has set the monitoring procedure and policy to monitor the change in law. The monitoring has been always in action.
- The company has been closely monitoring the development in the industry.

1.5 Changes in policies or international agreements related to business operations

Currently, the company does not have an operation in other country. The company does not relate to any international policy or agreement. The company does not engage in the risk relate to the change in international policy of agreement.

Risk Management

- The company has set the monitoring procedure and policy to monitor the change in law. The monitoring has been always in action.
- The company has been closely monitoring the development in the industry.



1.6 Technological advancement

The Company has selected the most efficient production process to generate electricity and thermal energy in the form of steam, that is called cogeneration combined cycle. Moreover, the Aero Derivate, the gas turbine, has been chosen, which can be adjusted in the wide range on the production toward the demand of electricity of EGAT and the industrial factories that subject to change over the period. In addition, the Company has a good maintenance for stability operation in an effective manner. The risk is considered low.

The company has been monitoring the technology change and development in electricity and steam generation. All new power plant construction projects were conducted with adviser and experienced staff to choose the optimal technology.

Risk Management

- The company has been developing staff to keep up to the changes.
- The company hires experienced advisor.
- The company will be actively monitoring on news and business circumstances.

1.7 Changes in business operations of partners in the supply chain

The company has been closely monitoring clients' and suppliers' changes. The meetings were conduct with current clients to keep up to the changes. The company's products and services are not related to the fast-changing technology. Then, the company considered the risk is low.

Risk Management

- The company arranged trainings and seminars to promote the knowledge transfer.
- The company maintains relationship with clients and focuses on improving customer service quality.
- The company has been closely monitoring the development in the industry.

1.8 Reliance on major shareholders or affiliates of major shareholders or managements

The company has electric power generating contract (90 megawatts) with EGAT, the major shareholder of Ratch Group Public Company Limited. The contract accounts for 45.46 percent of the group company's total revenue.

The income generated from the industrial park in Sriracha was 41.53 percent of Sahacogen and affiliates consolidated total revenue. Such selling was operated under the Purchase Agreement between Sahacogen (Chonburi) Public Company Limited and Saha Pathana Inter-Holding Public Company Limited which is the major shareholder.

The risk of having the concentrated transactions via major shareholders deem low.

Risk Management

- The company has service and support department working as the customers' coordinators so that the company knows the feedbacks and be able to tackle with problems immediately.

- The company focuses on maintaining good relationship with customers and service improvement.
- The company strives for good quality of service and customers' satisfaction.
- The company conducts customers' satisfaction survey on regular basis.
- The company monitors the change in major shareholders.
- The company has been closely monitoring the development in the industry.

1.9 Risks of relying on major customer or having sales concentration on a few number of customers

Thailand electricity industry has only enhanced single buyer by having Electricity Generating Authority of Thailand (EGAT), Metropolitan Electricity Authority (MEA), and Provincial Electricity Authority (PEA) as the initial purchasers. All these entities will later on distribute the electricity to consumers. The operation is regulated by government office and Energy Regulatory Commission.

The company has electric power generating contract (90 megawatts) with EGAT, the major shareholder of Ratch Group Public Company Limited (Parent Company).

In addition, the company has risks to be reduced the amount purchased by Electricity Generating Authority of Thailand (EGAT) in case that the company cannot supply the full amount of electricity as contracted and cannot solve this problem within 18 months. The company has set the conditions in operating and maintenance contract with Operational Energy Group Company Limited (Operation, Maintenance and Power Plant Services Provider) to guarantee the capacity and the stability of the electricity supply to EGAT during peak hours. Consequently, the company ensures adequate reserves and able to provide electricity and steam supply to serve the demand growth of the customers.

The risk of relying on only or a few customers is considered low.

Risk Management

- The company has been monitoring the business and agreement completion. The operation and services have been always evaluated and improved. The risk of having contract termination from counterparties seems to be low.
- On November 26, 2021, the company signed the contract to supply electricity to Electricity Generating Authority of Thailand (EGAT), based on the invitation to small power producers with cogeneration system with the agreement ending between 2019-2025 to submit the offer for EGAT consideration. The condition required new power plant construction as stated on the invitation dated May 6, 2019.
- The power supply agreement with Saha Pathana Inter-Holding Public Company Limited was amended on May 15, 2019. The contract was extended to the year 2051.
- The company minimizes risk by having the continuous improvement on services.



- The company always looks up for new business opportunities.
- The company focuses on maintaining good relationship with business partners.
- The company strives for the customers' satisfaction on service.
- The company regularly has customer satisfaction survey for continuous service improvement.
- The company has been closely monitoring the development in the industry.

1.10 Reliance on large partners/distributors or few partners/distributors

The income generated from the industrial park in Sriracha was estimated to be 41.53% of Sahacogen and affiliates' consolidated income. Such selling was operated under the Purchase Agreement between Sahacogen (Chonburi) Public Company Limited and Saha Pathana Inter-Holding Public Company Limited which is its major shareholder. The risk of having the concentrated transactions via major vendors deem low

Risk Management

- The company has service and support department working as the customers' coordinators so that the company knows the feedbacks and be able to tackle with problems immediately.
- The company focuses on maintaining good relationship with customers and service improvement.
- The company strives for good quality of service and customers' satisfaction.
- The company has customers' satisfaction survey on regular basis.
- The company monitors the change in major shareholders.
- The company has been closely monitoring the development in the industry.

1.11 Damage to company image and reputation

The company has local community engagement management plan. The company appointed a set of committees responsible for social responsibility, corporate image enhancement, monitoring the reputation-related news. The operation is run by allowing the engagement from local community. The production is conduct with the concern to society and environment. The company had good relationships will local community. There was no negative feedback that might affect the company's reputation. The risk is considered low.

Risk Management

- The company operates under good corporate governance framework, with responsibility to society, partners and employees.
- The operation runs with effectiveness and efficiency. The company focuses on safety, health and environment.
- The company set up social responsibility unit which is responsible for promoting organization corporate image and co-operating with local community. The communication helps the company understand and detect problems and timely deal with issues.

- The company maintains good relationship with stakeholders.
- The company has been closely monitoring the development in the industry.

2. Operational Risk

2.1 Loss of employees in key positions

The succession plan has been developed to ensure the business continuity. The succession plan is a proactive plan that keeps the organization ready to occupy the “key position” immediately. The plan is the defined actions based on the forecast the relevant situations such as retirement, or uncontrolled emergency issues. The selected employees will be built internally based on the skills and capabilities. If there is no suitable candidate then the organization will recruit from outside. The process of succession plan is defined in the succession plan. The details can be found in Annual Report (Form 56-1 One Report) topic “Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others”, sub-topic “Human Capital Development”.

Risk Management

- The company has Succession Plan
- The company has Individual Career Development Plan: ICDP
- The company continuously develops human capital in business and operational expertise.
- The company reviews benefit structure to be suitable with the current economic situation.
- The company has been closely monitoring the development in the industry.

2.2 Shortage of skilled workers

Sahacogen and affiliates run business producing mainly electricity and steam, which is not necessary to require large number of labors. However, some specialists are also needed. The company has approaches to manage and develop human resources effectively; therefore, lack of laborer is considered as low level of risk. The details can be found in Annual Report (Form 56-1 One Report) topic “Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others”, sub-topic “Human Capital Development”.

Risk Management

- The company has fair employees’ benefit and compensation.
- The company has a competency-based development plan for employees.
- The company provides fundamental training courses called “the training roadmap: TRM”
- The company has knowledge sharing projects.
- The company has succession plan and manual for execution.

- The company reviews benefit structure to be suitable with the current economic situation.
- The company has been closely monitoring the development in the industry.

2.3 Risk of the Scarcity of Fuel to be Used in Electricity Generating Process

2.3.1 Risk of the Scarcity of Fuel

The scarcity of fuel in the production process, could lead to the operation halt. The company might encounter with revenue loss and a fine or compensation for damage. These raw materials deficient situation could take place after the rising in demand and the fluctuation in price. Sahacogen and affiliates have implemented the methods to prevent and reduce the scarcity risk.

Sriracha power plant uses natural gas as the fuel in electricity and steam generating process. The company has signed a long-term contract to purchase natural gas from the PTT Public Company Limited for 21 years with 4 years extendable. Presently. In July 2019, the company amended the natural gas purchase agreement with PTT Public Company Limited. The contract duration was changed to 25 years which will be due in March 2024.

On December 19, 2021, the company has signed the new natural gas purchase agreement with PTT Public Company Limited for 25 years starting from April 2024. The new contract, expiring in April 2049, was made to support the new power plant construction project and replace the current contract.

Risk Management

- The company has been strictly complying with conditions in the agreement.
- The company focuses on maintaining good relationship with business partners.
- The company will be actively monitoring on news and business circumstances.

Lamphun power plant uses biomass as the fuel in electricity and steam generating process. Since biomass is the by-product from agricultural activities, its quantity and price are varying based on the agricultural industry. The company has managed by planting fast growing plants throughout the region and also has the research center to study about fast-growing plants in Muang, Lamphun for energy purpose to ensure the company will be sustainable. Moreover, the company has many biomass procurement centers to purchase biomass from farmers. The center also manages the reserve level by monthly monitoring to ensure business continuity.

Risk Management

- The company has business improvement, cost control and monthly process evaluation based on KPI.
- The company focuses on maintaining good relationship with partners.

- The company will actively monitor biomass market.
- The company will study on the alternative biomass.
- The company will be actively monitoring on news and business circumstances.

Kamphaengphet power plant uses biomass as the fuel in electricity and steam generating process. Since biomass is the by-product from agricultural activities, its quantity and price are varying based on the agricultural industry also. The company has signed a long-term contract to purchase biomass from Siam Forestry Company Limited, which is the twenty-five percent shareholder in the company' subsidiary and organizes monthly meeting with such joint venture partner for monitoring and business planning. The company also manages the reserve level of fuel to ensure business continuity.

Risk Management

- The company has business improvement, cost control and monthly process evaluation based on KPI.
- The company will strictly comply with conditions stated on joint-investment agreements.
- The company will strictly comply with conditions stated selling or purchasing agreements.
- The company focuses on maintaining good relationship with partners.
- The company will actively monitor biomass market.
- The company will study on the alternative biomass.
- The company will be actively monitoring on news and business circumstances.

2.3.2 Risk of the Scarcity of Raw Water as the Raw Material in Generating Electricity

Raw water is key material for producing electricity and steam. The scarcity of raw water could lead to the operation halt. The risk of raw water scarcity is based on changes in seasonality. The rainfall in 2021 increased from the previous year. Sahacogen and its affiliates have policies managing the raw water resources to ensure the sufficient level by adjusting the reserve water level, which can be described as following;

Sriracha power plant has a 25-year contract to secure the raw water supply from the Eastern Water Resources Development and Management Public Company Limited. In June 2020, the Company amended the raw water supply contract period to be 10 years ending in June 2030 and automatically extend in every 5 years in accordant with the power purchase agreement with Electricity Generating Authority of Thailand. Furthermore, the company also has another source of raw water which is the water reservoir located in the area of Saha Group Industrial Park, Sriracha, Chonburi and 2,000 cubic meters retention pond within the power plant.



Lamphun power plant has a long contract for the plant's useful life for raw water supply with Saha Pathana Inter-Holding Public Company Limited, which is its major shareholder. Then, risks of termination of contract are deemed low.

Kamphaengphet power plant has big raw water reservoir and has granted to use water from Kamphaengphet irrigation Project.

Risk Management

- The company focuses on maintaining good relationship with partners.
- The company promote the awareness of water usage reduction and re-cycling used water.
- The company has been strictly complying with conditions in the agreement.
- The company has RO Rejected Water Recycle project. The project brings RO Rejected water back into the production process. The company can reduce raw water and waste water by 12,600 cubic meters per month. Consequently, raw water cost and waste water management cost can be reduced.
- The company will be actively monitoring on news and business circumstances.

The current operation under this water management scheme and plan to use water most efficiently has proven no water scarcity problem in the previous year.

2.3.3 Risks of Raw Materials subordinate to Product Price Volatility of the World Market

Sahacongen (Chonburi) Public Company Limited runs business producing electricity and steam and main fuel is natural gas which is considered as cost approximately 64.02% of total cost. Natural gas price and exchange rate are referenced to volatility of the World Market. However, energy payment in the Electricity Purchase Agreement with Electricity Generating Authority of Thailand (EGAT) is calculated from energy payment which is variable to actual cost of natural gas. This makes the company receive compensation from the impact of natural gas price volatility for the said agreement with EGAT's case. Regarding to energy payment received from Saha Pathana Inter-Holding Public Company Limited, the payment rate is subject to the energy payment of Provincial Electricity Authority (PEA), which will be possibly changed every 4 months in line with fuel cost named Fuel adjustment charge (FT). If the increase rate of FT does not align with the volatility of natural gas price, the company's performance will be impacted a little in case of electricity sale in factories only. The risk is considered low.

Risk Management

- The company manages engine usage to increase efficiency and reduce cost.
- The company will strictly comply with conditions stated selling or purchasing agreements.
- The company will be actively monitoring on news and business circumstances.

2.4 Operational Failures or Lack of Standard Control

Sahacogen and Affiliates has qualified internal control system. The company has set internal control policy and procedure by having operation manual used by operational heads, using modern computer system, using Enterprise Resources Planning (ERP) system. The company has Corporate Governance and Risk Management Department, Compliance Unit, Social Responsibility Unit help in monitoring and reporting findings regularly. The company has operational efficiency development, annual budgeting and planning, performance evaluation using key performance indices (KPIs). The operating results were reported monthly in the company meeting by comparing to the past performance and set budget. The reports were summarized to the management review meeting twice a year.

Sahacogen and Affiliates has been strictly complying to the procedure. The risk is considered low. The evaluation on Corporate Governance of Listed Companies, was rate as “Excellent” “sustainable stocks” Sustainability evaluation and certificate of management system were shown in Annual Report (Form 56-1 One Report) topic “Part 2: Corporate Governance”, sub-topic “6.3.3 Other Actions Regarding Good Corporate Governance, Human Capital Development Policy and have passed the global standard in management system.”

2.5 Human Errors

Sahacogen and Affiliates has qualified internal control system. The company has set internal control policy and procedure by having operation manual, operation guideline and procedure that requires staff to strictly follow. The daily report and monthly report must be submitted to operational heads for review. The risk is considered low.

Risk Management

- The company recruits experienced and qualified staff that fit to the needed qualification in each position.
- The operational heads are responsible for strictly monitoring subordinates’ operation.
- The company provides on-the-job trainings based on position, assigned tasks and promotes coaching culture.
- The company has Knowledge Management Sharing system by providing key information related to the operation in shared database.
- The company promotes “Share & Show” channel as knowledge database that all employees can access through Alfresco program.
- The company will be actively monitoring on news and business circumstances.

2.6 Product Obsolescence

Sahacogen and Affiliates operates as an electricity and steam generator. The transmission made through electricity and steam distribution system based on demand of EGAT and industrial factories. By producing and transmitting the electricity and steam, the company will not have obsolete products from storage process. Biomass business of the subsidiary has storage warehouses and manage the inventory by first-in-first-out system. The risk is considered low.

Risk Management

- The company has the procurement plan that is synchronized with the production plan. The monitoring will be conducted once a month.
- The company has set the monthly schedule to monitor the biomass quality.
- The company quarterly evaluates suppliers' qualification.
- The company will be actively monitoring on news and business circumstances.

2.7 Information Security and Cyber Attack

The Act is now effective to protect the violation by using computers, computer systems, undesired programs to create the cyber threats to computer systems, computer data, other data, communication systems, internet, telecommunication networks, satellites, and/or similar network system. The main focus includes prevention, handling and minimize risk from cyber threat both internal and external the organization.

Risk Management

- The company announced the policy of information technology safety. The company assigned a working team and provided trainings on policy and the Cybersecurity Act B.E. 2562 (2019). The communication about computer usage and intranet to raise awareness about the Cybersecurity Act among employees.
- The company installed Deep Discovery Inspector program to detect the high level malwares. The software is the specific detection application with the ability to manually analyze Sandbox system and to detect the system violation. The software works with Trend Micro Antivirus Endpoint and Trend Micro Deep Security.
- The company installed WAF system to protect web applications installed over web servers from the cyber-attack. The company also logged the usage data both intranet site and the open-source websites.
- The company appointed Dharmniti Internal Audit Co., Ltd. as the independent internal auditor. The auditor planned the annual review over the company' information system regarding to the Cybersecurity Act. B.E 2562 (2019). The result of the inspection was reported to the audit committee with the good level. The external auditor, EY, reviewed the control over the information system including access control, data backup, and data retrieval. The result showed the risk level was low.
- The company will be actively monitoring on news and business circumstances.

2.8 Loss or Damage from Non-Compliance of Counterparties

The company has counterparties pre-evaluation before signing contracts. The company monitors through reports, monthly meeting, and annual counterparties' performance evaluation. If there are detected problems, the meeting will be conducted with related parties to seek for conclusion. The risk of having negative impact from counterparties default is considered low. The details are shown in Annual Report (Form 56-1 One Report) topic "Note to Consolidated Financial Statements No. 33.2: Objectives and Financial Risk Management Policy, Credit Risk and Account Receivables".

Risk Management

- The company has counterparties pre-evaluation before signing contracts.
- The company has been strictly complying with conditions in the agreement.
- In the case of failing to comply with any condition in agreements, the company will urgently contact the counterparties to seek for problems prevention and possible solutions.
- The company focuses on core business operation to ensure the strong financial status and credibility to debtors.
- The company focuses on relationship management to create mutual understanding with counterparties. The knowledge transfer and co-development were promoted to strive for product and service value creation and mutual growth.
- The company will be actively monitoring on news and business circumstances.

2.9 The Future Projects Delay

The company is constructing the expansion of Sahacogen cogenerating power plant phase 4 (SPP Replacement). The expansion is due to the long-term selling contract with EGAT. This selling contract will be the replacement of the current contract that will be expired in April 2024. The company has appointed a group of committee and technical advisor to oversee the construction plan. The company's contractor selection process was conducted to seek for experienced counterparty with the past performance with the company. The risk of delay is considered low.

Risk Management

- The company has been strictly complying with conditions in the agreement.
- The company has appointed a group of committee and technical advisor to oversee the construction plan and project risk management.
- The company will be actively monitoring on news and business circumstances.

2.10 Delays in the Non-Operating Projects

Sahacogen and Affiliates does not have any project that is not yet generating commercial revenue.

2.11 Rental Risks

Sahacogen (Chonburi) Public Company Limited has a land rental agreement with Sinparadorn Company Limited owned by Saha Pathana Inter-Holding Public Company Limited, the company's major shareholder. Therefore, the risk of having the rental agreement terminated is low.

Risk Management

- The company has been strictly complying with conditions in the agreement.

2.12 Risk in Safety, Health, Environment and Society Issues

Sahacogen and affiliates give precedence to the compliance with laws and regulations relating to effects on environment and safety standards. We have a certain unit that keeps track to any change in laws, rules and regulations so that the company will have prompt response with such changes. This unit is responsible for analysis and also managing relationship with local communities.

Sahacogen and affiliates realize that electricity and steam generating business has the risk in terms of health, environment and society issues which could affect the safety and living standard of staff and local residents in the nearby area of the plants using natural gas and biomass as the fuel. The managements set a list of policy to prevent negative effects and reduce the risks as follow;

Risk Management

- Occupational health and safety management system (ISO 45001:2018)
- Adopting Sahacogen and affiliates's policy regarding to social responsibility.
- Adopting Sahacogen and affiliates's policy regarding to the responsibility of environment, safety and energy conservation.
- Adopting process from the group's manual regarding to environment, safety and health as a working guideline and to monitor the process of implementation. In addition.
- Adopting the process manual, providing training sessions, practices, creating emergency plan, testing tools and warning system; and strictly comply with the operating manual.
- The company will be actively monitoring on news and business circumstances.

2.13 Climate Change and Natural Disaster

The climate change and natural disaster problem from global warming issue have been becoming more serious lately. Climate changes leads to both direct risks; i.e. natural disaster and drought; and indirect risks; i.e. change in tightened rules, regulations and standards, consumers' behavior, technology and etc. Sahacogen Group foresees on the potential issues and focuses on mitigation by promoting greenhouse gas emission reduction and renewable energy development and investment. These actions are inline with global trend dealing with global warming issuer.

Risk Management

- The company appointed a working group to manage greenhouse gas emission reduction.
- The company report the operation regarding greenhouse gas management to the Social Responsibility Committee.
- The company will be actively monitoring on news and business circumstances.

2.14 Environmental Effect

Sahacogen and Affiliates focuses on the strictly compliance with environmental laws and regulations. The company appointed a unit responsible for monitoring, analyzing impact and following the revision of environmental laws. The environment impact evaluation is generally conducted to designed contingency plan. The company also have good relationship management with local communities.

Sahacogen and Affiliates realized the electricity and steam production process that uses natural gas and biomass could cause environmental and social impact. The reason could come from low efficiency and bad management. The company's management has set the preventing procedure to mitigate risk and negative impact by putting factors based on community's survey into the plan.

Risk Management

- The company conducts the business with compliance to laws, regulations, environment safety and energy saving policy, social responsibility policy. The company also takes into consideration about impacts to natural resources and environment. The operating result has been monitoring as stated in environmental management standard (ISO14001:2015).
- The company uses the most efficient production method by choosing co-generating heat power production in producing electricity and steam.
- The company builds up organizational culture and employees' environmental concern. The company encourages cooperation for the efficient and sustainable management of the environment and resources.
- The inlet air chilling system is used to decrease the temperature of air sucked into the production process to give the best yield of production.
- The RO rejected water recycle system allows the production process to reverse the water back into the production process.
- The company supports knowledge sharing and trainings about environment.
- The company has environmental management system by sustainable resources usage, treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
- There is a system for selection of trade partners in the value chain who undertake businesses in an environment friendly manner.
- The company submits reports of the impact mitigation and monitoring reports to related government offices.
- The company will be actively monitoring on news and business circumstances.



2.15 Impact from Population Structural Change

Sahacogen and Affiliates realizes the electricity and steam production are essential to manufacturing production and consumption which are relatively changed with population change. The company's major revenue comes from activities in the country. Thailand has been developing into aging society by having lower birth rate. The company, then, set the business strategy to seek for new business partner. After major shareholders change, the company has set the policy to expand into small power plants in both domestic and countries in Southeast Asia. The investment will be subjected to the company's financial structure and long-term capability. The company also opens to other related businesses development.

Risk Management

- The company will expand into small power plants in both domestic and countries in Southeast Asia.
- The company will expand into other related businesses.
- The company will be actively monitoring on news and business circumstances.

2.16 Human Rights

The company has evaluated the risk of human rights in Sahagogen group to identify, prevent and minimize the risk to the company's operation. Based on the risk evaluation in terms of workforce and human rights, the company has the standard and fair treatment in recruitment process. The recruitment includes testing and interview to consider the fit to the position. The company has fair treatment in the recruitment. The difference in genders, religions, political views or other irrelevant issues will not be taken into the consideration. The internal qualified applications will be the priority to be considered. When there is no satisfied internal candidate, the external recruitment process will be preceded. The information is also shown in Annual Report (Form 56-1 One Report) under the topic "Human Rights Violation"

Risk Management

1. Sahacogen and Affiliates focuses on the human rights respect, the fair treatment for workforces and sets the policies as follow;
 - Avoid actions or supportive actions that would be the violation of human rights.
 - Avoid the limitation of freedom of thinking, the differences in genders, nationalities, religions, political views and the opinion giving that might cause the conflicts.
 - Provide the communication channels to facilitate the employees who encounter unfair treatment and properly management the petitions.
 - Set the minimum age of 20 years for the employees and contractors, avoid the child laboring, forced employment and gender exclusion.

2. The company provides information and trainings to new hired employees prior to the work. The trainings about the safety, environment, energy, goals, policies and company's rules and conduct are regularly provided to contractors.
3. The company has set up the Workplace Welfare committee to allow the employee to involve in setting up the welfare and benefits guideline

2.17 Corruption

The information is shown in Annual Report (Form 56-1 One Report) under the topic "2. Risk Management: 3.4 Corporate Governance"

3. Compliance Risk

3.1 Risk in Complying with Changing Government Policy, Rules, Regulations and Relating Laws

Currently, Rules, Regulations and Laws relating the power plant operation have become more rigid. Breaking the rules would cause the negative effects and bad reputation. Sahacogen and affiliates emphasize on abiding by the rules, regulation and all relating laws governing power

plant operators. Furthermore, the group also places an important on other regulations protecting health of employees. The company always has prompted response to the newly enacted laws and rules amendment.

Risk Management

- Sahacogen and affiliates closely monitor on the newly law legislation that would affect the business. The shared database of rules, regulations and laws is setup. The internal communication is regularly communicated to promote understanding and compliance.
- The company cooperates with governmental institutes in attending conferences and seminars to provide information and check updates closely.
- The company will be actively monitoring on news and business circumstances.

3.2 Outdated Laws and Regulations

The company has set the monitoring procedure and assigns specific unit to update changes in business-related laws. The related laws list was created. The compliance monitoring has been regularly conducted.

Risk Management

- Sahacogen and affiliates closely monitor on the newly law legislation that would affect the business. The shared database of rules, regulations and laws is setup. The internal communication is regularly communicated to promote understanding and compliance.
- The company cooperates with governmental institutes in attending conferences and seminars to provide information and check updates closely.
- The company will be actively monitoring on news and business circumstances.



3.3 Violations of Laws and Regulations

The company has been monitoring the operation and compliance by operational unit, Risk Management Committee, and Compliance Department. The compliance report has been regularly presented to management.

Risk Management

- Sahacogen and affiliates closely monitor on the newly law legislation that would affect the business. The shared database of rules, regulations and laws is setup. The internal communication is regularly communicated to promote understanding and compliance.
- The company cooperates with governmental institutes in attending conferences and seminars to provide information and check updates closely.
- The company will be actively monitoring on news and business circumstances.

3.4 Corporate Governance

1. Good Corporate Governance

The company realizes the benefit of good corporate governance. The company promotes the awareness to directors, management and employees. The company has policy based on 8 practices of good corporate governance, business ethics, code of conduct for directors, management and employees, charters for each sub-committee. The company expects the compliance with laws, rules and regulation. The violation will lead to penalty as stated by laws or work rules section 8 "Discipline and Disciplinary action.

The company's evaluation result regarding Corporate Governance of Thai Listed Companies (CGR) conducted by Thai Institute of Directors was announced as "Excellent". The company's shareholders annual general meeting has been evaluated by Thai Investors Association (TIA) at 100 full score for several consecutive years.

The company's internal auditor, Dharmniti Internal Audit Company Limited, has set annual audit plan in accordance with corporate governance. The report was presented to the Audit Committee. The result was satisfied. The details show in Annual Report (Form 56-1 One Report) under the topic "Number 9 Internal Control and Related Parties Transactions, 9.1 Internal Control".

2. Corruption Risk

The company has well-formed internal control system, righteous code of conducts and business ethics, and the Audit Committee has assigned Dharmniti Internal Audit Company Limited to define such annual audit plan. Moreover, the company received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on October 14, 2016. Later on, the company also received the CAC certification for the second time on October 18, 2019. The subsidiary companies, Sahacogen Green Co., Ltd. and Sahagreen Forest Co., Ltd.

received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for the second time on December 31, 2020. In 2022, Sahacogen (Chonburi) Public Co., Ltd. has a plan to renew the certification of the Thai Private Sector Collective Action Against Corruption for the third time. The certification will be expired on October 18, 2022.

Risk Management

- The company has the annual internal control monitoring plan and risk assessment on corruption based on CAC guideline.
- The company has the monitoring system and report findings to the Corporate Governance and Risk Management Committee.
- The company provides the training, testing sessions for employees on regular basis.
- The provides Complaint contact channel opened for clues report and ensures ones providing information will be protected from any harm. The company assigned staff to investigate on every clue that was reported.
- The company has annual schedule to review business direction and mitigate corruption risk.
- The company joins the activities with government and private sector.
- The company will be actively monitoring on news and business circumstances.

The information is also shown in Annual Report (Form 56-1 One Report) under the topic under the topic "Corporate Governance: 4. Anti-Corruption"

4. Financial Risk

4.1 The Lack of Sufficient Capital

Sahacogen and Affiliates received working capital and term loan facilities from financial institutions. The facilities are considered sufficient for company's operation. The company also has available short-term credit line. The details showed in Annual Report (Form 56-1 One Report) under the topic "Note to Consolidated Financial Statements No. 15 Short-term Loan from Financial Institutions and No. 17 Long-term Loan".

To strengthen company's financial status and support the expansion of power plant business both local and international, the Meeting approved the convening of the Extraordinary General Meeting of Shareholders No. 1/2021 on December 7, 2021 for consideration and approval of the increase of the registered capital of the Company in the amount of THB 208,695,652 from the existing registered capital of THB 955,000,000 to THB 1,163,695,652 by issuing 208,695,652 newly issued ordinary shares at a par value of THB 1.00 per share to be offered to a private placement investor at a definitive offering price. under a private placement with a definitive offering price scheme, at an offering price of THB 5.75 with a total value not exceeding THB 1,199,999,999.

Risk Management

- The company focuses on maintaining good relationship with Financial Institutions
- The company has been strictly complying with conditions in the agreement.
- The company has been closely monitoring the business operating result.
- The company seeks for new business partners with business and financial capabilities.
- The company will be actively monitoring on news and business circumstances.

4.2 Changes in Financial Institutions' Financial and Investment Policy That Might Affect the Company's Operation

The company has strong financial status and debt repayment ability. The major part of company's debt is long-term loan with specific conditions the company needs to comply. The risk is considered low.

Risk Management

- The company maintains suitable financial structure.
- The company focuses on maintaining good relationship with Financial Institutions
- The company has been strictly complying with conditions in the agreement.
- The company will be actively monitoring on news and business circumstances.

4.3 Repayment Default or Product Exchange

Debtors

Sahacogen and affiliates operates as an electricity and steam generator. The transmission made through electricity and steam distribution system based on demand of EGAT and industrial factories. By producing and transmitting the electricity and steam, the is no exchange activity. The counter parties are required to comply with conditions in the agreement which clear payment schedule.

Creditors

The company complies with conditions required by creditors. The procedure in accounting and finance specified payment via banking transfer. The company provides Media Clearing system to facilitate creditor in money transfer transaction.

Risk Management

- The company runs the business with the determination to develop products, services and innovation to add value creation and to serve customers' needs. The company transparently provided important information needed for decision making.
- Contracts and terms will be strictly adhered to.
- The Company adheres to trade agreements and makes proper data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.

- Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.
- The company focuses on core business operation to ensure the strong financial status and repayment ability.
- The company will be actively monitoring on news and business circumstances.

4.4 Exchange Rate, Interest Rate and Inflation Volatility

4.4.1 Exchange Rate Risk

Changes in exchange rate between Thai Baht and U.S. Dollar could affect company's revenue. Since revenue from Electricity Generating Authority of Thailand (EGAT) is charged in U.S. Dollar. The electricity capacity payment is 80 percent relies on U.S. Dollar currency. Every one Baht change in exchange rate will has approximately 0.2 percent effect on the company's revenue to be showed in company's financial statement which is considered low impact

The Company has agreements to hire for designing and supplying equipment in the project to construct the co-generating power plant phase 4 (SPP Replacement). The contract was made in international currency.

Risk Management

- The company has considered to buy the forward exchange contracts in order to protect the company from risk of fluctuation of foreign exchange rate.
- The company has cross currency swap for interest of the loan in other currency. The conditions to cross swap interest are in line with loan conditions.
- The company will be actively monitoring on news and business circumstances.

4.4.2 Interest Rate Risk

The company has low interest rate risk of long-term borrowings due to the fact that the company has converted the majority of loan to fixed rate.

Risk Management

- The company has been strictly complying with conditions in the agreement.
- The company has interest rate swap contracts in purpose of exchanging between the floating and fixed interest rate.
- The company will be actively monitoring on news and business circumstances.

4.4.3 Inflation Rate

The company's products price structure composes of electricity and steam. The products have no direct impact from inflation. Raw materials cost and operational cost may partly be affected from inflation. The risk transfer can be made

through pricing formula calculation and steam selling price adjustment. The company also deal with inflation by increasing production management efficiency.

Risk Management

- The company transfers risk to electricity and steam pricing.
- The company reduces production and administration cost.
- The company reduces production loss.
- The company enhances production efficiency.
- The company will be actively monitoring on news and business circumstances.

4.5 Investment Return Volatility

The company has asset management function to construct key financial ration, analyze and monitor the company's operating result and investment. The ratio representing the efficiency of asset return (Return of Assets: ROA) shows the company has good returns on regular basis.

Risk Management

- The company regularly evaluates and monitors assets promptness.
- The company regularly monitors operating result of the invested companies.
- The company evaluates the possibility to create the return maximization from the assets.
- The company will be actively monitoring on news and business circumstances.

4.6 Unhedged-international Loan

Sahacogen and affiliate does not have international loan.

2.2.2 The Risk to Shareholders

Sahacogen and affiliate evaluated and analyze the situation might affect the business continuity. The incident that might cause the company to be unable to pay the return to shareholders or losing the whole amount of investment was not detect.

Risk Management

- The company evaluated risk factors and proceeded the business risk management as well as the business continuity plan.
- The company has been closely monitoring the risk factors that might affect the company.

2.2.3 The Risk of Investing in International Securities

-None -

3. Driving Business Value through Sustainability

3.1 Sustainable Development Policy and Goals

Corporate Social Responsibility Policy

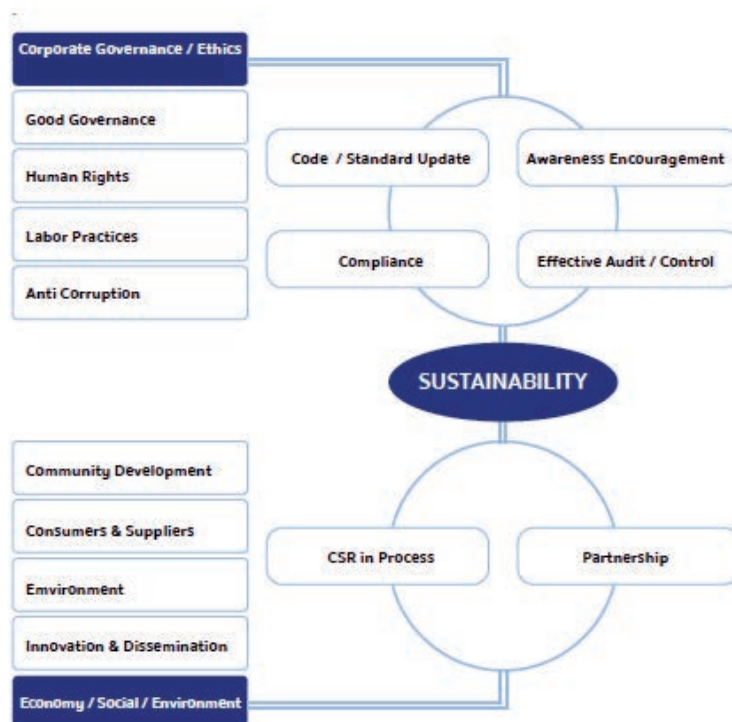
1. **Good Governance:** Sahacogen does business in accordance with the good corporate governance principles, ethics, moral, social benefits and stakeholders' fair treatment. The company also focuses on increasing its values and supporting the company sustainable growth.
2. **Anti-Corruption:** Transparency, integrity and justice are the essence of Sahacogen's business operation. Illegal and immoral practices are not acceptable.
3. **Human Rights:** Sahacogen supports the human rights protection. All stakeholders and other people will be equally treated regardless of gender, skin color, race, religion, personal belief.
4. **Labor Practices:** Sahacogen provides fair employee benefits and welfares according to the labor laws and occupational health and safety management principles.
5. **Consumers and Suppliers:** Sahacogen is continually developing the operational system to efficiently deliver good quality products and services to customers. We treat our suppliers with fair trades. Moreover, we are focusing on building long term relationships with customers and suppliers.
6. **Environment:** Sahacogen promotes the resources management for sustainability. We ensure the compliance in environmental friendly procedures to reduce the risk and negative effects from our operation. We also help to preserve the local ecology systems and communities' environment to be sustainable.
7. **Community Involvement and Development:** Sahacogen supports the local development in terms of education, economy and living quality. We encourage our staff to regularly participate in public benefit and local traditional activities.
8. **Innovation and Dissemination:** Sahacogen gives collaborative supports to local communities and local educational institutions to conduct studies in raw material productivity improvement, using by-products in creating new inventions, and also practically promote such ideas and practices to the local communities

The Social Responsibility for Sustainability Development

The company social responsibility policy has 2 groups of action.

1. The compliance and business ethics compose of the corporate governance, human rights, labor force fair treatment, and anti-corruption. The strategies are system development, growth mindset development and monitoring.
2. The sustainability in economic, social and environmental aspects compose of social development, business ethics, environment and energy saving, innovation dissemination. There are 2 strategies for implementation

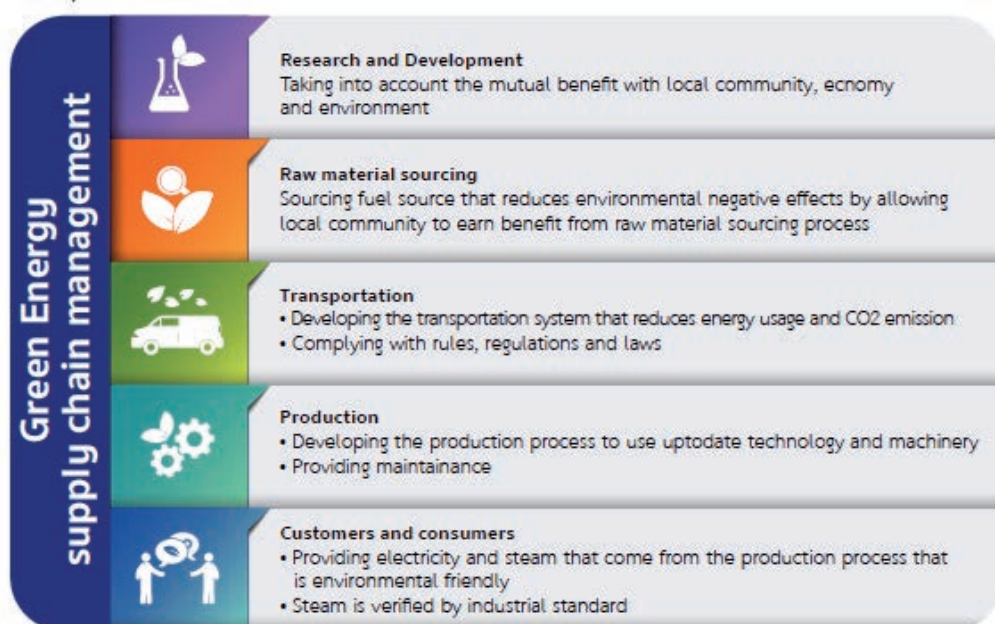




3.2 Stakeholders Impact and Value Chain Management

3.2.1 Business Value Chain

The power and steam production process is managed under “Green Energy” theme. The social responsibility and mutual benefit are the core ideas embedded in all steps along the value chain starting from research and development, production and delivery.



3.2.2 Stakeholder Evaluation

SAHACOGEN & AFFILIATES have realized on the accountability and the right of the stakeholders in various groups, both externally and internally, including government sectors, related offices throughout the responsibilities to social, community and environment. The company also concerns on business growth, mutual benefits which lead to sustainable growth. The code of business ethics has been defined to be confident that all stakeholders will be treated equally and fairly. In case of disadvantage, the company and stakeholder parties shall find the solutions appropriately and beneficially to all parties. The company has provided communication channels for stakeholders' mutual publication and communication in order to receive requirements and expectations of the stakeholders and response them immediately, which can be described

The company discloses information in Sustainability Report under topic "Stakeholder Engagement"

3.3 Sustainability Development in terms of Environment

3.3.1 Environmental Management Policy

Sahacogen & Affiliates have defined environmental objectives committed to continual develop the environmental management system to ensure the effectiveness and meet the international standards, as well as running business with environmental and social responsibility. Establishing policies for quality, environment, safety and energy conservation to strive for providing stable and high-quality power it is also responsible for environmental protection, pollution prevention, occupational health and safety. Energy conservation and management including management to reduce greenhouse gas problems the guidelines. The company disclose in formation about this issue on website www.sahacogen.com under topic "Corporate Governance: Policy" and the Annual Report (Form 56-1 One Report) under topic "Sustainability Development: No. 3.1 Sustainability Development Goal and Sustainable Management".

3.3.2 Environmental Management

1. Water Management

Sahacogen & Affiliates have defined environmental objectives committed to continual develop the environmental management system to ensure the effectiveness and meet the international standard, as well as running business with environmental and social responsibility. Establishing policies for quality, environment, safety and energy conservation to strive for providing stable and high quality power it is also responsible for environmental protection, pollution prevention, occupational health and safety. Energy conservation and management including management to reduce greenhouse gas problems the guidelines. The company discloses information in Sustainability Report under topic "Environmental Management : Water Management"

2. Air Emission Management

Strictly implement air pollution management measures as follows:

- The emission monitoring system is installed at the stacks of the power plant for measuring the amount of TSP, SO₂, and NO₂ emitted to the atmosphere. The results indicated that the amounts of those pollutants are within the legal limits.



- Installed the emission monitoring system in the communities' area nearby the power plant, composing environmental monitoring reports in every 6 months for the related sectors and public to ensure that the air qualities are according to the standards and regulations.
- The Electrostatic Precipitators (ESP) with 99.5% of particulate-collecting efficiency was installed at the biomass power plant of Sahacogen Green and Sahagreen Forest to prevent the dust pollutions. This makes the quality of the air emitted from the power plant's stacks will be according to the standards and regulations, as well as safety and environmental friendly

The company discloses information in Sustainability Report under topic "Environmental Management : Air Emission Management"

3. Noise Pollution Management

- Appropriate design and install the machines and equipment that may cause the noise pollution including e planning inspection and preventive maintenance. Plant bushy trees surrounding the power plant as green belt for buffering sound and wind that help to control noise level within the standards and regulations.
- Designate 3 check-points for measuring the noise level; the sources of noise in the power plant, the control room of the power plant and the boundaries of the power plant. The noises are controlled within the standards and regulations, with routine measuring the noise level in every 3 months
- Provide ear muffs for employees to wear when working in areas with noise level exceeding 80 Decibels. Employees are required to wear the ear muffs when working in that areas which warning signs were installed to remind them of this regulation.

The company discloses information in Sustainability Report under topic "Environmental Management : Noise Pollution Management"

4. Waste Management

Sahacogen is dedicated to manage wastes according to the legal standards and the policies of each power plant. Wastes are divided into two categories: hazardous waste and non-hazardous waste. The company's waste management practices are as followings:

- Hazardous wastes are those that can be harmful to an environment, such as transformer oil, lubricants and chemical containers. These wastes are disposed according to the approved procedures to the agencies authorized by the Department of Industrial Works
- Non-hazardous wastes are general wastes such as leftovers, wood, paper, wires, plastic bags, and construction materials. These wastes are classified before disposing to bury according to the standards and regulations or appropriately recycling. The waste bank project was established to purchase recyclable wastes from employees in order to foster employees to utilize resources effectively.

Moreover, biomass ashes from combustion process of the biomass power plant of Sahacogen Green and Sahagreen Forest are utilized for agricultural benefits and brick production. These resources are distributed to communities as part of the company's CSR campaign, adding value to non-hazardous wastes for optimal utilization.

The company discloses information in Sustainability Report under topic "Environmental Management : 4. Waste Management"

5. Reduction of Green House Gas Emission

As the commitment of Sahacogen & Affiliates, the business operations must be harmonized with environmental conservation awareness as “Environmental & Social Benefits”. The goal is reducing green house gas emissions from power generating process, fast-growing trees for energy project, plantation activities, alternative energy development and other helpful practices to reduce the greenhouse gas emissions.

The company discloses information in Sustainability Report under topic “Reduction Of Green House Gas Emission”

3.4 Social Sustainability Management

3.4.1 Company’s Policy about Social Practices

The company supports that directors, managements and employees focus on responsible and fair treatment to stakeholders. The actions must be complied with laws and good corporate governance practice. The company has business ethics and code of conduct as principles for directors, management and employees. The information is disclosed in the Annual Report (Form 56-1 One Report) under topic “6. Corporate Governance Policy No. 6.2 Business Ethics”.

3.4.2 Company’s Actions in terms of Social Development

The Board of Directors always supports the engagement between the company and stakeholders by complying by laws. Stakeholders of the company are as follows.

1. Employees

During the past 3 years, the company did not receive any complaint. The company did not engage in lawsuits, or dispute regarding labor and human rights issue. The company disclose the information in the Annual Report (Form 56-1 One report) under topic “7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others : No. 7.5 Employee”.

	2021	2020	2019
Male (People)	134	134	128
Female (People)	57	55	54
Total (People)	191	189	182

2. Employee Benefits

During the past 3 years, the company did not receive any complaint. The company did not engage in lawsuits, or dispute regarding labor and human rights issue. The company disclose the information in the Annual Report (Form 56-1 One report) under topic “7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others : No. 7.5 Employee”.

	2021	2020	2019
Total Employee Benefit (Baht)	112,196,000	106,403,000	98,609,000

3. Training and Development

Sahacogen and affiliates realize the potential of employees and regards them as a valuable resource for leading the Company to the efficient growth. As a consequence, the company focuses on developing and enhancing human resource capabilities to serve the company's goals, policies and strategic direction.

In the past year, Sahacogen and affiliates' training programs were adapted according to the Coronavirus Disease 2019 (COVID-19) situation. The trainings and seminars were mainly conducted through online channels. Human capital development was run based on individual development plan.

	2021	2020	2019
Average training (hours: person: year)	22.62	31.52	47.47
Training and development expense (Baht)	458,355	757,690	1,088,960

4. Safety and Occupational Hygiene

Sahacogen and Affiliates sees the importance of safety, hygiene, and the working environment. The company is therefore dedicated to create a safe working environment for staffs, employees, and other personnel. During the past 3 years, there was no accident occur in the operation process. The company disclose the information in the Annual Report (Form 56-1 One report) under topic "7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others : Safety and Occupational Hygiene".

	2021	2020	2019
Incident of harmful event leads to operation halt (Time)	0	0	0

5. Employee Engagement

According to vision, mission and human resource retaining goal, Sahacogen and Affiliates has been promoting employee engagement through activities. Every 2 years, the company will conduct employee engagement survey (EES). The company will receive feedback that lead to action plan in operational development, employee capability development and designing activities. The company aims to create happiness in workplace and build up sense of belonging to the organization that will lead to dedication to work at the full potential. The company has set the engagement goal in 2022 at 75 percent. The company disclose the information in the Annual Report (Form 56-1 One report) under topic "7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others : Employee Engagement Survey and Employee Happiness".

	2021	2020	2019
Voluntary resignation (%)	100%	100%	100%
Resigned employee (People)	5	5	10

6. Customers

During the past 3 years, Sahacogen and Affiliates did not engage in lawsuits, or dispute with customers. There was no significant complaint from customers. The other complaints were analyzed in order to prevent, monitor and adjust to the organization in order that such defects might not happen again

The company focuses on creating good relationship and sharing knowledge with customers especially during the pandemic of Corona Virus 2019 (COVID-19). The company organized an online seminar about “Smart Meter program”. The seminar was held via Zoom application and Microsoft Teams. The company disclosed the information in the Annual Report (Form 56-1 One Report) under topic “7. Corporate Governance Policy : Business Ethics : No. 1.2 Customers”.

The customer satisfaction surveys, from electricity and steam users can be shown as follow.

Customers	2021	2020	2019
Electricity- EGAT	92.62%	94.98%	96.19%
Electricity - Park	89.96%	87.12%	90.85%
Steam- Park	94.72%	89.59%	91.19%

7. Community and Society

The company focuses on social responsibility and the area surrounding. The company hires Eastern Thai Consulting 1992 Company Limited, a private lab test company registered with the Department of Industrial Works, to conduct a survey from communities nearby the project. The result of the satisfaction survey was reported “good”.

This year the construction of the Sahacogen cogeneration power plant phase 4 (SPP Replacement) will be conducted. The project feasibility study was run together with the study of economic, social, and local community tradition and life style. The project included community engagement plan and communication. The company planned to set up activities such as hearing session and event to promote local understanding about operation process and company policy. The events will occur continuously to helps company bring back suggestions to adjust the company operation until the project ends.

During the past 3 years, the company and subsidiaries did not engage in lawsuits, or dispute with local community. There was no significant complaint from local community. The other complaints were analyzed in order to prevent, monitor and adjust to the organization in order that such defects might not happen again. The company disclosed the information in the Annual Report (Form 56-1 One Report) under topic “6. Corporate Governance Policy : Business Ethics : No. 1.7 Community and Society”.

4. Management Discussion and Analysis

4.1 Discussion and Analysis of Operating Result and Financial Status

This analysis is based on the consolidated financial statements of the year 2021 comparing to the year 2020.

The details are described below.

1. Overview of Operations

1.1 Overview of Operations

On December 13, 2021, Ratch Group Public Company Limited (RATCH) purchased shares of the company from Saha Pathana Inter-Holding Public Company Limited (SPI) and the existing shareholders totaling 384,789,131 shares. RATCH also subscribed in new private placement shares offering 208,695,652 shares. The total transaction cost was 1,199,999,999 Baht. Subsequently, RATCH became the new major shareholders (mother company) holding 51% of total shares.

The pandemic of Coronavirus Disease 2019, or Covid-19 has been resolving comparing to last year. The demand of electricity and steam, accounting for 96.92% of Sahacogen's revenue, was up from 2020. However, the price of natural gas which is the main component of raw material spiked up during the last quarter of 2021. The company had been improving the production efficiency as well as focusing on the production cost control in order to minimize the effect from raw material price volatility risk.

In 2021, the revenues of the company and subsidiaries reached THB 4,354.41 million, increased by THB 375.84 million or 9.45% comparing to last year. The cost of electricity sold combining to administrative and selling expenses and loss in assets impairment were THB 4,150.90 million. The total expenses increased by THB 420.18 million or 11.26 %. The financial expenses were THB 108.44 million decreased by THB 20.79 million or 16.12%. The corporate income tax was THB 13.40 million increased by THB 13.20 million. The company earned THB 106.88 million in consolidated net profit, decreased by THB 10.32 million or 8.81 % comparing to last year.

In 2021, the company and subsidiaries' research and development (R&D) cost was not significant to the overall expenses. Then, the R&D cost will not be mentioned in this discussion. This information was covered in the company's form 56-1 One Report, topic number 1. Business Operations and Performance : 1.5 Research and Development Policy (R&D)".

1.2 Operating Result of Each Product Unit

- **Revenues from Sales**

The total selling revenues from the consolidated financial statements was THB 4,220.49 million, increased by THB 249.45 million or 6.28 %, comparing to the year 2020. The majority of the change, THB 123.69 million, was resulted from an increase in selling price affected from change in natural gas price and demand surge. Moreover, the revenue from selling steam increased by THB 123.69 million. The revenue from steam selling went up by THB 126.12 million from an increase of selling price according to the fuel oil and natural gas price in the steam pricing formula stated in the selling contract and demand surge.

- **Other Revenues**

The other revenues were THB 133.92 million, the amount increased by THB 126.38 million or 1,667.10. The main reason of the change was from the insurance payment covering the gas turbine engine and the steam turbine power generation system was breakdown amounting THB 121.43 million.

- **Cost and Expenses:**

- **Cost of sales:** The cost of sales in consolidated financial statements was THB 3,961.30 million, increased by THB 357.60 million or 9.92 % according to the natural gas; the main fuel; price spiked up from the global mechanism during the last quarter.
- **The administrative expenses:** in the consolidated financial statements were THB 182.38 million, increased by THB 55.36 million or 43.58%. The reason was from financial advisor fee for the capital increase and shareholder structure change which is one-time transaction.
- **Exchange rate loss:** The consolidated financial statements showed THB 7.22 million, higher by 7.22 million or 100% from machine rental fee used during breakdown time.
- **The loss from an investment in the affiliate company:** THB 1.89 million which came from Impact Solar Co., Ltd.
- **The financial expenses:** in the consolidated financial statements were THB 108.14 million, decreased by THB 20.79 million or 16.12%. The decrease was resulted from a decrease in long-term loan balances.
- **The corporate income tax:** benefit in the consolidated financial statements was THB 13.40 million. It was increased by THB 13.20 million or 6,549.99 % according to the realized tax loss. The company can use this item as a tax deduction when it has positive operative result.



- **Profit**

- The company's consolidated net profit was THB 106.88 million, decreased by THB 10.32 million or 8.81%.
- There was gain on change in value of available-for-sale investments THB 0.81 million, and actuarial gain THB 15.97 million showed as other comprehensive incomes. The total comprehensive income for the year was THB 123.66 million.
- The total comprehensive income attributed to the equity of the company holders was THB 118.40 million.
- Gross Profit Margin: 6.14% decreased by 3.11% comparing to last year. This was a decrease of 33.61%.
- Return to Shareholders' Equity: 3.18% decreased by 1.11% comparing to last year. This was a decrease of 25.87%.

2. Financial Status

- **Assets:** the total assets were THB 7,591.71 million, increased from the year 2020 by THB 966.10 million or 14.58 %. The change was resulted from
 - capital raise from private placement transaction THB 1,200 million
 - an investment in Impact Solar Co., Ltd. was THB 114.81 million decreased from the year 2020 by THB 1.89 million from the realize in loss based on 21% of shareholding.
 - properties, plants and equipment decreased by THB 68.31 million or 1.28% from the depreciation.
- **Liabilities:** The total liabilities were THB 3,611.90 million, decreased from the year 2020 by THB 275.18 million or 7.08%. This was resulted from the decreasing of long-term loan.
- **Shareholders' Equity:** Shareholders' equity was THB 3,979.82 million, decreased from the year 2020 by THB 1,241.28 million or 45.33 %, resulting from the capital increase transaction THB 1,200 million and operating performance of the company and its subsidiaries.

3. Liquidity

- **Cash Flow:**
 - **The company earned net cash from operating activities** THB 664.73 million, which was decreased from the year 2020 by THB 29.39 million or 4.23%. The main reasons were the Payment of debts, trade accounts payable, higher cost of goods.
 - **The cash flow used for investment** was THB 262.09 million, decreased from the year 2020 by THB 45.52 million or 14.80%. In 2021, properties, plants and equipment purchasing was down by THB 37.94 million

- **The cash flow used for financing** activities was THB 462.15 million. The additional money came from the capital raised THB 1,200 million. The deduction was from long term debt repayment and derivative debt instrument due (THB 625.38 million) and also dividend payment (THB 58.25 million). There was repayment less short-term borrowing by THB 8.00 million. The ending cash and cash equivalent items were THB 979.60 million which was increased by THB 864.80 million or 753.24%.
- **Liquidity Ratio:**

The current assets were THB 1,976.98 million, increased from the year 2020 by THB 1,042.52 million or 111.56%. The change was from an increase in cash and cash equivalent items resulting from the capital raised during the year. The current liabilities were THB 2,460.06 million, increased from the year 2020 by THB 178.09 million or 7.80% and other creditors. The change was mainly from an increase of account payable for the construction of new power plant in SPP replacement project in the late 2020. Therefore, the liquidity ratio was 0.80 times in 2020 increasing by 0.39 times comparing to the ratio of 2020. The change was 96.25% comparing to last year.
- **Interest Coverage Ratio:**

Interest Coverage Ratio 7.32 times, increased by 0.82 times or 12.71% comparing to the year 2020

4. Operating Efficiency

The return on total assets was 1.50 %, lower than last year by 14.24 %. The return on fixed assets was 12.55 %, higher than last year by 6.00%. The total asset turnover was 0.61 times, higher than last year by 2.93%.

5. Factors that may affect the future operating results and financial status

The company has disclosed factors that may affect the results of operations and financial status in the future in Note to Consolidated Financial Statements No. 33 “Financial Instruments” and also published on www.sahacogen.com.

4.2 Impact of the new accounting standards effective in 2021

In 2021, the company adopted many new revised financial reporting standards and interpretations which were effective. The adoption had no significant impact to the company financial statements. The company has disclosed impacts of the new accounting standards (effective in 2021) in Note to Consolidated Financial Statements No. 3 “New accounting report standards” and also published on www.sahacogen.com.

4.3 Non-recurring items

- On December 13, 2021 the company registered the new capital increase and additional paid-up capital amounting 208.7 million shares at par value of 1 Baht each and offering price 5.75 Baht each. The total capital raised were THB 1,200 million. As a result, the company then has registered capital THB 1,163.7 million with 1,163.7 million shares and the premium on share capital THB 1,258.3 million.
- The company received the reimbursement from insurance claim based on the gas turbine machine breakdown and business interruption THB 116.43 million. The subsidiary received the insurance claim from steam turbine system breakdown and business interruption THB 5 million.

5. General Information

5.1 General Information

5.1.1 Information

Name	:	Sahacogen (Chonburi) Public Company Limited
Stock Code	:	SCG (Listed on the Stock Exchange of Thailand – SET)
Registered Number	:	0107545000306
Registered Date	:	November 20, 1996
Registered Date to Public Company	:	October 4, 2002
First Trading in the Stock Market	:	January 7, 2004
Sector	:	Energy & Utilities
Industry	:	Resources
Foreign Limit	:	30.00%
Free Float	:	27.44 % @ March 11, 2021
Head Office Location	:	636 Moo 11, Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230
Telephone	:	66 3848 1555
Fax	:	66 3848 1551
Website	:	www.sahacogen.com
Registered and Paid-up Capital	:	Baht 1,163,695,652 (including 1,163,695,652 common shares, Baht 1 per share)

Contacts

Department	Telephone	E-mail Address
The Board of Directors	038-481555 Ext. 202	directors@sahacogen.com
The Audit Committee	038-481555 Ext. 203	auditcommittee@sahacogen.com
The Corporate Governance and Risk Management Committee	038-481555 Ext. 212	riskcommittee@sahacogen.com
The Corporate Social Responsibility Committee	038-481555 Ext. 290	pr-csr@sahacogen.com
The Managing Director	038-481555 Ext. 200	udompong.ch@sahacogen.com ¹
The Company Secretary	038-481555 Ext. 200, 282	csecretary@sahacogen.com ²
Investor Relations	038-481555 Ext. 200, 282	investorrelation@sahacogen.com
Human Resource Management and Development Division	038-481555 Ext. 242, 243	hadmin@sahacogen.com

¹ Appointed : Dec 14, 2021

² Appointed : Feb 24, 2021

5.1.2 Reference

Regulator (SEC)	: The Securities and Exchange Commission, Thailand 333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak Bangkok 10900 Tel : 0-2033-9999 Fax : 0-2033-9660
Regulator (SET)	: The Stock Exchange of Thailand The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991
Security Registrar	: Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991
Legal Consultant	: Tilleke & Gibbins International Ltd. Supalai Grand Tower, 26th Floor 1011 Rama 3 Road, Chongnonsi, Yannawa Bangkok 10120 Tel : 0-2056-5555 Fax : 0-2056-5678
Internal Audit	: Dharmniti Internal Audit Co., Ltd. 178 Soi Perm Sup (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800 Tel : 0-2596-0500 Fax : 0-2587-2018
Auditor	: EY Office Limited 193/136-137 Rajadapisek Road, Bangkok 10110 Tel : 0-2264-0777 Fax : 0-2264-0789-90
Financial Institution	: Bangkok Bank Public Company Limited Siam Commercial Bank Public Company Limited Kasikorn Bank Public Company Limited Land And Houses Bank Public Company Limited Mizuho Bank Limited, Bangkok Branch Krung Thai Bank Public Company Limited
Bondholders' Representative	: - None -
Bondholders' Registrar	: - None -

5.2 Other Significant details

5.2.1 Other significant information affecting the investment decision

- None -

5.2.2 The issuance and offering debentures to public

- None –

5.3 Legal Disputes

5.3.1 Legal case that has negative impact on the company and its subsidiaries with the size larger than 5% of the shareholders' equity as at 31 December 2021

-None-

5.3.2 Legal case that has significant impact on the company and its subsidiaries of which the value cannot be assessed in 2021.

-None-

5.3.3 Legal case which is not related to the company and its subsidiaries' normal business in 2021.

-None-

5.4 Secondary Markets

The company has not securities listed on the stock market of other countries.

5.5 Financial institutions that are regularly contacted (Only in the case of debt instruments)

-None-



Part 2

Corporate Governance



6. Corporate Governance Policy

In addition to investors' trust and confidence, the Board of Directors Company believes that compliance with the Good Corporate Governance Code, which is the foundation of sustainable development and business value creation, will bring about competitiveness and desirable profitability. To this end, the Board has considered long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change. The company will annually review the code and announce to all directors, executive officers, and employees. The Company's CG guideline comprises of the following elements:

- The Good Corporate Governance Policy
- The 8 Good Corporate Governance Principles
- The Business Ethics
- The Code of Conduct for Directors, Executive Officers, and Employees

6.1 Overview of Corporate Governance Policy and Guideline

6.1.1 Corporate Governance Policy and Guideline for the Board of Directors

The Board of Directors has good intention to give direction in running business with good corporate governance and care for all stakeholders. The Board of Directors set a policy in good corporate governance as the guideline for the Board of Directors, management and employees. The company's good corporate governance policy includes these issues.

1. The Board of Directors acts in accordance with the company's policy. The report of operation must be reported to the Board of Directors' meeting. The operation must be complied with the principles stated in the guidebook for listed companies' directors which mentioned as follow.
 - Fiduciary Duties
 - Duty of Care
 - Duty of Loyalty
 - Accountable

The compliance of the Board of Directors will ensure shareholders that the business operation is run carefully with proper check and balance mechanism.

2. The Board of Directors acts independently with dedication and responsibility. The separation of roles and responsibility of Chairman and Managing Director are clear.
3. The Board of Directors and executives have the main role in setting vision, strategy, policy and business plan.

In setting such things, the consideration must include risk factor and proper risk management. The Board of Directors and executive must take sufficient action to ensure the credibility of accounting system, financial statements and financial audit.

4. The Board of Directors appoints sub-committee responding to specific issues to help screening in important issues.
5. The Board of Directors must conduct self-evaluation and group evaluation as the information in reviewing the board's performance.
6. The Board of Directors and executives set company's business ethics as core principles for directors, management and employees to follow together with the company's articles of association and rules.
7. The Board of Directors and executives provide sufficient information disclosure in financial and non-financial issues. The disclosure must be made in timely manner with trustworthy information to allow shareholders and investors equitably access to information. The company has set up investor relations and communication unit to be responsible to providing information for investor and public.
8. Shareholders will be treated equally. The company allows shareholders to access to information through proper communication channels.
9. The Board of Directors and executives has proper recruitment process to seek for candidates in high level position. The recruitment must be fair and transparent.
10. The Board of Directors and executive set up efficient anti-corruption system to ensure the awareness in anti-corruption and compliance.

6.1.2 Corporate Governance Policy and Guideline for Shareholders and Stakeholders

Principle No. 8 : The Board Shall encourage engagement and communication with shareholders.

The Board of Directors open the opportunity for shareholders to participate in making decision on material issues.

1. Rights of Shareholders

The Board of Directors recognized the importance of the shareholders and respected their ownership rights. Accordingly, the Company ensured that its corporate governance policy also carried provisions to safeguard the shareholders' rights, while ensuring that any action taken by the Company would not infringe upon their rights. Accordingly, the Company provided for the facilitation of rights exercise by all shareholders, including minor shareholders and institution investors, as follows:

1.1 Basic rights

Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment based on outstanding shares, the right to access Company information in sufficient, timely, and consistent manner, the right to attend and cast votes at the shareholders' meeting, the right to elect individual Company director and approve directors' remuneration, the right to appoint Company auditor and approve audit remuneration, and the right to appoint proxy to attend and cast vote on his/her behalf.

1.2 The right to significant information access

Shareholders were entitled to access information on an equitable basis. In that regard, the Company facilitated information distribution in both Thai and English languages, via the channels of the Stock Exchange of Thailand and Company website, to provide shareholders with additional access channel. Such information included performance results, connected transactions, changes in the funding structure, and changes in supervisory control, transactions of significant Company assets, and other information essential for decision-making by shareholders.

1.3 The Right to Attend Shareholders' Meetings and Voting Rights

The company support and facilitate shareholders to attend the meeting. The Board of Directors has to hold an Annual General Meeting of Shareholders every year within 4 months (120 days) as from the end of the Company's annual accounting year. In case of emergency which the Company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the Company shall call for an extraordinary shareholders' meeting. The suitable date and easy to access venue should be taking into the consideration in calling for a meeting.

The company arranged the annual general meeting of shareholders No. 19 on April 26, 2021 and the extraordinary shareholders meeting No. 1/2021 on December 7, 2021. There was important agenda about issuance of new common shares and offering to private placement (PP) investors. In the two meetings, the company strictly complied with procedure and guideline regarding to Coronavirus Disease 2019 (COVID-19) pandemic announced by government agencies.

Treatment of Shareholders prior to the Meeting of Shareholders

In 2021, the Company conducted the 19th Annual General Shareholder's Meeting on April 26, 2021.

1. In this respect, the shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and nominate the candidates to be elected as the Director in advance according to the Company's regulations, during November 10-December 31, 2020. The Company informed such information to the shareholders through information board of SET and on the Company's website, www.sahacogen.com under the item of "Investor Relations" section "Shareholder Information: Shareholder Meeting" or "Investor Relations" and "Shareholder Information: Shareholders' Meeting" on November 10, 2020. Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.
2. The shareholders were notified of the resolution determining the date of 19th Annual General Shareholders' Meeting for 62 days prior to the meeting date, on February 23, 2021, on the Company's website, www.sahacogen.com, and through SET channel system. Therefore, the shareholders enabled to set aside time for attending the meeting.



3. The meeting notice together with all relevant documents in both Thai and English were published on the Company website (www.sahacogen.com) on March, 16, 2021, which was not later than 41 days in advance of the meeting date. The same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format (English version for foreigner shareholders) on April 2, 2021, 24 days prior to the meeting date, so as to give the shareholders sufficient time to study the meeting documents. Advertisements were also placed in daily newspapers for a period of 3 consecutive days, and 26 days prior to the meeting date, which was on March, 29-31 2021.
4. The company has opened to the questions from minority shareholders during March 16, 2021 to April 19, 2021. The announcement was made through company's website as well as in the meeting invitation document. There was not any question from the minority shareholders
5. Shareholders are notified of the rules and procedures for attending the meeting on the invitation letter, with which Proxy Form B as prescribed by the Ministry of Commerce was also attached so as to enable shareholders who were unable to attend the meeting to grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified or a choice of either Proxy Form A or Proxy Form C. All three proxy forms can be downloaded from the Company website; www.sahacogen.com. The Company also publicized such guidelines through the press release system of the Stock Exchange of Thailand.

The Treatment of Shareholders on the Meeting of Shareholders

1. The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the Annual General Meeting of Shareholders. The Company decided to set the meeting date, time, and venue in such manner being most convenient and not posing problems to the shareholders to attend. For 2021, the Company held the shareholders' meeting on Monday, April 26, 2021 at 2.00 p.m, at Chao Praya room1, Montien Riverside Hotel, Bangkok 10120 where the mass transit system is available and sufficient for the shareholders and institutional investors.
2. The meeting attendees must wear surgical (or fabric) mask and finish the screening survey before attending the meeting venue. The practice for arranging the 19th Annual General Meeting of Shareholders will be complied with the standard of Coronavirus Disease 2019 (COVID-19) control. The details of the practice were also stated in the Annual General Meeting of Shareholders invitation letter.
3. Shareholders were able to register with the barcode system at least 2 hours prior to the meeting and in the subsequent period until the end of the meeting, a right given to shareholders attending after the meeting had already commenced. Such late comers would have the right to cast votes in the pending agenda that had not yet been voted on. The quorum would be counted as from the agenda of first attendance and vote, except where held otherwise by the shareholders. The Company assigned adequate staff members to

administer the registration and prepared duty stamps for affixing with free of charge on the Proxy Form on their behalf. In case that the shareholders were unable to attend the meeting, they might grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified for retaining the right. In addition, the Company handed out ballot paper and voting card to each shareholder.

4. The Board of Directors has given significance to the meeting of shareholders. It is deemed as a duty to attend every meeting, with the exception of illnesses or other important engagements. In 19th Annual General Shareholders' Meeting held on Monday, April 26, 2021, there were 12 directors of the Company attended the meeting, presented as 92%; Chairman of all subcommittees attended the meeting, including the Chairman of the Board of Directors, Chairman of the Executive Committee, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Corporate Social Responsibility Committee, Executive Director, Managing Director, Chief Financial Officer and Accounting Division Manager well as Miss Sirirat Sricharoensup and Mr. Thannop Chanchiaw, auditors of EY Office Limited attending the meeting to give explanations and respond to any questions posed on matters related to the meeting agenda, or related to the person in charged, and Mrs. Kobsuk Saengsawad the lawyers of Weera Law Office Co., Ltd. and Mr. Thannop Chanchiaw, the auditor of EY Office Limited, also attended the meeting and acted as inspectors counting votes.
5. Prior to the commencement of meeting pursuant to the agenda, the Company Secretary notified the meeting of the number and proportions of shareholders presenting and declared the meeting open. An explanation was given on the voting procedures and vote-counting procedures for shareholders casting votes in each agenda according to the law and articles of the Company. The Chairman of the Board, acting as the chairman of the meeting, convened the meeting, defined the voting rights in the meeting commensurate with the number of shares held, with one share equal to one vote.
6. After the meeting has started the new attending shareholders will be able to join and vote in the agendas awaited for voting. The attending shares will be counted as a quorum.
7. The shareholders' meeting was carried out in accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Appropriate and sufficient time was set aside for presenting various matters in each agenda and opportunities were given to shareholders to pose questions and express opinions fully in each agenda. In 2021, there was no question from the shareholders
8. Votes were cast openly. Voting on each agenda is made by barcode system; voting card and ballot were prepared for all shareholders. In vote counting, only votes for disapproval and/or abstentions were counted and there were deducted from the total shares represented in the meeting. The balance was counted as votes for approval. The Company employed an information system for summarizing the voting results obtained from the vote counts in each agenda, which was displayed on a screen shown to all shareholders simultaneously. In 2021, ballot papers were used in important agenda, such as the

appointment of Directors where the shareholders were given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes were kept at the Head Office, which could be inspected after the meeting.

9. The recorded VDO has been made and provided on the company website.

On the 19th Annual General Meeting of Shareholders.

The summary of voting in each agenda.

Agenda	Agree			Disagree			Abstention			Voided Ballot		
	Share holders	Shares	%	Share holders	Shares	%	Share holders	Shares	%	Share holders	Shares	%
1	58	834,433,202	100	-	-	-	-	-	-	-	-	-
2	59	834,433,802	100	-	-	-	-	-	-	-	-	-
3	59	834,433,802	100	-	-	-	-	-	-	-	-	-
4	59	834,433,802	100	-	-	-	-	-	-	-	-	-
5.1	59	834,433,802	100	-	-	-	-	-	-	-	-	-
5.2	58	834,433,802	100	-	-	-	-	-	-	-	-	-
5.3	58	834,433,702	100	1	100	0.0000	-	-	-	-	-	-
5.4	59	834,433,802	100	-	-	-	-	-	-	-	-	-
5.5	59	834,433,802	100	-	-	-	-	-	-	-	-	-
6	59	834,433,802	100	-	-	-	-	-	-	-	-	-
7	59	834,433,802	100	-	-	-	-	-	-	-	-	-

The significant meeting agenda were as follows.

- (1) **Appointment of Directors** : The Company gave an opportunity for shareholders to elect Directors individually. The shareholders had been provided with preliminary information on the nominees, positions held in other businesses, clearly specifying the cases of companies carrying out businesses identical to or in competition with the Company, and the attendance of Board of Directors Meetings. Each nominee had been considered by the Nomination and Remuneration Committee on his properly qualification, experience and various professional, as well as performance on the Director on the past. In case of consideration of the Director retiring by rotation, the Nomination and Remuneration Committee proposed the lists of Directors to the Board of Directors to select toward to the proper qualification and number of Directors appropriately.
- (2) **Directors' Remuneration** : The Nomination and Remuneration Committee considered and allocated the amount of remuneration, which were determined on the Company's operation performance and responsibilities in accordance with the policies and conditions for directorial remunerations. In any event, the Company has regularly proposed a remunerations limit for approval by the meeting of shareholders every year, and disclosed the remunerations paid to each Director in the Annual Report (Form 56-1 One Report) under topic "7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committee, Executive, Employee, and Other".

- (3) **Appointment of Auditor and Determination of Audit Fee** : The Company provided details on the name of auditor of the Company and its subsidiaries, the audit fee, the reasons on appointing the auditor, qualified performance on the previous year, and the relationship between the audit office and the Company, the number of years of work performed, the comparative data on audit fees and other fees for the current year and the preceding year. Such information had also been considered by the Audit Committee. The details disclosed in the Annual Report (Form 56-1 One Report) under topic “7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others: No. 7.6.3 Auditor Fee”.
- (4) **Dividend Payment** : The Company provided details on profit distribution, dividend payment in accordance with the Company’s dividend policy, and a comparison of dividend payment for the current year and the preceding year. The closing date of the register (Record Date) for the determination of the right to receive dividend payment was also specified. The company disclosed the information in the Annual Report (Form 56-1 One Report) under topic “Business Operations and Performance, No. 1.6 Dividend Policy”.

The guideline for conflict of interest protection in the meeting

In each agenda, the directors who may have conflict of interest will report to the meeting quorum to leave from the meeting room and/or declare for abstention.



The Treatment to Shareholders Subsequently to the Meeting of Shareholders

1. The Company disclosed the resolutions adopted by the shareholders’ meeting, together with the voting results for each meeting agenda, in both Thai and English, via the news channel of the SET, and the Company website, with in the meeting day.
2. The Company Secretary recorded the information and prepared accurate and complete minutes for the general meeting of shareholders, including the names of Directors present/ absent together with the reasons for absence, essential explanations and a summary of questions or answers or opinions. The details on each agenda were in accordance with the facts in the meeting to be posted on the company’s website. Such minutes will be submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days of the meeting of shareholders. The minutes and meeting VDO

record will also be published on the Company website in both Thai and English as a channel for shareholders to search and inspect data without having to wait for the subsequent meeting. A submission was also made to the Ministry of Commerce within the period prescribed by law.

Moreover The Company Extraordinary General Meeting of Shareholders No. 1/2021 on December 7, 2021 to Equitable Treatment of Shareholders according to the rights of every shareholder according to the procedures and details on the Company's website; www.sahacogen.com

2. Equitable Treatment of Shareholders

The equitable treatment of shareholders policy has been set within the 8 principles of the company's good corporate governance.

2.1 The shareholders' meeting

- (1) The shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance, during November 10 – December 31, 2020, according to the Company's regulations. Regarding the meeting, the Company informed shareholders on November 10, 2020 through the news channel of SET and on the Company's website: www.sahacogen.com, on the topic of "Investor Relations". Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.
- (2) In 2021, the Company had held one shareholders' meeting on Monday, April 26, 2021, and the Extraordinary General Meeting of Shareholders No.1/2021 on December 7, 2021 where the quorum was presented. The meeting's resolution was to assign Thailand Security Depository Co., Ltd. (TSD), Company's Registrar, to send the Notice of the Meeting of Shareholders for 24 days in advance and announced 41 days prior to the meeting through the Company's website; www.sahacogen.com, on the topic of Shareholder Information : Shareholder Meeting in order that the shareholders had more time to study the information
- (3) For foreign shareholders, the meeting notice with attached documents were translated into English and sent together with Thai Version. The notice both Thai and English version were disseminated through the Company's website.
- (4) If any shareholders could not attend the meeting, the Company allowed them to authorize the Independent Directors or anyone as the proxy of voting rights by using the letter of proxy Form B with voting recommendation, Form A, or Form C (for foreign investors with custodians in Thailand to oversee their stocks). The proxy was attached with the Notice, and announced in the Company's website; www.sahacogen.com for downloading. The duty stamps were also provided for the proxy. In 2021, there were 19th Annual General Meeting of Shareholders a total of 59 shareholders attending the meeting, representing of 834,433,802 shares or 87.38% of all shareholders. The 14 shareholders, holding 48,339,800 shares or 5.06% of 955,000,000 shares, gave a proxy documents to the Independent Directors of the Company and the Extraordinary General

Meeting of Shareholders No. 1/2021 on December 7, 2021, there were a total of 55 shareholders attending the meeting, representing of 848,721,204 shares or 88.87% of all shareholders. The 9 shareholders, holding 108,650,000 shares or 11.38% of 955,000,000

- (5) The voting right depends on the number of shares held by shareholders, one share, one vote (all of the Company's shares are the common stocks).
- (6) The meeting is conducted according to the order of the agenda items; there was no reshuffling of agenda items, nor any change made to material information without notifying shareholders in advance.
- (7) Votes will cast openly. In vote counting, only votes for disapproval and /or abstentions were counted and there are deducted from the total shares represented in the meeting. The ballot papers will be used in important agenda, such as the appointment of Directors where the shareholders will be given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes will be kept at the head office, which could be inspected after the meeting.
- (8) The voting procedure for each meeting agenda will be carried out in a transparent manner, with the voting ballot provided the shareholders for each agenda, whereas only disapproval and abstention votes will be kept afterwards. Nevertheless, for the agenda related to directors' appointment, all voting ballots bearing the signature of each shareholder will be collected and kept as evidence. Vote tallying will be carried out using the barcode system and displayed on-screen in the meeting room, to facilitate convenience, transparency, and easy verification.

2.2 Supervision of Internal Data Use

The company has regulations to the use of insider information by determining in the Company's business ethics in section "Conflict of Interest", also disclosing in the Annual Report (Form 56-1 One Report) under topic "8. Report on Significant Corporate Governance Performances, 8.1.2 The Monitoring on Corporate Governance Compliance : 2. Using Inside Information to Seek for Personal Benefit".

2.3 Determination on the Company's stock trading

- (1) The Directors, executives and staff in possession of insider information are prohibited from selling or purchasing Company share within one month before disclosing the financial statements to the public. Besides, the Directors and executives are required and notified of their duties to report changes in securities holdings in the Company to the Office of the Securities and Exchange Commission within 3 working days from the date of the change by submitting through online system provided by SEC. The report submission is subjected to the guideline announcement Sor Jor 38/2018 dated July 16, 2018 regarding to the preparation and the submission of the report for changing in derivatives and securities holding by directors, managements, auditors, planners and plan managers. A report would then be made to the meeting of the Board of Directors and Executive Committee on

every occasion, in which every agenda would include a report of securities holdings of the Directors and executives. The Directors and executives must conduct in compliance with the regulations. Moreover, it assumes to the new Directors or executives are also required to report securities holdings in the Company to the Securities and Exchange Commission within the above timeline.

- (2) The Company secretary annually arranges the Board of Directors' meeting schedule which is sent to all directors in advance in order to inform the period when securities trading should be abstained.
- (3) With regard to the principles of buying-selling the Company' stocks, the Directors and top management are requested to inform the Board of Directors and/or company secretary before carrying out the stock transaction for at least 1 day.

In 2021, the Directors and executives of the Company have conducted strictly in compliance with the said policies. No share trading was found during the prohibited period. The company did not receive the warning letter from the Securities and Exchange Commission (SEC) regarding to the violation of rules and regulation in securities trading of the directors and management.

2.4 Protection of the Conflict of Interest

- (1) With the transparent structure of shareholding, there is no report of the conflicts of interest. Meanwhile, the disclosure of shareholder structure has deliberately shown in the Annual Report (Form 56-1 One Report) as well as the overall shareholding of the Board of Directors
- (2) The Board of Directors has responsibility to act with fiduciary duty. The consideration of transaction must include suitability and necessity. The Board of Directors has responsibility to monitor and ensure the transactions are on the best benefit of the company. The material information must be disclosed to shareholders and investors as regulated by rules about related-parties transaction and/or acquisition and disposition of assets.
- (3) The Board of Directors proceeds carefully and rationally with regard to conflict of interest and connected transaction. The Company most concerns on its benefits and sets pricing strategy in compliance with fair trading conditions as if the transactions are engaged with third party. The process of such transaction is managed transparently and compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the Company sets the regulation in its good corporate governance and business ethic binding upon Company and shareholder.
- (4) The Company has defined that any Directors, who has conflict of interest, must not present in the meeting or be prohibited to vote on such agenda in order that the rest Directors, not having any conflicts of interest, independently comment and resolve on such agenda. The Company Secretary shall inform the meeting the name of the Directors having conflicts of interest on such agenda. After the meeting, the name of the Directors, the relationship of the related persons, the price of such

transaction and the opinion of the Directors, which is different from the opinion of the Board (if any) to the Stock Exchange of Thailand on the time frame. Such transactions are disclosure on the Company's website for transparency and be recorded in the Minute of Meeting which can be audited.

- (5) For the investment in other power generating projects beyond the scope of small power plant that the company is focusing, the Board of Directors will discuss and make joint-decision for the best benefit of the company.
- (6) Information such as connected transaction is disclosed to ensure equal access by all, such as the related transaction. The Company performs as the announcement of the Capital Market Committee and The Stock Exchange of Thailand in regarding the disclosure of information and operation of registered Company on connection transaction.

In 2021, the company did not violate any rules regarding the related parties transactions regulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. The company disclosed the information in the Annual Report (Form 56-1 One Report) under topic "9. Internal Control and Related Parties Transaction, No. 9.2 Related Parties Transaction".

2.5 Asset purchasing control

The Company controls purchasing of asset in accordance with the regulation of Capital Market Commission subjected "The acquisition or disposition of assets". The directors who have an interest on such transaction are not take part for making decision for transparency and fairness.

In 2021, the company did not receive the warning letter from the Securities and Exchange Commission (SEC.) regarding to the material transaction in acquisition or disposition of assets.

3. Role of Stakeholders

Regarding to the Corporate Governance Policy and the Principles of Corporate Governance in section "Roles of Stakeholders", the Company set the policy for roles of stakeholders by preparing the handbook "Business ethics and Code of Conducts for Company directors, executives and employees" and providing to directors and all-leveled employees, which brings the balance and fairness to stakeholders. The handbook is published on the Company's website and the intranet system. Moreover, the Company develops the concepts of stakeholders' participation to enhance its sustainable businessoperations as mentioned in the Annual Report, "Business Ethics" in section "The responsibilities to stakeholders; Shareholders".

The Board of Directors focused on creating the good corporate governance system and raising up the standard of the business conduct by setting the guideline for business ethics and morality for management and employees.



6.2 Business Ethics

The company realizes in the importance of good Corporate Governance. The company support fair treatment and responsibility to stakeholders and to act in accordance with laws and CG principles. The Board of Directors set company's business ethics and code of conduct as core principles and guideline for directos, management and employees to follow.

Business Ethics

1. The responsibilities to stakeholders

The Board of Directors always supports the engagement between the company and stakeholders by complying by laws. The stakeholders include shareholders, customers, suppliers, competitors, creditors, employees, communities, environment and government.

1.1 Shareholders

The Board of Directors performs duties responsibly, prudently, earnestly and honestly in order to generate good returns to shareholders on a continual and sustainable basis. In this regard, the following policies and practice guidelines have been prescribed as follows;

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The Company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders' access to Company information.
5. A report of the Board of Directors' responsibility for the financial statements in the Annual Report shall be prepared.
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders.
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting.
8. Shareholders' meeting notices in both Thai and English are published on the Company website at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings.
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.

10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

For the Policy and guideline, the Company had done the following actions;

The Company has an effective manner to ensure that all shareholders receive accurate information and appropriate and fair returns in accordance with the Company's Policy on Dividend. Moreover, there is the control of connected transactions, the measure on prevention of conflict of interests, the prevention on exploitation of inside information which is confidential and the stipulation that directors and management member who have an access to inside information exploit that information for their advantages by prohibiting them to buy or sell the Company's assets within 1 month prior to the disclosure of the financial statements to the public.

Each and every shareholderThe shareholders iswere invited to attend the Ordinary General Meeting of Shareholders of Year 2021 and has right of vote for each and every important agenda item as well as receive the important information through various medias, e.g. pamphlet and e-information. Besides, the Company also reports the business performance at every quarter and discloses the transactions done with related persons in the same condition as that done with external persons for their awareness via the news system of the Stock Exchange of Thailand and the Company's website. The company paid dividend.

1.2 Customers

The Board of Directors realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success in accordance with Policy of Quality, Environment, Safety and Energy Conservation Policy, Corporate Social Responsibility Policy and Anti-Corruption Policy. The following policies and guidelines have been prescribed as follows;

1. The Company operates the businesses of distributing electricity and steam which are safe for consumers and environment friendly.
2. The Company has operated with commitment to develop and expand its business to value creation on the biomass and agricultural residues, innovate continually to meet the demands of customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.
3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets are maintained and not exploited for wrongful personal gains or for the gains of others.
4. The Company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.



5. The Company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The Company provides communication channels to enable customers to file complaints to the Company. Complaints are processed with care and dealt with fairly.

For the Policy and guideline, the Company had done as following;

The Board of Directors believes the satisfaction and trust from customers will be the key success factor of the company based on the sustainability policy in terms of environmental care, safety, energy saving, social responsibility and anti-corruption policy.

Moreover, customers can rapidly get information through their mobile and other channels to communicate with customers in case of interruption on electricity and steameither in working hour or after working hour as follows:

Working day (Monday-Saturday at 8.00 am - 5.00 pm)

Saha Pathana Inter-holding PCL at 038-480444

Sahacogen (Chonburi) PCL at 038-481555

After working hour or holiday: 038-481574 or
038-481555 ext.110

Customer Services on electricity: 081-9822184

Customer Services on steam: 081-9859793

Radio Communication Center 22 or 038-483111

(the industrial park's center utility)

The customer satisfaction surveys, from electricity and steam users can be shown as follow.

Customers	2021	2020	2019
Electricity- EGAT	92.62%	94.98%	96.19%
Electricity - Park	89.96%	87.12%	90.85%
Steam- Park	94.72%	89.59%	91.19%

The company focuses on creating good relationship and sharing knowledge with customers especially during the pandemic of Corona Virus 2019 (COVID-19). The company organized an online seminar about "Smart Meter program". The seminar was held via Zoom application and Microsoft Teams.

In 2021, there was no dispute or lawsuit between Sahacogen and Affiliates and employees. There was no significant complaint from customers. The other complaints were analyzed in order to prevent, monitor and adjust to the organization in order that such defects might not happen again

1.3 Business Partners

The Board of Directors has treated business partners equitably and taken into account mutual interests in accordance with Corporate Social Responsibility Policy and Anti-Corruption Policy by prescribing the following policies and guidelines.

1. The Company has a system for screening business partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Business partners are treated on the basis of fair competition, equality and mutual respect.
2. The confidentiality or communications of business partners are maintained and not exploited for wrongful gains of oneself or of others.
3. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.
4. The Company adheres to trade agreements and makes proper data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
5. The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

Policies and practices of the Company's actions can be summarized as follows.

The Company adheres to the conditions of trade, provides the accurate information with good relationship and mutual understanding, including exchanges knowledge, cooperates in the development of products and service to have value added, does not request or receive or agree to receive any gift or benefit which is out of scope of the trading agreement. The procurement procedure is complying with the quality management standard (ISO 9001:2015) and the environment management system (ISO 140001:2015), including the occupational health and safety management system (ISO 45001:2018). The procurement guideline has been made based on the business ethics policy.

The company had set Sahacogen Supplier Code of Conduct as the guideline for suppliers. The company promote the concept of anti-corruption and anti-corruption policy as announced with Thai Private Sector Collective Action Coalition Against Corruption (CAC). The guideline focused on the awareness of social responsibility, environment concern, human rights, fair treatment for labors, no slavery, children rights protection, safety and health, environment management, the pollution management, effect to natural resources, reduction of energy resource consumption, risk reduction.



Supplier assessment criteria

Procurement process is an important process in managing cost and product quality for maximum benefit to the company. The company considers supplier based on the production capability that serves the needs of customers. The quality, capacity, system standard, the service readiness, transportation, safety and health, concern for society and environment are also included. Therefore, it has criteria and systems for evaluating and selecting partners and monitoring operations through the system “Approved Vender List” The survey questions is used to evaluate suppliers. The company also monitors the selected supplier to ensure the trustworthiness and capability. The annual supplier evaluation of the year 2021 (135 suppliers) resulted as follows.

Type / category	Number (Suppliers)
Very good	128
Good	2
Fair	5

In 2021, there was no violation of contract between the Company and any Business Partners.

1.4 Competitors

The Board of Directors has operated in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed.

1. The Company shall conduct its businesses within the rules of fair competition regarding to business ethics and trade competition laws of various countries in which the Company operates.
2. The Company will not damage the reputation of its trade competitors.

For the Policy and guideline, the Company had done the following actions;

The business transactions with any partner must be competitivecompetitors must be done under with the fair treatments. The Company treat competitors is as an part of organization's efficiency drivers. The trade secret must not be acquired by improper methods.

In 2021, there was no dispute on trading competition.

1.5 Creditors

The Board of Directors is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.

5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention

For the Policy and guideline, the Company had done as following;

The Company strictly adheres to the agreement with the creditors. The asset management unit has been closely monitoring the business operation so that the company can mitigate the risk of default by the investment company. In the previous years, the Company has settled the payment to creditors in time according to credit terms stipulated in the contract. The Company strictly runs the business under the criteria of trading competition honestly and fairly in accordance with the laws. The Company has also never dispute with business creditors from the beginning until now.

Moreover, the Company has applied media clearing, transferring system of bank to facilitate all creditors as follows;

- Billing Date is specified on the date of 1 of each month
- Transferring Date is specified to the date of 25 of each month

In 2021, there was no dispute from creditors

1.6 Employees

The Board of Directors regards employees as valuable resources and a key factor to the Company's success. The following policies and guidelines have been prescribed in this regard.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to thirdparties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the Company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin color, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employee participation in the determination of the Company's direction and development are promoted.
6. Fair compensation is given as suitable for the knowledge, skill, duties, responsibilities and performance.
7. Appropriate welfare and benefits are given to employees, e.g. medical expenses, provident fund and savings cooperative.



8. Channels are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
9. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.
10. Employees of all levels are encouraged to participate in social responsibility activities.

For the Policy and guideline, the Company had done the following actions;

Sahacogen group realizes that human capital is crucial in driving the company to success and sustainable growth. The company then set the clear direction in human resource development and management. The information is disclosed in the Annual Report (Form 56-1 One Report) under topic “7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others; 7.5 Employee”.

In 2021, there was no dispute regarding to employment.

1.7 Community and Society

The Board of Directors has operated businesses with due regard for the duties and responsibilities owed to the nation, community and society as well as local traditions in order to maintain a desirable society and participation. In this regard, the following policies and guidelines have been prescribed.

1. A business which could lead to a deterioration of society shall not be undertaken and the rights of others in the community and society shall not be violated.
2. Consciousness of responsibilities towards the community and society as a whole shall be instilled continuously for the benefit of the Company and all levels of employees.
3. Measures shall be provided for the prevention and remedy of impact on the community and society as a consequence of the Company’s operations.
4. The preservation of local culture and traditions shall be promoted.
5. Cooperation shall be entered into with various agencies for the development of communities.
6. Public benefit activities shall be sponsored.
7. Incomes shall be generated and the community economy shall be promoted through employment of community members and use of community products.
8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency and fairness

For the policy and guideline, the Company had done as following;

The Company has appointed a working group as the Corporate Social Responsibility Committee and the CSR policy of the company's governances. The Company disclosed the details in the Sustainability development Report. The company has setup the communication unit and local community relations with Mr.Thanakorn Sitthi the Coordinating & Evaluation Section Head as the company's representative in public relations matters. The contact information are (038) 481-555 and E-Mail address: thanakorn@sahacogen.com.

The company focuses on social responsibility and the area surrounding. The company hires Eastern Thai Consulting 1992 Company Limited, a private lab test company registered with the Department of Industrial Works, to conduct a survey from communities nearby the project. The result of the satisfaction survey was reported "good".

This year the construction of the Sahacogen cogeneration power plant phase 4 (SPP Replacement) will be conducted. The project feasibility study was run together with the study of economic, social, and local community tradition and life style. The project included community engagement plan and communication. The company planned to set up activities such as hearing session and event to promote local understanding about operation process and company policy. The events will occur continuously to help company bring back suggestions to adjust the company operation until the project ends.

In 2021, the company and subsidiaries did not engage in lawsuits, or dispute with local community. There was no significant complaint from local community. The other complaints were analyzed in order to prevent, monitor and adjust to the organization in order that such defects might not happen again.

1.8 Environment

The Board of Directors undertakes businesses with due regard for responsibilities to the environment. In this regard, the following policies and guidelines have been prescribed.

1. Businesses shall be undertaken in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken.
2. An organizational culture and consciousness of employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees.
4. Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
5. There is a system for selection of trade partners in the value chain who undertake businesses in an environmentally friendly manner.
6. Environmentally friendly technology are developed and published.



For the policy and guideline, the Company's actions can be summarized as follow.

The Board of Directors has the awareness in the effectively utilization of natural resources and responsibility to the environment. Then, the Board of Directors announced the policy of social responsibility which was disclosed in the Sustainability Development Report. The Board also appointed the Social Responsibility Committee which had the actions in the scope of social responsibility as mention below.

1. Production process

The company has selected the most efficient production method by choosing co-generating heat power production. The aero derivative turbine can be adjusted to fit with the production level that best serve the vary demand. The inlet air chilling system is used to decrease the temperature of air sucked into the production process to give the best yield of production. The turbine and RO rejected water recycle system allow the production process to reverse the water back into the production. The water in production process could be reduced by 12,600 cubic meters per month. The production cost in terms of raw water and water purification will be reduced. The Company disclosed the Environmental Management in the Sustainability Development Report.

2. The working team for environment management

The company appointed a working team responsible for the environmental management system. The working team is authorized to monitor and control the operation to be complied with laws and regulations. The company has set the policy for environment, safety and energy saving. The environmental check will be conducted annually based on the Environmental Impact Assessment (EIA) standard. The air and noise pollution test will be conducted with the observation of the local community members. The committee has been composed of the representatives from the government office, the local administrative office, civilians. The meetings were conducted to monitor the environment management matters 2 times a year.



3. The standard of environment management

The company has been certified the environment management standard (ISO14001:2015) by Management System Certification Institute (Thailand) or MASCI. The company keeps on monitoring and annually conduct follow up test. The follow up test did not show any irrelevance.

4. The efficient resource usage

- 4.1 The working team for environment management has responsibility to manage the operating system at the most efficient level and complied by laws. The working team set the target to have energy saving issue engaged into the operation. The company has setup equipment to reduce the speed of cooling tower fan and also implemented the energy saving policy to preserve heat from steam trap in the steam distribution system. The company has regular maintainance plan. The information is disclosed in the Sustainability Report under topic “Environment Management”.
- 4.2 The company run solar rooftop project to generate electricity from solar power and use in the office. The installation was made on the car parking building rooftop on March 5, 2008. The company can reduce carbondioxide by 19 tons per year.
- 4.3 The company inproved the information technology system and implemented “work flow” and VDO conference. The improvement helps promote work efficiency and energy saving.
- 4.4 The company has held activities and trainings for employees to raise awareness in energy saving in though activities such as electricity saving, water saving, paper saving. The promoted campaigns are turning off the light during lunch break session and the 2-sided paper usage.

This year, the company assigned management and employees to participate in energy saving activities called “Squid Energy” and “Bingo Energy”.

5. Educating and training employees on environmental concerns

The board of directors encourages the employees to realize the importance of the environment. The Company provides dissemination environment to intranet, manage the information board as well as encouraging employees to increase their knowledge training in environmental matters continuously.

The company provided training sessions such as the energy saving practices in the organization, basic knowledge of ISO 14001 and aspect & Risk Assessment.

In 2020, the company did not receive any compliant on environmental issue.

The company operates business with environment responsibility and strictly complies by laws. The company got many social responsibility awards.

1. “Thailand Sustainability Investment 2021” (THSI)

The company has been selected as a sustainable company participating in “Thailand Sustainability Investment 2021” (THSI). The company is one of the sustainable stocks in the group with market capitalization of THB 3,000-10,000 million.

2. Sustainability Disclosure Award

The Company received the Sustainability Disclosure Acknowledgement from Thaipat Institute for 3 consecutive year. This year, the company and subsidiaries did not engage in lawsuits, or dispute regarding significant environmental issue. The other complaints were analyzed in order to prevent, monitor and adjust to the organization in order that such defects might not happen again.



1.9 Government Sector

The Board of Directors undertakes businesses in compliance with the rules and regulations enacted by the State. In this regard, the following policies and guidelines have been prescribed.

1. Knowledge and understanding of the laws governing operations are acquired and no activities are undertaken which would be inconsistent with the law.
2. Proper action shall be taken when conducting transactions with an official or agency of the State.
3. Good relations are fostered between the Company and the State sector within suitable bounds.
4. Relevant laws and business traditions are observed in each country or locality.

For the Policy and guideline, the Company had done the following actions;

The company complies with laws, rules and regulations supervised by many entities such as the Stock Exchange of Thailand, the Securities and Exchange Commission, Ministry of Energy, the Department of Industrial Work, and the Revenue Department. The relationship with regulators is good. The company paid tax correctly within the required timeline.

Moreover, the company always cooperates with other businesses. The examples are being a member of Thai Institute of Directors. The directors have chances to join seminars regularly.

The details have been disclosed in “Sustainable Development Report”.

2. Conflict of Interest

The Board of Directors has a policy for dealing with conflict of interest. The following guidelines have been prescribed.

1. The administration of conflict of interest or connected transactions is undertaken prudently, fairly and rationally. There is a transparent system for approving transactions which primarily takes into account the Company’s interests. Interested Company Directors do not have the right to vote and must make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Company’s interests shall be upheld subject to legality. No action shall be taken that would be a conflict with the Company’s interests, and no benefits or privileges will be given to any person.
3. Company Directors and Executives must disclose personal interests and the interests of related persons in accordance with the prescribed rules.
4. Company Directors, Executives and employees who acquire inside information are prohibited from trading in Company shares in the 1-month period prior to public disclosure of financial statements.
5. Company Directors, Executives as well as their spouses and children who have not yet attained legal age shall have the duty to report Company securities holdings and changes in such holdings to the Board of Directors in the subsequent Board Meeting.

6. Company information or secrecy acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.
7. Disclosure shall be made by authorized Company employees. Classes of secrecy may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.
8. The company requires Board members, top executives to report the stock trading transaction to the Chairman 1 day prior to the execution date.

In 2021, the company did not receive any complaint on conflict of interest.

3. Receptions, receipts and grants of gifts

The Board of Directors aspires to undertake the Company's businesses in line with fair competition. Nevertheless, receptions, receipts and grants of gifts or attendance at receptions in accordance with traditions and practices to maintain good relations are necessary and desirable in accordance with Anti-Corruption Policy. In this regard, the following guidelines have been prescribed.

1. No receipts or grants of gifts, tokens or receptions which may influence a decision shall be made. If there is a necessity to receive or grant a gift, token or reception in accordance with tradition to a value in excess of normal circumstances, a report shall be filed with the respective supervisors.
2. In the case of an assignment or authorization by a supervisor to assist in an external agency, monies, objects or gifts may be received in accordance with the generally applicable rules or standards prescribed by such an agency, e.g. gifts, tokens or lucky draws.
3. In the case where an agent, contractual party, partner or any other person wishes to grant a gift, token or reception to the Company, prior authorization must be obtained from the Company.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

In 2021, there was no any complaint about receiving or giving gifts leading to the influence on business decision.

4. Encountering with Dishonest Acts and Corruption

The Board of Directors has a policy of compliance with the law on combating Dishonest Acts Corruption and Anti-Corruption Policy. In this regard, the following guidelines have been prescribed.

1. A consciousness, value and attitude to comply with laws and regulations honestly and in good faith shall be instilled in employees.
2. An internal control system which is efficient and effective shall be in place. There shall be suitable oversight and checks of powers to prevent employee abuses or involvements in combating Dishonest Acts Corruption.
3. Company Directors, Executives and employees are prohibited from performing any act which amounts to a demand or acceptance of properties or other benefits for oneself or for others as an inducement to wrongfully perform or refrain from performing a duty or which could result in a loss of the Company's legitimate benefits



4. Company Directors, Executives and employees are prohibited from giving or offering to give properties or any other benefits to third parties to induce such person to unlawfully or wrongfully perform or refrain from an act.
5. There shall be a financial reporting system which is transparent and accurate.
6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel must be appointed to examine all notices of suspicion given.

For the Policy and guideline, the Company had done as following;

The company has set anti-corruption policy and guideline for Board members, management and employees. The guideline aims to prevent the corruption both direct and indirect formats. The bribery should be avoided. The guideline for anti-corruption has covered 3 topics.

1. Donation
2. Support
3. Give or obtain gift and entertainment

The guideline for anti-corruption has been disseminated to Board members, managements, and employees.

In 2021, the company did not receive any complaint about dishonest actions or corruption

5. Non-infringement of Intellectual Property

The Board of Directors pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.
2. Intellectual property works of the Company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorization.
3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form which it is stored.

For the Policy and guideline, the Company had done as following;

- **Intellectual Property**

The company coordinated with Kasetsart Agricultural and Agro-Industrial Product Improvement Institute in inventing the fiber generating machine using steam explosion method. The fiber is environmental-friendly comparing with fiber from traditional process, boiling with chemical substance. The invention was registered with Department of Intellectual Property under the petty patent number 17814 covering the system and process of generating fiber by using 3-step steam explosion.

- **Copyright Infringement**

The Board of Directors has policy to use patented computer softwares then delegates the Information Technology unit as the one responsible for controlling the compliance with Computer Crimes Act B.E. 2550 (A.D. 2007), Patent Act B.E. 2558 (A.D. 2015) and other related laws. The unit also monitors the compliance with policy for information technology safety. The rulebook and manual for network, computer and information technology were published as guideline for strict compliance. The company is not responsible to any violation of the laws, actions may cause damage to organization or person. The violation of the rules will lead to disciplinary action.

In 2021, the company did not engage in any legal dispute about violation in copyright or intellectual property.

6. **Non-violation of Human Rights**

The Board of Directors respects human rights. In this regard, the following policies and guidelines have been prescribed

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the Company. Such complaints shall be given attention and processed fairly.

For the Policy and guideline, the Company had done as following;

1. **Labor**

The Company oversees that the operations of all branches do not employ illegal labors. The company supports the human rights protection. The equal treatments have been implemented to stakeholders without the segregation of gender, age, skin tone, education, religion, and personal beliefs.

2. **Political Rights**

- The Company has promoted the executives and employees to exercise their rights as citizen under the Constitution and other relevant laws.
- The executives and employees shall not use their power to lead or induce colleagues and subordinates to support either directly or indirectly any political activities.

3. **The protection of personal rights, the data protection base on Personal Data Protection Policy**

In 2021, the company did not engage in any legal dispute about violation in human rights. The information is disclosed in the Sustainability Report under topic “Social Operation”, sub-topic “Workforce and Human Rights”.



7. Safety and Occupational Hygiene

The Board of Directors attaches importance to safety and occupational hygiene. In this regard, the following guidelines have been prescribed;

1. Business undertakings shall comply with laws, regulations and policies on safety, occupational hygiene and working environment with due regard to the safety of life and properties as well as to the impact on the health of employees, trading partners and stakeholders. Regular monitors and safety assessments must be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures and standards are prescribed to ensure working safety consistent with risks. Working environment and safe work procedures are improved. Tools and equipment for safety protection are also provided to employees.
3. Preparations are made for emergency events. An emergency plan has been devised and regular drills and improvements are carried out. This is to prevent and minimize any loss to life or properties of the Company, employees, trading partners and related persons.
4. A safe working culture has been built for the entire organization to ensure sustainably safe work operations.

For the Policy and guideline, the Company had done as following;

The Company has paid more attention on safety and occupational hygiene on operations. The Safety, Occupational Health and Environment Committee was appointed to conduct on the safety and occupation health policy to employees.

1. their awareness in strict compliance to the standards which will reduce work-related risks among employees.
2. The company requires that all new staff attend basic safety training and that performance in occupational health and safety be a Key Performance Indicator (KPI).
3. The company also puts priority on the safety of operational staff. They are required to dress in proper uniforms and be safety role models. The Smart Safety Man was assigned to be the role model and to raise awareness of safety among staff of all power plants.
4. The co-operational projects had been launched covering the area of environment, safety, health and working environment to create the engagement and awareness among employees.
5. The Company has also published and communicated The Environment, Safety and Energy Conservation Policy to executives, employees, contractors and all related persons, to raise
6. The training about Ergonomics in workplace was arranged.
7. The safety on workplace is well and regularly checked by the security officers throughout 24 hours.
8. The fire alarms and fire extinguisher are installed on the buildings, as well as fire doors.
9. The cleaning day activities (5-Sor) are regularly promoted in the workplace.
10. The basic firefighting, fire evacuation drills are held regularly.
11. First aid and CPR are frequently trained to employees.

12. “Safety Week” is organized annually.
13. The company conducts the random test with employees and contractors for addictive substances findings once a month.
14. The company keeps track on the employees and the contractors once a month. The company has set the target to minimize the fetal incident to zero level. The statistic of safety, health and working environment.

The company was certified the international standard in to safety and occupational hygiene management (ISO 45001:2018) from the Management System Certification Institute (thailand) (MASCI). The company has annually compliance monitoring. The result of the test did not show any inconsistency. There was no accident occur and the no sickness from the operation (Zero Accident).



Practice Fire evacuation drill



Pre-Emergency Plan



Pre-Emergency Plan

Code of Conduct for Company directors, Executives and Employees

1. Formal Responsibilities

The Board of Directors appreciates the importance of good governance. Continual undertakings are implemented to ensure that Company Directors, Executives and employees are aware and comply with standards under the framework of the Code of Conduct and conduct oneself honestly, cautiously and prudently for the greatest benefit of the Company and all related parties. As a consequence, the following Code of Conduct has been prescribed.

Company Directors and Executives

1. Duties shall be performed responsibly, prudently, honestly and in good faith in compliance with the law, Company articles and relevant notifications.
2. Duties shall be performed to the utmost of ability in order to generate the greatest returns to the Company. This includes attendance at all meetings, except where there is an unavoidable necessity.
3. Duties shall be performed impartially. In a Board Meeting, Company Directors and Executives shall not vote on matters which they have interests.
4. Conflicts of interests shall be administered prudently and reasonably, in adherence to the Company's interests, to ensure transparent management of operations.
5. The acquisition or disposal of assets of the Company, Company directors and executives, including their spouses and children who have not attained legal age, shall comply with the relevant rules and a disclosure shall be made to the Board Meeting in the subsequent meeting.
6. Company directors and executives are prohibited from buying or selling Company shares in the 1-month period prior to the public disclosure of financial statements and also 24 hours after the financial disclosure.
7. Company directors and executives must disclose personal interests and those of related persons in accordance with the prescribed rules.
8. Directors and top executives have the responsibility to report the company stock trading transaction at least 1 day prior to the transaction execution date.
9. There shall be regular appraisals of the Board of Directors' performance every year.

Employees

1. Employees must support and cooperate in the Company's activities on a regular basis. Assigned tasks must be performed to the best of ability in order to ensure good results and advancement of the Company and employees.
2. Employees must comply with the relevant laws, policies, terms of employment, regulations and notifications.
3. Persons contacting the Company must be treated courteously, hospitably and provided with an excellent service in order to preserve the Company's image and reputation.

4. Trade secrets must be kept and the Company's inside information must not be disclosed to third parties.
5. Loans shall not be obtained from customers, persons connected to customers or business counterparts of the Company, except for loans obtained from a bank or financial institution.
6. Lawful orders of supervisors shall be complied.
7. There shall be a commitment to teamwork, mutual assistance, harmony and mutual respect for the benefit of the Company and employees.
8. Co-workers must be treated generously and with good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.
9. Duties shall be performed with determination, in earnest and honesty, and the roles and responsibilities in the Company shall not be abused for the purpose of acquiring wrongful benefits for oneself or for others.
10. Duties shall be performed responsibly, cautiously and without neglect in such a manner which could cause a loss to works or properties of the Company.
11. Employees should conduct themselves as good citizens who comply with the constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall also avoid any involvement in an activity which is unlawful or inconsistent with public order or the good morals of the people.

2. Maintenance of Company Assets

Company directors, executives and employees are under a duty and responsibility to efficiently maintain Company assets and assets under the care of the Company. In this regard, the following guidelines have been prescribed.

1. Assets shall be used for business operations and not used for personal gains or for the gains or third parties.
2. Interests shall be protected and assets shall be cared to prevent loss, damage or wrongful use pursuant to the standards of a reasonable man caring for one's property. Direct or indirect wrongful exploitation of benefits shall be eliminated.
3. Sufficient insurance protection from losses shall be obtained for assets.
4. The use of computers to harass, infringe, spy, corrupt other person's personal data or fabricate evidence which could lead to data theft shall be prohibited. An information security system consistent with international standards shall be installed.
5. E-mails and internet access provided shall be used for business purposes. They shall be used cautiously and not prejudice the Company's reputation.
6. Passwords for access to the Company's data shall be kept secret and shall not be disclosed to unauthorized persons.
7. The Company's intellectual property works shall not be reproduced, adapted or used for personal benefit or for the benefit of others without authorization from the Company.



8. The supervisor shall be reported of any finding of rights infringement or acts which could lead to a rights infringement or any act which could potentially lead to a dispute relating to the Company's intellectual property.
9. The safekeeping of important documents of the Company shall be overseen to ensure full compliance with the relevant laws and regulations. Upon the lapse of the safekeeping period, the relevant employee must oversee that the documents are destroyed by appropriate means.

3. Informants and Complaints

The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behavior which could cause a problem or loss to the Company (Whistle Blowing). The Company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly and corruptly. Suitable channels and procedures have been provided by the Company in this regard.

The Company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the Company according to the Anti-Corruption Policy.

Measures for the Protection of Complainants

1. A complainant may choose to remain anonymous if he/she deems that disclosure could lead to harmful consequences.
2. The Company will keep relevant information secret and take into account the safety of the complainant. Measures have been prescribed for the protection of complainants who are employees, including those who cooperate in the investigation of facts. These persons will be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment.

In 2021, there was no information or complaint of law violation, dishonest and wrongful act of employees.

4. Interpretations

A supervisor shall be under a duty to take responsibility and give advice to subordinates to ensure knowledge and understanding as well as compliance with the prescribed Code of Conduct. If the Code of Conduct does not provide for any instance, or if there remains a question which renders performance not possible or that a decision cannot be made, the matter shall be consulted with the respectively higher superior. In the case of a conflict, the decision of the managing director, executive board and Board of Directors shall be final.

6.3 Significant Change and Development in Good Corporate Governance in the Past Year

6.3.1 Significant Change and Development in Revision of Policy, Guideline, Internal Control System or Charter of the Board

In 2021, the company took several actions.

- Review the company vision, mission, goals and strategy
- Review and revise the charter of the Board of Directors, and charter of the sub-committee
- Review and revise the anti-corruption policy and guideline
- Review and revise the personal data protection policy
- Review and revise the manual of global management standard (ISO)
- Implement the system in safety, occupational hygiene and working environment management provided by Thailand Institute of Occupational Safety and Health (Public Organization)

The Board of Directors reviewed the corporate governance system. The operating process was developed and revised to be timely and in line with the current policy.

6.3.2 Non-Compliance Issues of Good Corporate Governance

The company did not comply with some issues suggested by good corporate governance policy for listed company. The company will consider to implementation in the future.

Non-Compliance Issues	Explanation
1. The Board of Directors has specified the number of listed companies that each director hold directorship for not more than 5 places in the company's corporate governance policy.	The Company does not specify the number of listed companies that each director hold directorship since the Board of Directors believed that each director's business expertise and capabilities should not be restricted by the number of companies said director served, as long as he / she proved to be capable and devoted enough to carry out own assignments in fulfilling the expectations by the Board of Directors and shareholders. At present, the company does not have any director serves as director in more than 5 listed companies.
2. The Board of Directors' policy has specified the limit of the number of years on the tenure of independent directors not exceeding 9 years.	The company's policy does not limit the number of years on the tenure of independent directors since the company's independent directors continue to perform their duties with independence and without private interests that may conflict with the interest of the company, as well as make decisions by considering the best interests of the company. They are also independent from the management and major shareholders of the company. The company does not have any independent director with tenure exceeding 9 years.




Non-Compliance Issues	Explanation
3. The Chairman of the Board of Directors is an independent director.	The company does not specify that Chairman of the Board must be an independent director. The company's business needs experienced and capable human resource. The company considers non-dependent chairperson acts independently without overruling the Board without the prior notice of the directors. The act of the chair will be ruled with regulations and the company's article of associates. The members of the Board of Directors are free to participate in the discussion and share their opinions.
4. Chairman of the Nomination Committee and/or Chairman of the Remuneration Committee are independent. The Nomination and Remuneration Committee composed of the majority of independent directors of all independent directors.	The company does not specify in the policy that the chair of the Nomination and Remuneration Committee must be independent. However, the members of the committee act with responsibility, honesty and do not cast their vote in the agenda with potential conflict of interest. The Chairman of the Board of Director is the chair of the Nomination and Remuneration Committee. The company considered he has qualifications in making decision and ensuring check and balance among members.
5. The company did not arrange meeting (s) among non-executive directors in the past year.	The company arranged meetings for non-executive directors to discuss about trending topics without management presence. The arrangement allows directors to discuss and independently share opinion for the company's benefit.
6. The company did not arrange publication to press or publish press release about the company's financial status.	<ul style="list-style-type: none"> - The company discloses the information about the company's quarterly and yearly financial statements and other material information on website and the Stock Exchange of Thailand's channels. - Due to the pandemic of Corona Virus Disease 2019 (COVID-19), the company did not organize Opportunity Day event to comply with disease control policy. The event "Opportunity Day: Sahapat meeting with analysts and investors" is the cooperation with the Stock Exchange of Thailand to organize an event allows analysts, investors, presses and public to get information about business, operating performance, viewpoints towards economy and industrial developments. The company takes the opportunity to present new products and innovation. The event also allows participants to share ideas with top executives.

6.3.3 Compliance in Other Corporate Governance Issues

The Board of Directors focuses on building good corporate governance system and improving the standard of good corporate governance in practice. The company considers operational changes according to economic and social changes and also values the foundation of sufficient economy which is in line with good corporate governance principles suggested for listed companies.

The Board of Directors, management and employees unitely complied with the principles of good corporate governance and also care for all stakeholders. The aims are building up the business's economic growth as well as balancing with social development and environment care. The company evaluation results can be shown as follow.

1. The evaluation from a corporate governance survey of listed companies (CGR Project)

Categories	2019 (%)	2020 (%)	2021 (%)
1. Rights of Shareholders	92	92	92
2. Equitable Treatment of Shareholders	99	99	99
3. Role of Stakeholders	94	94	94
4. Disclosure and Transparency	95	97	95
5. Board Responsibilities	80	84	83
Average Score	89	91	90
SCG Score			

2. The Company was graded as 5 TIA in the assessment of the quality on holding the Annual General Shareholders' Meeting in 2021 from Thai Investor Association.

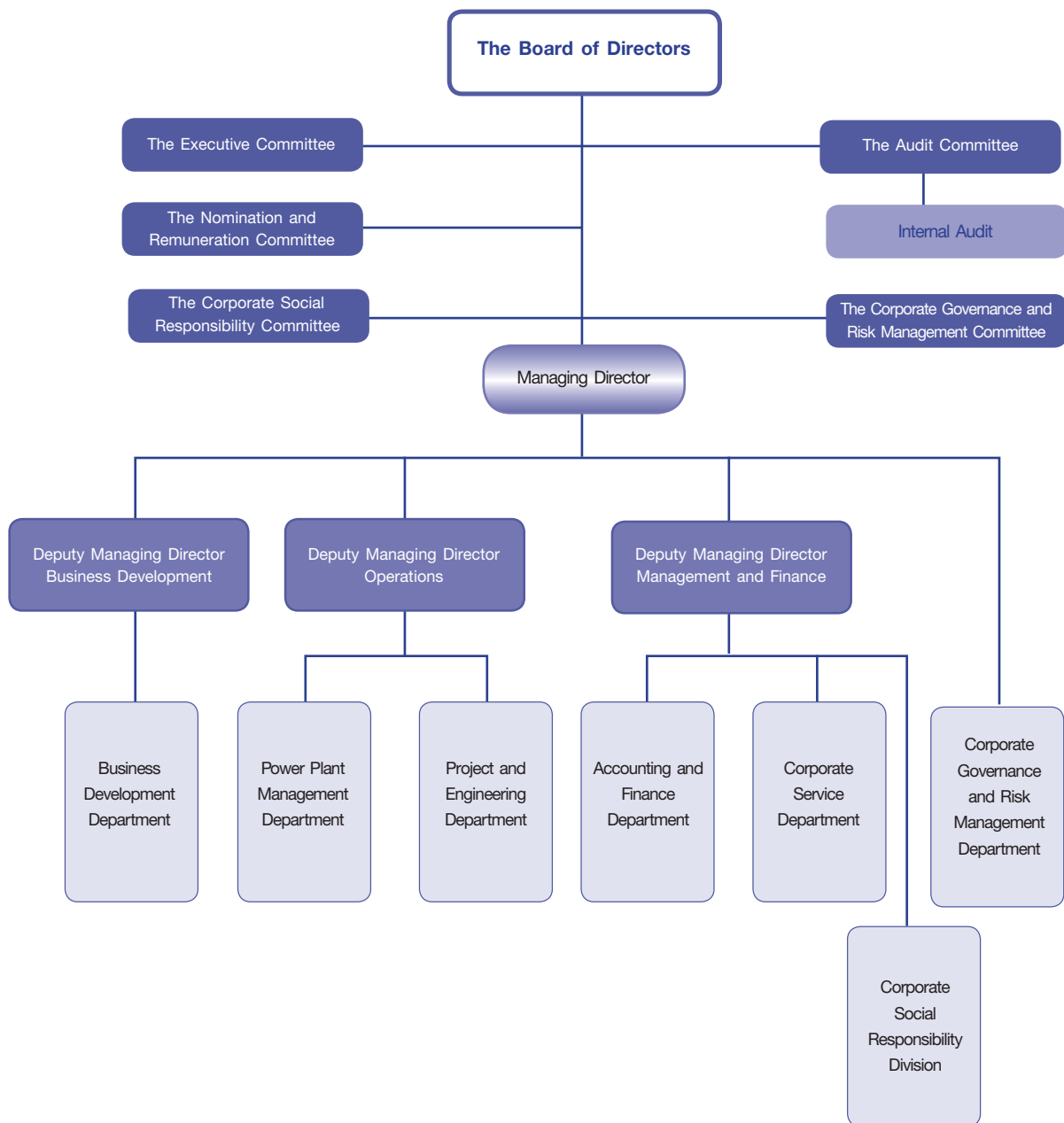
Year	Overall of Listed Companies			
	Number of Companies	Maximum Score	Average	The company's evaluating result
2021	668	100	95.46	100
2020	712	100	93.10	100
2019	672	100	93.70	100

3. Thailand Sustainability Investment

In 2021, the company has been selected as a company in "Thailand Sustainability Investment 2020" (THSI). The company is one of the sustainable stocks in the group with market capitalization of THB 3,000-10,000 million.

7. Corporate Governance Structure and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others

7.1 Corporate Governance Structure as of December 31, 2021



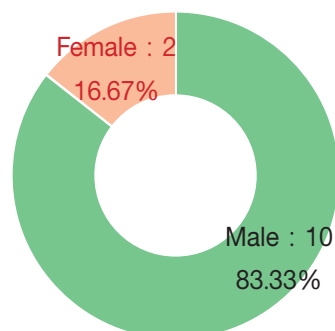
7.2 The Board of Directors as of January 5, 2022

Board of Directors consists of 12 members, classified into:

- 9 Non-executive Directors or 75.00 % of the entire board. 4 out of 9 are Independent Directors equivalent to one third of total.
- 3 Executive Directors or 25.00% of the entire board

Gender Diversity

	People	Percentage
Male	10	83.33
Female	2	16.67
Total	12	100



Education and Expertise Diversification

The company discloses information regarding education and expertise diversification in Annual Report (Form 56-1 One Report) under topic “Attachment No. 1 Details of Directors, Executives, Controlling Person, and Company Secretary”

7.2.1 Combination of the Board of Directors

- The Board of Directors composes of at least 5 people
- Not less than half of the Board of Directors must have permanent residence in the kingdom of Thailand
- Directors must be qualified with qualification specified by laws
- The independent directors must not less than one third of total Board of Directors and at least 3 people
- The Audit Committee must have at least 3 people and at least 1 person with finance and accounting background
- The chairman of the board must be non-executive director and not the same person with the chair of executive committee or managing director which is the highest position of managements

Roles, Duties and Responsibilities of the Board of Directors

(1) Leadership and Vision

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the Company’s principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in order to enhance operational efficiency for the greatest benefits of the business and achievement of the Company’s business goals. In this regard, the Board of Directors undertakes the duties of monitoring the management of the

executive according to the various working plans. The operating result and the executives' securities holding status will be reported to the Board of Directors annually. The updates will be used to set the business strategy corresponding to the change. The company has determined the delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section. Dharmniti Internal Audit Co., Ltd. was assigned to audit all procedures of the Company and its subsidiaries' operation so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

(2) Good Corporate Governance

The Board of Directors appreciates the importance of good corporate governance. In consequence thereof, the Board of Directors has laid down a policy on corporate governance in writing, consisting of

For those who do not comply with such measures will be appropriately punished and might be prosecuted in the case of law violation. If employees are in doubt and cannot comply or make decision, they shall consult with sequence supervisor. In the case of dispute, the judgment from the Managing Director, the Executive Board and the Board of Directors will be considered as final order.

(3) Conflict of Interests

The Board of Directors proceeds carefully and rationally concerning conflict of interests and related transactions. The Company's best interest is the priority in consideration. The company set the price to be consistent with fair trading conditions as if the transactions are those engaged in by members of the general public. Our handling of matters in this area is transparent and consistent with the announcements of the Capital Market Committee. It is established as a good corporate governance policy and an ethical requirement binding upon The Company and shareholders. Information is disclosed to ensure equal access by all. The details are available on the Business Code of Conduct, section regarding to 2. Conflict of Interests" and 9. Internal Control and Related Parties Transaction : 9.2 Transaction with Related Companies

(4) Promotion of Social Responsibility, Environment, and Human Rights

The Company has realized on the importance of social responsibility and environment in parallel with the business operation. Therefore, the Company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways. The policy is stated in the Annual Report (Form 56-1 One Report) under topic "6. Corporate Governance Policy : 1. Business Ethics, Responsibility to Stakeholders"

(5) Internal Control and Audit

The Board of Directors attaches importance to and has installed a control system for operations, financial reporting in compliance with rules, regulations and policies. The Company has employed Dharmniti Internal Audit Co., Ltd. to audit the internal control and reported to Audit Committee, and the Board of Directors. The auditors have independence on their audit. The Board of Directors shall consider the suitability and adequacy of internal control system in accordance with the COSO 5 principles i.e. the Control Environment, the Risk Assessment, the Control Activities, the information and Communication, and the Monitoring, which will be conducted annually.

In addition, the company authorized the Corporate Governance and Risk Management Department to act as the Compliance Unit to oversee the operation according to the rule and the articles of association of the company and related laws.

In 2021, the audit committee has considered the internal control and risk management system were sufficient and suitable for the nature of the business. The assessment of the internal control system detected some issues to be improved. The mentioned issues and recommendations were informed to the functions. The implementation of the said process was presented to the Board of Directors for consideration on the quarterly meeting.

The evaluation of internal control system was revealed in the Annual Report (Form 56-1 One Report) under the topic “2. Risk Management”

(6) Risk Management

The risk management is a policy implemented systematically in the organization under the supervision of the Corporate Governance and Risk Management Committee comprising the Executive Director and Manager. In this regard, the senior management of each department have been appointed as a commission responsible for the risk management according to the policy and assigned duties. The report on risk management is presented to the Audit Committee and the Board of Directors. If necessary, they can propose statement of necessity to the Board of Directors to be considered. When ever there is a significant risk or an irregular transaction. These proceedings are taken to ensure that the level and magnitude of damages that could occur are maintained within acceptable, assessable and controllable levels for the organization that can be systematically inspected with due consideration to the organization’s goals.

In 2021, the Corporate Governance and Risk Management Committee reported findings and suggestions given to the related operating units. The result of actions and suggestions annual business plan will tions had beenbe proposed to the Board of Directors annually.

The Company disclosed in the Annual Report (Form 56-1 One Report) under topic “2. Risk Management” and in the report of the Corporate Governance and Risk Management Committee.

During the previous year, the Board of Directors has legally operated the Company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

(7) Board of Directors' Meetings

1. The Board of Directors has determined that meetings shall be held at least every three months. The ad-hoc meetings could be called base on necessity. An annual schedule of Board of Directors' meetings is prepared by the corporate secretary wherein the agenda are clearly stated. The Company Secretary would submit such schedule in the December of each year together with the submission of documents at least 7 days prior to the meeting date so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting, except in the event of urgency for the protection of the Company's interests where notice may be given less than 7 days. Each meeting would last approximately 2 hours.
2. All directors are considered as their duties to attend the meeting each time unless unable to do so due to significant obligation or illness. The company has set a policy of minimum quorum of the committee to vote at the meeting of the Committee that must be composed of directors not less than 2/3 (two-third) of all members. On consideration of other issues, the Chairman of the Board of Directors, be the Chairman of the Meeting, has invited the Directors to comment independently. The voting shall be held the majority. Each director shall have one vote and the director who have conflicts of interest in each agenda, as the case may be. In case that the voting is equal, the Chairman of the Meeting is entitled to one vote on a resolution.
3. The Board of Directors has focused on the management of the conflicts of interest of all parties carefully and fairly. The information must be completely disclosed. In the event that any irectors have conflicts of interest with the benefit on the issued considered, such interested director has no right to make decision. One the Board of Directors' Meeting, if there is a query or a need to obtain additionalinformation from relevant persons, Managing Director would invite a high level management to give an explanation.
4. The Company Secretary would record the meeting and propose to the Executive Board to review prior to present to the Board of Directors' Meeting for endorsing on the first agenda of the next meeting and verified by signatures of the Chairman of the Board of Directors. In addition, the Directors can express opinion or amend on the Minutes of the Meeting before endorsement.

The Minutes of Meetings, already endorsed, are kept at the head office and filed the original minutes of meeting together with the relevant documents on each agenda for convenience of reference and searching.

5. Besides, the Board of Directors has allowed the Non-Executives Directors to hold meetings amongst themselves in the absence of the management in necessity and present to the board for acknowledgement.
6. The Board of Directors supported the joint meeting between the Board of Directors and the Executive Board at least once a year, to deliver yearly strategic targets and operation plans of the Company, as well as to build good relationships between directors and executives. Moreover, Chief Financial Officer has joined the Board of Directors' meeting at all times.

7. The Board of Directors has laid down a policy that independent directors arrange their own meeting, without executive directors or the management of the Company, at least once a year so that independent directors can consider and discuss various issues about management or issues that are of interest. The results of the meeting were informed to the Managing Director
8. The company's Chief Financial Officer is required to attend the meeting regularly.

In addition, the Board of Directors has reviewed the Company's visions, missions and business strategy. The Board as so monitored for action in the previous fiscal year, for example, making sure the electricity and steam distributed efficiently under the management of the sufficiency economy principle and 8 principles of Good Corporate Governance. The Board of Directors also supports the group company to act accordance to guideline of anti-corruption policy.

The meeting schedule for the year 2022 had been marked. The extraordinary meeting could be called depending onto the circumstance.

No.	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social Responsibility Committee
1	January 5	January 18	February 21	January 5	February 15	February 15
2	February 21	February 15	May 11	February 8	June 14	June 14
3	March 21	March 15	August 5	December 16	October 11	
4	April 22	April 19	November 4			
5	May 13	May 3				
6	June 20	June 14				
7	July 20	July 12				
8	August 10	August 2				
9	September 21	September 13				
10	October 19	October 11				
11	November 9	November 1				
12	December 16	December 6				

The company and the subsidiaries' operating performance will be monthly reported to the Executive Committee. The report will be later on proposed to the Board of Directors in each meeting.

(8) Self-Assessment of the Board of Directors

The Board of Directors has established the policy of the Board assessment at least once a year. The Nomination and Remuneration Committee is responsible for the annual assessment. The assessment allows each Board member to discuss the about the past performance, limitations and problems to improve the Board's efficiency

(9) Orientation of New Directors

The Company has arranged for the orientation of new Directors in order to inform them of the Company's policies and relevant information, such as the Company's principal business, operating results, organizational structure, and shareholders, including relevant rules and regulations as well as plant visit to each subsidiary of the Company. Also, for the benefit of the discharge of functions by new Directors, the Company has prepared a handbook for Directors as follows;

Director's Handbook

- | | |
|--|---|
| 1. Securities and Exchange Act (No. 4)
B.E. 2551 (2008) | 5. Good Corporate Governance Handbook |
| 2. Charter of the Board of Directors | 6. SEC's Listed Company Directors Handbook. |
| 3. Certificate of Registration as a Public Limited Company | 7. Anti-Corruption Handbook |
| 4. Company Certification and Objects of the Company | |

Other Information

- Visions, mission, core value and goals of the Company;
- Annual report, the sustainability report together with the presentation on the Company's business
- Description for new Directors and business practices of the company
- The Company's video presentation

In 2021, the Company held 1 Orientation session for 5 new directors.

(10) Company Secretary

Under the Securities and Exchange Act (No. 4) B.E. 2551 (2008), the Board of Directors is required to appoint the Company Secretary to take responsibility for carrying out proceedings prescribed by law on behalf of the Company or the Board of Directors.

1. Term for Company Directors

The term for Company directors is in accordance with the Company articles of association, Public Companies Limited Act and Charter for the Board of Directors as follows:

1. At every Annual General Meeting, one-third (1/3) of the directors shall retire from office. If the number of directors cannot be divided evenly into three (3) parts, the nearest number to such one third (1/3) of the directors shall retire from office. The director who retired in due course may be reelected
2. In the case where a position on the Board of Directors becomes vacant due to reason other than completion of term and where the remaining term is longer than two months, the Board of Directors shall appoint a properly qualified individual to fill the vacant post at the next meeting. The replacement member is to only serve the remaining term of the member whom he / she replaces.
3. The tenure of members of the Board of Directors is terminated due to the following reasons:
 - (A) Expiration of term
 - (B) Resignation
 - (C) Death
 - (D) Being disqualified for lack of qualifications or possession of characteristics prohibited by law or corporate regulation
 - (E) Being found to have inappropriate characteristics to gain trust in managing the business of a listed company as per regulations specified by the Securities and Exchange Commission
 - (F) Removal by a resolution of the Shareholders Meeting
 - (G) Removal by the judgement of a court
4. A director who resigns before the expiration of tenure shall submit a notice of resignation to the Company, effective on the date such notice reaches the Company. The notice of resignation may also be sent to the Registrar as prescribed in the laws pertaining to public companies limited.

2. Holding Office Regulation for the Directors

- The Board of Directors does not limit the number of listed companies for the Directors to hold office because the Board of Directors and shareholders are confident in the Directors' qualifications as the experts equipped with knowledge, business capabilities, determination, and high commitment.
- The Company believes that each director's business expertise and capabilities should not be restricted by the number of companies which director served, as long as he/she proves to be capable and devotes enough to carry out own assignments in fulfilling the expectations by the Board of Directors and shareholders.
- For the independent Directors, the Board of Directors does not specify the term of office holding for the Independent Directors since both positions are appointed by the approval of the shareholders' meeting. The number of years on such position, which shown on the notice of meeting and the annual report for consideration.
- The Directors who hold office in other companies should be approved by the Board of Directors, according to the regulations of holding office for the Directors.
- Regarding holding office in the other listed companies, the Company's Directors and the Executives of the Saha Group, the Company has established policy and guidelines on such matter. The executives of Saha Group have also the directions and the management team to consider such criteria of those companies as types of business and the necessity in assigning the Director or the Executive of which companies of the Saha Group to be the Company's representative concerning partnership or partnership contract. If necessary, they will send the Director or the Executive who has knowledge, skills, and expertise in that area to hold office.

The Company disclosed in the Annual Report (Form 56-1 One Report) under topic "Details of Directors, Executives, Controlling Person, and Company Secretary"

Currently, none of the company's directors held position in more than 5 listed companies.

3. Merger or Segregation

The Company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The Company has prepared a Charter of the Board of Directors which clearly prescribes and delineates the powers of all committees and the Managing Director.

The Chairman of the Board of Directors is the leader and controller of Board of Directors meetings in order to ensure independence. All Directors are able to express opinions or make suggestions fully. The management of the executives is supported through the grant of powers and responsibilities to the Managing Director. The Board of Directors does not interfere with routine management work. Although the Chairman of the Board of Directors is not an Independent Director, the Company remains confident that the duties have always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters approved by each relevant committee have achieved a balance and reviewed strictly.

4. Remuneration of the Directors and the Executives

The Nomination and Remuneration Committee would determine the appropriate remunerations for directors and sub-committees by consideration of the experience, duties, scope of roles and functions, participation and responsibilities of each Director for proposal to the Board of Directors and to the meeting of shareholders for approval. In this regard, the Annual General Meeting of Shareholders No. 19 held on Monday April 26, 2021 approved directorial remunerations on the amount of not exceeding Baht 10 million per year.

The Company disclosed in the Annual Report (Form 56-1 One Report) under topic “8. Report on Significant Corporate Governance Performances : 2. The Directors Compensation

7.2.2 Details of Directors, and Controlling Person

The Board of Directors consists of 12 members as of January 5, 2022

Name			Date of Appointment	Position	Authorized Directors	Non-Executive Directors
1.	Mr. Sujarit	Pachimnan	May 10, 2016	Chairman		•
2.	Ms. Choosri	Kietkajornkul	Dec 14, 2021	Vice Chairman	•	•
3.	Mr. Sakarin	Tangkavachiranon	Dec 14, 2021	Director	•	
4.	Mrs. Wadeerat	Charoencoop	Dec 14, 2021	Director	•	•
5.	Mr. Udompong	Chuntharumporn	Dec 14, 2021	Director	•	
6.	Mr. Thirasak	Vikitset	Mar 6, 2003	Director	•	•
7.	Mr. Vichai	Kulsomphob	Apr 23, 2018	Director	•	•
8.	Mr. Vorayos	Thongtan	Jan 1, 2021	Director	•	
9.	Mr. Chinapat	Visuttiapat	Dec 14, 2021	Independent Director		•
10.	Mr. Natapong	Vanarat	Jan 5, 2022	Independent Director		•
11.	Mr. Pongtep	Thithapand	Jan 5, 2022	Independent Director		•
12.	Mr. Chaisak	Yongbanjerd	Jan 5, 2022	Independent Director		•

Remark: Qualifications of Independent Directors and the Audit Committee are in accordance with all related regulations.

Directors with authority to sign on behalf of the Company

The Directors whose signatures are recognized as binding for the Company consist of Mr. Thirasak Vikitset or Mr. Vichai Kulsomphob or Mr. Vorayos Thongtan and the signature of Ms. Choosri Kietkajornkul or Mr. Sakarin Tangkavachiranon or Mrs. Wadeerat Charoencoop or Mr. Udompong Chuntharumporn the two jointly signatures of either and together with the company's seal.

Personal information of company directors

The Company disclosed in the Annual Report (Form 56-1 One Report) under topic “Attachment No. 1 Details of Directors, Executives, Controlling Person, and Company Secretary”

Controlling Person

The company does not have controlling person who significantly control policy setting or the company's operation.

7.2.3 The Board of Directors's roles

The company disclosed the information on website www.sahacogen.com under topic "Our Business : Sahacogen (Chonburi) Public Company Limited : Company Documents"

In 2021, the Board of Directors conducted 10 meetings. The meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances, which disclosed the detail in the Annual Report (Form 56-1 One Report) under topic "8. Report on Significant Corporate Governance : Item 8.1.2 Meeting Attendance and Individual Compensation"

7.3 Details about Sub-Committees

1. The Executive Committee

The Executive Committee is appointed by the Board of Directors to manage the Company operation to ensure that the Company has excellent management procedure. The executive committee consisted its term is one year, and selected by the Board of Directors after the Annual General Shareholders' Meeting.

The Executive Committee consists of 5 members as of December 14, 2021

	Name	Position	Position Period
1.	Mr. Sakarin Tangkavachiranon	Co-Chairman of Executive Committee	Dec 2021 - May 2022
2.	Mr. Viroj Theeravatvatee	Co-Chairman of Executive Committee	May 2021 - May 2022
3.	Mr. Udompong Chuntharumporn	Executive Committee	Dec 2021 - May 2022
4.	Mr. Vorayos Thongtan	Executive Committee	May 2021 - May 2022
5	Mr. Sontaya Tabkhan	Executive Committee	May 2021 - May 2022

The executive committee who resigned during the year as at December 14, 2021.

	Name	Position	Position Period
1.	Mr.Vichai Kulsomphob	Chairman of Executive Committee	May 2021 - Dec 2021
2.	Mr.Thirasak Vikitset	Executive Committee	May 2021 - Dec 2021
3.	Mr.Suthep Dansiriviroj	Executive Committee	May 2021 - Dec 2021
4.	Mr. Teerayuth Kaewcoon	Executive Committee	May 2021 - Dec 2021
5	Mr. Apipong Vischuveskamin	Executive Committee	May 2021 - Dec 2021

Secretary to the Executive Committee: Mr. Apipong Vischuveskamin

Roles of the Executive Committee

The company disclose the information on website www.sahacogen.com under topic “Our Business : Sahacogen (Chonburi) Public Company Limited : Company Documents”.

In 2021, the company’s executive directors, with the lead of the managing director, are responsible for the company’s operation planning and implementation based on the policies from the Board of Directors.

During the year 2021, the Executive Board conducted 13 meetings to report the operating matters to the Board of Director. Such topics will be disclosed in the annual report. The meeting schedule had been set in advance. The extraordinary meeting shall be called depending on the circumstance. The details are disclosed under the topic of the Annual Report (Form 56-1 One Report) under topic “8. Report on Significant Corporate Governance: Item 8.1.2 Meeting Attendance and Individual Compensation”.

2. The Audit Committee

The Board of Directors has approved the appointment of the Audit Committee with the qualifications specified under the conditions of security law and the Stock Exchange of Thailand. Such the committee must consist of at least three independent directors and at least one director must be qualified in accounting and finance, and whose term is one year. The Audit Committee shall be yearly appointed by the Board of Directors after the Annual General Shareholders’ Meeting.

The Audit Committee consists of 3 members as of January 5, 2022

	Name	Position	Experience & Expertise	Position Period
1.	Mr. Chinapat Visuttiapat	Chairman of the Audit Committee (Independent Director)	law	Dec 2021 - May 2022
2.	Mr. Natapong Vanarat	Audit Committee (Independent Director)	Financial	Jan 2022 - May 2022
3.	Mr. Pongtep Thithapand	Audit Committee (Independent Director)	law	Jan 2022 - May 2022

The Audit Committee resigned during the year as at December 14, 2021.

	Name	Position	Experience & Expertise	Position Period
1.	Mr. Nophorn Bhongsvej	Chairman of the Audit Committee (Independent Director)	Accounting and Financial	May 2021 - Dec 2021
2.	Mr. Amorn Asvanunt	Audit Committee (Independent Director)	Accounting and Financial	May 2021 - Dec 2021
3.	Pol. Gen. Somchai Prabhasabhakdi	Audit Committee (Independent Director)	Management	May 2021 - Dec 2021

Secretary to the Audit Committee: Ms.Penpak Vongrakvanich

Roles of the Audit Committee

The company disclose the information on website www.sahacogen.com under topic “Our Business: Sahacogen (Chonburi) Public Company Limited: Company Documents”.

In carrying out the referred duties, the Audit Committee is directly responsible to the Board of Directors, who in turn is responsible to the shareholders and general investors.

In 2021, the Audit Committee conducted 7 meetings. The meeting dates had been earlier decided throughout the entire year. The extraordinary meeting could be called depending on the circumstance. The Audit Committee regularly reported its findings to the Board of Directors and reports to be disclosed in the Company’s annual report; There are joint meetings with the Company’s auditor and the Chief Financial Officer each quarter, to review the Company’s quarterly financial statements and Annual Financial Statement Audit related parties transactions. A meeting was conducted without management’s presence. The details are disclosed in the Annual Report (Form 56-1 One Report) under topic “8. Report on Significant Corporate Governance : Item 8.1.2 Meeting Attendance and Individual Compensation”

3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors to supervise the corporate good governance management, especially to select a qualified person to be a director transparently. Such committee consisted of four persons, including the Chairman of the Nomination and Remuneration Committee and Three of them were non-executive directors, presented as 75% of this committee (as of December 14, 2021). The term is one year, and selected by the Board of Directors after the Annual General Shareholders’ Meeting.

Nomination: To select and screen a qualified person suitable to serve as a Company director. This selection procedure can be verified to ensure the selection is transparently.

Remuneration: To consider criteria on payment and type of compensation to ensure that this compensation is paid transparently and explicitly.

The Nomination and Remuneration Committee consists of 4 members as of December 14, 2021.

	Name	Position	Position Period
1.	Mr. Sujarit Patchimnan	Chairman	May 2021 - May 2022
2.	Ms. Choosri Kietkajornkul	Committee	Dec 2022 - May 2022
3.	Mr. Sakarin Tangkavachiranon	Committee	Dec 2022 - May 2022
4.	Mr. Vichai Kulsomphob	Committee	Dec 2021 - May 2022

The Nomination and Remuneration Committee resigned during the year as at December 14, 2021

	Name	Position	Position Period
1.	Mr. Boonkiet Chokwatana	Committee	May 2021 - Dec 2022
2.	Mr. Thirasak Vikitset	Committee	May 2021 - Dec 2022
3.	Mr. Nophorn Bhongsvej	Committee (Independent Director / Audit Committee)	May 2021 - Dec 2022

Secretary to the Nomination and Remuneration Committee: Mr.Vichai Kulsomphob

Roles of the Nomination and Remuneration Committee

The company disclose the information on website www.sahacogen.com under topic “Our Business: Sahacogen (Chonburi) Public Company Limited: Company Documents”.

In 2021, the Nomination and Remuneration Committee convened 3 meetings, and subsequently reported the results to the Board of Directors and reports to be disclosed in the Company’s annual report. The meeting dates had been earlier decided throughout the entire year not including the extra-ordinary meeting. The details are disclosed in the Annual Report (Form 56-1 One Report) under topic “8. Report on Significant Corporate Governance : Management Structure: Item 8.1.2 Meeting Attendance and Individual Compensation”

4. The Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee is appointed by the Board of Directors to select qualified persons from Company director, management team or other person with experience and knowledge of risk management and good corporate governance. Such committee must consist of at least three persons, the term is one year, and selected by the Board of Directors after the Annual General Shareholders’ Meeting.

The Corporate Governance and Risk Management Committee consists of 6 members as of December 31, 2021

	Name		Position	Position Period
1.	Mr. Suthep	Dansiriviroj	Chairman	May 2021 - May 2022
2.	Mr. Vorayos	Thongtan	Committee	May 2021 - May 2022
3.	Mr. Teerayuth	Kaewcoon	Committee	May 2021 - May 2022
4.	Mr. Apipong	Vischuveskamin	Committee	May 2021 - May 2022
5.	Mr. Nophorn	Bhongsvej	Committee	May 2021 - May 2022
6.	Mr. Sontaya	Tabkhan	Committee	May 2021 - May 2022

Secretary to the Corporate Governance and Risk Management Committee : Ms.Penpak Vongrakvanich

Roles of The Corporate Governance and Risk Management Committee

The company disclose the information on website www.sahacogen.com under topic “Our Business: Sahacogen (Chonburi) Public Company Limited: Company Documents”.

The company has set the risk management policy. The policy is complied with the good corporate governance principle number 6: Providing the proper risk management and internal control systems. The details of the operation are disclosed through company's website, intranet and the Annual Report (Form 56-1 One Report) under section 2 "Risk Management".

In 2021, the Corporate Governance and Risk Management Committee conducted 3 meetings, and subsequently reported the results to the Board of Directors and disclosed in the Company's Annual Report (Form 56-1 One Report). The meeting dates had been earlier decided throughout the entire year not including the extra-ordinary meeting. The details are disclosed in the Annual Report (Form 56-1 One Report) under topic "8. Report on Significant Corporate Governance : Item 8.1.2 Meeting Attendance and Individual Compensation"

5. The Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is appointed by the Board of Directors to select qualified persons from Company director, management team or other person with experience and knowledge of corporate social responsibility. Such committee must consist of at least three persons, the term is one year, and selected by the Board of Directors after the Annual General Shareholders' Meeting.

The Corporate Social Responsibility Committee consists of 6 members as of December 31, 2021.

	Name		Position	Position Period
1.	Mr. Viroj	Theeravatvatee	Chairman	May 2021 - May 2022
2.	Mr. Vorayos	Thongtan	Committee	May 2021 - May 2022
3.	Mr. Apipong	Vischuveskamin	Committee	May 2021 - May 2022
4.	Mr. Pornsak	Chuamuangphan	Committee	May 2021 - May 2022
5.	Mr. Jaturong	Kornwet	Committee	May 2021 - May 2022
6.	Mrs. Uthoomporn	Sinprajackpol	Committee	May 2021 - May 2022

Secretary to the Corporate Social Responsibility Committee : Mr. Pornsak Chuamuangphan

Roles of the Corporate Social Responsibility Committee

The company disclose the information on website www.sahacogen.com under topic "Our Business: Sahacogen (Chonburi) Public Company Limited: Company Documents".

The Company has determined the written CSR policy for business operation and informed it to the directors, executives and employees at all levels. The policy provides an ethical framework for the business operations, taking into consideration of the balance and fairness for all stakeholders. Such information has also been published on the Company's website, intranet system as well as in the Sustainable Development Report.

In 2021, the Corporate Social Responsibility Committee conducted 2 meetings, reported the results to the Board of Directors and disclosed in the Company's sustainability development report. The meeting dates had been earlier decided throughout the entire year not including the extra-ordinary meeting. The details are disclosed in the Annual Report (Form 56-1 One Report) under topic "8. Report on Significant Corporate Governance : Item 8.1.2 Meeting Attendance and Individual Compensation"

6. Chairman of the Board

The company disclose the information on website www.sahacogen.com under topic "Our Business: Sahacogen (Chonburi) Public Company Limited: Company Documents".

7. Managing Director

The company disclose the information on website www.sahacogen.com under topic "Our Business: Sahacogen (Chonburi) Public Company Limited: Company Documents".

Additionally, the Executive Committee has set up several sub-committees in order to have employees jointly organize the internal management appropriately, efficiently, and effectively to the Company. The established committees at present are as follows:

1. The Committee of Safety, Occupational Health and Working Environment
2. The Committee of Welfare
3. The Committee of Environment, Safety and Energy Conservation
4. The Committee of Managerial Policy
5. The Committee of Business Risk Management
6. The Committee of Anti-Corruption
7. The Committee of Energy Management
8. The Committee of Environment Management
9. The Committee of Information Technology Security
10. The Committee of Business Continuity Management
11. The Committee of Personal Data Protection (PDPA)
12. The Committee of Greenhouse Gas Management

7.4 The company's Executives

7.4.1 As of March 1, 2022, 10 executives based on the definition specified by the Securities and Exchange Commission and the Stock Exchange of Thailand are as follow.

Name			Position
1.	Mr. Udompong	Chuntharumporn	Managing Director
2.	Mr. Teerayuth	Kaewcoon	Deputy Managing Director - Operations
4.	Mr. Apipong	Vischuveskamin	Deputy Managing Director - Finance and Management Corporate Services Department Manager
5.	Mr. Nitshanon	Boonyapardz	Deputy Managing Director -Business Development
6.	Ms. Penpak	Vongrakvanich	Corporate Governance and Risk Management Department Manager
7.	Mr. Nattawut	Yawaprapas	Accounting & Finance Department Manager The company's Chief Financial Officer (CFO)
8.	Mr. Jaturong	Kornwet	Project & Engineering Department Manager
9.	Mr. Thanawat	Siwasoponpong	Acting Power Plant Management Department Manager
10	Ms. Pailin	Kanankhang	Acting Accounting Division Manager (The Company's Accounting manager)

The company's executives based on the definition specified by the Securities and Exchange Commission and the Stock Exchange of Thailand change during the year as of December 2021 are as follow.

Name			Position
1.	Mr. Vorayos	Thongtan	Managing Director
2.	Ms. Penpak	Vongrakvanich	Accounting Division Manager (The Company's Accounting manager)

Personal information of management members

The details are disclosed in the Annual Report (Form 56-1 One Report) under topic "Attachment No. 1 Details of Directors, Executives, Controlling Person, and Company Secretary"

7.4.2 Remuneration Policy

1. Policy and Criteria Used in the Remuneration Determination for Directors and Executives

The Board of Directors has appointed the Nomination and Remuneration Committee to set the budget and allocation criteria for the directors, on a comparative basis with other companies in the same business category. Consideration were given to such areas as, expansion in the company's business activities, business growth rate, operating results, together with proper reference to the authority, duty, responsibility scope, and performances by the directors, for setting the criteria on meeting allowance and yearly remuneration. Said resolution would be forwarded to the Board of Directors' meeting for their consideration prior to submitting to the shareholders' meeting for final approval of mentioned remuneration budget.

For the remuneration authorization for top management and other management members would be required to follow the criteria set forth by the company, in term of the duty evaluation and responsibility scope, as well as the performance results by the top management and management members, who would be entitled to such same remuneration criteria.

2. Monetary Compensation

(A) Remuneration for the company directors

The remuneration, which was approved by the Annual General Meeting of Shareholders is Baht 10 million unchangeably. The disbursement of said remuneration budget required the consideration by the Nomination and Remuneration Committee, and the approval of the Board of Directors, with such disbursement not exceeding the budget amount earlier approved by the shareholders' meeting.

Compensation structure for the company directors

The company had set the same remuneration structure for the company directors, regardless of whether they also served as members of the Management or not, by classifying remuneration categories as follows:

1. Annual remuneration : paid to all directors, based on the consideration by the Nomination and Remuneration Committee, which was presented to the Board of Director
2. Meeting allowance : paid to all directors attending the meeting. In case of more than 1 meeting per month, the said allowance was not supposed to be paid more than one time.

Payment details of meeting allowances were summarized as below:

	Position	2020	2021
1. The Board of Directors	Chairman	Baht 20,000/time	Baht 20,000/time
	Director	Baht 10,000/time	Baht 10,000/time
2. The Audit Committee	Chairman	Baht 10,000/time	Baht 10,000/time
	Director	Baht 10,000/time	Baht 10,000/time
3. The Executive Committee	Chairman	Baht 10,000/time	Baht 10,000/time
	Director	Baht 10,000/time	Baht 10,000/time
4. The Nomination and Remuneration Committee	Chairman	Baht 5,000/time	Baht 5,000/time
	Director	Baht 5,000/time	Baht 5,000/time
5. The Corporate Governance and Risk Management Committee	Chairman	Baht 5,000/time	Baht 5,000/time
	Director	Baht 5,000/time	Baht 5,000/time
6. The Corporate Social Responsibility Committee	Chairman	Baht 5,000/time	Baht 5,000/time
	Director	Baht 5,000/time	Baht 5,000/time

3. Other benefits : - None -

(B) Remuneration for management members:

Referred to the remuneration for the Executive Board members, the 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive. The remuneration details were classified into salary and patron accorded their status as company employees.

Remuneration for Executive Committee and Management

Remuneration	2020		2021	
	Numbers	Amount (Million Baht)	Numbers	Amount (Million Baht)
Salary and Patron	11	24.54	9	26.98
Total	11	24.54	9	26.98

3. Other Remuneration

The company has established welfare and other compensations apart from salary and bonus contribution to the management and all employees. These reflect domestic economic conditions such as the provident fund, health, life and accident insurance, in accordance with the company's policy and regulations related to the operational performance. The Company has no policy to pay other remuneration except the remuneration of directors or employee. There are no shares, debentures or other securities are given to executive directors

(A) Other remuneration for the company directors

- None -

(B) Other remuneration for Executive Committee and Management

The Executive Directors Managing Director, together with the 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, altogether received the company's contribution to their provident funds.

Other remuneration details for Executive Committee and Management

Other Remuneration	2020		2021	
	Numbers	Amount (Baht)	Numbers	Amount (Baht)
Provident fund contribution	7	824,304	9	927,541
Total	7	824,304	9	927,541

7.5 Employee

Employee and Employee Benefit

There was insignificant change in number of employees during last year. The changes did not have significant effect on the operation.

Department	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Office and Support	42	45	53	45	52	47
Operation	86	9	81	10	82	10
Total	128	54	134	55	134	57
Grand Total	182		189		191	
Remuneration (Million Baht)	98.59		106.4		108.89	
Provident Fund (Million Baht)	2.11		2.75		2.90	
Employees participating in the provident fund (person)	149		175		181	
Employees participating in the provident fund (%)	81.87		92.59		94.76	
Labor Dispute during the past 3 years	- None -		- None -		- None -	
Incident of harmful event leads to operation halt (Time)	- None -		- None -		- None -	

7.5.1 Organization structure and workforce policy

Human resource is the key driver of the organization. The organization structural design and workforce level are the crucial part to support business operation as set in the company's objectives. Sahacogen and affiliates designed organization structure, set position and workforce based on workload.

The company reorganized the structure in accordance with the company's policy and business plan in expanding new investments. Business development division was set up to be responsible for seeking for new investment opportunities based on target set.

7.5.2 Recruitment and hiring policy

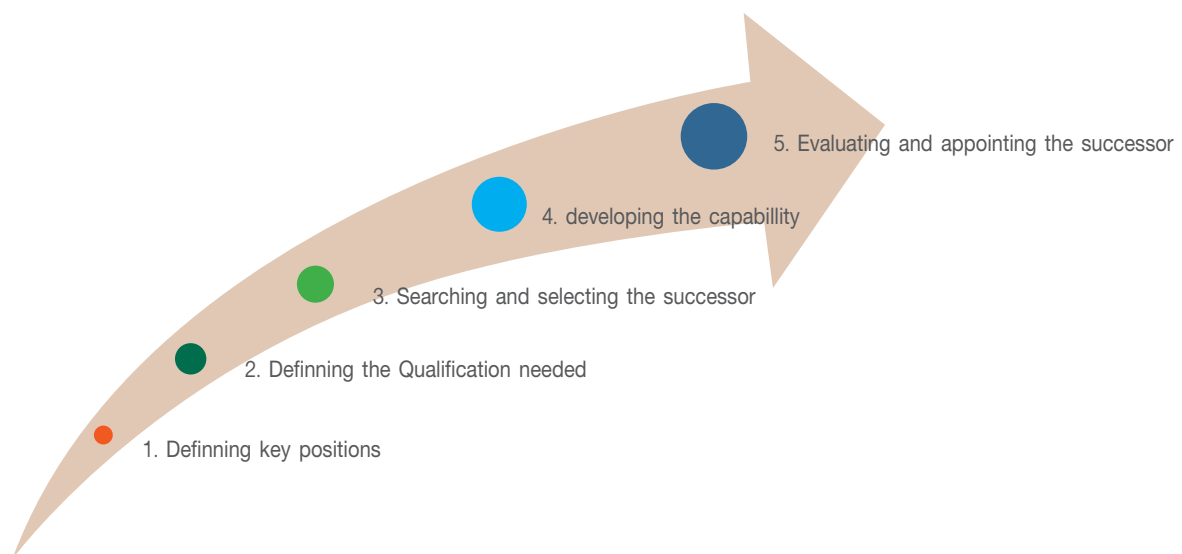
The company seeks for the talents based on capabilities and morality to be the key drivers of the company. The workforce will be determined in accordance with the business plan. The candidates will be treated equally throughout the recruitment process. Failing in the recruitment would be notified to the candidates. The training and development as well as the rotation are normal. The outstanding staffs would be able to be appointed to the more challenging position and replace the vacant position. Internal recruitment and external recruitment are normal for the company.

Hiring Policy

1. The company will not accept forced labor in all kind of employment.
2. The company will comply with laws, regulations and rules in fair protection of employees.
3. The company has the hiring system with the legitimate employment contract with the clear employment agreement.
4. The company will recruit employees based on the abilities and efficiency instead of the appearance or personality.

7.5.3 The succession plan

The company realizes the human capital is the key resource to drive the business especially the main position. The succession plan has been developed to ensure the business continuity. The succession plan is a proactive plan that keeps the organization ready to occupy the “key position” immediately. The plan is the defined actions based on the forecast taking into account the relevant situations such as retirement, resigning to join other organization and uncontrolled emergency. The selected employees will be built internally based on the skills and capabilities. If there is no suitable candidate then the organization will recruit from outside. The process of succession plan is set in steps as shown in the chart.



The Board of Director has set the successor development policies as stated below.

1. Define the description for highest executive position, the relatedness to corporate strategy and stated the qualification in terms of background knowledges and needed skills.
2. Identify potential capable people from the lower level of management.
3. Prepare top management to able to handle work in other function in case needed.
4. Prepare specialists to be ready for managerial job functions.
5. Provide opportunities to let middle management to work closely with top management internally and across functions.
6. Setup individual development plan
7. Provide opportunities to let middle management to work closely with top management internally and across functions
8. Provide job rotation to some positions in management level for business efficiency improvement
9. Provide training courses for top and middle management in terms of responsibilities, business ethics and focusing on organization benefits
10. Provide training courses to teach the planning technique systematic thinking and Provide systematic working plan

7.5.4 Performance management policy

Sahacogen and Affiliates has fair evaluation process. The key performance indicator (KPIs) will be used in setting organization, department and individual targets. The company also evaluates competency level in terms of capability, skills and behavior based on organization's expectation.

7.5.5 Compensation management policy

Total remuneration of employees includes salary, overtime wage, allowance, fringe benefit, and provident fund.

Sahacogen and Affiliates puts the priority to the fairness in compensation policy. The compensation will be considered based on individual responsibilities and capability. Fair treatment will be applied to the consideration regardless of gender, skin tone, nationality, religion, age, disability or other qualification that does not directly relate to the work. The evaluation will be based on output factor related to roles and responsibilities in each position. The payment will be constantly monitored to be in line with industry standard, competitors in the same area, and comply with labor law in order to attract new talents and motivate the existing employees. The company compensation composes of 2 parts.

1. Short-term compensation

- Salary : The compensation will be based on company's growth, operating result, inflation, individual responsibilities and appraisal results. The individual performance will be annually reviewed by supervisor based on set competency and key performance indicators (KPIs). The payment will be complied with the company's policy for the benefit and fairness of the company and employees.



- Bonus : The Company has authorized the Managing Director as the one who considers and proposes the annual bonus payment as the appreciation to the dedication in achieving the operational goal. Bonus payment is stated in the company's management policy (the amended version as of B.E. 2020).
- Money allowance : This payment type will be applied for shift work contract.

2. Long-term compensation

- Provident fund : The Company has set up the provident fund as the long-term welfare, to promote the money saving for employees and to persuade employees to loyalty work for the Company. The employees that are the members of provident fund will get the additional pay 5% of their wage by the company added to the fund. The members must pay the same amount to save into the fund as well. However, the company gives its employees the opportunity to pay their savings into the fund more than the company does in accordance with the specified rate in the Provident Fund Act. The deduction of wages as savings paid into the fund shall not be more than 15% of the wage. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.
- Reward considerably for employees who served the company for long term such as 10 or 20 or 30 years anniversaries
- Retirement fund
- The support for career advancement based on career path

The employee stock options program (ESOP) and the employee joint-investment program (EJIP) are not the major factor that will retain the company executives and employees. The ones receiving such benefit will be subjected to the individual income tax. The Board of Directors will consider about this type of benefit depending on the situation and appropriateness.

Compensation Policy

1. The company has set the compensation level not lower than the minimum wage required by law or industry's standard. The payment must be made with justice and fair treatment regardless of the difference of nationalities, religions, and genders. The similar work will yield the same amount of payment.
2. The company fairly considers the compensation to show the differences in abilities and capabilities. The payment guideline will be associated with the performance appraisal practice and promotion.
3. The company has the reliable and transparent system to record and report.

7.5.6 Welfare

The company has focused on the providing standard welfare complying with law requirement i.e. drink water service, toilet, first aids, ambulance, uniforms. The extra support also covers annual health check-up, funeral welfare, marriage, birth giving, teeth and eye care.

In 2021, the company considered extra welfare for employees due to the outbreak of Coronavirus Disease 2019 (COVID-19). The company considered safety of employees is priority. Then welfare also temporarily included providing optional vaccine for COVID-19.

Welfare Expense (Baht)				
	Sahacogen (Chonburi) PCL.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Total
Welfare	133,540	280,188	76,549	490,277

The company also supports recreation activities allowing employees to relax from work and creating the unity and organizational commitment that will indirectly cause the operational efficiency and sustainability of the organization. The company disclosed information about welfare in the sustainable development report section “Social”

Workforce Relationship Policy

1. The company allows the employees to participate with the Welfare committee by commenting, ideas sharing and making decision regarding the welfare.
2. The company will act in accordance with laws and employees’ rights based on contract type.
3. The company will not obstruct, intervene or take any action that will cause the effect on exercising the rights of employees to do activities that is not harmful to the company. The activities include actions regarding the religious believes, genders, disability, ethnic origin, union membership and political party membership.
4. The company has provided the whistle-blowing channel as the mean to communicate and create the mutual understanding with employees.

Sahacogen and affiliates pays attention to employees’ wellness. The 6 guidelines to employees’ happiness were conducted and called “Sahacogen Happy Family”. The company also has the employee benefits committee to enhance the involvement of the employees in managing the activities in this project.

Group 1: Core Values & Happy Work Place

- Organize “Sahacogen Family Day”
- Support “Happy birthday” project by letting colleagues gathering wishing for the birthday employees.
- Support “Lunch From Home Season1” project as a relaxation session and building good relationship among employees through online activities during lunch break i.e. game and story sharing.
- Provide housing loan service together with the Government Housing Bank (GH Bank)
- Provide Co-op service for employees in Sahaphat group to encourage saving behavior as the basic trait for long term financial stability, to be the lending entity in emergency situation.



	Sahacogen (Chonburi) PCL.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Total
Number of employee (people)	43	60	36	109
Percentage	87.76%	68.97%	78.26%	76.37%

Group 2 : Employees Get & Give

- Send company representatives to visit sick employee
- Provide support fund for family when employee passes away Such as weddings, ordination and childbirth
- Provide welfare in case of natural disaster such as flood, storm, fire
- Provide support fund for the employees' parents or spouse funeral
- Promote blood donation for the Thai Red Cross Society
- Support the old calendar donation project
- Support public service project to do activities for society
- Support the medical items donation project together with Queen Savang Vadhana Memorial Hospital
- Support the project to donate unwanted items to Baan Nokkamin Foundation
- Support donation activity called "Happiness Sharing (Pun-Sook)"

Group 3 : Employees Healthy

- Provide life insurance and health insurance for employees and their family members
- Provide annual health checkup service and risk-based health checkup service
- Organize "The Best Healthy" project. In 2021, the company announced new campagne called "SAHACOGEN away from COVID-19 and big belly" with the concept of exercising anyway and get points for gift redemption.
- Provide medical items and COVID-19 test kits
- Provide information about basic health care and caring message during COVID-19 outbreak
- Provide Survival Boxes containing essential items for COVID-19 infected employees or contractors

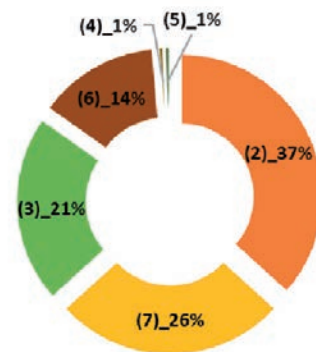
In 2021, during the pandemic of Coronavirus Disease 2019 (COVID-19) situation, the management balanced between employee safety and business continuity. The management announced the precaution procedure and guideline. The policy included separating workforce into teams and shuffle to work from home in order to reduce the risk of deceases spread. The necessary items were sufficiently provided i.e. surgical mask. The communication was made regularly to employees and family members aiming to create moral support and get ready to go back to work when the situation is resolved.

Group 4 : People Development

- Support learning activities both on the job and after work
- Provide training courses and seminar
- Provide E-Learning system, VDO, Internet and intranet facilities
- Promote book donation project and book exchange among employees
- Promote the activity called “Employees’ Knowledge Week” to help repeating the knowledge in different areas for employees
- Promote knowledge sharing among employees through online channel to build up good relationship and transfer knowledge
- HR ZONE magazine

Group 5 : Clinic for workforces, the service to give advice on human resource management topics including problems in workplace and personal issues. The consulting service includes 6 topics.

- (1) Rules
- (2) Welfare
- (3) HR program
- (4) Knowledge and development
- (5) Evaluation
- (6) Social security and compensation fund
- (7) Others



The activities engagement was promoted by collecting points to redeem via Loga application. The point could be earned by finishing task(s). There were 151 employees participated in point collection via the Loga application or equivalent to 81% which achieved the 70% target.

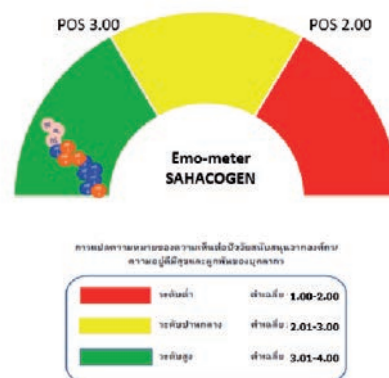
Channel of Communication

Sahacogen and affiliates is open to messages from employees by providing channels for communication such as comment box and intranet message based on the procedure about complaint and wistle blowing. Suggestions and comments will be reported to the Board of Directors for discussion. The fair treatment for employees at all level is the standard the company holds on to. The whistle-blower will be protected. The company has set monthly meeting to allow employees to express their ideas to the sub-committee. The meeting’s objective is creating the understanding and bonded relationship within the organization.

Employees' engagement survey and employees' happiness

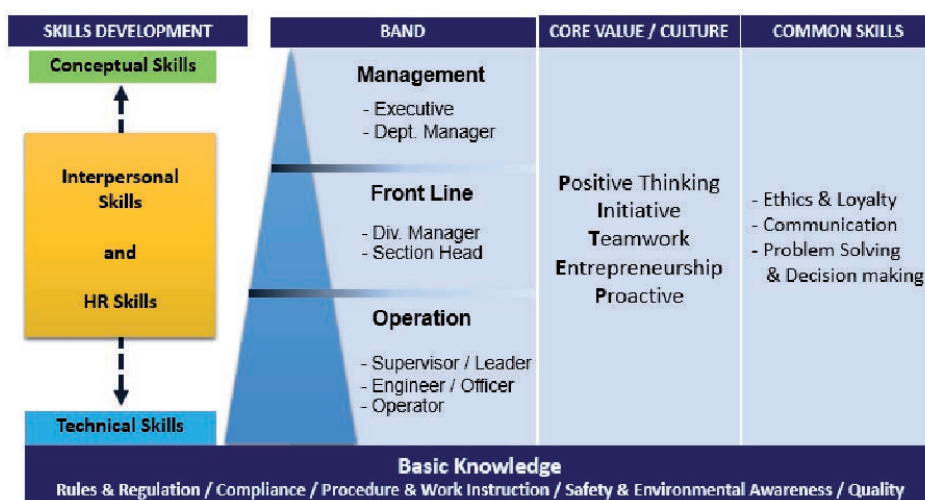
Sahacogen and affiliates conducts employee engagement survey. The company will receive feedback that lead to action plan in operational development, employee capability development and designing activities. The company aims to create happiness in workplace and build up sense of belonging to the organization that will lead to dedication to work at the full potential. The survey included Salary Survey to compare wage, starting rate, market comparison, working environment.

According to vision, mission and human resource retaining goal, Sahacogen group has been promoting employee engagement through activities. Every 2 years, the company will conduct employee engagement survey (EES). The company will receive feedback that lead to action plan in operational development, employee capability development and designing activities. The company aims to create happiness in workplace and build up sense of belonging to the organization that will lead to dedication to work at the full potential. The company has set the engagement goal in 2022 at 75 percent.



7.5.7 Human Resources Development

Sahacogen and affiliates realize the potential of employees and regards them as a valuable resource for leading the Company to the efficient growth. As a consequence, the company focuses on developing and enhancing human resource capabilities to serve the company's goals, policies and strategic direction.



This table depicts the group of company's human resource development policy. Sahacogen group focuses on enhancing employees' capabilities at all levels. The development plan can be divided into 4 main groups.

- 1) **Basic knowledge** trainings are courses that focus on providing basic information that is useful for the new employees. The examples are rules, workflow and procedure, quality management, safety standard, occupational health and environment.

- 2) **Common skills** trainings are useful for employees in every function. The training topics will cover ethics, morality, honesty, ability to work as a team, communication skill, and decision-making skills.
- 3) **Core value** enhancement courses are aiming to create corporate culture set the guideline for code of conduct among employees “PITEP”. The example of the topic covered in this group are positive thinking (P), innovative ideas (I), working as a team (T), entrepreneurship (E) and proactive work style (P).
- 4) **The knowledge and skills development based** on job position can be divided into 3 levels
 - **Management:** adding visionary idea, planning skill, proactive thinking skill, for running business in the changing circumstance
 - **Front Line:** adding management skills to effectively serve the company’s goals and direction as well as creating pleasant teamwork environment.
 - **Operation:** adding knowledge and skill based on the scope of work. The main purpose is focusing on customers’ needs. The trainings will be provided in different methods such as internal training, external training, on the job training, job delegation and coaching.

The company set direction and methods in human resource development to ensure the company can achieve the 4 targets mentioned earlier. The methods will be considered to design practical development and activities. There are 4 groups as described below.

1. Training

The Human Resource Department has set the development plan to ensure employees at all levels will be equipped. The training methods will be provided in various ways. These competencies will be used in analyzing and defining the training courses for each individual which is called “Training Roadmap: TRM” TRM composes of 3 main groups as follow.

Standard Course	Managerial Course	Specific Course
Required by law or regulations, rely on corporate value, relating to ethics	Mostly are for management skills improvement and general topics	Suitable for specific job functions
		

In the past year, Sahacogen and affiliates had set the development plan, internally and externally courses. The training program was adapted according to the Coronavirus Disease 2019 (COVID-19) situation and measures such as the on-line webinar training etc. The target 80% of 103 training courses was set. attended or 89.32% achieved with 9.32% higher than the target as shown below

Topic	Sahacogen (Chonburi) PCL.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Total
Course				
• Standard Course	6	11	13	30
• Managerial Course	0	1	1	2
• Specific Course	27	28	16	71
Total	33	40	30	103
Participant (People)				
• Manager	14	4	1	19
• Section Head	13	10	6	29
• Leader / Engineer	4	10	7	21
• Officer	14	62	32	108
Total	45	86	46	177
Training hour				
• Total hour	962.70	990.50	1,351.40	3,304.6
• Manager (hours/person/year)	25.11	25.25	37	87.36
• Section Head (hours/person/year)	20.52	18	27.5	66.02
• Leader / Engineer (hours/person/year)	25	14.30	24.42	63.72
• Officer (hours/person/year)	17.45	16.90	30.57	64.92
Average (hours/person/year)	21.39	17.11	29.37	22.62
Training and development expense (Baht)	207,099	109,869	141,387	458,355

Number of employees

Number of employees

Number of programs

Average training hours:

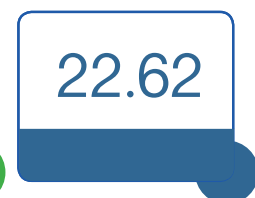
person: year



123



54



The example of In-house Training

1. Standard Courses required by laws or regulations
 - 1.1 The training courses about safety, occupational health and environment This group of training courses focuses on teaching how to use specific tools and operate under the safety procedures.
 - First aid training
 - Hazard Chemical and Spill Management
 - Electrical safety for electricity work
 - Safety in working in confined space
 - Safety in driving truck and risk management
 - Safety in working with cranes
 - 1.2 Internal Organization Management Courses to promote the understanding of organization management concept and to properly deliver their work complying with the management policy
 - Cyber security and IT Awareness
2. Managerial Course to support the learning of planning, controlling, checking, and monitoring tasks to effectively and efficiently achieving the business goals
 - ERP software usage
 - Using Excel program professionally
3. Specific Course
 - 3.1 Training courses for core function to help the operational staff in the operating system and maintenance function get used to the tools and machine usage procedure
 - The foundation of checking and testing water fire extinguishing system
 - Energy transformation and energy saving in electricity generating system
 - 3.2 Training courses for support function to help the operational staff to have wider range of knowledge in the areas of the operation.
 - Communication for good co-operation / Communication in crisis situation / Social Media for publication and communication in Thailand 4.0 environment
 - Incoterm program, the procurement function evaluation and reports
 - Withholding tax and Tax assets account
 - Energy control and system cut-off (Log Out Tag Out)



Public Training

The external training courses will mostly develop skills for specific job functions. Usually the external training will be selected for individual improvement. The staff attended the public training will later on share their knowledge internally within the department. And there is the outbreak of Coronavirus Disease 2019 (COVID-19). The company arranges online training courses through variety of channel i.e. Zoom Application, Microsoft Teams and Facebook. The online training courses allow employees to stay motivated and get

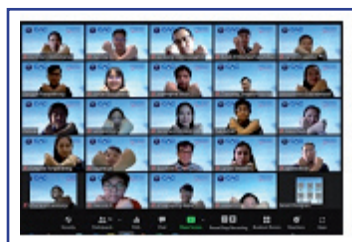
2. Core Values

Sahacogen and Affiliates has “PITEP” core values as the core ideas to create corporate culture and group company identity.

The human resource management within the framework of “PITEP” aims to push the organization forward with clear goals. The clear organization goals lead to the vivid team and individual targets with clear measurement methods and indicators.

In the past year, the company promoted “PITEP” core value through announcement board, intranet system, and the interactive activities. The details of the actions taken are disclosed in “Nature of the Business” of the company’s annual report (Form 56-1 One Report).

- Core value promoting and the anti-corruption activity



3. Knowledge Management

Long term goals of human resource management are not only focusing on the benefit returning to the company. The company also pays attention to the development for individuals self-learning and self-developmen. The information technology system has been adopted to enhance learning efficiency and promoting knowledge sharing culture within the organization. All employees are free to access and add new topics of knowledge relating to work in to the database. The centralized system called “Share & Show” is easy to access through the Alfresco program.



In the past year, 84 topics were added into the internal knowledge sharing system. The system is the support function for employees' continue self-study and the internal knowledge management tool.

Topic	Sahacogen (Chonburi) PCL.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Total
Knowledge Management Sharing				
• training / seminar	24	17	25	66
• Internal knowledge (KM)	4	12	1	17
• laws and regulations	0	1	0	1
Total	28	30	26	84

4. Leadership development

The middle management plays the important role in bringing in the policy into the operation. Good management and supervisors should work closely with the operation level and be the role model. Sahacogen and Affiliates train the middle management to have basic management skills such as teaching, delegating, appraisal, individual development plan based on training roadmap. The human resource policy also supports continuous learning and improvement as well as job rotation. The rotation objectives are creating the new learning scopes, adding new experiences in different functions and being ready to new challenges.

5. Supporting employees to be ready for change

Change in business trend and global economic situation provide opportunities to business. However, changes are also threat to company sustainable growth. Sahacogen always support the flexibility and adaptability to changes for individual. We set the expectation to the employees to be flexible, be expressive to the innovative ideas, act professional, comply with code of conduct and be the good civilian in any community they would be assigned to work.

6. Motivating and inspiring employees

One of the most important things the Company pays attention to is to motivate or inspire employees to work more efficiently. Moreover, motivating coming from good-role-model-supervisors' leadership can push employees to create masterpiece. Supervisors and managers working for the Company for ten years or over are the main key to pave the way for growth and success toward the Company. These supervisors and managers are leaders of motivation and inspiration, mentors and examples of working standard for their subordinates and employees in the next generation.



To ensure human resource development plan and actions are efficient and effective, the evaluation method has been designed. Supervisors are assigned to be the supporter and appraisal conductor. The evaluation resulted from human resources development can be categorized in 3 main matters; that is, knowledge, skills and behavior.

- 1) **Knowledge** : is tested by comparing the result of pre-training and post-training results. The evaluation will help in ensure the employees understand and ready to utilize the knowledge gain from the trainings. The evaluation includes
 - pre and post testing
 - Interview
- 2) **Skills** : is the evaluation in operation capability to ensure that employees are able to do their functions of responsibilities. The skills will be tested by
 - The observation by supervisor
 - On the job training
- 3) **Behavior** : is the result shown in action. The company has set the required competency with specific description and defining score. The evaluation will be conducted by the direct supervisor.

7.6 Other Material Information

7.6.1 Assigned person responsible for important functions

1) Company Secretary

The Board of Directors has appointed Mr. Apipong Vischuveskamin¹ who is qualified, with sound knowledge and experiences, as the Company Secretary. He also passed the training from Thai Institute of Directors (IOD) in the course “Company Secretary Program (CSP) 113/2020” (his education and working experience written on section “Attachment No.1 Personal information of the company directors, management members, authorities and company secretary”). The Company secretary performing certain duties is required by the Securities and Exchange Act (No. 4) B.E. 2551 (2008) and assigned by the Board of Directors.

¹ Resolutions of the Board of Directors’ Meeting No. 2/2021 on February 23, 2021

2) Profiles of the company’s Chief Financial Officer (CFO) and the accounting manager

The company has assigned Mr.Nattawut Yawaprapas, Accounting & Finance Department Manager to be the one who has the highest authority and responsibility in accounting and finance (CFO).Ms. Penpak Vongrakvanich, Accounting Division Manager, has been approved to be responsible for the financial statements preparation and disclosure in compliance with the Accounting Act B.E. 2543. Her responsibilities are to supervise the compilation of the financial statements and to ensure that the disclosure of the company’s information is duly carried out in a comprehensive and accurate manner. The 2 key persons are qualified for being a CFO and an accounting manager based on criteria specified by Department of Business Development The details of the accountant’s educational background and working experiences are shown under the topic “Attachment No.1 Details of the Boards of Directors, Executive Members and Company Secretary”.

• The company’s Chief Financial Officer (CFO)

Name	Education	Training Courses
Mr.Nattawut Yawaprapas Accounting & Finance Department Manager	- Bachelor of Accountancy, Chiang Mai University	- CFO Focus on Financial Reporting #7 (FAP) - (Draft) Conceptual Framework for Financial Report based on the revision of the accounting standard - Fundamental of TFRS 9 for financial institution and non-financial institution #1/62 - Transfer pricing law (Revenue Code, Section 71 Ter) - The guideline of preparing Financial reports for the companies with the effects from COVID19 situation, The Stock Exchange of Thailand (SET)

• **The Company's Accounting manager**

Name	Education	Training Courses
Miss Penpak Vongrakvanich * Accounting Division Manager	<ul style="list-style-type: none"> - Bachelor of Accountancy, Bangkok University - Master of Business Administration, Burapha University 	<ul style="list-style-type: none"> - CFO Focus on Financial Reporting#7 (FAP) - "Update Tax invoice preparation for new accounting standard TFRS16, and Transfer - (Draft) Conceptual Framework for Financial Report based on the revision of the accounting standard - "E-Tax invoice, E-Receipt, and Update for 2019 tax" - Roles and responsibility of listed company to the sustainable development - (Draft) Accounting report standard revised in 2019 (BV 2019) - The accounting revision for the proper reflection to the business values and tax effects - The study of the proposed adjustment from auditors to listed companies from financial statements of 2018 - Tax Audit, Financial analysis before submission of P.N.D 50 - (Draft) Financial reporting standard No. 7 and No. 9 (TFRS 7 and TFRS 9) the reforming of the reference interest rate - Enhancing efficient Internal Audit Procedure through case study
Ms.Pailin Kanankhang ** Acting Accounting Division Manager	<ul style="list-style-type: none"> - Bachelor of Accountancy majoring Cost Accounting, Rajamangala University of Technology Phra Nakorn 	<ul style="list-style-type: none"> - Accounting and tax planning for business, #1/64 - Tax Update for 2020 - (Draft) Financial reporting standard No. 7 and No. 9 (TFRS 7 and TFRS 9) the reforming of the reference interest rate - Tax Audit, Financial analysis before submission of P.N.D 50 - TFRS 9 Workshop Accounting in risk prevention #2/62 - Case Study for Pack 5 & Fair Value #1/62 - Smart Disclosure Program (SDP) - Rectification of accounting errors to reflect business status and tax impact - New issues on lease agreement (TFRS16) - Revenue recognition based on TFRS 15 for general business

* Transfer on December 31, 2021

**Appointment effective on January 1, 2022

3) Head of Internal Audit

At the Audit Committee's Meeting No. 1/2021 on February 23, 2021, the committee approved to appoint Dharmniti Internal Audit Co., Ltd. to act as internal audit of the company headed by Ms. Ruethaichanoke Supapong. The framework of the internal audit is described as follows;

1. Independently perform duties on auditing and assessing the internal control system and internal audit as the annual audit plan required
2. Audit and review document and evidence relating operations as well as analyze, assess, suggest, give opinion about risk control and corporate governance process
3. Internal auditor's main responsibilities are specified as follow;
 - 3.1 Review and report the credibility and completeness of the financial reports and operating process
 - 3.2 Review the operating performance or working plan to ensure the compliance with the specified objectives, goals and action plans
 - 3.3 Review the operating system probably impacting on operations, and report that the compliance meets the policies, plans, specified regulations and relevant laws
 - 3.4 Review the appropriateness of asset control and management, and evaluate the effectiveness of resource consumption of the company
4. Prepare the internal audit report to be presented to the management and the Audit Committee
5. Attend the meetings for the review of internal audit result to achieve the internal audit's objectives

The Audit Committee has already considered Ms. Ruethaichanoke Supapong, the company's auditor from Dharmniti Internal Audit Co., Ltd. that she possesses the adequately appropriate qualifications to perform the head of internal audit. The said qualifications are independence and auditing experiences in similar business operation. Moreover, she attended training courses relating to internal audit operation. The company has assigned Ms. Penpak Vongrakvanich Corporate Governance and Risk Management Department Manager as the company representative to coordinate with the external auditor and related units.

The appointment, transfer, and dismissal of the company's head of internal audit office must receive the approval from the Audit Committee.

The details of education and working experiences can be found in Attachment No.3 "The key person in internal audit and compliance functions."

4) Head of Compliance Unit

The company appoint Ms.Ruethaichanoke Supamong as the head of compliance unit. The key role is monitoring company's operation to ensure the compliance with laws, regulations, rules and code of conduct. The Corporate Governance and Risk Management Committee has the responsibilities to support the actions concerning to the company corporate governance and risk. The details of education and working experiences can be found in Attachment No.3 "The key person in internal audit and compliance functions.

7.6.2 Investor Relations

The Board of Directors has designated the persons who would be able to provide data and information as required by investors and stakeholders. Other than that, the company information is provided through "Investor Relations" topic on company website (www.sahacogen.com).

- | | |
|--|--|
| <ul style="list-style-type: none"> • Mr.Udompong Chuntharumporn
Managing Director
Tel : 038-481555
Fax : 038-481551
E-mail: udompong.ch@sahacogen.com | <ul style="list-style-type: none"> • Mr. Apipong Vischuveskamin
The Company Secretary
Tel : 038-481555
Fax : 038-481551
E-mail: csecretary@sahacogen.com |
| <ul style="list-style-type: none"> • Mr.Nattawut Yawaprapas
Finance & Investor Relations Division Manager
Tel : 038-481555
Fax : 038-481551
E-mail: investorrelation@sahacogen.com | |

Moreover, General investors and students are welcomed to contact the Company's officers when requiring investment data for their consideration and for the thesis. Moreover, the Company has organized "Open House" for people from government agencies, private organization and community nearby interested in educational and business visit.

The Company and other companies in Saha Group, cooperated with the Stock Exchange of Thailand to annually hold the "Opportunity Day" event. This event was provided a venue where analysis, investors and mass media could engage in meaningful discussions on business, policy and investment directions of the Company. The Managing Director welcomed and provided information about business and businesses in Saha Group. Information books given to attendants also summarized companies' business and performance results, which made attendants very pleased and the number of investors and analysts increases very year.

However, in 2021, the company did not arrange this activity due to the breakout of Coronavirus Disease 2019 (COVID-19) pandemic,

7.6.3 Auditor Fees of the Auditor

The Board of Directors considered the auditor fees based on expertise, the standard of work, the independence of the auditors comparing to the rate paid by the comparable listed companies. The auditors have also qualifications in accordance with the regulations of the Company and the Securities and Exchange Commission. According to the Company's Articles of Association, the auditors shall not be a director, staff, and employee or shall not hold any position in the Company

1. Audit Fee

The Company and its subsidiaries made remuneration payments as audit fees to EY Office Limited, where the auditors were attached to:

Company	Audit Fee (Baht)	
	2020	2021
Sahacogen (Chonburi) PCL.	1,395,000	1,395,000
Sahacogen Green Co., Ltd.	645,000	645,000
Sahagreen Forest Co., Ltd.	395,000	395,000
Total Audit Fee	2,435,000	2,435,000

2. Non-audit Fee

The Company and its subsidiaries paid for other services as follows:

Company	Facilitator	Non-Audit Fee (Baht)	
		2020	2021
Sahacogen (Chonburi) PCL . *	EY Office Limited	80,000	80,000
Sahacogen Green Co., Ltd.	EY Office Limited	-	-
Sahagreen Forest Co., Ltd. . *	EY Office Limited	80,000	-
Total Non-Audit Fee		160,000	80,000

Remarks : * BOI compliance examination is 80,000 Baht/certificate

8. Corporate Governance Report

8.1 Summary of the Board of Directors' Performances of Duties in the Previous Year

In addition to investors' trust and confidence, the Board of Directors Company believes that compliance with the Good Corporate Governance Code, which is the foundation of sustainable development and business value creation, will bring about competitiveness and desirable profitability. To this end, the Board has considered long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change. The company will annually review the code and announce to all directors, executive officers, and employees. The Company's CG guideline comprises

The company disclose the information in the Annual Report (Form 56-1 One Report) under topic "6. Corporate Governance Policy, No. 1.10 Major Development in Policy, Practice and Internal Control"

8.1.1 Nomination, Development and Performance Evaluation of Directors

Appointing the company's directors is the scope of the Nomination and Remuneration Committee consideration. The Nomination and Remuneration Committee is consisting of 4 people. The chairman of the Board of Directors who is independent director is the chair of the committee. The Nomination and Remuneration Committee is responsible for selecting candidates which are qualified to characteristic specified in the company's articles of association. The combination of the Board of Directors must be professional and diverse. The consideration includes structure, number and diversity. The candidate name will be proposed to the Board of Directors for approval and then proceed to the shareholders' approval.

The Nomination and Remuneration Committee considered the company's business and future plan and specified the qualification of the Director. The candidates must have vision, knowledge and experience in energy business, engineering, management, finance and accounting, law and information technology. The Nomination and Remuneration Committee opens for shareholders' candidate proposal.

1. Independent Director Selection

As of January 5, 2022, the company has 4 independent directors from total 12 directors. The independent directors are independent from management and major shareholders. The number of independent directors complies with rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The rules and regulations require the company to have at least one-third of the Board but not less than 3 people as independent directors. The Board of Directors appointed the Nomination and Remuneration Committee to select and verify candidates' qualifications and also consider major shareholders and minority shareholders' proposal. The consideration includes checking in the directors' pool provided by notable organization which has name list of scholars in various fields. The Nomination and Remuneration Committee then considers the qualification based on the definition of an independent director specified in the announcement of Thai Capital Market Supervisory Board.

Independent director's qualifications

The Board of Directors resolved to adopt the definition for “independent director” having qualifications in accordance with the notification of the Capital Market Supervisory Board as follows:

1. The person must hold no more than 1% of shares with voting rights of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company; inclusive of shareholding by individuals related to such independent directors.
2. The person must not be serving, or have served, as a director who is involved with the management, or a staff member, an employee or a consultant with a monthly wage. The person also must not be or be an individual with the authority to control the Company, the parent Company, the associates, the affiliates, the associates of the same level, the major shareholders or of the entities with the authority to control the Company, with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The ineligibility however does not include the case where an independent director has previously served as a public servant or a consultant of a government agency which is a major shareholder of, or an entity with the authority to control the Company.
3. The person must not be related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the Company or candidates for the position of an executive or an individual with the authority to control the Company or an associate.
4. The person must not have, or have had, a business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company, in such a manner that may interfere with one's independent discretion. The person also must have not been or has been a shareholder, individuals with the authority to control the Company, of the person who has business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholder or the entities with the authority to control the Company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the Company or the party to the agreement being under the obligation to repay the other party for an amount from 3% of net tangible assets of the Company or from Twenty Million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the related transaction value calculation method as per the Announcement of the Capital Market Supervisory Board on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.



5. The person must not be, or has been, an auditor of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder, an individual with the authority to control or a partner of the audit office with which the auditor the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company is associated. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
6. The person must not be, or has been, a provider of a professional service including the service as a legal consultant or a financial consultant for which greater than Two Million Baht of fee is paid per year by the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder or an individual with the authority to control or a partner of such provider of professional service. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
7. The person must not be a director appointed to represent a director of the Company, a major shareholder or a shareholder who is related to a major shareholder.
8. The person must not be in a business of the same nature as, and of significant competition to, that of the Company or an associate. The person also must not be a significant partner in a partnership; a director who is involved with the management; a staff member; an employee; a consultant with a monthly wage; as well as, a shareholder who holds more than 1% of shares with voting rights of another Company which is engaged in a business of the same nature as and of significant competition to that of the Company or an associate.
9. The person must not have any other characteristic which is an obstacle to the giving of free opinion on the operation of the Company

In the event of any announcement by the Capital Market Supervisory Board imposing the revision to the qualifications for independent director, the Company's independent director would thereby be required to possess such qualifications well complying with such revision.

After having been appointed as an independent director following the qualifications specified under items (1) through (9) above, the independent director may be assigned by the Board of Directors to make decisions on the operation of the Company, the parent Company, the associates, the affiliates, the associates of the same level, the major shareholders or the entities with the authority to control the Company in the manner of a collective decision.

Additionally, in the past accounting period, the independent directors of the Company had neither business relationship nor professional services. Also, the appointed independent directors never have or had business relationship or professional services exceeded than the rules stipulated in the notification of the Capital Market Supervisory Board regarding the Application for and Approval of Offer for Sale of Newly Issued Shares.

The independent directors are independent from the management and major shareholder's control.

2. Directors and top management selection

2.1 The rights accorded minor shareholders regarding director(s) appointment

The director qualifications

1. The combination of the Board of Directors should be composed people from various educational backgrounds, profession experiences and skills. All qualifications should be beneficial to the company business. Meanwhile, there must be no exclusion by gender, age and nationality.
2. Leadership, vision, ethics, morality shall be the factors for consideration. Past performance of the candidate must be transparent without illegal qualifications and comply with the company's articles of association.
3. The director re-election should consider past performance appraisal as the member of the Board of Directors and/or subcommittee. The shareholders should have such information for consideration.
4. The independent directors must have the qualifications complying with rules and regulations set by the Capital Market Supervisory Board

The director recruitment process

1. The Nomination and Remuneration Committee is entitled to seek for a qualified person as the company Board of Director's member. The approval is subject to the majority of company shareholders' vote. In the case where a position on the Board of Directors becomes vacant due to reason other than completion of term and where the remaining term is longer than two months, the Board of Directors shall appoint a properly qualified individual proposed by the Nomination and Remuneration Committee to fill the vacant post with at least three forth vote. The replacement member is to only serve the remaining term of the member whom he/she replaces.
2. The company is open to the minority shareholders' proposal of the qualified candidate.
3. The Nomination and Remuneration Committee may consider candidates from the director pool list of Thai Institution of Directors (IOD)
4. The Nomination and Remuneration Committee will consider the past experiences and expertise as the supportive factors in the recruitment in order to serve with long term corporate strategy.
5. The new Board member appointment will also be considered by the mixture of the Board of Directors' experience and expertise in the areas needed



The selection of the management

The selection process for the persons to further serve in management positions begins with the selection of the persons having good qualifications in terms of capabilities and morality and ethics to join the Company. The Company then trains and develops these people to be well-prepared to meet the challenges as future management members, through its consistent evaluation process of employees' potentials and capabilities. The Company regularly carries out training programs seeking to upgrade employees' potentials to a higher level, so as to be well-prepared to take up further significant positions when they become vacant.

The selection of the Chief Executive Officer

The selection methods for the Company's Chief Executive Officer starts from the proposal from Ratch Group Public Company Limited (RATCH). The proposal will take into consideration the suitability with policy, business plan, organization structure and recruitment. The Nomination and Remuneration Committee then verifies candidates' capability and qualification, understanding to the company's business, as well as be able to manage to achieve the objectives and targets set by the Board of Directors. The candidates must not have any qualification prohibited by laws. Accordingly, such person is then proposed to the Board of Directors for consideration of appointment.

2.2 The rights accorded minor shareholders regarding director(s) appointment

Nomination of Directors

The Company provided minor shareholders with the opportunity to nominate candidates to be appointed as Company directors at the annual shareholders' general meeting in advance according to the criteria specified by the Company. The company will announce the opening period through the Stock Exchange of Thailand news and company website. The further details are displayed on the Company website under the heading "Investor Relations".

Vote-casting method for director appointment

According to the Company's Articles of Association, the chapter 3 on the item 11, the shareholders' meeting was authorized to appoint Company directors according to the criteria and method as follows:

1. One shareholder shall have one vote per one share.
2. Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
3. The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

Development of Directors and the Executives

The Board of Directors and the executives have appreciated their roles, duties and responsibilities to the Company. Thus, the Company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and the executives, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and the executives are encouraged to attend seminars and training courses that are beneficial to the performance of functions as are held internally or externally, including work visits.

Guidelines to enhance the Corporate Governance for the Directors

Foundation	Committee	Functional
<ul style="list-style-type: none"> - Director Certification - Director Accreditation - CG for Capital Market Intermediaries - CG for Family Business 	<ul style="list-style-type: none"> - Chairman - Audit Committee - Nomination and Governance Committee - Compensation Committee - Risk Management Committee 	<ul style="list-style-type: none"> - Chartered Director - Finance - Strategy Formulation - Strategy Measurement - Risk Planning - DCP Update

Guidelines to enhance the Corporate Governance for the Executives

Foundation	Functional
<ul style="list-style-type: none"> - CG for Executives - CG for Capital Market Intermediaries - CG for Family Business 	<ul style="list-style-type: none"> - Board Reporting - Risk Management Committee - Risk Planning - Strategy Formulation - Strategy Measurement

The Company has set the Training plan in Director Certification Program and other essential courses for new appointed directors during 2022.



1. Developments for the directors and the management

The Company Directors' attendance at training sessions conducted by the Thai Institute of Directors Association (IOD)

Name	Course	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Company Secretary Program (CSP)	How to Development a Risk Management Plan (HRP)	Directors Diploma Examination (Exam)	Corporate Governance for Executive (CGE SCCC)	Directors Diploma Program (Fellow Member)
Mr. Sujarit	Patchimnan	41/2005	-	-	-	-	-	-
Ms. Choosri	Kietkajornkul	-	308/2021	-	-	-	-	-
Mr. Sakarin	Tangkavachiranan	-	221/2016	-	-	-	-	-
Mrs. Wadeerat	Charoencoop	-	276/2019	-	-	71/2019	2015	-
Mr. Udornpong	Chuntharumporn	-	314/2022	-	-	-	-	-
Mr. Thirasak	Vikitset	3/2003	68/2005	-	-	-	-	-
Mr. Vichai	Kulsomphob	-	61/2005	18/2006	-	-	-	-
Mr. Vorayos	Thongtan	-	272/2019	-	20/2018	-	-	-
Mr. Chinapat	Visuttipat	-	162/2012	-	-	-	-	36/2013
Mr. Natapong	Vanarat	-	-	-	-	-	-	-
Mr. Pongtep	Thithapand	-	125/2009	-	-	-	-	-
Mr. Chaisak	Yongbanjerd	-	-	-	-	-	-	-

The information is showed in the Annual Report (Form 56-1 One Report) under topic "Attachment 1: Details of Directors, Executives, Controlling Person, and Company Secretary".

2. Training and seminar attended by the Board of Directors in 2021

The activities were cancelled due to the pandemic of Coronavirus Disease 2019 (Covid-19) for safety reason

3. Relevant parties in Corporate Governance

The Company Secretary, the secretary to the Audit Committee and managers are regularly supported and engaged to attend assorted training courses and seminars organized by The Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET), Thai Listed Companies Association (TLCA), Thai Institute of Directors (IOD), and other institute continually and consistently as follows:

4. Training and seminar attended by relevant parties in Corporate Governance in 2021

Name	Training Course/ Seminar
Ms. Penpak Vongrakvanich	Company Secretary Program (CSP): IOD
Ms. Naiyachan Chongkolvanich	Climate Change and Greenhouse gas reduction report in One Report: SET
Mrs. Waraphorn Promlert	
Mrs. Waraphorn Promlert	Technic in preparing the invitation to Annual General Meeting of shareholders (AGM): TIA
Ms. Kanchana Prachakun	
Ms. Penpak Vongrakvanich	Road to Certify NO. 3/2021 : IOD
Ms. Naiyachan Chongkolvanich	
Mrs. Uthoornporn Sinprajakpol	
Mrs. Waraphorn Promlert	
Mrs. Sarocha Chonlaket	
Ms. Kanchana Prachakun	
Ms. Penpak Vongrakvanich	Corporate Secretary's role in lifting up CG standard regarding Anti-Corruption" : IOD
Ms. Naiyachan Chongkolvanich	
Mrs. Waraphorn Promlert	

Self-Assessment of the Board of Directors

The Board of Directors has established the policy of the Board assessment at least once a year. The Nomination and Remuneration Committee is responsible for the annual assessment. The assessment allows each Board member to discuss the about the past performance, limitations and problems to improve the Board's efficiency.

The Company Secretary delivered the self-assessment of the Board of Directors form which is in accordance with the criteria of the Corporate Governance Center, the Stock Exchange of Thailand to each director. Such assessment is covered to the policy of the Boards, the director structure and the practices of the Boards, and the preparation and implementation of the Meeting in order to be the guidelines on operation improvement. Every director was independent in taking such evaluation.



The assessment score is set as indicated in the table.

Criteria	Score
Excellent	90 percent and higher
Good	70 percent and higher
Fair	50 percent and higher
Poor	30 percent and higher
Bad	20 percent and higher

In 2021, the annual performance evaluation was conducted based on the Board of Directors, sub-committee and management structure as of December 14, 2021. It was the structure before the change of the Board member due to the entrance of our new major shareholder, Ratch Group Public Company Limited.

(1) Self-Assessment of the Board of Directors

The Company carried out the board's performance assessment, divided into 4 aspects as follows:

1. Board structure and qualifications
2. The Board of Directors' meeting
3. Roles, duties and responsibilities of the Board of Directors
4. Other topics

The performance assessment procedures are as follows;

1. The performance assessment of the Board of Directors as in group at least once a year.
2. Corporate Secretary summarizes and reports the result of the performance Board assessment to the Nomination and Remuneration Committee in order to consider any guidelines to improve the performance of the Board of Directors efficiently.
3. The Nomination and Remuneration reports the result and other additional guidelines to improve the efficiency of the Board of Directors' performance to the Board.

The evaluation result for the year 2020 was in "Good" level with the average score of 88.46

(2) Self-Assessment of the Board of Directors Member

The Company carried out the board's performance assessment, divided into 3 aspects as follows:

1. Roles, duties and responsibilities of the Board of Directors
2. Duties of Directors
3. Director's self-improvement

The performance assessment procedures are as follows;

1. The Board of Directors has to do self-assessment at least once a year.
2. Corporate Secretary summarizes and reports the result of the performance assessment of individual directors to the Nomination and Remuneration Committee in order to consider any guidelines to improve the performance of the Board of Directors efficiently.
3. The Nomination and Remuneration reports the result and other additional guidelines to improve the efficiency of the Board of Directors' performance to the Board.

The evaluation result for the year 2021 was in "Excellent" level with the average score of 92.59 %.

(3) The Self-Assessment of the sub-committees

The Company carried out the board's performance assessment, divided into 3 aspects as follows

1. Board structure and qualifications
2. Roles, duties and responsibilities
3. The Board of Directors' meeting

The performance assessment procedures are as follows;

1. The performance assessment of the Board Committees as in group at least once a year.
2. Corporate Secretary summarizes and reports the result of the assessment of every Board Committees to the Nomination and Remuneration Committee in order to consider any guidelines to improve the performance of the Board of Directors efficiently.
3. The Nomination and Remuneration reports the result and other additional guidelines to improve the efficiency of the Board Committees' performance to the Board. The Board of Directors has set the performance assessment for all sub-committees in

2021, the evaluation results can be summarized as below;

Sub-Committees	Evaluation Result	Result
Executive Committee	86.49%	Good
Audit Committee	94.22%	Excellent
Nomination and Remuneration Committee	88.08%	Good
Corporate Governance and Risk Management Committee	93.33%	Excellent
Corporate Social Responsibility Committee	88.79%	Good



(4) The annual performance appraisal Self-Assessment of the Managing Director

With regard to the performance appraisal of Managing Director, this would be carried out annually by the Chairman and the Board of Directors based on the company goals and operating performance. The assessment based on the guideline as recommended by the Stock Exchange of Thailand's guidelines will be covering; and reported to the Board of Director in 2 aspects.

1. The assessment of Key Performance Index (KPI)
2. The assessment of Leadership competency

The appraisal result is considered as a private information and cannot be disclosed to public.

8.1.2 Meeting Attendance and Individual Compensation

1. The Board of Directors Meeting Attendance in 2021

Name	Boards														
	General Shareholders' Meeting		Board of Directors		Executive Committee		Audit Committee		Nomination and Remuneration Committee		Corporate Governance and Risk Management Committee		Corporate Social Responsibility Committee		
	Times	%	Times	%	Times	%	Times	%	Times	%	Times	%	Times	%	
1. Mr. Sujarit Patchimnan	1/1	100	10/10	100	-	-	-	-	3/3	100	-	-	-	-	
2. Ms. Choosri Kietkajornkul ¹	-	-	1/1	100	-	-	-	-	-	-	-	-	-	-	
3. Mr. Sakarin Tangkavachiranon ¹	-	-	1/1	100	-	-	-	-	-	-	-	-	-	-	
4. Mrs. Wadeerat Charoencoop ¹	-	-	1/1	100	-	-	-	-	-	-	-	-	-	-	
5. Mr. Udompong Chuntharumporn ¹	-	-	1/1	100	-	-	-	-	-	-	-	-	-	-	
6. Mr. Thirasak Vikitset	1/1	100	10/10	100	11/12 ²	91.67	-	-	3/3 ²	100	-	-	-	-	
7. Mr. Vichai Kulsomphob	1/1	100	10/10	100	12/12 ²	100	-	-	-	-	-	-	-	-	
8. Mr. Vorayos Thongtan	1/1	100	10/10	100	13/13	100	-	-	-	-	2/2 ³	100	1/1 ³	100	
9. Mr. Chinapat Visuttipat ¹	-	-	1/1	100	-	-	-	-	-	-	-	-	-	-	
10. Mr. Natapong Vanarat ⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11. Mr. Pongtep Thithapand ⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12. Mr. Chaisak Yongbanjerd ⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13. Mr. Viroj Theeravattavee	1/1 ²	100	8/9 ²	88.89	13/13	100	-	-	-	-	-	-	2/2	100	
14. Mr. Sontaya Tabkhan	1/1 ²	100	9/9 ²	100	13/13	100	-	-	-	-	3/3	100	-	-	
15. Mr. Nophorn Bhongsvej	1/1 ²	100	9/9 ²	100	-	-	7/7 ²	100	3/3 ²	100	3/3	100	-	-	
16. Mr.Suthep Dansiriviroj	-	-	-	-	12/12 ²	100	-	-	-	-	3/3	100	-	-	
17. Mr. Teerayuth Kaewcoon	-	-	-	-	12/12 ²	100	-	-	-	-	3/3	100	-	-	
18. Mr. Apipong Vischuveskamin	-	-	-	-	12/12 ²	100	-	-	-	-	3/3	100	2/2	100	
19. Mrs. Uthoomporn Sinprajackpol	-	-	-	-	-	-	-	-	-	-	-	-	2/2	100	
20. Mr. Pomsak Chuamuangphan	-	-	-	-	-	-	-	-	-	-	-	-	2/2	100	
21 Mr. Jaturong Kornwet	-	-	-	-	-	-	-	-	-	-	-	-	2/2	100	
Average (Number of times)		100		98.33		98.99		100		100		100		100	

¹ Started the position on Dec 14, 2021² Resigned from the position on Dec 14, 2021³ Started the position on May 11, 2021⁴ Started the position on Jan 5, 2022

The Board of Directors Meeting Attendance in 2021 of the resigned directors during the year until December 14, 2021

Name	Boards													
	General Shareholders' Meeting		Board of Directors		Executive Committee		Audit Committee		Nomination and Remuneration Committee		Corporate Governance and Risk Management Committee		Corporate Social Responsibility Committee	
	Times	%	Times	%	Times	%	Times	%	Times	%	Times	%	Times	%
1 Mr. Boonkiet Chokwatana ¹	1/1	100	9/9	100	-	-	-	-	2/3	66.67	-	-	-	-
2 Ms. Krongkao Kritayakirana ¹	1/1	100	6/7	85.71	-	-	-	-	-	-	-	-	-	-
3 Mr. Amorn Asvanunt ¹	1/1	100	10/10	100	-	-	7/7	100	-	-	-	-	-	-
4 Pol. Gen. Somchai Prabhasabhakdi ¹	1/1	100	10/10	100	-	-	7/7	100	-	-	-	-	-	-
5 Mr. Boonyarith Mahamontri ¹	1/1	100	10/10	100	-	-	-	-	-	-	-	-	-	-
6 Admiral Apiwat Srivardhana ¹	1/1	100	8/10	100	-	-	-	-	-	-	-	-	-	-
Average (Number of times)	100	100	94.64	94.64	-	-	100	100	66.67	66.67	-	-	-	-

¹ Resigned from the position on Dec 14, 2021

The summary of the directors attending the meeting of the Company's subsidiaries was described as follows:

Name			Subsidiaries			
			Sahacogen Green Co., Ltd.		Sahagreen Forest Co., Ltd.	
			Position	Attendance	Position	Attendance
1.	Mr. Sujarit	Patchimnan	Chairman	7/7	Chairman	5/5
2.	Mr. Boonkiet	Chokwatana	Director	6/7		
3.	Mr. Thirasak	Vikitset Director	Director	7/7	Director	5/5
4.	Mr. Viroj	Theeravatvatee	Managing Director	7/7	Director	5/5
5.	Mr. Sontaya	Tabkhan	Director	7/7		
6.	Mr. Vorayos	Thongtan	Director ¹	6/6	Director ²	3/3
7.	Mr. Teerayuth	Kaewcoon			Managing Director	5/5
8.	Mr. Apipong	Vischuveskamin			Director	5/5
9.	Mr. Kittti	Vivatbovornwong			Director ²	2/3
10.	Mr. Mahasan	Thieravarut			Director	5/5

¹ Started the position on Mar 16, 2021 ² Started the position on Mar 17, 2021

The Board of Directors Meeting Attendance in 2021 of resigned directors during the year

Name			Subsidiaries			
			Sahacogen Green Co., Ltd.		Sahagreen Forest Co., Ltd.	
			Position	Attendance	Position	Attendance
11.	Mr. Vichai	Kulsomphob			Director ³	0/1
12.	Mr. Sangchai	Wiriyaumpaiwong			Director ³	2/2

³ Resigned from the position on 17 , 2021



2. The Directors Compensation for 2021

Name	Board of Directors	Executive Committee	Audit Committee	Remuneration (Baht)					Total
				Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social Responsibility Committee	Total Meeting Allowance	Annual Remuneration	
1. Mr. Sujarit Patchimnan	200,000	-	-	15,000	-	-	215,000	472,000	687,000
2. Ms. Choosri Kietkajornkul ¹	10,000	-	-	-	-	-	10,000	-	10,000
3. Mr. Sakarin Tangkavachiranan ¹	10,000	-	-	-	-	-	10,000	-	10,000
4. Mrs. Wadeerat Charoencoop ¹	10,000	-	-	-	-	-	10,000	-	10,000
5. Mr. Udompong Chuntharumporn ¹	10,000	-	-	-	-	-	10,000	-	10,000
6. Mr. Thirasak Vikitset	100,000	110,000 ²	-	15,000 ²	-	-	225,000	520,000	745,000
7. Mr. Vichai Kulsomphob	100,000	120,000 ²	-	-	-	-	220,000	610,000	830,000
8. Mr. Vorayos Thongtan	100,000	120,000	-	-	10,000 ³	5,000 ³	235,000	610,000	845,000
9. Mr. Chinapat Visuttipat ¹	10,000	-	-	-	-	-	10,000	-	10,000
10. Mr. Natapong Vanarat ⁴	-	-	-	-	-	-	-	-	-
11. Mr. Pongtep Thithapand ⁴	-	-	-	-	-	-	-	-	-
12. Mr. Chaisak Yongbanjerd ⁴	-	-	-	-	-	-	-	-	-
13. Mr. Viroj Theeravattavee	80,000 ²	120,000	-	-	-	10,000	210,000	520,000	730,000
14. Mr. Sontaya Tabkhan	90,000 ²	120,000	-	-	15,000	-	225,000	442,000	667,000
15. Mr. Nophorn Bhongsvej	90,000 ²	-	70,000 ²	15,000 ²	15,000	-	190,000	472,000	662,000
16. Mr.Suthep Dansiriviroj	-	120,000	-	-	15,000	-	135,000	3,500	138,500
17. Mr. Teerayuth Kaewcoon	-	120,000	-	-	15,000	-	135,000	-	135,000
18. Mr. Apipong Vischuveskamin	-	120,000	-	-	15,000	10,000	145,000	-	145,000
19. Mrs. Uthoomporn Sinprajackpol	-	-	-	-	-	10,000	10,000	-	10,000
20. Mr. Pomsak Chuamuangphan	-	-	-	-	-	10,000	10,000	-	10,000
21 Mr. Jaturong Kornwet	-	-	-	-	-	10,000	10,000	-	10,000
Total	810,000	950,000	70,000	45,000	85,000	55,000	2,015,000	3,649,500	5,664,500

¹ Started the position on Dec 14, 2021² Resigned from the position on Dec 14, 2021³ Started the position on May 11, 2021⁴ Started the position on Jan 5, 2022

The Board of Directors Compensation in 2021 for the resigned directors during the year until December 14, 2021

Name	Board of Directors	Remuneration (Baht)						Annual Remuneration	Total
		Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social Responsibility Committee	Total Meeting Allowance		
1 Mr. Boonkiet Chokwatana ¹	90,000	-	-	10,000	-	-	100,000	443,000	543,000
2 Ms. Krongkao Kritayakirana ¹	60,000	-	-	-	-	-	60,000	438,500	498,500
3 Mr. Amorn Asvanunt ¹	100,000	-	70,000	-	-	-	170,000	442,000	612,000
4 Pol. Gen. Somchai Prabhasabhakdi ¹	100,000	-	70,000	-	-	-	170,000	442,000	612,000
5 Mr. Boonyarath Mahamontri ¹	100,000	-	-	-	-	-	100,000	442,000	542,000
6 Admiral Apiwat Srivardhana ¹	80,000	-	-	-	-	-	80,000	442,000	522,000
Total	530,000	-	140,000	10,000	-	-	680,000	2,649,500	3,329,500
Grand Total	1,340,000	950,000	210,000	55,000	85,000	55,000	2,695,000	6,299,000	8,894,000

¹ Resigned from the position on Dec 14, 2021

The summary of the directors attending the meeting of the Company, was described as follows:

Name			2020		2021	
			Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
1	Mr. Sujarit	Pachimnan	72,000	150,000	472,000	215,000
2.	Ms. Choosri	Kietkajornkul ¹	-	-	-	10,000
3.	Mr. Sakarin	Tangkavachiranon ¹	-	-	-	10,000
4.	Mrs. Wadeerat	Charoencoop ¹	-	-	-	10,000
5.	Mr. Udompong	Chuntharumporn ¹	-	-	-	10,000
6.	Mr. Vichai	Kulsomphob	42,000	100,000	610,000	220,000
7.	Mr. Vorayos	Thongtan	-	-	610,000	235,000
8.	Mr. Thirasak	Vikitset	210,000	180,000	520,000	225,000
9.	Mr. Chinapat	Visuttiapat ¹	-	-	-	10,000
10.	Mr. Natapong	Vanarat ⁴	-	-	-	-
11.	Mr. Pongtep	Thithapand ⁴	-	-	-	-
12.	Mr. Chaisak	Yongbanjerd ⁴	-	-	-	-
13.	Mr. Viroj	Theeravatatee	210,000	180,000	520,000	210,000
14.	Mr. Sontaya	Tabkhan	42,000	165,000	442,000	225,000
15.	Mr. Nophorn	Bhongsvej	72,000	140,000	472,000	190,000
16.	Mr. Suthep	Dansiriviroj	42,000	200,000	3,500	135,000
Total			690,000	1,115,000	3,649,500	1,705,000

Directors (Resigned during the year)			2020		2021	
			Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
17.	Mr. Boonkiet	Chokwatana	43,000	80,000	443,000	100,000
18.	Mr. Atthakorn	Glankwamdee	120,000	90,000	-	-
19.	Ms. Krongkaeo	Kritayakirana	-	-	438,500	60,000
20.	Mr. Amorn	Asvanunt	42,000	90,000	442,000	170,000
21.	Pol. Gen. Somchai	Prabhasabhakdi	42,000	110,000	442,000	170,000
22.	Mr. Boonyarith	Mahamontri	42,000	70,000	442,000	100,000
23.	Admiral Apiwat	Srivardhana	40,000	40,000	442,000	80,000
Total			329,000	480,000	2,649,500	680,000
Grand Total			2,614,000		8,684,000	

Remuneration details for the directors of the Company's subsidiaries in 2020 as below:

- Sahacogen Green Co., Ltd. : None
- Sahagreen Forest Co., Ltd. : Baht 400,000

Name			2020		2021	
			Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
1	Mr. Sujarit	Patchimnan	80,000	-	80,000	-
2.	Mr. Thirasak	Vikitset	70,000	-	48,000	-
3.	Mr. Viroj	Theeravatvatee	70,000	-	48,000	-
4.	Mr. Vorayos	Thongtan ²	-	-	26,000	-
5.	Mr. Teerayuth	Kaewcoon ³	-	-	60,000	-
6.	Mr. Apipong	Vischuveskamin	100,000	-	48,000	-
7.	Mr. Mahasan	Thieravarut	65,000	-	45,000	-
8.	Mr. Kittti	Viwatbovornwong ³	-	-	22,500	-
Total			485,000	-	377,500	-

Directors (Resigned during the year)			2020		2021	
			Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
9.	Mr. Atthakorn	Glankwamdee ¹	50,000	-	-	-
10.	Mr. Vichai	Kulsomphob ²	-	-	-	-
11.	Mr. Panya	Sopasripun ⁴	65,000	-	-	-
12.	Mr. Sangchai	Wiriyaumpaiwong ⁵	-	-	22,500	-
Total			115,000	-	22,500	-
Grand Total			600,000	-	400,000	-

¹ Resigned from the position on Mar 17, 2020

² Started the position on Mar 17, 2020

³ Started the position on Mar 17, 2021

⁴ Resigned from the position on May 26 , 2020

⁵ Started the position on May 26 , 2020

8.1.3 Supervising the operations of subsidiaries and associates

The Nomination and Remuneration Committee will make decision in selecting the person and present it to the Board of Directors to consider selecting the person nominated and appointed to be a director in subsidiaries and associate. The number of individual that the Company voted to appoint as a director is in accordance with the Company's proportion of shareholding. The person who was appointed as a director in subsidiary or associated companies was entitled to perform the operations for the best interests of their subsidiaries or associate, unless it is important policies affecting the Company's business operations. The Company required the appointed person to be approved by The Executive Board and / or the Board of Directors prior to cast a vote. The company has no control power over the selected Board of Directors' operating decisions.



The Company has laid down the policy for subsidiaries and associate that is the Company's main business to have proper and adequate internal control systems. Such internal control systems of the company and subsidiaries were monitored annually by Dharmniti Internal Audit Co., Ltd.

Furthermore, the Company has assigned the person who was appointed by the Company to oversee its subsidiaries and associate company to operate and disclose significant information according to the rules in the same way as the Company performed, such as making connected transaction, the acquisition or disposition of assets, or making other important transactions. The assigned person also has to supervise the information storage and bookkeeping of the subsidiaries and associate company for the Company, so that it can be reviewed and collected for financial statements in due time. The mission also includes the subsidiaries application to be members of Thai's Collective Action Coalition Against Corruption (CAC). The subsidiaries were successfully accredited as CAC members for the second time on December 31, 2020.

The Company had no agreements between the Company and other shareholders in the management of subsidiary (Sahacogen Green Co., Ltd.) The company is a major shareholder and no other persons holding shares more than 10 percent of the shares with voting rights of subsidiaries. In addition, the Company had no agreements between the Company and other shareholders in sharing returns beyond normal returns according to proportion of their shareholding in subsidiaries.

For Sahagreen Forest Co., Ltd, the subsidiary, the Company has the agreement with other shareholder in accordance with "Joint Venture Agreement for Biomass Power Plant Project" date August 21, 2010.

8.1.4 The Monitoring on Corporate Governance Compliance

1. Conflict of Interest

The Board of Directors handled conflict of interest issues and related-parties transactions with due care while considering the best benefit of the company as the priority. The transaction conditions must be market condition with fair treatment as transactions with other counterparties. The control system was transparently implemented and complied with regulations of the Securities and Exchange Commission. The company announced this issue as a policy in corporate governance and also in the business ethics and code of conduct. The information was disclosed thoroughly in the business ethic under topic "Conflict of Interest" and "Related-Parties Transaction".

1.1 Conflict of Interest Mitigation

The company disclose this information in the Annual Report (Form 56-1 One Report) under topic "6. Corporate Governance Policy, Conflict of Interest".

In 2021, there was no violation regarding the transaction considered as related-parties transaction referring to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The company disclose the information in the Annual Report (Form 56-1 One Report) under topic "Related-Parties Transaction".

2. Using Inside Information to Seek for Personal Benefit

The Company has policies to the use of insider information by determining in the Company's code of business ethics to implement to the Company and shareholders, including the code of employee conduct. The directors, the executives and employees must behave with integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the Company's asset. They must not use the Company's information or assets for benefit of themselves and/or not to engage in any action which assists any individual in business that competes with Company. The code of business ethics was distributed to directors, executives and staff, also disseminated via the Company's website. The Company monitors internal data use in line with the Corporate Governance in written and published on the Company's intranet system such as the Code of Conduct; manuals about responsibility for directors, managers and employees; and guidelines regarding to company anti-corruption policy. The newly hired members will be informed such details on the first day of their work. The summary of significant policy is described as following;

- (1) The Company shall provide the directors, managers and employees with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to The Securities and Exchange Commission, Thailand (SEC) according to Section 59 of the Securities and Exchange Act B.E. 2535. They have the duty to report their holding of the Company's securities within 3 days from the date of the change by submitting through online system provided by The Securities and Exchange Commission, Thailand (SEC). The report submission is subjected to the guideline announcement Sor Jor 38/2018 dated July 16, 2018 regarding to the preparation and the submission of the report for changing in derivatives and securities holding by directors, managements, auditors, planners and plan managers. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement. They must also be informed of punishment clauses for any violation or noncompliance with the said regulation.
- (2) It is prohibited to disclose the Company's annual financial statements or others to outsider or unrelated persons. Persons who are relating to inside information are not allowed to engage in the Company's securities trading within 1 month before the quarterly financial statements, and the Company's annual financial statements are published to the public, and for 24 hours after important information are being disclosed. If such regulation is violated, the punishment is ranged from warning, deducting wages, being suspended to being laid off, which should be considered and approved by the Board of Directors.
- (3) The company has set a policy for directors and top management to inform the Board of Directors and/or company secretary about the company's security or share trading at least 1 day prior to trading
- (4) The company has introduced the measures for monitoring of the company director and the management's conflict of interest by requiring them to declare the conflict of themselves and/or related persons based on the company policy.

- (5) At the same time, the Company also developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

The company appointed Dharmniti Internal Audit Co., Ltd. as the independent internal auditor. The auditor planned the annual review over the company's information system. The result of the inspection was reported to the audit committee with the Good level. The external auditor, EY, reviewed the control over the information system including access control, data backup, and data retrieval. The result showed the risk level was low.

In 2021, the Company did not receive any warning letter of rules and regulations violation from the Securities and Exchange Commission (SEC). and The Stock Exchange of Thailand (SET)

3. Corporate governance

The Company arranges the good corporate governance principal, business ethics, code of conduct as well as anti-corruption policy in writing and provide to all directors, executives and staff including publishing on the billboard and the intranet system to communication internally in the organization.

4. Shareholding structure

The Company disclosed the names of the top 10 shareholders at the time of closing shares registration book for the shareholders' meeting in the Annual Report (Form 56-1 One Report) under topic "Business and Operating Result: Shareholder Structure".

5. The responsibilities of the Board of Directors and sub-committee

The company has disclosed the responsibilities of the Board of Directors and sub-committee, number of meeting and number of the attended meeting in the Annual Report (Form 56-1 One Report) under topic "8. Report on Significant Corporate Governance Performances, No. 8.1.2 Meeting Attendance and Individual Compensation".

6. Securities holding by the directors and managements

The company has disclosed the direct and indirect shares holding by directors and management in the annual report, the Annual Report (Form 56-1 One Report) under topic "8. Report on Significant Corporate Governance Performances, Changes in shares holding by directors and management" and Attachment No.1. Details of Directors, Executives, Controlling Person, and Company Secretary.

Report on the Change in Shareholding of the Directors and Management as of December 31, 2022

Name	Position	No. of Shares		*Share Increment	Shareholding ratio (%)	2021	
		2020	2021			Director	spouse and minor children
1 Mr.Sujarit Patchimman	Chairman Chairman of the Nomination and Remuneration Committee	-	-	-	-	-	-
2 Ms.Choosri Kietkajornikul ¹	Vice Chairman Member of the Nomination and Remuneration Committee	-	-	-	-	-	-
3 Mr.Sakarin Tangkavachiranon ¹	Director Co-Chairman of Executive Committee Member of the Nomination and Remuneration Committee	-	-	-	-	-	-
4 Mrs.Wadeerat Charoencoop ¹	Director	-	-	-	-	-	-
5 Mr.Udompong Chuntharumporn ¹	Director Executive Committee Managing Director	-	-	-	-	-	-
6 Mr.Thirasak Vikitset	Director Executive Committees ² Member of the Nomination and Remuneration Committee ²	2,040,000	-	(2,040,000)	-	-	-
7 Mr.Vichai Kulsomphob	Director Chairman of the Executive Committee ² Member of the Nomination and Remuneration Director ¹	167,500	167,500	-	0.01	-	167,500
8 Mr.Vorayos Thongtan	Director Managing Director ² Executive Committee Member of the Corporate Governance and Risk Management Committee Member of the Corporate Social Responsibility Committee	-	-	-	-	-	-
9 Mr.Chinapat Visutti ¹	Independent Director Chairman of the Audit Committee	-	-	-	-	-	-
10 Mr.Natapong Vanarat ³	Independent Director Audit Committee	-	-	-	-	-	-
11 Mr.Pongtep Thithapand ³	Independent Director Audit Committee	-	-	-	-	-	-

Name	Position	No. of Shares		*Share Increment	Shareholding ratio (%)	2021	
		2020	2021			Director	spouse and minor children
12 Mr. Chaisak Yongbanjerd ³	Independent Director	-	-	-	-	-	-
13 Mr. Viroj Theeravattavee	Director ⁸ Co-Chairman of Executive Committee ¹ Chairman of the Corporate Social Responsibility Committee	-	-	-	-	-	-
14 Mr. Suthep Dansiriviroj	Director ⁹ Executive Committee ² Chairman of the Corporate Governance and Risk Management Committee	-	-	-	-	-	-
15 Mr. Sontaya Tabkhan	Director ⁴ Executive Committee Member of the Corporate Governance and Risk Management Committee	-	-	-	-	-	-
16 Mr. Nophorn Bhongsvej	Independent Director ⁸ Chairman of the Audit Committee ⁸ Member of the Nomination and Remuneration Committee ² Member of the Corporate Governance and Risk Management Committee	-	-	-	-	-	-
17 Mr. Apipong Vischueskamin	Company Secretary Executive Committee ² Member of the Corporate Governance and Risk Management Committee Member of the Corporate Social Responsibility Committee Corporate Services Department Manager Deputy Managing Director - Finance and Management ⁶	-	-	-	-	-	-
18 Mr. Teerayuth Kaewoon	Executive Committee ² Member of the Corporate Governance and Risk Management Committee Deputy Managing Director - Operations	-	-	-	-	-	-
19 Mr. Nitshanon Boonyapardz	Deputy Managing Director - Business Development ¹⁰	-	-	-	-	-	-

Name	Position	No. of Shares		*Share Increment	Shareholding ratio (%)	2021	
		2020	2021			Director	spouse and minor children
20 Mr.Jaturong Kornwet	Member of the orporate Social Responsibility Committee Project & Engineering Department Manager	-	-	-	-	-	-
21 Ms.Penpak Vongrakvanich	Corporate Governance and Risk Management Department Manager Accounting Division Manager ⁵	-	-	-	-	-	-
22 Mr.Nattawut Yawaprapas	Accounting & Finance Department Manager						
23 Mr.Thanawat Siwasoponpong	Acting Power Plant Management Department Manager ⁶	-	-	-	-	-	-
24 Ms.Pailin Kanankhang	Acting Accounting Division Manager ⁷	-	-	-	-	-	-

Remark : * Including shares held by the spouse and minor children. The proportion of shares collectively held by the company directors is not over 25 % of issued share capital (0.01 %).

¹ Appointed as Director on December 14, 2021

² Completed the term on December 14, 2021

³ Appointed January 5, 2022

⁴ Appointed on February 24, 2021

⁵ Tranfer on January 1, 2022

⁶ Appointed December 24, 2021

⁷ Appointed on January 1, 2022

⁸ Resigned December 14, 2021

⁹ Resigned January 26, 2021

¹⁰ Appointed on March 1, 2022

Report on the Change in Shareholding of the Directors and Management as of December 14, 2021

Name	Position	No. of Shares		*Share Increment	Shareholding ratio (%)	2021	
		2020	2021			Director	spouse and minor children
1. Mr. Boonkiet Chokwatana	Director Member of the Nomination and Remuneration Committee	16,437,710	8,270,000	8,167,710	0.71	7,400,000	870,000
2. Ms. Krongkao Kritayakirana	Director	-	-	-	-	-	-
3. Pol. Gen. Somchai Prabhasabhakdi	Independent Director Audit Committee	-	-	-	-	-	-
4. Mr. Amom Asvanunt	Independent Director Audit Committee	1,000,000	1,000,000	-	0.09	1,000,000	-
5. Mr. Boonyarith Mahamontri	Independent Director	50,000	50,000	-	0.01	50,000	-
6. Admiral Apiwat Sivardhana	Independent Director	-	-	-	-	-	-

Remark : * Including shares held by the spouse and minor children. The proportion of shares collectively held by the company directors is not over 25 % of issued share capital (0.80%).

7. The remuneration for the directors and the management

The Company disclosed the policy regarding the remuneration for directors and the management, the nature and number of remunerations accorded the directors for the Board of Directors and subcommittees, in the Annual Report (Form 56-1 One Report) under topic “8. Report on Significant Corporate Governance Performances, 2 The Directors Compensation”.

8. Development for the directors and the management

The Company disclosed the development and training of directors and the management. Details are in the in the Annual Report (Form 56-1 One Report) under topic “Attachment No.1 Details of Directors, Executives, Controlling Person, and Company Secretary”.

9. The policy of conflict of interest report

The company has disclosed the policy that requires directors and management to submit the report of conflict including the related person to disclose in the Annual Report (Form 56-1 One Report). The details are shown in “6. Corporate governance Policy” section under the topic of the Board of Directors Responsibilities, No. 3 Conflict of Interest.

10. Policy on corporate social responsibility, community and environment

The Company sets the social responsibility policy in the company’s mission, corporate governance and business ethics. The details are shown in the company’s sustainability report.

11. Risk management policy

The Company has set up the Corporate Governance and Risk Management Committee to supervise risk management of the organization in a systematic and effective manner, and cover all areas appropriately, as well as assign risk management policies, according to the details in Annual Report (Form 56-1 One Report) under topic “Risk Management”.

12. The responsibilities of the Board of Directors towards the financial reports

The company has disclosed the significant information both financial and non-financial information in the timely manners. The information is correct, transparent and approved by the set procedures.

- The information shown in the Annual Report (Form 56-1 One Report) is continuously monitored and revised to be up to date.
- The annual and quarterly financial reports are disclosed before the deadline.

In 2021, the company’s financial statements have been verified with unqualified opinion and submitted to the SET and SEC in time. The information is not subjected to amendment order the regulator. There was no action taken based on the fault disclosure violating the rules.

- The change in company quarterly operating performance comparing to last year that is larger than 20%

In 2021, the company has disclosed the significant changes in the operating performance on May 11, August 11 and November 9, totaling 3 times.



13. The company's tax policy

The company has been focusing on the honesty and transparency practice. The corporate tax has been paid in time to maintain the business creditability. The tax benefit was legally used to efficiently manage under the scope of laws and disclosure rules. The practice is complied with the company's strategy to achieve the best benefit to the shareholders and maintain good relationship with the government officers.

Tax payment procedure

1. Closely monitor the news regarding to tax and laws
2. Review the operating transactions based on the monthly and yearly tax payment manual and work closely with the internal auditor to review on the audit schedule planned
3. The financial auditor will review quarterly to monitor the tax transactions have been made efficiently and correctly.

14. The Disclosure of Related Transactions

All related transactions that have been approved are complied with SET and SEC rules. The details are shown in annual report, the annual disclose information form (Form 56-1 One Report) under the topic of "Related Transactions".

15. The policy regarding to financial and accounting transaction

The company has been completely recording business transactions. The financial reports have been prepared correctly and disclosed in time. The evidences of the transaction were sufficient. The financial and accounting standards used are proper and constant based on the financial reporting standard (TFRS). The significant information was disclosed clearly.

16. Whistleblowing Policy

The company is open to receive petitions and information of illegal actions from the employees. The harmful actions that may affect the company and threat to the employees' right can also be voiced through the provided channel. The whistleblowers shall be protected.

Encountering with Dishonest Acts and Corruption

The Board of Directors has a policy of compliance with the law on combating Dishonest Acts Corruption and Anti-Corruption Policy. In this regard, the following guidelines have been prescribed.

1. A consciousness, value and attitude to comply with laws and regulations honestly and in good faith shall be instilled in employee
2. An internal control system which is efficient and effective shall be in place. There shall be suitable oversight and checks of powers to prevent employee abuses or involvements in combating Dishonest Acts Corruption.
3. Company Directors, Executives and employees are prohibited from performing any act which amounts to a demand or acceptance of properties or other benefits for oneself or for others as an inducement to wrongfully perform or refrain from performing a duty or which could result in a loss of the Company's legitimate benefits.
4. Company Directors, Executives and employees are prohibited from giving or offering to give properties or any other benefits to third parties to induce such person to unlawfully or wrongfully perform or refrain from an act.
5. There shall be a financial reporting system which is transparent and accurate.
6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel must be appointed to examine all notices of suspicion given.

For the Policy and guideline, the Company had done as following;

The company has set anti-corruption policy and guideline for Board members, management and employees. The guideline aims to prevent the corruption both direct and indirect formats. The bribery should be avoided. The guideline for anti-corruption has covered 3 topics

1. Donation
2. Support
3. Give or obtain gift and entertainment

The guideline for anti-corruption has been disseminated to Board members, managements, and employees.

In 2021, the company did not receive any complaint about dishonest actions or corruption.

The Operation of Anti-Corruption

The Company signed a declaration of intent to join Thailand's private sector Collective Action Coalition Against Corruption (CAC) on February 18, 2014. All employees were informed of the Anti-Corruption Policy on February 17, 2015, which is monitored closely by the Corporate Governance and Risk Management Committee. Additionally, the company directors, management and all employees were provided with seminars and workshops about such issue. The policy is publicized on the Company's website at www.sahacogen.com, in which related parties and stakeholders can acknowledge it, in order to support the enhancement of anti-corruption awareness and practices, together with the good governance policy, business ethics and code of conduct published in kind of cartoon animation.

The Board of Directors set the Company's Anti-Corruption as the guideline for directors, executives, and employees. By having such guideline, it helps in visualizing the company's target and empowering everyone to work towards the same direction. This guideline will also be promoted to be one of the parts of organizational culture. The annual review will be conducted.

In 2021, the Company has reviewed anti-corruption practice and guideline. The set guideline is still practical with current business circumstances



Anti-Corruption Policy

The company has policy to strictly comply with anti-corruption law. The Board of Directors, management and employees are prohibited to accept or support corruption in all form, in both direct and indirect action. The anti-corruption policy can be summarized as follow.

1. The company will not request or accept and/or support the bribery and facilitation payments in all formats.
2. Giving or receiving gifts, arranging or attending reception, giving and receiving supports, giving or receiving donation, political support and hiring state agency will be conducted with transparency.
3. The company promotes concern and value regarding to anti-corruption to directors, managements and employees to raise awareness in complying with laws, rules and regulations by providing guideline in printing format.
4. The directors, managements and employees are prohibited from doing or be the intermediary in calling for bribery in any form from government agencies, or any private parties to stimulate the violation of laws. The prohibition includes claiming on roles and position and/or using the information to seek for personal or others' benefit.
5. The company provides correct and transparent information about financial status. The company also has efficient internal control system with suitable check and balance control. The company has been monitoring on procedure of authority implementation to prevent corruption or involvement in corruption.

6. The company has regularly reviewed the compliance with anti-corruption policy. The revision of the policy and guideline must be continuously conducted to reflex changed in business, laws and related regulations.
7. The company provides communication channel to support whistle-blowing on suspicious incidents. The one submitting information (whistleblower) must be protected.

Guidelines for the operation of Anti-Corruption with stakeholders

1. Persuade customers/ business partners to join and be a partner of anti-corruption and share good practices with them. Enhance awareness of employees by reviewing the business ethics regularly.
2. Organize activities or campaigns relating to anti-corruption and congratulate and praise
3. employees who conduct themselves well and honest.
4. Provide information to communities and schools as well as support anti-corruption campaign.
5. Set measures and systems for internal control for transparent business operation.

The Actions Taken in 2021

1. The Company has channel communicating the anti-corruption policy to its customers and business partners via e-mail, intranet, website and notice of no gift policy.
2. There are channels for employees to provide notices of any suggestion or suspicion to its supervisors. Informants can give information or file a complaint on a matter which could constitute a violation of the law via notice box to the Social Security Committee or comment box or via the Company's intranet system, which will be presented to the Executive Board afterwards to consider and tracking of rectification. All suggestions and complaints of its employees are noted and observed righteously in order to maintain good relationship with each other. The Company will keep relevant information secret with the confidence of complainant's protection.
3. Sahacogen group joined the event "Kob Dek Sang Baan" on the Anti-Corruption Day 2021, on September 6, 2021 together with representatives from government offices and businesses which are members of Anti-corruption organization of Thailand. The virtual event was held on Facebook Live of anti-corruption organization's channel.
4. The company organized training sessions by both internal and external speakers for the Board members, managements and employees. The topics covered the good corporate governance, the anti-corruption, sustainable development, the activities to raise awareness of the act against corruption and building the core value. The test on CAC understanding and CG code have been launched thought online testing system. The test results will be used for improvement planning. The company's employees were 100% trained during the year
5. The orientation course for the new hired employees will cover the details about anticorruption concepts to create the awareness.
6. The company evaluation result has showed the company has the acceptable and reliable mechanism. The company can be ensured to achieve to target within the controllable risk. There was no point needed to fix based on the internal audit best practice.

The overall evaluation indicated Sahacogen group sufficiently has the control and monitor over the violation of corruption risk. The internal audit system can ensure the company's operating target. There was no indicator of improvement needed. The overall business operation was in line with the internal control guideline.

“Sahacogen Fights Against Corruption”



Corruption Risk

The company has well-formed internal control system, righteous code of conducts and business ethics, and the Audit Committee has assigned Dharmniti Internal Audit Company Limited to define such annual audit plan. Moreover, the company received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on October 14, 2016. Later on, the company also received the CAC certification for the second time on October 18, 2019. The subsidiary companies, Sahacogen Green Co., Ltd. and Sahagreen Forest Co., Ltd. received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for the second time on December 31, 2020. In 2022, the company has planned to renew the certificate for the third time. The certificate will be expired on October 18, 2022.

The company disclose this information in the Annual Report (Form 56-1 One Report) under topic “2. Risk Management”.

Whistleblowing Policy

The company is open to receive petitions and information of illegal actions from the employees. The harmful actions that may affect the company and threat to the employees' right can also be voiced through the provided channel. The whistleblowers shall be protected.

The provided channels are the direct contact listed below.

Contacts	Telephone	E-mail Address
The Board of Directors	038-481555 Ext. 202	directors@sahacogen.com
The Audit Committee	038-481555 Ext. 203	auditcommittee@sahacogen.com
The Corporate Governance and Risk Management Committee	038-481555 Ext. 212	riskcommittee@sahacogen.com
The Corporate Social Responsibility Committee	038-481555 Ext. 290	pr-csr@sahacogen.com
The Managing Director	038-481555 Ext. 200	udompong.ch@sahacogen.com
The Company Secretary	038-481555 Ext. 200, 282	csecretary@sahacogen.com
Investor Relations	038-481555 Ext. 200, 282	investorrelation@sahacogen.com
Human Resource Management and Development Division	038-481555 Ext. 242, 243	hradmin@sahacogen.com

The petition and information can be sent by postal service to the Board of Directors (Chairman), the Audit Committee (The Chairman of Audit Committee), the Corporate Governance and Risk Management Committee, the Corporate Social Responsibility Committee, the managing director, the corporate secretary, the investor relations, Human Resource and Administration Department.

Address:

Sahacogen (Chonburi) Public Company Limited
 636 Moo 11, Sukhabhiban 8, Nongkham sub-district
 Sriracha District, Chonburi 20230



Petition process

The company will transparently investigate about the petition. The fair treatment and whistleblower protection will be implemented through the investigation process.



The protection of the whistleblower and complainer

The company will protect the whistleblower and complainer made by fide intent by concealing the name or any information that could identify the whistleblower and complainer and maintain the information of whistleblower and complainer to be confidential by limited to those who have a responsibility to investigate complaints only.

The protection of employees

The company will provide care and protect employees who comply with Anti-corruption policy and regulation by protection complainer set in Code of conduct the Board of Directors, executives and employees. Including the company give justice and protection to employee. By employee will not be punished, or reduce position, if denied the corruption acts, even though such actions would cause the company to lose business opportunities.

The company has set whistleblowing process and protection of whistleblowers and those being complained as well as penalty and clue reporting; and clearly published such details in the Anticorruption Manual.

In 2021, there were no complaints

Monitoring, Reviewing and Assessment

The company has a process to review, monitoring and assessment of the risks of corruption, as well as programs for preventing such risks. The Corporate Governance and Risk Management Committee is the risk assessor in corruption and coordination together with the working team to implement anti-corruption project. The responsibility are reviewing the internal control and internal audit follow-up. In the case of fraud, internal audit work unit will report directly to the Audit Committee and the Audit Committee will report to the Board of Directors, respectively.

In 2021, the Corporate Governance and Risk Management Committee has reviewed policy and practices relating anti-corruption. Working with the anti-corruption working team and the internal audit, the committee performed the annual audit plan. The report to the Audit Committee and the Board of Directors by quarterly.

The result of the investigation will be reported to the Board of Directors. The whistleblower name and the petition will be protected as the company's secret.

In 2021, the company by the Corporate Governance and Risk Management Committee did not get any warning, or been punished due to the shortfall of complying with the rules. There was no case of laws violation in terms of labor laws, consumers, competition and environment. The company did not get compliant from shareholders and stakeholders.

8.2 The Report of the Audit Committee Performance

The company disclose the information in the Annual Report (Form 56-1 One Report) under topic “Corporate Governance: The Board of Directors Performance Evaluation, Meeting Attendance and Individual Compensation”.

8.3 The Reports of Sub-committees Performance

The company disclose the information in the Annual Report (Form 56-1 One Report) under topic “Corporate Governance: Performance Evaluation”.

9. Internal Control and Related Party Transaction

9.1 Internal Control

Sahacogen & Affiliates have recognized the importance of the internal control system. The Board of Directors has appointed the Audit Committee to review the assessment of the company's internal control to ensure the sufficiency and appropriateness, as well as to provide accurate and credible accounting system and financial report, also to contribute asset protection and mitigate damage occurring from errors and corruption, along with effective compliance according to relevant laws and regulations.

According to the internal control assessment in 2021, such internal control was audited and reported by the internal control audit unit from Dharmniti Internal Audit Co., Ltd. According to the assessment, the company and its subsidiaries have monitored the operating management, risk assessment and internal control system sufficiently and adequately to meet the goals, objectives, laws and relevant regulations. In addition, the company and its subsidiaries have systematic plan for assets protection, corruption prevention and credible and auditable financial reports preparation. And the previous appraisal result, the internal control audit unit reported that the company has the reliable internal control system and sufficient risk management. The operating processes run in the appropriate way with the score of 4.4 (Four point four out of Five). There were some issues to be improved. However, the managements and staff in the mentioned functions have already rectified the shortcomings and deficiencies as suggested.

9.1.1 The Sufficiency and Adequacy of the Internal Control System

Dharmniti Internal Audit Co., Ltd. assessed the company internal control system using COSO's framework (The Committee of Sponsoring Organizations of the Treadway Commission) and sufficiency checking guideline suggested by the Securities and Exchange of Commission (SEC). The results of the appraisal are divided into 5 sections. The summary of the appraisal shows the compliance based on SEC's guideline.

1. Control Environment

The company has specified explicit policies and objectives for its business with evaluation by considering fairness to employees, customers, business partners, and responsibility for shareholders, society, community and environment. It has also reviewed the implementation of the goals set on a regular basis to comply with the conditions at that time.

Moreover, the company has established the organizational structure and charters of various committees in order to separate duties and responsibilities of the Board of Directors apart from the management for the operation efficiency. Additionally, there are written policies on corporate governance, business ethics, and code of conduct for directors, executives and employees, which was acknowledged by all directors, executives and employees as guidelines for everyone to perform their duties with integrity, and restrain from posing conflict of interest with the company with no any cheat or corruption which causes damage to the organization. The company has set up systematic process for monitor and evaluation based on the principles of good corporate governance and regulations in such work. Provided the company found disobedience, it would have the process which could appropriately punish and manage any violations in due time according to the regulations on work and related legislation.



2. Risk Assessment

The Board of Directors has assigned the Corporate Governance and Risk Management Committee to be responsible for risk management in a systematic and effective manner. There was risk analysis that revealed probable risks occurring from internal and external factors which have a negative impact on the business operation. Moreover, clear working plans, working procedures were well set up with keeping track of risk management result on a regular basis to ensure that it is at acceptable level. This includes all executives responsible for risk management, and communication on this matter to all employees to comply with as a part of an organizational culture.

The company has evaluated the potential for corruption, and carefully reviewed the targets of operations, as well as considered the reasonableness of offering incentives or rewards to employees that does not encourage them to act in an inappropriate manner. In addition, the Audit Committee has considered and inquired information from the management about the likelihood of fraud, and the company's measures to prevent corruption. With this regard, the company communicated on this matter to employees to understand and follow the policies and guidelines on anti-corruption, also not to receive or pay a bribe for business interests as stated by the company. The company has been continuously communicating the anti-corruption policy to public and stakeholders. The self-declared anti-corruption policies of the company and subsidiaries have been certified on October 14, 2016 and February 12, 2018 respectively. In 2022, The company has a plan to renew the certification of the Thai Private Sector Collective Action Against Corruption for the third time. The certification will be expired on October 18, 2022.

Meanwhile, the company has assessed the change for the business structure as well as specified response measures to any changes affecting business operation, internal control and financial report. Moreover, the company complied with generally accepted accounting principles, which is suitable for its business, by revealing financial report which is fully accurate and reflects the operating activities of the company.

The company manages risks based on nature and types of risk, which is assessed taking account of internal and external factors. With this regard, the protection measures and risk management are specified at an acceptable level without harming business operation of which relevant persons have already been informed to ensure the compliance and follow-up.

3. Control Activities

The company has clearly specified the limitation of authority and approved credit line for each management level in writing, as well as separated duties and responsibilities of each department apart for counter-verification. It has also set the regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond mandate. Additionally, the company has monitored measures allowing the company operations to correspond with related laws. In the case of transactions with the major shareholders, directors, executives, or those who are involved with such persons, the company has followed related procedures and regulations with regard to

the best interest of the company (at arms' length basis). There was also a policy about the approval of business transactions that must be carried out by those with no conflict of interest to prevent from putting the interests of the company to private use.

Furthermore, in the case of the approval of business transactions with long-term bindings, the company has follow-up measure to ensure full compliance according to agreed conditions. Also, the company has regularly reviewed over the appropriateness of the contract in accordance with the situations, as well as consistently monitored business operations of its subsidiaries and associate. The monitoring process will be conducted on monthly basis to ensure the compliance to the Board of Directors' resolutions, shareholders' resolutions and the related laws.

4. Information and Communication

The company has presented sufficient information and document to the Board of Directors in advance for their decision-making. Accounting records and supporting document of financial statements are completely kept in orderly manner. In addition, the company's financial statements were prepared in compliance with Thai Financial Reporting Standards (TFRS). The company also uses software applications for the effective resource consumption planning, accounting information management, financial statements, procurement, sale, inventory management and production planning. The example of software are Electricity Billing, Electricity Meter Reading, Biomass Quality Control and Training Record. The systems also help in giving accurate information so that the management can make timely and appropriate decisions. Moreover, the company provides systematic measures to protect and safeguard the IT structure on a regular basis. The compliance monitoring was run annually by both external and internal auditor. The compliance covered laws related to information technology which are Computer Crimes Act B.E. 2550 (A.D. 2017), Cybersecurity Act B.E. 2019 (A.D. 2019), Personal Data Protection Act B.E. 2019 (A.D. 2019). The major development of information technology development can be summarized as follow.

1. IT devices must be replaced every three to five years. The replacement models must have better capacities, well equipped with security systems for intrusion prevention and data recovery.
2. A system must be installed for 24-hour monitoring of the server. In case of computer malfunction, the system will send an alert SMS and email to IT supervisors to take promptly necessary corrective action.
3. A security system must be installed to daily check the temperature and power sufficiency of the Data Center (DC) and Disaster & Recovery Site (DR Site). UPS Generator Power was installed for power reserve in case of power blackout
4. Vulnerability assessment and system hardening must be conducted annually, based on the software development standard and suggestions from OWASP-Top 10 Web Application Security Risks. The updated version of anti-virus and the deep discovery inspector programs must be installed to the server and clients' hardware.



5. There must be daily, weekly and monthly data backups. The disaster recovery site must be ready to respond in a timely manner in case of emergency or natural disaster.
6. The connecting system and SD-WAN internet (Hybrid MPLS & Internet) must be established among Sahacogen Group to increase the efficiency of the branch network and information system security.
7. The Teleconference system must be installed ie. VDO conference, MS Teams application and Zoom application. The systems must be promptly operating for the communication among the company, suppliers, clients and employees working from home.
8. The system (MS-365) was installed to support cloud-based operation and working from home.
9. The preventing system, XDR (Extended Detection and Response) was installed for security surveillance and prompt response to the possible attack. The SIEM & Log Management was installed to investigate and analyze for the causes of the threat to Hybrid Cloud Infrastructure.
10. The modern electric system was promoted, starting from Smart Meter Project, to provide real-time usage checking service, analyze clients' usage behavior, estimate sufficient level of electricity supply and use in manage the power plant operation management.
11. The company Enterprise Resource Planning (ERP) was revised to add up the efficiency to respond with new requirements and business data security.

Regarding to the Board of Directors and shareholders' meetings, the meeting notice and relevant document were sent for consideration in advance according to specified regulations. Minutes of meeting also recorded completely, containing necessary and sufficient information, with the opinions of directors and shareholders as well as questions or disagreement on some matters.

The company effectively communicated information to inside and outside the organization with appropriate channels, in order to encourage internal control to be proceeded as required by the company. It also provided a whistle blower hotline for information or clues about fraud or corruption, while the detail of the complainers and complaints will be kept confidential.

5. Monitoring Activities

The Company's operating results are monitored on a monthly basis and compared with the prior year performance in order to analyze the causes of differences and adjust their strategies to meet and achieve expected goals. In order to maintain the adequate internal control, the internal audit is required to audit, analyze and evaluate the internal control of various systems and monitor the operating performance continuously. Such results need to be reported directly to the Audit Committee. If any significant defects are found, the Audit Committee has to report them to the executives and Board of Directors for corrective action, monitoring and keeping track of such deficiencies that need to be solved.

9.1.2 The Internal Control Deficiency

The assessment in the past year found items needed to be improves. The examples are operating procedure to be revised reflecting normal operation, adding checking process before making payment to suppliers, compliance to payment authority, and written document for payment transaction. The management rectified the mentioned issues. In some topics will be re-audited based on the proposed action plan.

9.1.3 Opinions of the Audit Committee and Auditors

The Board of Directors' Meeting No. 1/2021 on February 23, 2021 with the attendance of the audit committee has considered that the company's and subsidiaries' internal control system were sufficient and appropriate. The consideration was made by using the sufficiency checking guideline. The audit Committee did not have the different opinions. The auditor's reports showed no major deficiency on the internal control and financial reports preparation process. The details are disclosed in the Audit Committee's Report.

9.1.4 Head of Internal Audit and Head of Compliance Unit

At the Audit Committee's Meeting No. 1/2021 on February 23, 2021, the committee appointed Dharmniti Internal Audit Co., Ltd. as the internal audit of the company headed by Ms. Ruethaichanoke Supapong. The framework of the internal audit is shown in the topic about the head of internal audit.

The Audit Committee has already considered Ms.Ruethaichanoke Supapong, the company's internal auditor from Dharmniti Internal Audit Co., Ltd. that she possesses the adequately appropriate qualifications to perform the head of internal audit. The said qualifications are independence and auditing experiences in similar business operation. Moreover, she attended training courses relating to internal audit operation. The company has assigned Ms. Penpak Vongrakvanich Corporate Governance and Risk Management Department Manager as the company representative to coordinate with the external auditor and related units.

The appointment, transfer, and dismissal of the company's head of internal audit office must receive the approval from the Audit Committee.



9.2 Transaction with Related Companies

9.2.1 Transaction with Related Companies

During 2021, the company and its subsidiaries entered into inter-transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transaction, normal business support transaction, rental or lease transaction for immovable property (not more than 3 years), and transaction related to assets and services

- **Sahacogen (Chonburi) Public Company Limited**

Significant Item	Parties with possible conflict of interests	Relationship	Value (Million Baht)			Pricing Policy and transaction detail
			2021	2020	2019	
Sales of electricity	Electricity Generating Authority of Thailand.	- The major shareholder of Ratch Group Public Company Limited holding 45% - The major shareholder of the company since December 13, 2021.	1,919	-	-	Contract price
Sales of electricity	Saha Pathana Inter-Holding PCL.	- The company's shareholders 14.95 % - Joint directors	1,394	1,348	1,415	Contract price
Sales of steam			358	265	347	
Fee paid for guarantee for minimum electricity demand			3	5	5	
Service Revenue			1	1	-	Contract price
Utilities Expenses (Raw water and waste water treatment costs)			4	5	4	Same rate as price charged to other customers in the normal course of business, calculated from actual used quantity
Advisory fee			20	-	-	Management fee based on business consulting contract price

Significant Item	Parties with possible conflict of interests	Relationship	Value (Million Baht)			Pricing Policy and transaction detail
			2021	2020	2019	
Operation and service management fees	Operational Energy Group	- Joint directors	116	114	109	Management fee based on power plant operation and maintenance contract price
Machinery lease		- Joint directors	115	96	83	Lease fee based on contract price for machinery rent during the maintenance
Land rental expense	Sinparadom Co., Ltd.	- Joint directors	2	2	2	Land rent used as the access to power plant area determined by contract price
Interest paid	Better Way (Thailand) Co., Ltd.	- The company's shareholders held 0.86% of shares until December 13, 2021.	15	15	15	Fixed interest rate loan
		- Joint directors				
Security service expense	Pitakkij Security Guard Co., Ltd.	- Joint directors	4	2	2	Security service fee charged based on contract price

- **Sahacogen Green Company Limited**

Significant Item	Parties with possible conflict of interests	Relationship	Value (Million Baht)			Pricing Policy and transaction detail
			2021	2020	2019	
Sales of steam	Thai President Foods PCL.	- Saha Pathana Inter-Holding PCL. The company's shareholders 25.96 %	71	42	48	Contract price
Security service expense	Pitakkij Security Guard Co., Ltd.	- Joint directors	2	2	2	Contract price

Remark : The Company disclosed details of related transactions for the past 3 years in the information can be found on the company website. www.sahacogen.com

9.2.2 The necessity and rationale for entering into transactions with parties with possible conflict of interests

To sustain the company's operations under the prevailing severe competitive situation, the company needed to secure the support of business partners and business alliance network from upstream to downstream industries, further contributing to its competitiveness and business potentials, and leading to its further development and sustainable growth in the future.

While its business partners and business alliance members might be parties with possible conflict of interests, nevertheless, the Board of Directors might find it reasonable and necessary to enter into agreement or transaction with said parties, with the interests of the shareholders and the company in mind. In such case, the transaction price would be based on normal business terms, without harboring any intention to engage in unjust transfer of company asset or interest to such parties with possible conflict of interests.

At the same time, The Board of Directors duly followed the requirements in the Securities and Exchange Act (no.4) B.E. 2551 article 89/12, by authorizing the company's management, after the completion of the annual shareholders' meeting, to enter into such transactions considered to normal business transactions and business support transactions under normal business terms in such same manner as other business partners under the same circumstances. Such transactions would be carried out without any exercise of undue influence due to such status as director, management member, or related persons, with such transactions duly reported to The Board of Directors' meeting held each quarter.

Independent Directors' Opinion

The independent directors did not have contradictory opinion with the Board of Directors towards the related-parties transactions.

Opinions regarding related-parties transactions by the Audit Committee

In case that related-parties transactions considered significant, the company followed its policy in proposing such transactions to the Board of Directors' meeting to be accepted from the Audit Committee and approved by the Board of Directors for further forwarding to the shareholders' meeting for their approval according to the materiality of the transactions

In 2021, there were 3 related transactions considered by the Board of Directors' approval as disclosed to the Stock Exchange of Thailand.

1. According to the resolution of the Board of Directors Meeting No. 6/2021 of Sahacogen (Chonburi) Public Company Limited held on July 13, 2021, the Board of Directors approved for entering into the Connected Transaction to sign a Business Advisory Contract with Saha Pathana Inter-Holding Public Company Limited. The transaction total value is THB 20 million with duration 1 year.
2. According to the resolution of the Board of Directors Meeting No. 6/2021 of Sahacogen (Chonburi) Public Company Limited held on July 13, 2021, the Board of Directors approved for entering into the Connected Transaction to sign a Business Services Agreement with Saha Pathana Inter-Holding Public Company Limited. The transaction total value is THB 52 million expiring on April 12, 2021.

3. The Board of Directors meeting of Sahacogen (Chonburi) Public Company Limited (the “Company”), No. 8/2021 on 28 October 2021 considered and approved to propose to the Extraordinary General Meeting of Shareholders No. 1/2021 (the “Meeting”) for consideration and approval of the offering and allotment of no more than 208,695,652 newly issued ordinary shares of the Company, with a par value of THB 1.00 to be offered to RATCH Group Public Company Limited (“RATCH”) under a private placement with a definitive offering price scheme, at an offering price of THB 5.75 with a total value not exceeding THB 1,199,999,999 (“Capital increase under a private placement”) the disclosure of Capital Increase Report Form (F53-4) and Information Memorandum of Sahacogen (Chonburi) Public Company Limited Re: The Offering of Newly Issued Ordinary Shares under a Private Placement Scheme

The capital increase under a private placement of newly issued ordinary shares of the Company is considered a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003, dated 19 November 2003 (as amended) (the “Notifications on Connected Transactions”). As a representative of RATCH will be nominated as an executive director or controlling person of the Company, and after acquisition of ordinary shares from existing shareholders totaling 384,789,131 shares representing 33.07 percent of the total registered and paid-up capital after the private placement, and the subscription for the newly issued shares of the Company. From the offerings of newly issued shares, RATCH will become a majority shareholder in the Company. Therefore, RATCH will be regarded as a connected person of the Company according to the Notifications on Connected Transactions. RATCH will hold a total of 593,484,782 shares representing 51.00 percent of the total registered and paid-up capital after the capital increase and be entitled to nominate 4 persons to be elected as directors of the Company to replace 4 of the 13 existing directors of the Company. Before the acquisition of ordinary shares from existing shareholders totaling 384,789,131 shares, representing 33.07 percent of the total registered and paid-up capital of the Company after the private placement, from existing shareholders of the Company, RATCH and its related persons are not regarded as a connected person of the Company under the Notifications on Connected Transactions (data as of 27 October 2021). However, as a result of the allotment of newly issued ordinary shares to RATCH under this private placement, RATCH will be regarded as a connected person of the Company according to the Notifications on Connected Transactions

The Audit Committee did not have contradictory opinion with the Board of Directors towards the related-parties transactions

Criteria or process of authorization in recording related transactions

1. The company complies with the standards of the Stock Exchange of Thailand on the related transaction and / or the acquisition or disposition of assets of the company which will be amended to include the practices disclosed to the shareholders of the company. The Investors and related agencies, including the Stock Exchange of Thailand and will be approved by the Board of Directors and / or the Annual General Meeting of Shareholders, as defined by the Stock Exchange of Thailand.
2. The company have policy and terms of the transaction such as buying price, selling price, value of the related transaction between the companies is subject to normal course of business.

Related party transactions are conformed with the regulations of the Stock Exchange of Thailand the Audit Committee for consideration and follow the steps to the reasonableness of the transaction and is in the best interests of the company. The Audit Committee will review such prices or rates of the transaction with the staff of the company and internal auditors that the price is reasonable and disclosures in the financial statements are correct.

3. The company have the process of approving the related party transaction between the company in the same way as the procurement of the company and the executives or shareholders have no interest in the transaction, and not to the approval of such matters.
4. For unusual transactions, if the size of transactions are not in the level with no need to get approval from a shareholder's meeting. Under SET's regulations, the transactions will be considered and approved by the Executive Board of Directors without get approval from the interested persons. If the size of the transactions are larger than approval, the Executive Board of Directors will obtain a resolution from the Executive Board and propose the resolution to the Board of Directors to gain further approval without gaining an approval from the interested persons.

In 2021, the company did not receive a warning letter. Guilty In making connected transactions And buying and selling property in violation Or do not comply with the rules of the Stock Exchange of Thailand (SET) And the Office of the Securities and Exchange Commission (SEC)

9.2.3 Policy or Potential Related Transaction in the Future

The Board of Directors duly recognized their responsibilities as the directors of public company in carrying out their duties toward the shareholders, employees, and all stakeholders, in accordance with the good corporate governance principles. Accordingly, those inter-transactions likely to take place in the future, would represent normal business transactions, with the disclosure of information duly carried out in accordance with the Notification of the Capital Market Supervisory Board, regarding “rules on connected transactions”.

As the Company and RATCH are both listed companies on the Stock Exchange of Thailand and both engage in the same industry classification namely, Energy & Utilities, certain policies to mitigate the potential conflict of interest arising from the transaction are to be adopted after the completion of the allotment of newly issued ordinary shares in order to ensure transparency and to maximize the benefit of all stakeholders.

- Segmentation of business to mitigate potential conflict of interest

The Company is mainly engaged in the business of power generation under the Small Power Producer (“SPP”) scheme in Thailand, with a total generation capacity of 215.58 Megawatt. The Company supplies electricity to the Electricity Generation Authority of Thailand (“EGAT”) and supplies electricity and steam to Saha Pathana Inter-holding Public Company Limited, who distributes it to industrial users within Saha Group Industrial Park, Sriracha. The Company also operates two biomass power plants with combined Megawatt capacity of 17.1 Megawatt to supply electricity to the Provincial Electricity Authority and supply steam to industrial users within Saha Group industrial Park - Lamphun estates.

RATCH is a leading private power producer with the goal of becoming a leading energy and infrastructure focused company to create value within the Asia-Pacific region. RATCH’s main business is investment in various energy generation projects, from conventional thermal power plants to renewable power plants. Additionally, RATCH also invests in infrastructure projects both domestically and internationally. Currently, RATCH’s portfolio consists of 7,052.95 Megawatt equity, with 4,424.96 Megawatt in Thailand and 2,627.99 Megawatt overseas. Most of RATCH’s current portfolio consists of large power projects. RATCH has targeted to expand its equity Megawatt generation capacity to 10,000 Megawatt by 2025.

RATCH and the Company’s current engagement in power generation currently do not directly overlap in practice and do not compete in terms of geography, customers, and sourcing of raw materials. This is due to the power generation business having a fixed location, contracts with clients through entering into power supply agreements with a determined price and other conditions specific to each contract. Furthermore, after entering into the transaction, the Company will set out a clear strategy to define boundaries in business expansion by the Company in order to best suit its competencies in order to effectively and efficiently reach its targeted generation capacity. The details can be summarized in the following table:

Business Segmentation between the companies after the transaction

Details	The Company	RATCH
Current capital structure and size of the company to determine appropriate investment targets	<u>Financial summary (30 June 2021)</u> Total assets: THB 6,371.17 million Total debt: THB 3,583.85 million Shareholder's equity: THB 2,710.36 million Revenue: THB 2,013.69 million Net profit: THB 98.32 million Furthermore, SCG will receive approximately THB 1,199.99 million in proceeds from the capital increase, which will be utilized for	<u>Financial summary (30 June 2021)</u> Total assets: THB 123,232.70 million Total debt: THB 57,118.07 million Shareholder's equity: THB 66,113.94 million Revenue: THB 16,205.83 million Net profit: THB 4,210.70 million
Targeted Equity MW in power generation projects according to each company's financial capability and resources	At least 400 MW within 2027, with approximately 20 – 30 Megawatt expansion annually from the current 231.1 Megawatt	10,000 Megawatt by 2025 ¹
Business segmentation	Focus on investment and development of small-sized cogeneration power plants within Thailand and countries within Southeast Asia, in line with the Company's financial capability and available resources. Also including expansion of the current natural gas power plant with Saha Group, who are current shareholders in the Company	Focus on investment and development of medium to large sized power plants utilizing various fuels and renewable energy projects internationally, through its subsidiaries <ul style="list-style-type: none"> To invest in small-sized cogeneration power plants within Thailand and within Southeast Asia through its majority shareholding (>51%) in SCG To invest in businesses related to power production, such as infrastructure projects domestically and internationally

Note : ¹ The targeted equity Megawatt includes capacity under large-sized power plants whose power purchase agreements are set to expire during 2025 - 2027

From the table above, the Company will focus its investments on smaller sized power plant projects within Thailand and in countries within the Southeast Asia region. As the development of greenfield power plant projects and acquisition of operational power plants require significant capital investment, the focus on smaller-sized projects is in line with the Company's long-term financial capabilities and available resources. In the case of the power plant projects located in an industrial estate belonging to or jointly developed by a major shareholder of the Company, the Company may invest in such opportunities without limitations on the size of the project.

The Company has a targeted 20 – 30 Megawatt annual expansion in capacity with an equity Megawatt goal of 400 Megawatt by 2027, which will be achieved through utilizing the proceeds received from RATCH in this capital increase and the Company's internal cash flow. Nonetheless, this is subject to the Company's ability to generate cash, borrow, and potential opportunities for investment according to the current economic climate to support the aforementioned growth. Should the Company's internal cash flows be sufficient to achieve the target equity Megawatt, the Company may not undergo a further capital increase. RATCH's business strategy will focus on investment in medium to larger sized projects both in Thailand and internationally in order to achieve its targeted 10,000 Megawatt goal by 2025 and sustain continued growth in the long-term.

Measures to prevent conflict of interests can be summarized in the table below:

Measure	The Company	RATCH
Business segmentation between the Company and RATCH in development of future power projects	Expansion of the Company's main business in power production both in Thailand and in countries within the Southeast Asia region, through establishment of a business development team who will focus on investments in small-sized projects in line with the Company's capital structure and size. Focus on small projects will have the exception of projects located in an industrial estate belonging to the Company, its major shareholders, or in partnership with the Company's shareholders, where there will be no limitation on size of the project.	Focus on medium to large sized projects utilizing different fuels and renewable power projects overseas through its subsidiaries Invest in small cogeneration power plants within Thailand and in countries within the Southeast Asia region through its majority shareholding (more than 51%) in SCG
Separation of management	The Company will have its own separate management and personnel.	RATCH will have its own separate management and personnel
Financial independence	Subject to the Company's ability to secure funding	Subject to RATCH's ability to secure funding

Measure	The Company	RATCH
Board of Directors of each company are bound by their fiduciary duty to shareholders	<ul style="list-style-type: none"> The Board of Directors are bound by their fiduciary duty and policies in place to prevent conflict of interest. Should the Company decide to invest in projects which may lie outside the segment it focuses on, the Board may consider and jointly decide whether such decision is in the best interests of the Company's shareholders. If a director of the Board has an interest in the investment decision, the director shall not be eligible to vote on the decision Investments where there may be a conflict of interest must be approved by the audit committee The Company has a duty to comply with relevant rules and regulations for investments which fall under the Connected Transactions category 	<ul style="list-style-type: none"> The Board of Directors are bound by their fiduciary duty as a listed company <p>A director nominated by RATCH in the Company who may have an interest in any decision shall not be eligible to vote on the decision</p>
Disclosure of the segmentation in business and measures to prevent conflicts of interest in Annual Report (Form 56-1 One Report)	<ul style="list-style-type: none"> Disclose the business segmentation policy and measures to prevent conflict of interest in the Company's Annual Report (Form 56-1 One Report) for the duration in which conflicts of interest may arise Approval from the Company's Board of Directors is required and is to be disclosed in the Company's Annual Report (Form 56-1 One Report) for changes in measures to prevent conflict of interest, with consideration for the ultimate benefit of shareholders 	-

- Other policies to mitigate the potential conflict of interests
 - (A) The Company has a clear and transparent shareholding structure which does not cause conflict of interest. The shareholding structure is disclosed in the annual report with full detailed disclosure on shareholding interests of the Company's Board of Directors
 - (B) The Company's Board of Directors have a fiduciary duty to consider, monitor, and supervise each transaction to ensure there are no conflicts of interest for the company. In the event that disclosure is required in accordance with rules and regulations of the Notification on Connected Transactions and/or the acquisition and disposal of assets, the companies will do so to investors
 - (C) In the event that the Company decides to invest in projects which may lie outside the segment it focuses on, the Board may consider and jointly decide whether such decision is in the best interests of the Company's shareholders
 - (D) The Board of Directors has proceeded carefully and rationally with regard to the potential conflict of interest with the most importance to the Company's benefit. The pricing strategy is in compliance with fair trading conditions as if the transaction was engaged with a third party. The process of such transaction is managed transparently and is in compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the Company sets the regulation in its corporate governance policy and business ethic, which is binding upon and Company and its shareholders
 - (E) Information relating to Connected Transactions are disclosed publicly to ensure equal access by all. The Company adheres to the announcements of the Capital Market Committee and the Stock Exchange of Thailand regarding disclosure of Connected Transactions
 - (F) The Company has determined that any directors with a conflict of interest are not eligible to vote on such agenda, or may not be present in the meeting, in order for the remaining directors to independently comment and resolve on such agendas. The Company Secretary shall inform the meeting and the name of the directors with interests on such agenda. After the meeting, the name of the directors, the relationship of related persons, the price of the transaction and the opinion of the directors, which are different from the opinion of the Board (if any) will be notified to the Stock Exchange of Thailand within the time frame as disclosed on the Company's website for transparency and be recorded in the minutes of the meeting.

9.2.4 Persons with possible conflict of interests holding combined shareholding in subsidiary associate companies over the level of 10%

The company did not have persons with possible conflict of interests holding combined shareholding in subsidiary companies over the level of 10%. However, the company had 1 persons with possible conflict of interests holding combined shareholding in associate company over the level of 10% (Impact Solar Co., Ltd.), as the result of the engagement in joint business investments by the company and such persons with possible conflict of interests, in utilizing their outstanding knowledge and expertise in their roles as business associates to the company. (Please refer to supplementary note to financial statements no. 11)



Part 3

Financial Statements and Operating Results



The Board of Directors' Responsibility Report towards Financial Statements

The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Sahacogen (Chonburi) Public Company Limited and its subsidiary companies. Said financial statements were prepared in accordance with Thai Financial Reporting Standards (TFRS), based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates.

Furthermore, adequate significant information was disclosed per the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company and its subsidiaries, so as to contribute to the interests of the shareholders and general investors. Moreover, said financial statements were duly audited and unconditionally verified by independent certified public accountants.

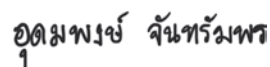
At the same time, The Board of Directors had exercised efforts to promote good governance practices, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner, in order to safeguard the assets of the company and its subsidiaries, while also safeguarding against any significant fraud or abuse.

In this regard, The Company's Audit Committee whose members comprising independent directors had duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of The Audit Committee were displayed per the Audit Committee's report contained in the annual report (form 56-1 One Report).

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate and sufficient, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending December 31, 2021, were prepared and presented in substantial context, in an accurate and reliable manner.



Mr. Sujarit Patchimnan
Chairman



Mr. Udompong Chuntharumporn
Managing Director

Financial Overview

Financial Statements

1. Audit Report Summary

Year	Certified Auditor	No.	Company	Auditor's Opinion
2019	Miss Sirirat Sricharoensup	5419	EY Office Limited	Unqualified Opinion
2020	Miss Sirirat Sricharoensup	5419	EY Office Limited	Unqualified Opinion
2021	Miss Isaraporn Wisutthiyan	7480	EY Office Limited	Unqualified Opinion

2. Summary of Financial Statements and Operating Results

(Unit: Thousand baht)

Balance Sheet	2019	2020	2021
Assets			
Current Assets			
Cash and cash equivalents	136,119	114,809	979,599
Current investments – securities held for trading	276	-	-
Trade and other receivables	572,164	529,677	615,466
Prepaid expenses	26,026	29,161	46,231
Inventories	239,194	233,339	265,385
Other current financial assets	-	277	277
Other current assets	24,112	27,198	70,021
Total current assets	997,892	934,462	1,976,978
Non-current assets			
Other non-current financial assets	-	7,940	8,950
Investment in associate	104,960	116,695	114,809
Property, plant and equipment	5,574,654	5,349,414	5,281,100
Right-of-use assets	-	155,374	124,774
Other non-current assets	67,728	61,727	85,102
Total non-current assets	5,747,342	5,691,151	5,614,735
Total assets	6,745,234	6,625,612	7,591,713

(Unit: Thousand baht)

Balance Sheet	2019	2020	2021
Liabilities			
Current liabilities	1,106,000	1,333,000	1,325,000
Short-term loans from financial institutions	283,197	244,304	656,207
Trade and other payables	566,688	627,997	407,421
Current portion of long-term loans	491	38,388	41,573
Current portion of lease liabilities	34,465	38,284	29,862
Other current liabilities	1,990,842	2,281,973	2,460,063
Total current liabilities			
Non-current liabilities	2,002,029	1,571,671	1,114,609
Long-term liabilities, net of current portion	29,749	33,430	37,225
Other non-current liabilities	2,031,778	1,605,101	1,151,834
Total non-current liabilities	4,022,620	3,887,074	3,611,898
Total liabilities			
Registered, issued and fully paid	955,000	955,000	1,163,696
Share premium	285,447	285,447	1,258,325
Retained earnings	1,410,344	1,458,246	1,501,622
Other component of shareholders' equity	(400)	(38,677)	(21,904)
Equity attributable to owners of the Company	2,650,391	2,660,015	3,901,739
Total shareholders' equity	2,722,614	2,738,539	3,979,815

(Unit: Thousand baht)

Statement Of Comprehensive Income	2019	2020	2021
Revenues			
Sales	4,319,969	3,971,035	4,220,490
Total revenues	4,326,781	3,978,571	4,354,413
Expenses			
Cost of sales	3,881,413	3,603,699	3,961,298
Administrative expenses	145,642	127,019	189,601
Total expenses	4,027,055	3,730,719	4,150,899
Share of loss from investment in associate	190	(1,915)	(1,886)
Finance cost	143,116	128,933	108,144
Income tax benefit	(18,810)	202	13,400
Profit (loss) for the year	149,888	117,206	106,884
Net Profit (Loss) Attributable To : Owners Of The Parent	139,310	106,155	101,631
Basic earnings (loss) per share	0.14	0.11	0.11
Earnings before interest, tax, depreciation, and amortization	795,349	820,551	807,689
Profit (Loss) For The Period From Continuing Operations	299,726	247,853	203,514
Profit (loss) for the year	149,888	117,206	106,884
Cash flow statement			
Cash flows from operating activities			
Depreciation and Amortization	495,623	572,699	604,175
Net cash flows from operating activities	426,368	694,124	664,730
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets	(240,604)	(306,205)	(278,935)
Net cash flows used in investing activities	(206,864)	(307,615)	(262,094)
Cash flows from financing activities			
Proceeds form increase in share capital	-	-	1,200,000
Dividend paid	(116,975)	(63,004)	63,954
Net cash flows from (used in) financing activities	(158,682)	(407,818)	462,152

Remarks : The 2021 financial statements can be seen in the Annual Registration Statement / Annual Report (Form 56-1 One Report) heading "Independent Auditor's Report" or www.sahacogen.com in "Financial Statement".

Financial Ratio Table

Financial Ratio	2019	2020	2021	
Current ratio	0.50	0.41	0.80	times
Quick ratio	0.36	0.28	0.65	times
Cash flow liquidity ratio	0.21	0.30	0.27	times
Cash flow liquidity ratio (Average)	0.23	0.32	0.28	times
Average account receivable turnover	7.41	7.21	7.37	times
Average collection period	48.56	49.94	48.84	days
Average finish goods turnover	16.23	15.44	14.93	times
Average finish goods period	15.79	15.25	15.89	days
Average inventory turnover	22.81	23.60	22.66	days
Average payment period	9.90	13.66	12.26	times
Average cash cycle	36.36	26.35	29.36	days
Unearned ticket period	12.20	23.60	7.92	days
Profitability				
EBITDA margin	18.82	20.88	20.21	%
Gross profit margin	10.15	9.25	6.14	%
Operating margin	6.94	6.24	4.82	%
Net profit margin	3.46	2.95	2.45	%
Return on equity (ROE)	5.54	4.29	3.18	%
Return on equity (ROE) (Average)	5.54	4.29	3.18	%
Capacity utilization	58.16	56.48	57.40	
Fixed asset turnover	0.76	0.73	0.79	times
Gross profit margin (from project for sale)	0.15	0.18	0.28	times
Free Cash Flow To EBIT	1.97	3.38	3.89	times

Financial Policy	2019	2020	2021	
Interest coverage ratio	4.13	6.50	7.32	times
Debt service coverage ratio	0.28	0.23	0.18	times
Debt to equity ratio	1.48	1.42	0.91	times
Interest-bearing debt to total equity	1.35	1.28	0.73	times
Dividend per share	0.12	0.06	0.06	baht /share
Dividend payout ratio	41.91	54.88	57.32	%
Dividend yield	1.57	1.74	0.99	%
Borrowing debt to total debt	0.83	0.78	0.68	times
Current portion of interest-bearing debt to total interest-bearing debt	0.46	0.56	0.61	times
Interest-bearing debt to earnings before interest, tax, depreciation and amortization	4.62	4.35	3.58	times
Operating efficiency				
Assets turnover	0.64	0.60	0.57	times
Assets turnover (Average)	0.63	0.60	0.61	times
Return on assets	2.22	1.77	1.41	%
Return on assets (Average)	2.18	1.75	1.50	%
Return on long term assets	11.27	11.84	12.55	%

Independent Auditor's Report

To the Shareholders of Sahacogen (Chonburi) Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sahacogen (Chonburi) Public Company Limited and its subsidiaries and of Sahacogen (Chonburi) Public Company Limited as at 31 December 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 Financial Statements* 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 as relevant to my audit of the financial statements, 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Investment in subsidiary

As described in Note 10 to the consolidated financial statements, as at 31 December 2021, the Company had an investment in a subsidiary with the net carrying amount of Baht 1,259 million, which is significant amount. This subsidiary had deficit from operations. The determination of the recoverable amount of the investment in this subsidiary requires management to exercise considerable judgement in order to forecast the operating results, estimating the cash inflows that are expected to be generated from investment, and to determine the discount rate and key assumptions. As a result, I attached importance to the audit of this matter.

I assessed the forecasted operating results of the subsidiary prepared by the management of the Company, by gaining an understanding of the processes performed by the management to derive such figures, evaluating the assumptions used in preparing the plans and cash flow projections of the subsidiary, comparing these assumptions to other available sources of data, comparing past cash flow projections with actual operating results to assess management's judgement in projecting future cash flows. I also considered the discount rate used by the management by comparing the weighted average cost of capital, other data and tested the calculation of the recoverable amount of the investment in the subsidiary in accordance with the financial model.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible the audit resulting in this independent auditor's report.



Isaraporn Wisutthiyan

Certified Public Accountant (Thailand) No. 7480

EY Office Limited

Bangkok: 21 February 2022



Sahacogen (Chonburi) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	979,598,674	114,809,494	949,489,294	110,040,553
Trade and other receivables	8	615,465,660	529,676,586	547,836,890	432,449,872
Prepaid expenses		46,231,128	29,161,394	40,985,013	24,058,692
Inventories	9	265,384,535	233,339,294	133,190,466	120,834,160
Other current financial assets		277,396	276,845	277,396	276,845
Other current assets		70,020,970	27,197,984	62,555,301	18,932,576
Total current assets		1,976,978,363	934,461,597	1,734,334,360	706,592,698
Non-current assets					
Other non-current financial assets		8,950,000	7,940,000	8,950,000	7,940,000
Investments in subsidiaries	10	-	-	1,401,499,900	1,401,499,900
Investment in associate	11	114,809,337	116,695,298	118,230,000	118,230,000
Property, plant and equipment	12	5,281,099,589	5,349,413,551	3,728,445,373	3,728,059,016
Right-of-use assets	18	124,774,008	155,374,481	116,556,171	153,571,305
Biological assets	13	20,136,643	20,853,392	-	-
Deferred tax assets	24	49,528,638	34,235,410	48,816,179	34,235,410
Intangible assets	14	15,336,296	6,393,571	13,431,913	4,681,149
Other non-current assets		100,000	245,000	96,000	241,000
Total non-current assets		5,614,734,511	5,691,150,703	5,436,025,536	5,448,457,780
Total assets		7,591,712,874	6,625,612,300	7,170,359,896	6,155,050,478

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	1,325,000,000	1,333,000,000	1,160,000,000	1,145,000,000
Trade and other payables	16	656,207,433	244,304,066	633,150,474	226,496,885
Current portion of long-term loans	17	405,628,000	610,683,846	373,000,000	578,055,846
Current portion of lease liabilities	18	41,573,058	38,387,591	39,218,590	37,423,104
Current portion of derivative liabilities	32	1,793,169	17,313,649	1,793,169	17,313,649
Other current liabilities		29,861,528	38,283,558	19,325,481	29,574,495
Total current liabilities		2,460,063,188	2,281,972,710	2,226,487,714	2,033,863,979
Non-current liabilities					
Long-term loan from related party	6	320,000,000	320,000,000	320,000,000	320,000,000
Long-term loans, net of current portion	17	682,830,000	1,088,457,900	584,950,000	957,950,000
Lease liabilities, net of current portion	18	88,322,770	120,446,196	82,178,148	119,533,168
Derivative liabilities, net of current portion	32	23,456,517	42,767,146	23,456,517	42,767,146
Provision for long-term employee benefits	19	37,225,088	33,429,608	27,086,137	24,485,689
Total non-current liabilities		1,151,834,375	1,605,100,850	1,037,670,802	1,464,736,003
Total liabilities		3,611,897,563	3,887,073,560	3,264,158,516	3,498,599,982
Shareholders' equity					
Share capital					
Registered, issued and fully paid	20				
1,163,695,652 ordinary shares of Baht 1 each					
(2020: 955,000,000 ordinary shares of Baht 1 each)		1,163,695,652	955,000,000	1,163,695,652	955,000,000
Share premium		1,258,324,903	285,447,000	1,258,324,903	285,447,000
Retained earnings					
Appropriated					
Statutory reserve - the Company	21	95,500,000	95,500,000	95,500,000	95,500,000
Statutory reserve - the subsidiary		9,410,000	7,190,000	-	-
Unappropriated		1,396,712,324	1,355,555,579	1,410,584,812	1,359,180,809
Other component of shareholders' equity		(21,903,987)	(38,677,313)	(21,903,987)	(38,677,313)
Equity attributable to owners of the Company		3,901,738,892	2,660,015,266	3,906,201,380	2,656,450,496
Non-controlling interests of the subsidiaries		78,076,419	78,523,474	-	-
Total shareholders' equity		3,979,815,311	2,738,538,740	3,906,201,380	2,656,450,496
Total liabilities and shareholders' equity		7,591,712,874	6,625,612,300	7,170,359,896	6,155,050,478

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales	25	4,220,490,197	3,971,035,445	3,677,398,487	3,382,735,941
Dividend income	10	150,000	250,000	17,249,996	14,499,997
Insurance compensation income	12.3	121,426,140	-	116,426,140	-
Other income		12,346,374	7,286,002	1,875,027	2,169,872
Total revenues		4,354,412,711	3,978,571,447	3,812,949,650	3,399,405,810
Expenses					
Cost of sales		3,961,298,141	3,603,699,302	3,468,429,133	3,109,818,873
Administrative expenses		182,377,358	127,019,370	145,256,438	90,677,805
Loss on exchange		7,223,519	-	7,223,519	-
Impairment loss on investment in subsidiary	10	-	-	-	213,000,000
Total expenses		4,150,899,018	3,730,718,672	3,620,909,090	3,413,496,678
Operating profit (loss)		203,513,693	247,852,775	192,040,560	(14,090,868)
Share of loss from investment in associate	11	(1,885,961)	(1,914,698)	-	-
Finance cost	22	(108,144,199)	(128,933,354)	(96,550,217)	(115,143,808)
Profit (loss) before income tax expenses		93,483,533	117,004,723	95,490,343	(129,234,676)
Income tax benefit	24	13,399,990	201,504	14,167,489	201,504
Profit (loss) for the year		106,883,523	117,206,227	109,657,832	(129,033,172)

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on cash flow hedges		19,956,657	9,255,593	19,956,657	9,255,593
Less: Income tax effect	24	<u>(3,991,331)</u>	<u>(1,851,119)</u>	<u>(3,991,331)</u>	<u>(1,851,119)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>15,965,326</u>	<u>7,404,474</u>	<u>15,965,326</u>	<u>7,404,474</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on investments in equity designated at fair value through other comprehensive income		1,010,000	(2,460,000)	1,010,000	(2,460,000)
Less: Income tax effect	24	<u>(202,000)</u>	<u>492,000</u>	<u>(202,000)</u>	<u>492,000</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>808,000</u>	<u>(1,968,000)</u>	<u>808,000</u>	<u>(1,968,000)</u>
Total other comprehensive income for the year		<u>16,773,326</u>	<u>5,436,474</u>	<u>16,773,326</u>	<u>5,436,474</u>
Total comprehensive income for the year		<u>123,656,849</u>	<u>122,642,701</u>	<u>126,431,158</u>	<u>(123,596,698)</u>
Profit attributable to:					
Equity holders of the Company		101,630,574	106,155,302	<u>109,657,832</u>	<u>(129,033,172)</u>
Non-controlling interests of the subsidiary		<u>5,252,949</u>	<u>11,050,925</u>		
		<u>106,883,523</u>	<u>117,206,227</u>		
Total comprehensive income attributable to					
Equity holders of the Company		118,403,900	111,591,776	<u>126,431,158</u>	<u>(123,596,698)</u>
Non-controlling interests of the subsidiary		<u>5,252,949</u>	<u>11,050,925</u>		
		<u>123,656,849</u>	<u>122,642,701</u>		
Earnings per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company	26	<u>0.11</u>	<u>0.11</u>	<u>0.11</u>	<u>(0.14)</u>

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

Consolidated financial statements											(Unit: Baht)
Equity attributable to owners of the Company											
Other components of equity											
Other comprehensive income											
Issued and paid-up share capital	Share premium	Retain earnings		Unappropriated	Fair value reserve	Cash flow hedge reserve	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
		The Company	Subsidiary								
Balance as at 1 January 2020	955,000,000	285,447,000	95,500,000	1,309,784,057	(400,000)	(43,713,787)	(44,113,787)	2,606,677,270	72,222,552	2,678,899,822	
Profit for the year	-	-	-	106,155,302	-	-	-	106,155,302	11,050,925	117,206,227	
Other comprehensive income for the year	-	-	-	-	(1,968,000)	7,404,474	5,436,474	5,436,474	-	5,436,474	
Total comprehensive income for the year	-	-	-	106,155,302	(1,968,000)	7,404,474	5,436,474	111,591,776	11,050,925	122,642,701	
Transferred unappropriated retained earnings to statutory reserved	-	-	-	2,130,000	-	-	-	-	-	-	
Decrease in non-controlling interests of subsidiaries from dividend payment of a subsidiary	-	-	-	-	-	-	-	-	(4,750,003)	(4,750,003)	
Dividend paid (Note 29)	-	-	-	(58,253,780)	-	-	-	(58,253,780)	-	(58,253,780)	
Balance as at 31 December 2020	955,000,000	285,447,000	95,500,000	1,355,555,579	(2,368,000)	(36,309,313)	(38,677,313)	2,660,015,266	78,523,474	2,738,538,740	
Balance as at 1 January 2021	955,000,000	285,447,000	95,500,000	1,355,555,579	(2,368,000)	(36,309,313)	(38,677,313)	2,660,015,266	78,523,474	2,738,538,740	
Profit for the year	-	-	-	101,630,574	-	-	-	101,630,574	5,252,949	106,883,523	
Other comprehensive income for the year	-	-	-	-	808,000	15,965,326	16,773,326	16,773,326	-	16,773,326	
Total comprehensive income for the year	-	-	-	101,630,574	808,000	15,965,326	16,773,326	118,403,900	5,252,949	123,656,849	
Issuance of ordinary shares (Note 20)	208,695,652	991,304,347	-	-	-	-	-	1,199,999,999	-	1,199,999,999	
Transaction costs - net of income tax (Note 20)	-	(18,426,444)	-	-	-	-	-	(18,426,444)	-	(18,426,444)	
Transferred unappropriated retained earnings to statutory reserved	-	-	-	2,220,000	-	-	-	-	-	-	
Decrease in non-controlling interests of subsidiaries from dividend payment of a subsidiary	-	-	-	-	-	-	-	-	(5,700,004)	(5,700,004)	
Dividend paid (Note 29)	-	-	-	(58,253,829)	-	-	-	(58,253,829)	-	(58,253,829)	
Balance as at 31 December 2021	1,163,695,652	1,258,324,903	95,500,000	1,366,712,324	(1,560,000)	(20,343,987)	(21,903,987)	3,901,738,892	78,076,419	3,979,815,311	

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2021

	Separate financial statements							(Unit: Baht)
	Other components of equity							
	Retained earnings			Other comprehensive income			Total	
	Issued and paid-up share capital	Share premium	Unappropriated	Fair value reserve	Cash flow hedge reserve	other components of shareholders' equity		
Balance as at 1 January 2020	955,000,000	285,447,000	95,500,000	1,546,467,761	(400,000)	(43,713,787)	(44,113,787)	2,838,300,974
Loss for the year	-	-	-	(129,033,172)	-	-	-	(129,033,172)
Other comprehensive income for the year	-	-	-	-	(1,968,000)	7,404,474	5,436,474	5,436,474
Total comprehensive income for the year	-	-	-	(129,033,172)	(1,968,000)	7,404,474	5,436,474	(123,596,698)
Dividend paid (Note 29)	-	-	-	(58,253,780)	-	-	-	(58,253,780)
Balance as at 31 December 2020	955,000,000	285,447,000	95,500,000	1,359,180,809	(2,368,000)	(36,309,313)	(38,677,313)	2,656,450,496
Balance as at 1 January 2021	955,000,000	285,447,000	95,500,000	1,359,180,809	(2,368,000)	(36,309,313)	(38,677,313)	-
Profit for the year	-	-	-	109,657,832	-	-	-	2,656,450,496
Other comprehensive income for the year	-	-	-	-	808,000	15,965,326	16,773,326	109,657,832
Total comprehensive income for the year	-	-	-	109,657,832	808,000	15,965,326	16,773,326	16,773,326
Issuance of ordinary shares (Note 20)	208,695,652	991,304,347	-	-	-	-	-	126,431,158
Transaction costs - net of income tax (Note 20)	-	(18,426,444)	-	-	-	-	-	1,199,999,999
Dividend paid (Note 29)	-	-	-	(58,253,829)	-	-	-	(18,426,444)
Balance as at 31 December 2021	1,163,695,652	1,258,324,903	95,500,000	1,410,584,812	(1,560,000)	(20,343,987)	(21,903,987)	(58,253,829)
								3,906,201,380

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries**Cash flow statement****For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit (loss) before tax	93,483,533	117,004,723	95,490,343	(129,234,676)
Adjustment to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Gain on disposal of land and equipment	(7,329,390)	(972,429)	(452,180)	(811,039)
Gain on change in fair value of biological assets	(3,188,957)	(2,480,894)	-	-
Reversal of right-of-use assets and lease liabilities as a result of cancellation at lease agreement	(16,053)	-	-	-
Depreciation of plant and equipment	560,093,867	529,406,484	468,621,486	436,600,715
Depreciation of right-of-use assets	42,194,428	41,676,286	39,402,565	39,046,294
Amortisation on intangible assets	1,886,646	1,615,843	1,367,606	1,165,384
Write-off of machine and equipment	38,525,272	2,653,697	38,509,375	230,140
Reduction of inventory to net realisable value	6,648,902	5,992,355	6,549,322	5,787,954
Dividend income	(150,000)	(250,000)	(17,249,996)	(14,499,997)
Gain on fair value adjustments of financial assets	(551)	(1,206)	(551)	(1,206)
Share of loss from investment in associate	1,885,961	1,914,698	-	-
Provision for long-term employee benefits	3,795,480	3,680,590	2,600,448	2,527,160
Allowance for impairment loss on investment in subsidiary	-	-	-	213,000,000
Allowance for impairment loss on assets	1,621,599	-	370,000	-
Reversal of allowance for impairment loss on biological assets	-	(1,786,145)	-	-
Finance cost	108,144,199	128,933,354	96,550,217	115,143,808
Profit from operating activities before changes in operating assets and liabilities	847,594,936	827,387,356	731,758,635	668,954,537
Operating assets (increase) decrease				
Trade and other receivables	(85,789,074)	42,487,206	(115,387,018)	47,182,198
Inventories	(38,694,143)	(137,442)	(18,905,628)	767,676
Other current assets	(42,402,778)	8,709,096	(41,927,909)	7,524,846
Other non-current assets	145,000	(12,500)	145,000	(10,000)
Operating liabilities increase (decrease)				
Trade and other payables	119,412,529	(44,257,880)	120,669,361	(43,530,600)
Other current liabilities	(8,421,007)	4,438,843	(10,247,603)	7,630,079
Cash flows from operating activities	791,845,463	838,614,679	666,104,838	688,518,736
Cash paid for interest expenses	(108,145,222)	(129,087,373)	(96,551,627)	(115,058,277)
Cash received from refund of corporate income tax	4,681,489	8,371,563	-	8,371,563
Cash paid for corporate income tax	(23,651,390)	(23,774,911)	(18,621,139)	(19,093,076)
Net cash flows from operating activities	664,730,340	694,123,958	550,932,072	562,738,946

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Decrease in biological assets	3,905,706	8,205,476	-	-
Proceeds from sales of land and equipment	12,786,053	3,784,560	976,224	1,128,485
Acquisition of property, plant and equipment	(268,105,954)	(306,042,700)	(245,640,386)	(263,679,847)
Acquisition of intangible assets	(10,829,370)	(162,740)	(10,118,370)	(123,240)
Cash paid for investment in associate	-	(13,650,000)	-	(13,650,000)
Dividends received from subsidiaries	-	-	17,099,996	14,249,997
Dividends received from investments in securities	150,000	250,000	150,000	250,000
Net cash flows used in investing activities	<u>(262,093,565)</u>	<u>(307,615,404)</u>	<u>(237,532,536)</u>	<u>(261,824,605)</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(8,000,000)	227,000,000	15,000,000	304,000,000
Cash payment for liabilities under lease agreements	(40,515,861)	(38,787,858)	(37,946,965)	(36,232,206)
Repayment of long-term loans and derivatives liabilities	(625,377,900)	(533,026,100)	(592,750,000)	(514,900,000)
Proceeds from increase in share capital	1,199,999,999	-	1,199,999,999	-
Dividend paid	(58,253,829)	(58,253,780)	(58,253,829)	(58,253,780)
Dividend paid for non-controlling interests of subsidiary	(5,700,004)	(4,750,003)	-	-
Net cash flows from (used in) financing activities	<u>462,152,405</u>	<u>(407,817,741)</u>	<u>526,049,205</u>	<u>(305,385,986)</u>
Net increase (decrease) in cash and cash equivalents	<u>864,789,180</u>	<u>(21,309,187)</u>	<u>839,448,741</u>	<u>(4,471,645)</u>
Cash and cash equivalents at beginning of year	<u>114,809,494</u>	<u>136,118,681</u>	<u>110,040,553</u>	<u>114,512,198</u>
Cash and cash equivalents at end of year	<u><u>979,598,674</u></u>	<u><u>114,809,494</u></u>	<u><u>949,489,294</u></u>	<u><u>110,040,553</u></u>
	-	-	-	-
Supplemental cash flow information:				
Non-cash transactions				
Acquisition of machine and equipment not yet paid	269,277,485	5,364,872	262,770,875	3,598,443
Assets increased from right-of-use assets during the year	11,821,531	14,462,827	2,387,431	13,286,164

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

Sahacogen (Chonburi) Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Sahacogen (Chonburi) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is RATCH Group Public Company Limited, which was incorporated in Thailand. The major shareholder of the Company’s parent company is Electricity Generating Authority of Thailand (“EGAT”). The Company is principally engaged in the production and distribution of electricity and steam. The registered office of the Company is at 636 Moo 11, Sukaphiban 8 Road, Nongkarm, Sriracha, Chonburi.

On 13 December 2021, RATCH Group Public Company Limited (“RATCH”) purchased a total of 384,789,131 ordinary shares of the Company from Saha Phathana Inter-Holding Public Company Limited (“SPI”), the Company’s major shareholder, and from other existing shareholders and also invested in 208,695,652 new ordinary shares of the Company, as discussed in Note 20 to the financial statements. After these purchases, RATCH holds a total of 593,484,783 ordinary shares, or 51 percent of all issued and paid-up shares and has, as a result, been the Company’s parent company since 13 December 2021.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sahacogen (Chonburi) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (Collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u>	<u>2020</u>
			Percent	Percent
Sahacogen Green Company Limited	Production and distribution of electricity and steam	Thailand	100	100
Sahagreen Forest Company Limited	Production and distribution of electricity	Thailand	75	75

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue and expenses recognition

Revenue from sales of electricity and steam

Revenue from sales of electricity and steam is recognised at the point in time when control of the electricity and steam is transferred to the buyer, generally upon delivery of the electricity and steam. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, after deducting discounts and allowances.

Revenue from sales of electricity includes electricity tariff adder but is net of fuel adjustment charges (Ft) and operating charges of the Electricity Generating Authority of Thailand/Provincial Electricity Authority.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

Raw materials, spare parts and supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of power plant, buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Power plant	25 - 30 years
Power plant improvement	3 - 6 years
Buildings	10 - 25 years
The improvements of land and buildings	4 - 25 years
Tools and equipment	3 - 15 years
Furniture and office equipment	3 - 10 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Biological assets

The subsidiary's biological assets consist of eucalyptus, leucaena and acacia hybrid and its agricultural produce consist wood for energy and wood for construction which were measured at their fair value less costs to sell and fair value less costs to sell at the point of harvest, respectively.

The fair value of eucalyptus, leucaena, acacia hybrid is determined based on discounted cash flows/ reference to price of eucalyptus, leucaena and acacia hybrid at the point of harvest. Gains or losses on changes in fair value of biological asset and agricultural produce are recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the subsidiary shall measure it at its fair value less costs to sell.

4.8 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives are as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years
Rights in contracts to produce and distribute electricity	20 years

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.10 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	31	years
Buildings	2	years
Machinery	4	years
Motor vehicles	2 - 7	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the contributions of the Group are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.14 Provisions

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.17 Derivatives and hedge accounting

The Group uses derivatives, such as forward currency contracts, cross currency interest rate swap agreement and interest rate swap agreement to hedge its foreign currency risks and interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group 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 period, 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 period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investment in subsidiary recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed and further explained in Note 10 to the consolidated financial statements.

Leases - *Determining the lease term with extension and termination options, as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Property plant and equipment/Depreciation

Recognition of costs incurred as costs of property, plant and equipment requires management to exercise judgement, when identifying and recognising costs that are directly attributable to the acquisition of the assets. Moreover, capitalisation of such costs ceases when the management determine that the assets are in a condition whereby they are ready for their intended use.

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Biological assets

The Group measured their biological assets at their fair value less costs to sell. Such fair values were calculated using the discounted cash flows method. The valuation involves certain assumptions and estimates such as projected cash flows discount rate, selling price, maintenance costs, selling price adjustment rate and the survival rate of biological assets.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	Consolidated		Separate		(Unit: Million Baht)
	financial statements		financial statements		Transfer
	2021	2020	2021	2020	pricing policy
<u>Transaction with major shareholder</u>					
<u>of the Company's parent company ⁽¹⁾</u>					
Sales of electricity ⁽²⁾	1,919	-	1,919	-	Contract price
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service revenue	-	-	6	9	As agreed by parties
Dividend revenue	-	-	17	14	As declared
Purchase of carbon credits	-	-	2	-	As agreed by parties
<u>Transactions with related companies</u>					
Sales of electricity	1,394	1,348	1,394	1,348	Electricity rate charged by the Provincial Electricity Authority, deducted by certain discount
Sales of steam	429	307	358	265	Contract price
Service revenue	1	1	1	1	Contract price
Fee paid for guarantee for minimum electricity demand	3	5	3	5	Contract price
Raw water and waste water treatment costs	9	11	4	5	Price charged to other customers in the normal course of business
Operation and service management fees	116	114	116	114	Contract price
Management fee	20	-	20	-	Contract price
Machinery lease fees	115	96	115	96	Contract price
Land rental expense	2	2	2	2	Contract price
Interest paid	15	15	15	15	Contract rate
Security service expense	4	4	2	2	Contract price

⁽¹⁾ To be a major shareholder of the Company's parent company since 13 December 2021

⁽²⁾ This is a total sale for the year ended 31 December 2021

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related companies are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade and other receivables - related parties (Note 8)				
Major shareholder of the Company's parent company ⁽¹⁾	384,330,343	-	384,330,343	-
Subsidiaries	-	-	535,000	535,000
Related companies (related by common shareholders and directors)	169,744,982	164,123,447	162,971,547	160,804,131
Total trade and other receivables - related parties - net	554,075,325	164,123,447	547,836,890	161,339,131

⁽¹⁾ To be a major shareholder of the Company's parent company since 13 December 2021

Other payables - related parties (Note 16)

Subsidiaries	-	-	1,755,719	1,123,500
Related companies (related by common shareholders and directors)	63,749,684	45,789,645	63,501,315	45,369,478
Total other payables - related parties	63,749,684	45,789,645	65,257,034	46,492,978

Long-term loan from related party

As at 31 December 2021 and 2020, the balance of long-term loan between the Company and the related company and the movement is as follows:

(Unit: Baht)

		Consolidated/Separate financial statements			
		Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Loans from related party	Related by				
Better Way (Thailand) Co., Ltd.	Related companies (related by common shareholders and directors)	320,000,000	-	-	320,000,000

The loan of Baht 320 million from Better Way (Thailand) Co., Ltd. is to be repaid in 2026 and 2027, in accordance with the amendment to the loan agreement date 24 December 2020. The loan is unsecured and interest is to be paid on a monthly basis at rates between 3.00 and 5.00 percent per annum and between 3.50 and 4.00 percent per annum from November 2021.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Baht)	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	26,980,832	25,288,615
Post-employment benefits	1,469,020	1,419,593
Total	<u>28,449,852</u>	<u>26,708,208</u>

Guarantee obligation with related party

The Company has outstanding guarantee obligation with its associate company as described in Note 30.12 to the consolidated financial statements.

7. Cash and cash equivalents

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	201,143	179,050	41,581	16,092
Bank deposits	979,397,531	114,630,444	949,447,713	110,024,461
Total	<u>979,598,674</u>	<u>114,809,494</u>	<u>949,489,294</u>	<u>110,040,553</u>

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.05 to 0.40 percent per annum (2020: 0.05 to 0.50 percent per annum).

8. Trade and other receivables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade receivables - related parties (Note 6)	541,165,722	150,489,748	534,390,820	147,168,847
Trade receivables - unrelated parties	55,589,855	365,488,985	-	271,110,741
Other receivables - related parties (Note 6)	-	-	536,467	536,585
Other receivables - unrelated parties	5,800,480	2,252,934	-	2,188,780
Accrued income - related parties (Note 6)	12,909,603	13,633,699	12,909,603	13,633,699
Total	615,465,660	531,865,366	547,836,890	434,638,652
Less: Allowance for expected credit losses	-	(2,188,780)	-	(2,188,780)
Total trade and other receivables - net	<u>615,465,660</u>	<u>529,676,586</u>	<u>547,836,890</u>	<u>432,449,872</u>

As at 31 December 2021 and 2020, the outstanding balances of trade accounts receivable are not yet due.

9. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Raw materials	78,163,453	59,900,007	(2,251,956)	(2,152,376)	75,911,497	57,747,631
Spare parts and factory supplies	219,216,251	198,785,554	(29,743,213)	(23,193,891)	189,473,038	175,591,663
Total	<u>297,379,704</u>	<u>258,685,561</u>	<u>(31,995,169)</u>	<u>(25,346,267)</u>	<u>265,384,535</u>	<u>233,339,294</u>

(Unit: Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Spare parts and factory supplies	161,292,820	144,028,051	(29,743,213)	(23,193,891)	131,549,607	120,834,160
Carbon credit	1,640,859	-	-	-	1,640,859	-
Total	<u>162,933,679</u>	<u>144,028,051</u>	<u>(29,743,213)</u>	<u>(23,193,891)</u>	<u>133,190,466</u>	<u>120,834,160</u>

During the current year, the Group reduced cost of inventories by Baht 7 million (2020: Baht 6 million) (The Company only: Baht 7 million, 2020: 6 million), to reflect the net realisable value. This was included in cost of sales.

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Million Baht	Million Baht	%	%	Baht	Baht
Sahacogen Green Company Limited	1,520	1,520	100	100	1,519,999,930	1,519,999,930
Sahagreen Forest Company Limited	190	190	75	75	142,499,970	142,499,970
					1,662,499,900	1,662,499,900
Less: Allowance for impairment loss on investment					(261,000,000)	(261,000,000)
Total investments in subsidiaries - net					1,401,499,900	1,401,499,900

- During 2021, the Company received dividend from Sahagreen Forest Company Limited amounting to Baht 17 million (2020: Baht 14 million).
- During 2021, the Company's management evaluated the impairment of its investment in Sahacogen Green Company Limited, a subsidiary, by comparing the carrying amount of the investment to its recoverable amount. The recoverable amount is the value in use, which was determined using cash flow projections from financial estimation approved by management and discounted to its present value using a discount rate that reflects the company's risk exposure. As a result, in this year, no addition loss for impairment of this investment was recorded (2020: recognised impairment loss of Baht 213 million) in profit or loss.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)	
	2021	2020
Growth rate	7%	7%
Pre-tax discount rate	1 - 2%	1 - 2%

11. Investment in associate

11.1 Detail of associate

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements			
					Cost		Carrying amounts based on equity method	
					2021	2020	2021	2020
			(%)	(%)				
Impact Solar Limited	Production and supply of solar rooftop systems	Thailand	21	21	118,230,000	118,230,000	114,809,337	116,695,298
Total					118,230,000	118,230,000	114,809,337	116,695,298

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements					
					Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
					2021	2020	2021	2020	2021	2020
			(%)	(%)						
Impact Solar Limited	Production and supply of solar rooftop systems	Thailand	21	21	118,230,000	118,230,000	-	-	118,230,000	118,230,000
Total					118,230,000	118,230,000	-	-	118,230,000	118,230,000

11.2 Share of comprehensive income

During the year, the Company recognised its share of loss from investment in associate company in the consolidated financial statements amounting to Baht 1.9 million (2020: share of loss of Baht 1.9 million).

12. Property, plant and equipment

Consolidated financial statements										(Unit: Baht)
	Land	Power plant	Power plant improvement	Buildings and the improvements of land and buildings	Tools and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total	
Cost										
1 January 2020	620,575,751	7,965,691,551	765,901,973	272,017,739	213,188,694	51,891,159	15,531,369	25,352,157	9,930,150,393	
Acquisition	662,920	23,930,933	93,276,246	5,711,837	14,784,427	7,421,259	2,273,946	163,346,004	311,407,572	
Disposals/write-offs	-	(2,259,000)	(160,971,618)	(1,623,040)	(9,296,310)	(2,986,966)	(3,641,289)	-	(180,778,223)	
Transfer in (out)	-	19,746,284	140,466,227	2,598,409	1,827,332	-	-	(164,638,252)	-	
31 December 2020	621,238,671	8,007,109,768	838,672,828	278,704,945	220,504,143	56,325,452	14,164,026	24,059,909	10,060,779,742	
Accumulated depreciation										
1 January 2020	-	3,626,357,306	427,904,414	102,095,272	135,441,890	46,696,374	9,940,078	-	4,348,435,334	
Depreciation for the year	-	316,507,036	177,835,200	12,084,156	18,765,109	2,917,563	1,297,420	-	529,406,483	
Depreciation on disposals/write-offs	-	(2,028,860)	(160,971,616)	(317,148)	(5,602,585)	(2,971,857)	(3,403,286)	-	(175,295,352)	
31 December 2020	-	3,940,835,481	444,767,998	113,862,280	148,604,414	46,642,080	7,834,212	-	4,702,546,465	
Allowance for impairment loss										
1 January 2020	-	-	-	-	7,369,769	-	1,467,000	-	8,836,769	
Decrease during the year	-	-	-	-	(17,043)	-	-	-	(17,043)	
31 December 2020	-	-	-	-	7,352,726	-	1,467,000	-	8,819,726	
Net book value										
31 December 2020	621,238,671	4,066,274,287	393,904,830	164,842,665	64,547,003	9,683,372	4,862,814	24,059,909	5,349,413,551	
Depreciation for the year										
2020 (Baht 521 million included in manufacturing cost, and the balance in administrative expenses)									529,406,483	

(Unit: Baht)

Consolidated financial statements									
	Land	Power plant	Power plant improvement	Buildings and the improvements of land and buildings	Tools and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Cost									
1 January 2021	621,238,671	8,007,109,768	838,672,828	278,704,945	220,504,143	56,325,452	14,164,026	24,059,909	10,060,779,742
Acquisition	-	7,990,142	231,649,491	812,115	8,161,423	2,195,568	701,869	285,872,831	537,383,439
Disposals/write-offs	(4,911,008)	(8,727,624)	(241,143,338)	-	(1,841,550)	(691,239)	(4,383,599)	(680,000)	(262,378,358)
Transfer in (out)	-	8,164,313	-	5,847,861	-	(270,844)	-	(13,741,330)	-
31 December 2021	616,327,663	8,014,536,599	829,178,981	285,364,921	226,824,016	57,558,937	10,482,296	295,511,410	10,335,784,823
Accumulated depreciation									
1 January 2021	-	3,940,835,481	444,767,998	113,862,280	148,604,414	46,642,080	7,834,212	-	4,702,546,465
Depreciation for the year	-	318,078,696	208,267,590	12,638,023	16,448,463	3,330,873	1,330,222	-	560,093,867
Depreciation on disposals/write-offs	-	(7,534,552)	(204,507,035)	-	(1,835,393)	(662,118)	(3,857,325)	-	(218,396,423)
31 December 2021	-	4,251,379,625	448,528,553	126,500,303	163,217,484	49,310,835	5,307,109	-	5,044,243,909
Allowance for impairment loss									
1 January 2021	-	-	-	-	7,352,726	-	1,467,000	-	8,819,726
Increase during the year	-	1,251,599	-	-	-	-	370,000	-	1,621,599
31 December 2021	-	1,251,599	-	-	7,352,726	-	1,837,000	-	10,441,325
Net book value									
31 December 2021	616,327,663	3,761,905,375	380,650,428	158,864,618	56,253,806	8,248,102	3,338,187	295,511,410	5,281,099,589
Depreciation for the year									
2021 (Baht 551 million included in manufacturing cost, and the balance in administrative expenses)									560,093,867

(Unit: Baht)

Separate financial statements									
Cost	Buildings and the								Total
	Land	Power plant	Power plant improvement	improvements of land and buildings	Tools and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
1 January 2020	142,501,472	6,545,833,988	765,901,973	67,651,622	53,196,429	41,471,992	13,283,873	7,297,890	7,637,139,239
Acquisition	-	12,218,954	93,276,246	16,675	536,868	5,953,713	2,239,146	153,036,688	267,278,290
Disposals/write-offs	-	(2,259,000)	(160,971,618)	-	(751,849)	(2,317,373)	(3,641,289)	-	(169,941,129)
Transfer in (out)	-	9,644,739	140,466,227	-	-	-	-	(150,110,966)	-
31 December 2020	142,501,472	6,565,438,681	838,672,828	67,668,297	52,981,448	45,108,332	11,881,730	10,223,612	7,734,476,400
Accumulated depreciation									
1 January 2020	-	3,174,202,253	427,904,414	45,474,400	43,092,151	39,102,881	7,967,112	-	3,737,743,211
Depreciation for the year	-	250,898,387	177,835,200	2,205,538	2,998,667	1,490,355	1,172,568	-	436,600,715
Depreciation on disposals/write-offs	-	(2,028,860)	(160,971,616)	-	(685,925)	(2,303,855)	(3,403,286)	-	(169,393,542)
31 December 2020	-	3,423,071,780	444,767,998	47,679,938	45,404,893	38,289,381	5,736,394	-	4,004,950,384
Allowance for impairment loss									
1 January 2020	-	-	-	-	-	-	1,467,000	-	1,467,000
31 December 2020	-	-	-	-	-	-	1,467,000	-	1,467,000
Net book value									
31 December 2020	142,501,472	3,142,366,901	393,904,830	19,988,359	7,576,555	6,818,951	4,678,336	10,223,612	3,728,059,016
Depreciation for the year									
2020 (Baht 432 million included in manufacturing cost, and the balance in administrative expenses)									436,600,715

(Unit: Baht)

Separate financial statements

	Land	Power plant	Power plant improvement	Buildings and the improvements of land and buildings	Tools and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Cost									
1 January 2021	142,501,472	6,565,438,682	838,672,828	67,668,297	52,981,448	45,108,332	11,881,730	10,223,612	7,734,476,401
Acquisition	-	7,356,207	231,649,491	-	672,479	534,472	701,869	267,496,743	508,411,261
Disposals/write-offs	-	(3,727,624)	(241,143,338)	-	-	(602,384)	(2,954,000)	(680,000)	(249,107,346)
31 December 2021	142,501,472	6,569,067,265	829,178,981	67,668,297	53,653,927	45,040,420	9,629,599	277,040,355	7,993,780,316
Accumulated depreciation									
1 January 2021	-	3,423,071,780	444,767,998	47,679,938	45,404,893	38,289,381	5,736,394	-	4,004,950,384
Depreciation for the year	-	251,820,623	208,267,590	2,201,152	2,940,942	2,186,585	1,204,594	-	468,621,486
Depreciation on disposals/write-offs	-	(2,534,552)	(204,507,035)	-	-	(602,341)	(2,429,999)	-	(210,073,927)
31 December 2021	-	3,672,357,851	448,528,553	49,881,090	48,345,835	39,873,625	4,510,989	-	4,263,497,943
Allowance for impairment loss									
1 January 2021	-	-	-	-	-	-	1,467,000	-	1,467,000
Increase during the year	-	-	-	-	-	-	370,000	-	370,000
31 December 2021	-	-	-	-	-	-	1,837,000	-	1,837,000
Net book value									
31 December 2021	142,501,472	2,896,709,414	380,650,428	17,787,207	5,308,092	5,166,795	3,281,610	277,040,355	3,728,445,373
Depreciation for the year									
2021 (Baht 463 million included in manufacturing cost, and the balance in administrative expenses)									468,621,486

- 12.1 As at 31 December 2021, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 232 million (2020: Baht 136 million) (The Company only: Baht 161 million, 2020: Baht 92 million).
- 12.2 Sahagreen Forest Company Limited (a subsidiary) has mortgaged its land with structures thereon and mortgaged its machines with net book value totaling of approximately Baht 349 million (2020: Baht 370 million) as collateral against credit facilities received from a financial institution.
- 12.3 Insurance compensation income

- a) During the current year, the Company sent a gas turbine generator for repair by an overseas unrelated company before the scheduled major overhaul date due to damage to internal parts of the generator. The Company, therefore, wrote off the remaining book value of cost of major overhaul for this engine, amounting to Baht 36.6 million, in profit or loss for the year ended 31 December 2021, presenting it under cost of sales.

With respect to the damage to the gas turbine generator, the Company has insurance policies that provide coverage for property damage and business interruption and, during the current year, the insurance companies gave notice that they agreed to pay the Company compensation totaling Baht 116.4 million for the property damage and related business interruption. The Company recorded insurance compensation income amounting to Baht 116.4 million in profit or loss for the year ended 31 December 2021.

As at 31 December 2021, the Company had received all compensation from the insurance companies.

- b) During the current year, the steam turbine generator system of a subsidiary was damaged. The subsidiary recorded impairment loss for the remaining balance of the book value of this equipment of Baht 1.3 million in profit or loss for the year ended 31 December 2021, presenting it under cost of sales.

With respect to the damage to the steam turbine generator system, the subsidiary has insurance policies that provide coverage for property damage and business interruption. In the current year, the subsidiary received preliminary compensation of Baht 5 million from the insurance companies and recorded this as insurance compensation income in the consolidated profit or loss for the year ended 31 December 2021.

13. Biological assets

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Balance as at 1 January	20,853,392	24,791,829
Gains arising from changes in fair value	3,188,957	2,480,894
Increase due to cost of planting	2,171,257	1,057,030
Decrease due to harvest	(6,076,963)	(9,262,506)
Allowance for impairment loss decrease	-	1,786,145
Balance as at 31 December	20,136,643	20,853,392

14. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Baht)

	Consolidated financial statements		
	Computer software	Other intangible assets	Total
As at 31 December 2021			
Cost	26,185,868	9,211,470	35,397,338
<u>Less</u> Accumulated amortisation	(19,860,300)	(200,742)	(20,061,042)
Net book value	6,325,568	9,010,728	15,336,296
As at 31 December 2020			
Cost	24,567,967	-	24,567,967
<u>Less</u> Accumulated amortisation	(18,174,396)	-	(18,174,396)
Net book value	6,393,571	-	6,393,571

(Unit: Baht)

	Separate financial statements		
	Computer software	Other intangible assets	Total
As at 31 December 2021			
Cost	20,402,982	9,211,470	29,614,452
<u>Less</u> Accumulated amortisation	(15,981,797)	(200,742)	(16,182,539)
Net book value	4,421,185	9,010,728	13,431,913
As at 31 December 2020			
Cost	19,496,082	-	19,496,082
<u>Less</u> Accumulated amortisation	(14,814,933)	-	(14,814,933)
Net book value	4,681,149	-	4,681,149

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	6,393,571	7,846,674	4,681,149	5,723,293
Acquisition of computer software	1,617,901	162,740	906,900	123,240
Acquisition of other intangible assets	9,211,470	-	9,211,470	(1,165,384)
Amortisation	(1,886,646)	(1,615,843)	(1,367,606)	-
Net book value at end of year	15,336,296	6,393,571	13,431,913	4,681,149

15. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Short-term loans from					
financial institutions	1.50 - 3.25	1,325,000,000	1,333,000,000	1,160,000,000	1,145,000,000
Total		1,325,000,000	1,333,000,000	1,160,000,000	1,145,000,000

The short-term loans from financial institutions are unsecured, except for short-term loan of a subsidiary which is secured by the mortgage of the subsidiary's land with structures thereon and mortgage of its machines.

As at 31 December 2021, the short-term credit facilities of the Group which have not yet been drawn down amounted to Baht 1,010 million (2020: Baht 1,002 million).

16. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	272,506,480	182,308,444	259,254,386	169,369,123
Other payables - related parties (Note 6)	63,749,684	45,789,645	65,257,034	46,492,978
Other payables - unrelated parties	66,456,826	15,351,628	56,224,969	10,634,784
Construction and retention payables	253,494,443	854,349	252,414,085	-
Total trade and other payables	656,207,433	244,304,066	633,150,474	226,496,885

17. Long-term loans

			(Unit: Baht)			
Loans	Interest rate (%)	Repayment conditions	Consolidated		Separate	
			financial statements		financial statements	
			2021	2020	2021	2020
1	4.38% per annum	semi-annual installments from December 2003 to June 2021	-	58,350,000	-	58,350,000
2	4.38% per annum	semi-annual installments from June 2006 to December 2021	-	117,200,000	-	117,200,000
3	THBFIX + 0.65% per annum	semi-annual installments from June 2018 to December 2024	421,400,000	541,800,000	421,400,000	541,800,000
4	LIBOR + 0.96% per annum	semi-annual installments from June 2017 to December 2021	-	85,305,846	-	85,305,846
5	4.35% per annum	semi-annual installments from June 2017 to December 2022	116,000,000	232,800,000	116,000,000	232,800,000
6	3.75% per annum	semi-annual installments from June 2019 to December 2024	420,550,000	500,550,000	420,550,000	500,550,000
7	MLR - 1.825% per annum	semi-annual installments from June 2017 to December 2025	130,508,000	163,135,900	-	-
Total			1,088,458,000	1,699,141,746	957,950,000	1,536,005,846
Less: Current portion of long-term loans			(405,628,000)	(610,683,846)	(373,000,000)	(578,055,846)
Long-term loans - net of current portion			682,830,000	1,088,457,900	584,950,000	957,950,000

Movement of the long-term loan account during the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	2,218,177	2,036,915
Less: Loan repayment	(519,035)	(500,909)
Balance as at 31 December 2020	1,699,142	1,536,006
Less: Loan repayment	(610,684)	(578,056)
Balance as at 31 December 2021	1,088,458	957,950

The Company entered into an interest rate swap agreement to hedge interest rate risk for Loan No. 3, whereby the floating interest rate was swapped for a fixed interest rate, with interest due every 6 months. The Company has elected to apply hedge accounting for these transactions.

The Company entered into a cross currency interest rate swap agreement to hedge risk for Loan No. 4, whereby the US dollar loan principal is swapped to Baht and the floating interest rate is swapped for a fixed interest rate, with interest due every 3 months and principal payment every 6 months. The Company has elected to apply hedge accounting for these transactions. During the current year the Company made payment of this loan and its related interest in full.

The fair values of the hedging instruments arising from the above interest rate swap agreement and cross currency interest rate swap agreement are presented under the caption of Derivative liabilities.

In the year 2021, the Company had unrealised gains on changes in fair value of financial instruments arising on cash flow hedges of Baht 20.0 million (2020: Baht 9.3 million), presented in other comprehensive income.

The loan agreements contain covenants as specified in the agreements which, among other things, require the Group to maintain debt service coverage ratios and the payment of dividends, the restrictions on the creation of lien or encumbrances over assets of the Group.

The credit facilities of a subsidiary are secured by the mortgage of the subsidiary's land with constructions thereon and machines.

18. Lease

The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 31 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings	Machinery and equipment	Motor vehicles	Total
1 January 2020	20,899	1,169	155,488	5,032	182,588
Additions	11,445	-	-	3,018	14,463
Depreciation for the year	(1,103)	(780)	(36,585)	(3,209)	(41,677)
31 December 2020	31,241	389	118,903	4,841	155,374
Additions	-	-	-	11,822	11,822
Cancellation of lease agreement	-	-	-	(228)	(228)
Depreciation for the year	(1,033)	(389)	(36,585)	(4,187)	(42,194)
31 December 2021	30,208	-	82,318	12,248	124,774

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings	Machinery and equipment	Motor vehicles	Total
1 January 2020	20,899	1,169	155,488	1,776	179,332
Additions	11,445	-	-	1,840	13,285
Depreciation for the year	(1,103)	(780)	(36,585)	(578)	(39,046)
31 December 2020	31,241	389	118,903	3,038	153,571
Additions	-	-	-	2,387	2,387
Depreciation for the year	(1,033)	(389)	(36,585)	(1,395)	(39,402)
31 December 2021	30,208	-	82,318	4,030	116,556

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	155,391	188,964	145,699	186,869
Less: Deferred interest expenses	(25,495)	(30,130)	(24,302)	(29,913)
Total	129,896	158,834	121,397	156,956
Less: Portion due within one year	(41,573)	(38,388)	(39,219)	(37,423)
Lease liabilities - net of current portion	88,323	120,446	82,178	119,533

Movements of the lease liability account during the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Consolidated	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginner of the year	158,834	183,159	156,956	179,903
Additions	11,822	14,463	2,388	13,286
Accretion of interest	6,696	7,686	6,008	7,291
Repayments	(47,212)	(46,474)	(43,955)	(43,524)
Cancellation of lease agreement	(244)	-	-	-
Balance at end of year	129,896	158,834	121,397	156,956

A maturity analysis of lease payments is disclosed in Note 33.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	42,194	41,677	39,402	39,046
Interest expense on lease liabilities	6,696	7,686	6,006	7,292
Expense relating to short-term leases	2,052	1,958	2,052	1,552
Expense relating to leases of low-value assets	1,324	929	296	317
Expense relating to variable lease payments	44,254	51,647	44,254	51,647

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 95 million (2020: Baht 101 million) (the Company only: Baht 90 million (2020: Baht 97 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 30.8 (a) to the consolidated financial statements.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provisions for long-term employee				
benefits at beginning of year	33,429,608	29,749,018	24,485,689	21,958,529
Included in profit or loss:				
Current service cost	3,242,092	3,188,844	2,217,760	2,183,892
Interest cost	553,388	491,746	382,688	343,268
Provisions for long-term employee				
benefits at end of year	<u>37,225,088</u>	<u>33,429,608</u>	<u>27,086,137</u>	<u>24,485,689</u>

No payment of long-term employee benefits expected to be paid during the next year (2020: Nil).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit are 13, 21, and 21 years (separate financial statements: 13 years) (2020: 13, 21 and 21 years, separate financial statements: 13 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	Consolidated/ Separate	
	financial statements	
	<u>2021</u>	<u>2020</u>
Discount rate	1.6 - 1.9	1.6 - 1.9
Salary increase rate	4.2	4.2
Turnover rate	0.0 - 10.0	0.0 - 10.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Baht)

	2021			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(6,743,943)	7,930,217	(3,788,338)	4,348,782
Salary increase rate	4,626,425	(4,287,541)	2,714,197	(2,546,924)
Turnover rate	(1,309,921)	1,401,834	(630,073)	665,072

(Unit: Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(6,609,363)	7,801,420	(3,866,518)	4,452,251
Salary increase rate	4,130,557	(3,829,801)	2,452,675	(2,301,835)
Turnover rate	(1,160,149)	1,239,975	(565,952)	597,091

20. Share capital

Movement in the issued and paid up ordinary share capital for the year ended 31 December 2021 and 2020 are summarised below:

	Consolidated and Separate financial statements	
	Number of shares	Par value
	(Thousand shares)	(Thousand Baht)
As at 1 January 2020	955,000	955,000
As at 31 December 2020	955,000	955,000
Issuance of share capital	208,696	208,696
As at 31 December 2021	1,163,696	1,163,696

On 7 December 2021, the Extraordinary General Meeting No. 1/2564 of the Company's shareholders passed a resolution approving an increase of Baht 208,695,652 in the registered capital of the Company, from the existing registered capital of Baht 955,000,000 (955,000,000 ordinary shares of Baht 1 each) to Baht 1,163,695,652, through the issuance of 208,695,652 additional ordinary shares with a par value of Baht 1 each, to be offered to RATCH Group Public Company Limited ("RATCH") on a private placement basis at Baht 5.75 per share, or for a total of Baht 1,199,999,999. The Company registered the increase in its capital with the Ministry of Commerce on 7 December 2021. On 13 December 2021, the Company allocated the newly issued ordinary shares to RATCH and registered the increase in its paid-up share capital with the Ministry of Commerce.

The Company recorded transaction costs net of income tax related to the increase in share capital amounting to Baht 18.4 million as a deduction from share premium.

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

22. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expense on borrowings	81,126	98,416	70,220	85,021
Interest expense on lease liabilities	6,696	7,686	6,008	7,292
Interest expense from derivatives designated as hedging instruments in cash flow hedge	20,322	22,831	20,322	22,831
Total	<u>108,144</u>	<u>128,933</u>	<u>96,550</u>	<u>115,144</u>

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Fuel and energy costs	2,844,477,721	2,484,652,901	2,567,109,355	2,288,855,333
Depreciation and amortisation	604,174,941	572,698,613	509,391,657	476,812,393
Write-off assets	38,525,272	2,653,697	38,509,375	230,140
Plant maintenance and repairing costs	121,981,048	138,799,736	109,829,871	117,646,894
Operation services of the power plant	115,413,332	113,373,443	115,413,332	113,373,443
Rental expenses	46,075,507	54,505,341	44,791,382	53,210,684
Salaries and other employee benefits	138,928,358	124,809,592	65,338,718	58,121,889
Insurance expenses	76,425,128	53,657,007	66,309,550	44,620,840

24. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	6,086,569	-	4,606,611	-
Adjustment in respect of income tax of previous year	-	7,470	-	7,470
Deferred tax:				
Relating to origination and reversal of temporary differences	(19,486,559)	(208,974)	(18,774,100)	(208,974)
Income tax benefit reported in the profit or loss	<u>(13,399,990)</u>	<u>(201,504)</u>	<u>(14,167,489)</u>	<u>(201,504)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on loss (gain) from the change in value of financial assets measured at FVOCI	(202,000)	492,000	(202,000)	492,000
Deferred tax on gain on cash flow hedges	(3,991,331)	(1,851,119)	(3,991,331)	(1,851,119)
	<u>(4,193,331)</u>	<u>(1,359,119)</u>	<u>(4,193,331)</u>	<u>(1,359,119)</u>

The amounts of current tax recognised directly to equity for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current tax of transaction cost related to the issuance of ordinary shares	4,606,611	-	4,606,611	-
	<u>4,606,611</u>	<u>-</u>	<u>4,606,611</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit (loss) before tax	93,483,533	117,004,723	95,490,343	(129,234,676)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	18,696,707	23,400,945	19,098,069	(25,846,935)
Adjustment in respect of income tax of previous year	-	7,470	-	7,470
Previously deductible temporary differences and unrecognised tax loss that is used to reduce deferred tax expenses	(1,177,392)	-	(464,933)	-
Unrecognised tax losses that is used to reduce current tax expenses	(1,033,266)	(38,720)	-	-
Tax loss for the year that were not recognised as deferred tax asset	35,694,521	2,027,978	-	694,826
Effects of:				
Promotional privileges (Note 25)	(26,672,650)	(25,136,681)	(24,484,979)	(16,695,793)
Income/expenses which are disallowable for tax computation purposes	(775,664)	2,989,148	(1,820,520)	44,538,928
Additional income/expenses which are allowable for deductions	(38,132,246)	(3,451,644)	(6,495,126)	(2,900,000)
Total	(65,580,560)	(25,599,177)	(32,800,625)	24,943,135
Income tax benefit reported in the profit or loss	(13,399,990)	(201,504)	(14,167,489)	(201,504)

The components of deferred tax assets are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits	6,129,686	4,897,138	5,417,227	4,897,138
Accumulated depreciation of assets	16,106,416	19,668,944	16,106,416	19,668,944
Unused tax loss	21,816,539	-	21,816,539	-
Unrealised fair value loss on investments	390,000	592,000	390,000	592,000
Loss on cash flow hedges	5,085,997	9,077,328	5,085,997	9,077,328
Total	<u>49,528,638</u>	<u>34,235,410</u>	<u>48,816,179</u>	<u>34,235,410</u>

As at 31 December 2021, the subsidiaries has deductible temporary differences and unused tax losses totaling Baht 216 million (2020: Baht 276 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2021, the unused tax losses amounting to Baht 308 million (2020: Baht 87 million) will expire by the year 2026.

25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the generation of electricity from natural gas, and steam, pursuant to the promotion certificate No. 1308(2)/2558. Subject to certain imposed condition, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (20 November 2017).

Sahacogen Green Company Limited has received promotional privileges from the Board of Investment for the production of electricity and steam, pursuant to the investment promotion certificate No. 1563(1)/2552. Subject to certain imposed condition, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (22 March 2011) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

In addition, Sahacogen Green Company Limited has received promotional privileges from the Board of Investment for the energy plant farming, pursuant to the investment promotion certificate No. 1858(3)/2556 and 59-1260-0-00-2-0. Subject to certain imposed condition, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues. The investment certificate No. 1858(3)/2556 has operations begin generating revenues on 2 July 2015 and the investment certificate No. 59-1260-0-00-2-0 has operations begin generating revenues on 16 June 2017.

Sahacogen Green Company Limited has received the business under investment promotion certificate for the production of wood pellet from Sahagreen Energy Company Limited, whereby it would be covered by investment promotion certificate No. 59-1632-0-00-1-2 and eligible to receive all remaining privileges. These privileges which would be subject to certain conditions include an exemption from corporate income tax until 8 September 2023.

Sahagreen Forest Company Limited has received promotional privileges from the Board of Investment for the production of electricity, pursuant to the investment promotion certificate No. 1856(1)/2554. Subject to certain imposed condition, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (25 December 2012) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Group' operating revenues for the years ended 31 December 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales	663,969	778,326	3,556,521	3,192,709	4,220,490	3,971,035

26. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the year (Baht)	101,630,574	106,155,302	109,657,832	(129,033,172)
Weighted average number of ordinary shares (shares)	965,863,609	955,000,000	965,863,609	955,000,000
Earnings (loss) per share (Baht/share)	0.11	0.11	0.11	(0.14)

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is principally engaged in one reportable segment which is the generation and distribution of electricity and steam. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss of each company.

The revenues, profit or loss and total assets by segment of the Group for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Generation and distribution of electricity and steam				Eliminations	Others	Consolidated financial statements
	Sahacogen (Chonburi) Public Co., Ltd.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.				
Year ended 31 December 2021							
Sales to external customers	3,677,398	302,900	240,192	-	-	-	4,220,490
Results							
Segment profit	192,041	439	29,293	-	(18,259)	-	203,514
Share of loss from investment in associate	-	-	-	(1,886)	-	-	(1,886)
Finance cost	(96,550)	(4,104)	(6,801)	-	(689)	-	(108,144)
Profit (loss) before income tax expenses	95,491	(3,665)	22,492	(1,886)	(18,948)	-	93,484
Income tax benefit	14,167	-	(1,480)	-	713	-	13,400
Profit (loss) for the year	109,658	(3,665)	21,012	(1,886)	(18,235)	-	106,884
Segment total assets	7,170,360	1,305,416	516,019	-	(1,400,082)	-	7,591,713

For the year 2021, the Group have revenue from three major customers in amount of Baht 1,919 million, Baht 1,759 million and Baht 460 million.

	Generation and distribution of electricity and steam					(Unit: Thousand Baht)
	Sahacogen (Chonburi)	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Others	Eliminations	
	Public Co., Ltd.	Green Co., Ltd.	Forest Co., Ltd.	Others	Eliminations	
Year ended 31 December 2020						
Sales to external customers	3,382,736	334,979	253,320	-	-	3,971,035
Results						
Segment profit	198,909	10,195	52,679	-	(13,930)	247,853
Impairment loss on investment in subsidiary	(213,000)	-	-	-	213,000	-
Share of loss from investment in associate	-	-	-	(1,915)	-	(1,915)
Finance cost	(115,144)	(4,919)	(8,475)	-	(395)	(128,933)
Profit (loss) before income tax expenses	(129,235)	5,276	44,204	(1,915)	198,675	117,005
Income tax benefit	202	-	-	-	-	202
Profit (loss) for the year	(129,033)	5,276	44,204	(1,915)	198,675	117,207
Segment total assets	6,155,050	1,341,343	532,269	-	(1,403,050)	6,625,612

For the year 2020, the Group have revenue from three major customers in amount of Baht 1,767 million, Baht 1,616 million and Baht 539 million.

28. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by CIMB Thai Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to Baht 3,764,280 (2020: Baht 3,599,483) were recognised as expenses.

29. Dividend paid

Dividends	Approved by	Total dividends Million Baht	Dividend per share Baht
Dividend for 2020	Annual General Meeting of the shareholders on 26 April 2021	58.25	0.06
Total for 2021		58.25	0.06
Interim dividend for 2019	Board of Directors Meeting on 8 April 2020	58.25	0.06
Total for 2020		58.25	0.06

30. Commitments and contingent liabilities**30.1 Capital commitments**

As at 31 December 2021, the Group had capital commitments of approximately Baht 765 million, USD 28 million and SEK 154 million (2020: Baht 13 million) relating to the construction of new cogeneration power plant and the acquisition of equipment and maintenance of a cogeneration power plant of the Company and of a power plant of a subsidiary.

30.2 Electricity Sales Agreements

The Company entered into an agreement with the Electricity Generating Authority of Thailand (EGAT) to sell electricity in a specified quantity and at a stipulated price as defined in the agreement. The agreement period is 25 years and will expire in April 2024.

On 26 November 2021, the Company entered into a Power Purchase Agreement with Electricity Generating Authority of Thailand (“EGAT”) for a period of 25 years as from the scheduled commercial operation date (“SCOD”). The SCOD specified in the agreement will be 19 April 2024 and the agreement will end in April 2049. This power purchase agreement obliged the Company to construct new cogeneration power plant which has a maximum capacity of 73 megawatts for electricity and 75 tons per hour for steam.

In March 2009, Sahacogen Green Company Limited (“the subsidiary”) entered into an agreement with the Provincial Electricity Authority (PEA) to sell electricity in a specified quantity and at a stipulated price as defined in the agreement. The agreement is for a period of 5 years, and will automatically renew every 5 years until termination. In 2016, Sahacogen Green Company Limited joined the program for producers of electricity from renewable energy sources to change from an Adder to a Feed-in Tariff (FiT), and as a result entered into an amendment to the sales and purchase of electricity agreement with PEA in September 2016, whereby it is required to comply with certain conditions and the period for purchase of electricity is reduced, with the agreement expiring in October 2027.

In September 2009, Sahagreen Forest Company Limited (“the subsidiary”) entered into an agreement with the Provincial Electricity Authority (PEA) to sell electricity in a specified quantity and at a stipulated price as defined in the agreement. The agreement is for a period of 20 years. Since Sahagreen Forest Company Limited joined the program for producers of electricity from renewable energy sources to change from an Adder to a Feed-in Tariff (FiT) in September 2016, it entered into an amendment to the sales and purchase of electricity agreement with PEA, whereby it is required to comply with conditions regarding the sale and purchase of electricity and connection to the electricity grid and the period for purchase of electricity is reduced, with the agreement expiring in March 2029.

30.3 Electricity and Steam Sales Agreements

The Company entered into agreements with Saha Pathana Inter-Holding Public Company Limited to sell electricity and steam in a specified quantity and at a stipulated price as defined in the agreements. The agreements period is 15 years, starting from April 1999, and can be renewed for an additional period of 25 years.

In May 2019, the Company entered into an amendment of the agreement to sell electricity and steam with Saha Pathana Inter-Holding Public Company Limited to sell electricity and steam, for an additional period of 37 years after April 2014.

30.4 Steam Sales Agreements

Sahacogen Green Company Limited entered into an agreement with Thai President Foods Public Company Limited to sell steam in a specified quantity and at a stipulated price as defined in the agreement. The agreement is for a period of 10 years, starting from April 2011, and will renew every year until termination.

30.5 Gas Purchase Agreement

Under an agreement with the PTT Public Company Limited (“PTT”), the Company is committed to purchase natural gas from PTT in a specified quantity and at a stipulated price as defined in the agreement for a period of 21 years. The agreement expired in March 2020, however it contains an option to renew for an additional period of 4 years.

In July 2019, the Company entered into an amendment of the agreement with PTT, which modified term of the agreement. The amendment agreement will expire in March 2024.

In December 2021, the Company entered into an amendment of the agreement with PTT, which modified term of the gas purchase agreement to be expired in April 2049.

30.6 Operation and Service Management Agreement

The Company entered into an agreement with Operational Energy Group Limited under which the affiliate will provide management and advisory services for the operation and maintenance of the power plant, which the Company is committed to pay for at prices as determined in the agreement. The agreement will expire on 31 December 2023.

30.7 Raw Water Purchase Agreement

Under an agreement with a private entity, the Company is committed to purchase raw water in a specified quantity and at a stipulated price as defined in the agreement for a period of 25 years. The agreement will expire in March 2024.

In June 2020, the Company entered into an amendment of the agreement with that private entity, which modified the price and terms of the agreement. This amended the term of the agreement to 10 years, ending in June 2030, with automatic renewal every 5 years throughout the term of the electricity sales agreements with the Electricity Generating Authority of Thailand (EGAT).

30.8 Lease and service commitments

- a) As at 31 December 2021, the Group has future lease payments required under these non-cancellable leases contracts that have not yet commenced as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>2021</u>	<u>2020</u>
Within 1 year	1	3
Over 1 and up to 4 years	3	9
Total	4	12

- b) The Group entered into services agreements. The agreements periods are between 1 and 5 years.

As at 31 December 2021 and 2020, future minimum service payments required under these agreements were as follows.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>2021</u>	<u>2020</u>
Payable:		
in up to 1 year	22	33
in over 1 and up to 5 years	5	7

- c) In July 2021, the Company entered into a long-term business service agreements with Saha Pathana Inter- Holding Public Company Limited ("SPI") to increase number of electricity industrial users that will purchased electricity that produced by the Company for a period as from the contract date to 12 April 2051, whereby the service fees that the Company will be paid to SPI is based on the rate stipulated in the business services agreement.

30.9 Biomass Fuel Purchase Agreement

Sahagreen Forest Company Limited entered into a biomass fuel purchase agreement with Siam Forestry Company Limited to purchase specified quantities at stipulated prices defined in the agreement. The agreement is effective from 21 August 2010 until termination.

30.10 Long-term service agreement

On 1 June 2017, the Company entered into a long-term service agreement with an overseas company for the maintenance and repair the Company's gas turbine engines, whereby the service charges are as stipulated in the agreement. The agreement terminates on 31 December 2023.

30.11 Delivered solar cell Service agreement

On 1 March 2020, the Company entered into the delivered solar cell service agreement with Saha Pathana Inter-Holding Public Company Limited, whereby the Company is to deliver of electricity produced from solar energy to the electricity delivery points. The agreement is for a period of 17 years, starting from March 2020, and will renew every year until termination.

30.12 Guarantees

- (1) As at 31 December 2021, there were outstanding bank guarantee of approximately Baht 377 million (2020: Baht 163 million) issued by a bank on behalf of the Company in respect of certain performance bonds as required under the Power Purchase Agreement with the Electricity Generating Authority of Thailand (EGAT). There were also other guarantees issued by a bank on behalf of the Company and its subsidiaries totaling Baht 20 million (2020: Baht 37 million).
- (2) As at 31 December 2021, the Company has guaranteed bank credit facilities of its associate company amounting to Baht 84 million (2020: Baht 84 million).

31. Loans to unrelated party

As at 31 December 2020 and 2019, the balance of loans to unrelated party are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sahagreen Energy Co., Ltd.	-	200,811,988	-	30,000,000
Total	-	200,811,988	-	30,000,000
Less: Allowance for expected credit losses	-	(200,811,988)	-	(30,000,000)
Total loans to unrelated party - net	-	-	-	-

(Unit: Baht)

These loans to unrelated party are repayable on demand and unsecured.

During the current year, the Company and a subsidiary write off all loans to Sahagreen Energy Co., Ltd., unrelated company, as bad debt because this unrelated company was judged to be a bankrupt by the bankruptcy court and the court ordered the case to be closed during the year.

32. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	277	-	-	277
Financial assets measured at FVOCI				
Equity investments	8,950	-	-	8,950
Biological assets	-	-	20,137	20,137
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1,793	-	1,793
Interest rate swap contract	-	23,457	-	23,457

(Unit: Thousand Baht)				
Consolidated financial statements				
2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	277	-	-	277
Financial assets measured at FVOCI				
Equity investments	7,940	-	-	7,940
Biological assets	-	-	20,853	20,853
Liabilities measured at fair value				
Derivatives				
Cross currency interest rate swap contract	-	17,314	-	17,314
Interest rate swap contract	-	42,767	-	42,767

(Unit: Thousand Baht)

Separate financial statements				
2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	277	-	-	277
Financial assets measured at FVOCI				
Equity investments	8,950	-	-	8,950
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1,793	-	1,793
Interest rate swap contract	-	23,457	-	23,457

(Unit: Thousand Baht)

Separate financial statements				
2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	277	-	-	277
Financial assets measured at FVOCI				
Equity investments	7,940	-	-	7,940
Liabilities measured at fair value				
Derivatives				
Cross currency interest rate swap contract	-	17,314	-	17,314
Interest rate swap contract	-	42,767	-	42,767

33. Financial instruments

33.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2021	2020
Derivative liabilities		
Derivatives liabilities designated as hedging instruments		
Foreign currency forward contracts	1,793	-
Cross currency interest rate swap contract	-	17,314
Interest rate swap contract	23,457	42,767
Total derivative liabilities	25,250	60,081

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in USD and SEK. These forecast transactions are highly probable, and they equal to Company total expected purchase in USD and SEK.

As at 31 December 2021, The Company has foreign exchange forward contract balances of USD 2.79 million and SEK 17.07 million at the exchange rate of Baht 33.53 per USD 1 and Baht 3.72 per SEK 1 to hedge cash flows. The foreign exchange forward contracts have period less than 1 year.

Risk related to cross currency interest rate and interest rate

As at 31 December 2021, the Company had an interest rate swap agreement in place with a notional amount of Baht 860 million (2020: Baht 860 million), which swaps a variable interest rate of THBFIX plus a certain margin for a fixed interest rate of 4.5 percent per annum. The swap agreement is a cash flow hedge for the Company's variable rate long-term loans and matures within December 2024. In addition, the Company had a cross currency interest rate swap agreement in place with a notional amount of USD 14.1 million, which swaps a USD-denominated loan for a Baht loan at a rate of Baht 35.41 per USD 1 and swaps the a variable interest rate of LIBOR plus a certain margin for a fixed interest rate of 3.9 percent per annum. The cross-currency interest rate swap agreement is a cash flow hedge for the Company's variable-rate long-term loans denominated in foreign currencies and matured within December 2021. The cross-currency interest rate swap agreement is ended in December 2021. These hedges are hedges of the foreign currency risk and interest rate risk on the long-term loans disclosed in note 17 to the consolidated financial statements.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency exchange forward contracts, cross currency interest rate swap contract and interest rate swap contract match those of the expected highly probable forecast transactions (i.e., notional amount and expected payment date).

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign exchange forward contracts, interest rate swap and cross currency interest rate swap are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the critical terms match method, whereby it compares the critical terms of the hedged instrument and hedged items. The hedging relationship will be considered highly effective when the respective terms match exactly.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The impact of hedged items on the statement of financial position as at 31 December 2021 and 2020 are, as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements					
	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve			
			Continuing hedges		Discontinued hedges	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other payables	1,793	-	1,973	-	-	-
Long-term loans	(16,305)	(182)	23,457	45,386	-	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2021 and 2020 and the effect of the cash flow hedge in the statement of comprehensive income for the years ended 31 December 2021 and 2020 are, as follows:

(Unit: Thousand Baht)

Consolidated/Separate financial statements						
2021						
	Notional amount	Carrying amount	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
Foreign currency						
forward contracts	157,084	1,793	1,793	1,973	-	-
Cross currency interest						
rate swap contract	500,000	-	(15,204)	-	12,585	Finance cost
Interest rate swap contract	860,000	23,457	(1,101)	23,457	(18,210)	Finance cost
Total	1,517,084	25,250	(14,512)	25,430	(5,625)	

(Unit: Thousand Baht)

Consolidated/Separate financial statements						
2020						
	Notional amount	Carrying amount	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
Cross currency interest						
rate swap contract	500,000	17,314	(13,538)	2,619	10,187	Finance cost
Interest rate swap contract	860,000	42,767	13,356	42,767	(19,260)	Finance cost
Total	1,360,000	60,081	(182)	45,386	(9,073)	

Impacts of interest rate benchmark reform

The Company has exposure in relation to the replacement or reform of the benchmark InterBank Offered Rates (“IBORs”) of its financial instruments. The Company anticipates that IBOR reform will impact its risk management and hedge accounting. The Company applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty.

The Company hold interest rate swap which is designated in cash flow hedging relationships. The interest rate swap has floating legs that are indexed to THBFIX.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participant’s expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Company is monitoring and managing the Company’s transition to alternative benchmark rates and considers whether the contract will need to be amended as a result of IBOR reform and manage communication about IBOR reform with counterparty.

33.2 Financial risk management objectives and policies

The Group’s financial instruments principally comprise cash and cash equivalents, trade accounts receivable, other financial assets, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivables, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group’s maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group are exposed to credit risk primarily with respect to trade accounts receivable since the majority of sales are supplied to a limited number of customers. However, due to those customers’ creditworthiness, the Group do not expect to incur material financial losses from its debt collection.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk;
- interest rate swaps to mitigate the risk of rising interest rates;
- cross currency swaps to mitigate the risk of rising interest rates and foreign currency rates

Foreign currency risk

The Company's exposure to foreign currency risk relates primarily to its purchases of assets and loan that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into and entering into cross currency interest rate swap contracts for such loans and entering into foreign exchange forward contracts for such purchases of assets in foreign currency. The conditions of the cross-currency interest rate swap contract and foreign exchange forward contracts used to hedge the exposure match the conditions of the long-term loan and conditions of the purchase of assets which are hedged.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial liabilities		Average exchange rate	
	<u>2021</u> (Million)	<u>2020</u> (Million)	<u>2021</u> (Baht per 1 foreign currency unit)	<u>2020</u>
US dollar	3	3	33.59	30.21
SEK	17	-	3.74	-

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted purchases.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that are denominated in the foreign currencies

Foreign currency sensitivity

The following table demonstrates the sensitivity of the Group's equity to a reasonably possible change in US dollar and SEK exchange rates, with all other variables held constant. The impact on the Group's equity is due to changes in the fair value of monetary liabilities including foreign currency derivatives as at 31 December 2021 and 2020.

Currency	2021		2020	
	Increase/ decrease	Effect on equity	Increase/ decrease	Effect on equity
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+5%	2,595	+5%	4,521
	-5%	(4,090)	-5%	(4,056)
SEK	+5%	3,113	-	-
	-5%	(3,245)	-	-

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings appropriate to market conditions. To manage this, the Group enters into interest rate swap and cross currency interest rate swap, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount as described in Note 17 and Note 33.1 to the consolidated financial statements.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	2021						
	Fixed interest rates						
	Within	1 - 5	Over	Floating	Non- interest		Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	980	-	980	0.05 - 0.40
Trade and other receivables	-	-	-	-	615	615	-
Other financial assets	-	-	-	-	9	9	-
	-	-	-	980	624	1,604	
<u>Financial liabilities</u>							
Short-term loans from financial							
institutions	1,325	-	-	-	-	1,325	1.50 - 3.25
Trade and other payables	-	-	-	-	656	656	-
Long-term loans from financial	244	293	-	551	-	1,088	MLR - 1.825 and
institutions							3.75 - 4.50
Long-term loan from related party	320	-	-	-	-	320	3.50 - 4.00
Lease liabilities	42	60	28	-	-	130	3.64 - 11.45
Derivative liabilities	-	-	-	-	25	25	-
	1,931	353	28	551	681	3,544	

(Unit: Million Baht)

Consolidated financial statements							
2020							
Fixed interest rates							Effective interest rate (% per annum)
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	115	-	115	0.05 - 0.50
Trade and other receivables	-	-	-	-	530	530	-
Other financial assets	-	-	-	-	8	8	-
	-	-	-	115	538	653	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,333	-	-	-	-	1,333	1.50 - 3.00
Trade and other payables	-	-	-	-	244	244	-
Long-term loans from financial institutions	372	537	-	790	-	1,699	MLR - 1.825 and 3.75 - 4.38
Long-term loan from related party	320	-	-	-	-	320	3.00 - 5.00
Lease liabilities	38	92	29	-	-	159	3.64 - 16.74
Derivative liabilities	-	-	-	-	60	60	-
	2,063	629	29	790	304	3,815	

(Unit: Million Baht)

Separate financial statements							
2021							
Fixed interest rates							Effective interest rate (% per annum)
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	949	-	949	0.05 - 0.50
Trade and other receivables	-	-	-	-	548	548	-
Other financial assets	-	-	-	-	9	9	-
	-	-	-	949	557	1,506	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,160	-	-	-	-	1,160	1.50 – 2.65
Trade and other payables	-	-	-	-	633	633	-
Long-term loans from financial institutions	244	293	-	421	-	958	3.75 - 4.50
Long-term loan from related party	320	-	-	-	-	320	3.50 - 4.00
Lease liabilities	39	54	28	-	-	121	3.64 - 8.41
Derivative liabilities	-	-	-	-	25	25	-
	1,763	347	28	421	658	3,217	

(Unit: Million Baht)

	Separate financial statements						
	2020						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	110	-	110	0.025 - 0.25
Trade and other receivables	-	-	-	-	432	432	-
Other financial assets	-	-	-	-	8	8	-
	-	-	-	110	440	550	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,145	-	-	-	-	1,145	1.50 - 2.65
Trade and other payables	-	-	-	-	226	226	-
Long-term loans from financial institutions	372	537	-	627	-	1,536	3.75 - 4.50
Long-term loan from related party	320	-	-	-	-	320	3.00 - 5.00
Lease liabilities	37	92	28	-	-	157	3.64 - 8.41
Derivative liabilities	-	-	-	-	60	60	-
	1,874	629	28	627	286	3,444	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of the floating rate loans includes effect from application of derivative designed for cash flow hedge, affected as at 31 December 2021 and 2020.

Currency	2021			2020		
	Increase/ decrease	Effect on profit before tax	Effect on equity	Increase/ decrease	Effect on profit before tax	Effect on equity
	(%)	(Thousand Baht)	(Thousand Baht)	(%)	(Thousand Baht)	(Thousand Baht)
Baht	+1%	(1,549)	7,403	+1%	(1,773)	11,510
	-1%	1,549	(7,416)	-1%	1,771	(8,026)

The above analysis has been prepared assuming that the amounts of the floating rate loans and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of short-term and long-term loans from banks and lease contracts. The Group's policy is that the amount of such borrowings maturing in the next 12-month period and finance costs of such borrowings should be maintained at an appropriate level. Approximately Baht 1,772 million of the Group's debt will mature in less than one year at 31 December 2021 (2020: Baht 1,999 million) (the Company only: Baht 1,572 million, 2020: Baht 1,778 million). The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low because the Group has access to a sufficient variety of sources of funding and some debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	330,000	997,295	-	-	1,327,295
Trade and other payables	-	656,207	-	-	656,207
Long-term loans	-	432,177	707,309	-	1,139,486
Long-term loans from related party	-	11,200	204,186	165,541	380,927
Lease liabilities	-	46,481	67,006	41,904	155,391
Total non-derivatives	330,000	2,143,360	978,501	207,445	3,659,306
Derivatives					
Derivative liabilities: net settled	-	-	25,250	-	25,250
Total	-	-	25,250	-	25,250

(Unit: Thousand Baht)

Consolidated financial statements					
2020					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	117,000	1,218,073	-	-	1,335,073
Trade and other payables	-	244,304	-	-	244,304
Long-term loans	-	654,004	1,138,587	-	1,792,591
Long-term loans from related party	-	13,896	44,831	337,600	396,327
Lease liabilities	-	44,371	100,961	43,632	188,964
Total non-derivatives	117,000	2,174,648	1,284,379	381,232	3,957,259
Derivatives					
Derivative liabilities: net settled	-	17,314	42,767	-	60,081
Total	-	17,314	42,767	-	60,081

(Unit: Thousand Baht)

Separate financial statements					
2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	330,000	831,998	-	-	1,161,998
Trade and other payables	-	633,150	-	-	633,150
Long-term loans	-	395,361	603,570	-	998,931
Long-term loans from related party	-	11,200	204,186	165,541	380,927
Lease liabilities	-	43,560	60,235	41,904	145,699
Total non-derivatives	330,000	1,915,269	867,991	207,445	3,320,705
Derivatives					
Derivative liabilities: net settled	-	-	25,250	-	25,250
	-	-	25,250	-	25,250

(Unit: Thousand Baht)

	Separate financial statements				
	2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	117,000	1,029,680	-	-	1,146,680
Trade and other payables	-	226,497	-	-	226,497
Long-term loans	-	616,071	998,031	-	1,614,102
Long-term loans from related party	-	13,896	44,831	337,600	396,327
Lease liabilities	-	43,272	99,966	43,631	186,869
Total non-derivatives	<u>117,000</u>	<u>1,929,416</u>	<u>1,142,828</u>	<u>381,231</u>	<u>3,570,476</u>
Derivatives	-	17,314	42,767	-	60,081
Derivative liabilities: net settled	<u>-</u>	<u>17,314</u>	<u>42,767</u>	<u>-</u>	<u>60,081</u>

33.3 Fair values of financial instruments

Since the majority of the Group' financial instruments are short-term in nature and the loans carrying interest at rates close to market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Group considers to counterparty credit risk when determining the fair value of derivatives.

34. Capital management

The primary objective of the Group' capital management is to ensure that it has appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.91:1 (2020: 1.42:1) and the Company's was 0.84:1 (2020: 1.32:1).

35. Event after the reporting period

- 35.1** On 15 February 2022, a meeting of the Board of Directors of Sahagreen Forest Company Limited passed a resolution to propose that the Annual General Meeting of the Shareholders to be held in March 2022 adopt a resolution to pay a dividend of Baht 0.60 per share, or a total of Baht 11.4 million, to the shareholders in respect of the retained earnings.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the subsidiary's shareholders.

- 35.2** On 21 February 2022, a meeting of the Company's Board of Directors passed a resolution to propose the Annual General Meeting of the Shareholders to be held in April 2022 adopt a resolution to pay a dividend of Baht 0.061 per share, or a total of Baht 71 million, to the shareholders in respect of the Company's retained earnings.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2022.

Attachment



Details of Directors and Executives, Controlling Persons, CFO, Person Supervising Accounting and Company Secretary

1. Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary

1.1 Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary are disclosed as below;

Name / Position			Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
							Period	Company	Position Name
1. Mr. Sujarit Patchimman <ul style="list-style-type: none">Chairman May 10, 2016Chairman of the Nomination and Remuneration Committee May 10, 2016	76	<ul style="list-style-type: none">M.A. in political science, Thammasat UniversityB.A. in political science, Thammasat UniversityDirector Accreditation Program (DAP) 41/2005 Thai Institute of Directors Association (IOD)	-None-	-None-	2013 - Present	<u>Listed Companies</u> Audit Committee / Independent Director Director Director	Pan Asia Footwear PCL.		
							2016 - Present	Saha Pathana Inter-Holding PCL.	
							2007 - 2017	Saha Pathanapibul PCL.	
							<u>Other Companies</u> (non Listed Companies)	4	
							<u>Competitive Business related to Company's Business</u>	-None-	
Other positions in other companies in the previous year affected his duties significantly : None									

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
2. Ms. Choosri Kietkajornkul	58	<ul style="list-style-type: none"> Master of Accountancy (General Accounting). The Faculty of Accountancy, Chulalongkorn University Bachelor of Accountancy (General Accounting). The Faculty of Accountancy, Chulalongkorn University Director Certification Program (DCP) 308/2021 Thai Institute of Directors Association (IOD) 	-None-	-None-	2021 - Present	Deputy Governor - Governor's Office, EGAT appointed as Chief Executive Officer, RATCH Group PCL	Electricity Generating Authority of Thailand
<ul style="list-style-type: none"> Nomination and Remuneration Committee 						<u>Listed Companies</u>	
Dec 14, 2021					2021 - Present	Chief Executive Office and Director	RATCH Group PCL
Authorized Director					2021 - Present	Director	Bangkok Aviation Fuel Services PCL
						<u>Other Companies</u>	7
						<u>(non Listed Companies)</u>	
						<u>Competitive Business related to Company's Business</u>	6

Other positions in other companies in the previous year affected his duties significantly : None

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
3. Mr. Sakarin Tangkavachiranon	• Director	55	• Master of Public and Private Management Program (Honor), National Institute of Development Administration • Bachelor of Engineering (Mechanical Engineering), Kasetsart University • Director Certification Program (DCP) 221/2016 Thai Institute of Directors Association (IOD)	-None-	-None-	2020 - Present 2021 - Present 2019 2018 - 2019 2017	<u>Listed Companies</u> Chief Business Development Officer Director Executive Vice President - Power Business Executive Vice President - Project Development Senior Vice President - Chief Business Development Officer, RATCH Group PCL, acting Managing, Nava Nakorn Electricity Generating Co., Ltd. <u>Other Companies (non Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	RATCH Group PCL Principal Capital Public Co., Ltd RATCH Group PCL RATCH Group PCL RATCH Group PCL
	• Nomination and Remuneration Committee							
	• Co- Chairman of Executive Committee							
	• Dec 14, 2021							
	• Authorized Director							
Other positions in other companies in the previous year affected his duties significantly : None								

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
4. Mrs. Wadeerat Charoencoop	47	<ul style="list-style-type: none"> Master of Business Administration, The University of Washington, United States of America Bachelor of Business Administration (Finance) (2nd Class Honor), Chulalongkorn University Corporate Governance for Executives (CGE SCCC/2015) Director Certification Program (DCP) 276/2019 Directors Diploma Examination (Exam) 71/2019 Thai Institute of Directors Association (IOD) 	-None-	-None-	2019 - Present 2021 - Present 2018 - 2019 2014 - 2017	<u>Listed Companies</u> Chief Financial Officer Directors Executive Vice President-Financial Head of Group Finance, Treasury, Tax and IR <u>Other Companies</u> <u>(non Listed Companies)</u> <u>Competitive Business related</u> <u>to Company's Business</u>	RATCH Group PCL Bangkok Aviation Fuel Services PCL RATCH Group PCL Siam City Cement PCL 9 2
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
5. Mr. Udompong Chuntharumporn	• Director	46	<ul style="list-style-type: none"> Master of Engineering (Mechanical Engineering), Kasetsart University Bachelor of Engineering (Mechanical Engineering) (2nd Class Honor), King Mongkut's University of Technology North Bangkok Director Certification Program (DCP) 314/2022 Thai Institute of Directors Association (IOD) 	-None-	-None-	2021 - Present	<u>Listed Companies</u> Vice President Head of Domestic and Neighboring Countries Investment Division	RATCH Group PCL
	• Executive Committee					2020	Vice President Head of Domestic and Neighboring Countries Investment Division ,Acting Managing Director, Senior Assistant Vice President, Domestic and Neighboring Countries Investment Division RATCH Group PCL, Acting Managing Director, RATCH-Lao Services Co., Ltd. Assistant Vice President Domestic and Neighboring Countries Investment Division, RATCH Group PCL	RATCH Group PCL
	• Managing Director					2019-2020		RATCH Group PCL
	• Authorized Director					2018-2019		RATCH Group PCL
							<u>Other Companies (non Listed Companies)</u>	3
							<u>Competitive Business related to Company's Business</u>	2
Other positions in other companies in the previous year affected his duties significantly : None								

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
6. Mr. Thirasak Vikitset	• Director	70	• MBA, Clark University : Worcester, Massachusetts, USA	-None-	-None-	1985 - Present	<u>Listed Companies</u> Chairman of the Executive Committee/ Managing Director/ Nomination and Remuneration Committee	S&J International Enterprises PCL.
	• Chairman of the Executive Committee		• Bachelor of Chemical Engineering Worcester Polytechnic Institute, Massachusetts, USA					
	Mar 6, 2003		• Director Accreditation Program (DAP) 3/2003					
	(Completed the term on Jan 1, 2021)		• Director Certification Program (DCP) 68/2005				<u>Other Companies</u> (non Listed Companies)	16
	• Executive Committee		Thai Institute of Directors Association (IOD)				<u>Competitive Business related to Company's Business</u>	-None-
	Mar 6, 2003							
	(Resigned on Dec 14, 2021)							
	• Nomination and Remuneration Committee							
	Feb 27, 2009							
	(Resigned on Dec 14, 2021)							
		• Authorized Director						
Other positions in other companies in the previous year affected his duties significantly : None								

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
7. Mr. Vichai Kulsomphob	44	<ul style="list-style-type: none"> Master of Marketing (English Program) Thammasat University Master of International Business (Exchange Program) Master of Advanced Business Practice University of South Australia Bachelor's Degree of Business Administration Chulalongkorn University Norwegian School of Economics and Business Administration, Norway Strategic CFO in Capital Markets Program (Class 4.) Thailand Securities Institute, The Stock Exchange of Thailand Director Certification Program (DCP) 61/2005 Company Secretary Program (CSP) 18/2006 Thai Institute of Directors Association (IOD) 	0.01	-None-	<p>2018 - Present</p> <p>2012 - Present</p> <p>2012 - 2018</p> <p>2013 - Present</p> <p>2018 - Present</p>	<p><u>Listed Companies</u></p> <p>President</p> <p>Nomination and Remuneration Committee</p> <p>Executive Committee</p> <p>Vice President</p> <p>Director</p> <p>Director</p> <p><u>Other Companies</u></p> <p><u>(non Listed Companies)</u></p> <p><u>Competitive Business related to Company's Business</u></p>	<p>Saha Pathana Inter-Holding PCL</p> <p>Saha Pathana Inter-Holding PCL</p> <p>Saha Pathana Inter-Holding PCL</p> <p>Samsung Life Insurance (Thailand) PCL</p> <p>President Bakery PCL</p> <p>56</p> <p>-None-</p>
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
8. Mr. Vorayos Thongtan	40	<ul style="list-style-type: none"> Master of Business Administration, University of Texas at Dallas, USA Master of Science in Finance (Distinction Honor), University of Texas at Dallas, USA Bachelor of Engineering, Electrical (Second Class Honor), Sirindhorn International Institute of Technology, Thammasat University Director Certification Program (DCP) 272/2019 How to Development a Risk Management Plan (HRP) 20/2018 Thai Institute of Directors Association (IOD) 	-None-	-None-	2021 - Present 2020 - 2021 2018 - Present	<u>Listed Companies</u> Independent Director Director Vice President, Investment and Corporate Strategy <u>Other Companies</u> (non Listed Companies) <u>Competitive Business related to Company's Business</u> -None-	Singer Thailand PCL. Singer Thailand PCL. Saha Pathana Inter-Holding PCL.
<ul style="list-style-type: none"> Director Jan 1, 2021 Managing Director Jan 1, 2021 (Resigned on Dec 14, 2021) Executive Committee Jan 1, 2021 Corporate Governance and Risk Management Committee May 11, 2021 Corporate Social Responsibility Committee May 11, 2021 Authorized Director 							
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
9. Mr. Chinapat Visuttiapa <ul style="list-style-type: none"> Independent Director Dec 14, 2021 Chairman of the Audit Committee Dec 14, 2021 	53	<ul style="list-style-type: none"> Master of Law, Thammasat University Bachelor of Law, Thammasat University Graduate Diploma Program in Business Law, Thammasat University Director Certification Program (DCP) 162/2012 Directors Diploma Program (Fellow Member) 36/2013 Thai Institute of Directors Association (IOD) 	-None-	-None-	2016 - Present 2016 - Present 2021 - Present 2018 - Present 2016 - Present 2016 - Present	Listed Companies Director Audit Committee / Independent Director Chairman of Corporate Governance Committee Director and Audit Committee Independent Director and Chairman of The Audit Committee Independent Director and Chairman of The Audit Committee Other Companies (non Listed Companies) Competitive Business related to Company's Business	Origin Property PCL Origin Property PCL Origin Property PCL TQM Corporation PCL Abatek (Asia) PCL Shera PCL 4 -None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
10. Mr.Natapong Vanarat	39	<ul style="list-style-type: none">Master of Commerce Finance , University of New South Wales / AustraliaBachelor of Computer Science , University of New South Wales / Australia	-None-	-None-	2021 - Present	The Secretariat of the Cabinet	The Secretariat of the Cabinet
<ul style="list-style-type: none">Independent Director Jan 5,2022					2019 - Present 2018	The Secretariat of the Prime Minister The Secretariat of the Cabinet	The Secretariat of the Cabinet The Secretariat of the Cabinet
<ul style="list-style-type: none">Audit Committee Jan 5,2022					2015 - 2016	Secretary ,Secretariat of the Cabinet (Mr. Ampon Kittiampon)	The Secretariat of the Cabinet
						<u>Listed Companies</u>	-None-
						<u>Other Companies</u> <u>(non Listed Companies)</u>	-None-
						<u>Competitive Business related</u> <u>to Company's Business</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
11. Mr. Pongtep Thithapand <ul style="list-style-type: none">Independent Director Jan 5,2022Audit Committee Jan 5,2022	64	<ul style="list-style-type: none">Master of Public Administration, National Institute of Development AdministrationBachelor of Law Program, Ramkhamhaeng UniversityNational Defence College (Class 54)Director Certification Program (DCP) 125/2009Thai Institute of Directors Association (IOD)	-None-	-None-	2018 - 2019	Permanent Secretary of Finance (administration) <u>Listed Companies</u> Director Corporate Governance Committee Director	Ministry of Finance Director Director Gunkul Engineering PCL PTT. Natural Gas Distribution Co.,Ltd	
						2015 - Present 2013 - Present 2019 - 2021	<u>Other Companies</u> <u>(non Listed Companies)</u>	-None-
							<u>Competitive Business related to Company's Business</u> <u>Listed Companies</u>	-None-
	Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position			Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences							
							Period	Company	Position Name					
12. Mr. Chaisak Yongbanjerd <ul style="list-style-type: none">Independent Director Jan 5,2022	63	<ul style="list-style-type: none">Master of Economics, National Institute of Development AdministrationBachelor Degree in Electrical Engineer, Prince of Songkla University	-None-	-None-	2016 - 2018	Director, Power Purchase Agreement Division	Electricity Generating Authority of Thailand (EGAT)							
								2013 - 2016	Asst. Director. Power Purchase Agreement Division (Technical)	Electricity Generating Authority of Thailand (EGAT)				
											<u>Listed Companies</u>	-None-		
													<u>Other Companies (non Listed Companies)</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None														

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
13. Mr. Viroj Theeravattavee <ul style="list-style-type: none"> • Director Mar 6, 2003 (Resigned on Dec 14, 2021) • Managing Director Mar 6, 2003 (Completed the term on Jan 1, 2021) • Executive Committee Mar 6, 2007 • Co- Chairman of Executive Committee Dec 14, 2021 • Chairman of the Corporate Social Responsibility Committee May 6, 2014 	68	<ul style="list-style-type: none"> • Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University • Director Accreditation Program (DAP) 12/2004 • Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)	-None-	-None-		<u>Listed Companies</u> <u>Other Companies</u> <u>(non Listed Companies)</u> <u>Competitive Business related</u> <u>to Company's Business</u>	-None- 2 -None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Remark : * Including shares held by the spouse and minor children.

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
15. Mr. Boonkiet Chokwatana <ul style="list-style-type: none"> • Director May 10, 2016 (Resigned on Dec 14, 2021) • Nomination and Remuneration Committee May 10, 2016 (Resigned on Dec 14, 2021) 	74	<ul style="list-style-type: none"> • Honorary Doctorate Degree in Business Administration (Management), Sripatum University • Honorary Doctorate in Business Administration College of Commerce, Burapha University • Honorary Doctorate in Business Administration, Naresuan University • B.S. Mechanical Engineering - Worcester Polytechnic Institute, Massachusetts, USA • Director Accreditation Program (DAP) 3/2003 • Director Certification Program (DCP) 4/2004 	0.71	-None-	2006 - Present 2008 - Present 2016 - Present 1995 - Present 1993 - Present 1994 - Present 2013 - Present 1986 - Present	Director Advisor / Vice President <u>Listed Companies</u> Chairman Chairman of the Executive Board Chairman Chairman / Chairman of Remuneration Committee / Chairman of Nomination Committee Chairman Director <u>Other Companies</u> <u>(non Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	Thailand Securities Depository Company Limited Thai Listed Companies Association I.C.C. International PCL. I.C.C. International PCL. S&J International Enterprises PCL. People's Garment PCL. Pan Asia Footwear PCL. Saha Pathana Inter-Holding PCL. 57 -None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
16. Ms. Krongkao Kritayakirana • Director Feb 23, 2021 (Resigned on Dec 14, 2021)	47	• Stanford University M.S. in Engineering-Economic Systems and Operations Research A.B. in Economics (Honors) with minor degree in Mathematics • Kellogg School of Management, Northwestern University Ph.D. in Managerial Economics and Strategy Dissertation: Effects of Venture Capitalists on Startup Performance	-None-	-None-	<u>Listed Companies</u>	-None-	
					<u>Other Companies (non Listed Companies)</u>	3	
					<u>Competitive Business related to Company's Business</u>	-None-	
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
17. Mr. Nophom Bhongseve <ul style="list-style-type: none"> Independent Director Mar 30, 2003 (Resigned on Dec 14, 2021) Chairman of the Audit Committee Mar 29, 2006 (Resigned on Dec 14, 2021) Nomination and Remuneration Committee Feb 27, 2009 (Resigned on Dec 14, 2021) Corporate Governance and Risk Management Committee May 12, 2020 	74	<ul style="list-style-type: none"> B.A. Oregon State University (ECON.) M.S. Oregon State University (ECON.) Director Accreditation Program (DAP) 38/2005 Director Certification Program (DCP) 71/2006 Audit Committee Program (ACP) 12/2006 Driving Company Success with IT Governance (ITG) 12/2019 Thai Institute of Directors Association (IOD) 	-None-	-None-	2010 - Present 2015 - Present 2017- 2018	Listed Companies Independent Director / Chairman of the Audit Committee Audit Committee / Independent Director / Chairman of Corporate Governance Committee Independent Director / Chairman of the Audit Committee Other Companies (non Listed Companies) Competitive Business related to Company's Business	Saha Pathana Inter-Holding PCL. I.C.C. International PCL. Kantana Group PCL. 2 -None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
18. Mr. Amorn Asvanunt	<ul style="list-style-type: none"> Independent Director Mar 6, 2003 (Resigned on Dec 14, 2021) Audit Committee Mar 6, 2003 (Resigned on Dec 14, 2021) 	73	<ul style="list-style-type: none"> MBA, Bowling Green State University, Ohio, USA Bachelor of Accountancy, Chulalongkorn University Director Accreditation Program (DAP) 4/2003 Thai Institute of Directors Association (IOD) 	0.10	-None-	<u>Listed Companies</u> 2005 - Present 2017 - Present 1999 - Present 2006 - Present 2002 - Present 2002 - 2017 2015 - 2017	Independent Director / Chairman of the Nomination and Remuneration Committee / Risk Management Committee Independent Director / Chairman of the Audit Committee Independent Director / Audit Committee Chairman of the Risk Management Committee Independent Director / Audit Committee Independent Director / Chairman of the Audit Committee Independent Director	Krungdhep Sophon PCL. S&J International Enterprises PCL. I.C.C. International PCL. I.C.C. International PCL. Far East DDB PCL. People's Garment PCL. MFC Asset Management PCL.
							<u>Other Companies (non Listed Companies)</u>	1
							<u>Competitive Business related to Company's Business</u>	-None-
							Other positions in other companies in the previous year affected his duties significantly : None	
							Remark : * Including shares held by the spouse and minor children.	

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
20. Mr. Boonyarith Mahamontri	Independent Director Mar 6, 2007 (Resigned on Dec 14, 2021)	76	• Bachelor of Science (Chemicals), Chulalongkorn University • Director Accreditation Program (DAP) 3/2003 • Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)	0.01	-None-	1988 – Present	<u>Listed Companies</u>	Saha Pathanapibul PCL.
							Independent Director	
							<u>Other Companies</u> <u>(non Listed Companies)</u>	2
							<u>Competitive Business related to Company's Business</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None								

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
21. Admiral Apiwat Srivardhana <ul style="list-style-type: none">Independent Director Feb 27, 2020 (Resigned on Dec 14, 2021)	69	<ul style="list-style-type: none">Bachelor of Science, Royal Thai Naval AcademyNational Defence College (NDC)Director Accreditation Program (DAP) 109/2014Director Certification Program (DCP) 197/2014Role of the Chairman Program (RCP) 36/2015Advanced Audit Committee Program (AAP) 19/2015Thai Institute of Directors Association (IOD)	-None-	-None-	2014 - 2017	Chairman of the Board	Port Authority of Thailand
					2013 - 2019	<u>Listed Companies</u>	Sahacogen (Chonburi) PCL.
					2017 – 2019	Independent Director / Audit Committee	Interlink Communication PCL.
					2018 - 2019	Chairman of the Risk Management	Interlink Communication PCL.
						<u>Other Companies</u>	-None-
						<u>(non Listed Companies)</u>	
						<u>Competitive Business related to Company's Business</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
22. Mr. Suthep Dansiriviroj	73	<ul style="list-style-type: none"> B.A. Accountancy, Thammasat University Risk Management Committee Program (RMP) 5/2014 Director Accreditation Program (DAP) 32/2005 Director Certification Program (DCP) 60/2005 Thai Institute of Directors Association (IOD) 	-None-	-None-	2014 - Present	<u>Listed Companies</u> Director <u>Other Companies</u> <u>(non Listed Companies)</u> <u>Competitive Business related to Company's Business</u> -None-	S&J International Enterprises PCL. 1
<ul style="list-style-type: none"> Director Nov 7, 2013 (Resigned on Jan 26, 2021) Executive Committee May 14, 2012 (Resigned on Dec 14, 2021) Chairman of the Corporate Governance and Risk Management Committee May 6, 2014 							
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
23. Mr. Apibong Vischuveskamin <ul style="list-style-type: none"> Company Secretary Feb 24, 2021 Executive Committee May 12, 2020 (Resigned on Dec 14, 2021) Corporate Governance and Risk Management Committee May 6, 2017 Corporate Social Responsibility Committee May 6, 2014 Deputy Managing Director - Finance and Management Corporate Services Department Manager 	47	<ul style="list-style-type: none"> Master of Economics, National Institute of Development Administration Bachelor of Electrical Engineering, Kasetsart University Director Certification Program (DCP) 296/2020 Company Secretary Program (CSP) 113/2020 Thai Institute of Directors Association GFO's Orientation Course for New IPOs Class 5 The Stock Exchange of Thailand 	-None-	-None-		<u>Listed Companies</u> <u>Other Companies (non Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- 2 -None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences	
					Period	Company Position Name
24. Mr. Teerayuth Kaewcoon <ul style="list-style-type: none"> Executive Committee May 9, 2017 (Resigned on Dec 14, 2021) Corporate Governance and Risk Management Committee May 6, 2017 Deputy Managing Director - Operations 	56	<ul style="list-style-type: none"> Bachelor of Industrial Engineering, King Mongkut's University of Technology North Bangkok Director Certification Program (DCP) 296/2020 Thai Institute of Directors Association (IDO) Orientation Course – CFO Focus on Financial Reporting Class 7 The Stock Exchange of Thailand 	-None-	-None-	<u>Listed Companies</u> <u>Other Companies</u> <u>(non Listed Companies)</u> <u>Competitive Business related</u> <u>to Company's Business</u>	-None- 1 -None-

Other positions in other companies in the previous year affected his duties significantly : None

Remark : * Including shares held by the spouse and minor children.

Name / Position	Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
					Period	Company	Position Name
25. Mr. Nitshanon Boonyapardz <ul style="list-style-type: none"> Deputy Managing Director - Business Development 	38	<ul style="list-style-type: none"> Master of Business Administration, Strayer University, USA Bachelor of Science in Computer Science, King Mongkut's University of Technology North Bangkok 	-None-	-None-		<u>Listed Companies</u> <u>Other Companies (non Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- -None- -None-
Other positions in other companies in the previous year affected his duties significantly : None							
26. Mr. Jaturong Kornwet <ul style="list-style-type: none"> Corporate Social Responsibility Committee May 14, 2019 Project & Engineering Department Manager 	48	<ul style="list-style-type: none"> Master of Business Administration, Ramkhamhaeng University Bachelor of Electrical Engineering, Kasetsart University 	-None-	-None-		<u>Listed Companies</u> <u>Other Companies (non Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- -None- -None-
Other positions in other companies in the previous year affected his duties significantly : None							

Remark : * Including shares held by the spouse and minor children.

Name / Position			Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
							Period	Company	Position Name
27. Ms. Penpak Vongrakvanich	<ul style="list-style-type: none">Corporate Governance and Risk Management Department Manager	52	<ul style="list-style-type: none">Master of Business Administration, Burapha UniversityBachelor of Accountancy, Bangkok University	-None-	-None-			<u>Listed Companies</u>	-None-
								<u>Other Companies (non Listed Companies)</u>	-None-
								<u>Competitive Business related to Company's Business</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None									
28. Mr. Nattawut Yawaprapas	<ul style="list-style-type: none">Accounting & Finance Department Manager	43	<ul style="list-style-type: none">Bachelor of Accountancy, Chiang Mai UniversityOrientation Course -CFO Focus on Financial Reporting Class 7The Stock Exchange of Thailand	-None-	-None-			<u>Listed Companies</u>	-None-
								<u>Other Companies (non Listed Companies)</u>	-None-
								<u>Competitive Business related to Company's Business</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None									
29. Mr.Thanawat Siwasoponpong	<ul style="list-style-type: none">Acting Power Plant Management Department Manager	40	<ul style="list-style-type: none">Master of Economics, Kasetsart UniversityBachelor of Engineering (Mechanical Engineering), Chulalongkorn University	-None-	-None-			<u>Listed Companies</u>	-None-
								<u>Other Companies (non Listed Companies)</u>	-None-
								<u>Competitive Business related to Company's Business</u>	-None-
Other positions in other companies in the previous year affected his duties significantly : None									

Remark : * Including shares held by the spouse and minor children.

Name / Position		Age	Education	*Shares hold (%)	Family Relationship Between directors	Past 5 years experiences		
						Period	Company	Position Name
30. Ms. Pailin Kanankhang <ul style="list-style-type: none">Acting Accounting Division Manager	38	<ul style="list-style-type: none">Bachelor of Accounting- Cost Accounting, Rajamangala University of Technology Phra Nakhon	-None-	-None-		<u>Listed Companies</u>		-None-
						<u>Other Companies (non Listed Companies)</u>		-None-
						<u>Competitive Business related to Company's Business</u>		-None-
Other positions in other companies in the previous year affected his duties significantly : None								

Remark : * Including shares held by the spouse and minor children.

2. The Position of Directors in Related Companies

Board of Directors

Company		Company	Subsidiaries		Associate	Related Companies				
Name		SCG	SGN	SGF	ISL	RATCH	SPI	S&J	ICC	SPC
1.	Mr. Sujarit Patchimnan	X	I	I						
2.	Ms. Choosri Kietkajornkul	XX				I,II				
3.	Mr. Sakarin Tangkavachiranon	I,XXX								
4.	Mrs. Wadeerat Charoencoop	I								
5.	Mr. Udompong Chuntharumporn ¹	I, II								
6.	Mr. Thirasak Vikitset	I						I,II,XXX		
7.	Mr. Vichai Kulsomphob	I					I,II			
8.	Mr. Vorayos Thongtan	I								
9.	Mr. Chinapat Visuttiapat	III								
10.	Mr. Pongtep Thithapand	III								
11.	Mr. Natapong Vanarat	III								
12.	Mr. Chaisak Yongbanjerd	IV								

หมายเหตุ :

X = Chairman	I = Director	III = Independent Director/ Audit Committee
XX = Vice Chairman	II = Chief Executive Office/	IV = Independent Director
XXX = Chairman of Executive Board	Managing Director	

SCG = Sahacogen (Chonburi) PLC.	Ratch = Ratch Group PLC.
SGN = Sahacogen Green Co.,Ltd.	SPI = Saha Pathana Inter-Holding PLC
SGF = Sahacogen Forest Co.,Ltd.	S&J = S & J International Enterprises PLC.
ISL = Impact Solar Co.,Ltd.	ICC = I.C.C. International PLC.
	SPC = Saha Pathanapibul PLC.

1.2 Company Secretary

The Board of Directors has appointed Mr. Apipong Vischueskamin¹ who is qualified, with sound knowledge and experiences, as the Company Secretary. He also passed the training from Thai Institute of Directors (IOD) in the course “Company Secretary Program (CSP) 113/2020” (his education and working experience written on section “Personal information of the company directors, management members, authorities and company secretary”). The Company secretary performing certain duties is required by the Securities and Exchange Act (No. 4) B.E. 2551 (2008) and assigned by the Board of Directors.

¹ Resolutions of the Board of Directors’ Meeting No. 2/2021 on February 23, 2021

The Company Secretary was assigned the following responsibilities:

1. To provide preliminary advice pertaining to laws, regulations, and articles of the company, and to monitor proper and regular compliance, as well as to report any significant changes to the Board.
2. To coordinate between the company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of The Board of Directors.
3. To organize shareholders’ meeting and the Board of Directors’ meeting in accordance with laws, company articles and other directives.
4. To record minutes of the shareholders’ meeting and the Board of Directors’ meeting as well as to monitor compliance with resolutions of the shareholders’ meeting and the Board of Directors’ meeting.
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. To prepare and archive the following documents:
 - Directors’ register
 - Notice of the Board of Directors’ meeting and minutes of the Board of Directors’ meeting
 - Notice of the shareholders’ meeting and minutes of shareholders’ meeting.
 - Annual report
7. To maintain report of interest reports filed by directors or executives.
8. To prepare and conduct the Directors orientation session and provide necessary advice to newly elected directors.
9. To facilitate the communication of shareholder rights to all shareholders, as well as regularly release Company’s news.
10. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.



Details of the Directors of the Company's Subsidiary - Sahacogen Green Co., Ltd.

Name			Position
1.	Mr. Sujarit	Patchimnan	Chairman
2.	Mr. Boonkiet	Chokwatana	Director
3.	Mr. Thirasak	Vikitset	Director
4.	Mr. Viroj	Theeravatvatee	Managing Director
5.	Mr. Sontaya	Tabkhan	Director
6.	Mr. Vorayos	Thongtan	Director

Details of the Directors of the Company's Subsidiary - Sahagreen Forest Co., Ltd.

Name			Position
1.	Mr. Sujarit	Patchimnan	Chairman
2.	Mr. Thirasak	Vikitset	Director
3.	Mr. Viroj	Theeravatvatee	Director
4.	Mr. Vorayos	Thongtan	Director ²
5.	Mr. Teerayuth	Kaewcoon	Managing Director
6.	Mr. Apipong	Vischuveskamin	Director
7.	Mr. Mahasan	Thieravarut	Director
8.	Mr. Kittti	Viwatborvornwong	Director ²
9.	Mr. Vichai	Kulsomphob	Director ¹
10.	Mr. Sangchai	Wiriyaumpaiwong	Director ¹

¹ Resigned from the position on Mar 17, 2021² Started the position on Mar 17, 2021

Details of the Head of the Internal Audit

Chief of internal audit	Age (year)	Educational qualifications / Training history	Work Experience		
			Period	Company	Position Responsibility
Ms. Ruetaichanoke Supapong Dharmniti Internal Audit Co.,Ltd.	38	<u>Educational</u> <ul style="list-style-type: none">- Bachelor of Humanities and Social Sciences, Marketing, Burapha University <u>Certificate</u> <ul style="list-style-type: none">- Certified Professional Internal Audit of Thailand (CPIAT) <u>Training</u> <ul style="list-style-type: none">- Pre CIA- CIA Part II Training Program- COSO 2013 curriculum, theory and practice- Course of internal control guidelines for companies preparing to be listed on the stock exchange- International Standards for the Professional Practice of Internal Auditing- IT Audit Course- Corruption Investigation Course- Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)- Project for maintaining and improving the quality of the organization's internal audit work- Internal Audit Comprehensive: IAC	Jun 2016 - present	Dharmniti Internal Audit Company Limited	<ul style="list-style-type: none">- Executive Director- Manager <ul style="list-style-type: none">- Co-establish policies, goals, strategies, along with planning, monitoring and quality control of internal audit operations to comply with the defined policy- Agree on the audit action plan before presenting it to the Audit Committee for approval and signing the audit report- Provide knowledge and understanding about internal controls, risks and internal audits to the team and auditors- Plan and control the performance of the internal audit to comply with the specified plans
		2011 - 2016	Dharmniti Internal Audit Company Limited	<ul style="list-style-type: none">- Assistant Manager <ul style="list-style-type: none">- Plan and control the performance of the internal audit to comply with the specified plans- Plan and control the performance of the internal audit to comply with the specified plans	
		2009 - 2010	Dharmniti Internal Audit Company Limited	<ul style="list-style-type: none">- Senior Internal Auditor <ul style="list-style-type: none">- Prepare an internal audit plan for submission to management and board of director- Control internal auditors and conduct audits to comply with the specified plans	
		2007 - 2008	Dharmniti Internal Audit Company Limited	<ul style="list-style-type: none">- Internal Auditor <ul style="list-style-type: none">- Perform internal audit tasks as assigned	

Details of the Head of Compliance

At the Audit Committee approved to appoint Dharmniti Internal Audit Co., Ltd. to act as internal audit of the company headed by Ms. Ruethaichanoke Supamong the head of compliance unit directly. the company has assigned supervise and monitor their operation in compliance with laws, regulations, rules and code of conduct. The Corporate Governance and Risk Management Committee has the responsibilities to support the actions concerning to the company corporate governance and risk management.

Asset in Operating and Information of Assets Valuation

Details of Asset in Operating and Information of Assets Valuation The details can be found in Annual Report (Form 56-1 One Report) topic “Business Operation and Performance: The Operational Assets”

Corporate Governance Policy and Practice and Code of Conduct

Corporate Governance Policies

The Board of Directors believes that the good corporate governance system with transparent management, the balance of power and sufficient and appropriate internal audit will be the key drivers to enhance the development of the organization's long-term growth and sustainability.

The Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the Company Directors, Executives and all employees.

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.
2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely manner to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

On this matter, the Company has revealed corporate governance policies, CG Code (the second edition), business ethics, and code of conduct for Company directors, the management and employees to employees, shareholders, and general public via the Company website, under the heading "Corporate Governance".

The 8 Good Corporate Governance Principles

Principle 1 The Board of Directors shall be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.

The Board shall place a great deal of importance on its awareness of its roles and responsibilities as leaders of the Company and as caretakers of shareholders' and stakeholders' interests. To this end, the Board shall establish both present and long-term business strategies and directions. The Board shall also ensure the transparency of the Company's operations as added value on the road towards sustainability.

Principle 1.1

The Board shall determine the Company's vision and mission statements, which steer directors, executive officers, and employees towards the same goals. The vision and mission statements shall be annually reviewed.

Guidelines

1. The Board shall determine the Company's vision and mission statements, objectives, targets, strategies, operational policies, and budgets. Board members shall freely express their opinions while conducting an annual workshop with senior management to establish directions for the Company.
2. The Board shall review company objectives and targets annually to ensure that executive officers are able to execute their plans according to the Company's directions and strategies.
3. The Board shall grant executive officers the freedom to express their opinions and hold discussions to establish the framework of the Company's directions and prepare for events of economic significance.
4. The Board shall offer management-related advice, suggestions, and guidelines, which will be used to establish clear plans and in the allocation of major resources to ensure the achievement of objectives.
5. The Board shall communicate company policies, goals, and directions to everyone in the Company in the following manners:
 - To executive officers via meetings, and
 - To employees via meetings and internal communication.
6. The Board shall monitor and assess the Company's performance. In this regard, management shall be tasked with preparing and presenting a performance report to the Board at least once every quarter.

Principle 1.2

The Board plays an important role in driving forward all aspects of the Company's organizational culture by supporting and encouraging good corporate governance, competitiveness, and desirable profitability. To this end, the Board shall consider long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change, all of which creates long-term value for the Company.



Guidelines

1. While evaluating the Company's performance, the Board shall consider not only its financial results but also other factors, such as the Company's ethical conduct and environmental impact, by reviewing and approving the proposed environmental management and corporate social responsibility policies.
2. The Board shall play a leading role in creating and driving forward a steadfast organizational culture of ethical conduct. As leaders, board members shall serve as role models and set an example of compliance with good corporate governance principles.
3. The Board shall provide in writing policies and guidelines of good corporate governance, business ethics, and code of conduct, applicable to all directors, executive officers, and employees.
4. The Board shall oversee communication to all directors, executive officers, and employees to ensure their understanding of good corporate governance. The Board shall also make certain that adequate mechanisms have been put in place for regular monitoring, reviewing, and reporting of their compliance with the Company's policies and guidelines.
5. Due to constantly changing factors, the Board shall always monitor current news and events, especially economic conditions and other crises that may affect the Company's performance. Strategies and revenue targets shall be established in accordance with the Company's risk appetites and tolerances. The Board shall promote risk management as an integral aspect of the Company's organizational culture and supports the adequate management of risks that may hinder the achievement of the Company's objectives and strategies. The Risk Management Committee shall oversee matters of risk management.

Principle 1.3

The Board shall oversee that all directors, executive officers, and employees perform their fiduciary duties responsibly and prudently, and that the Company operates in accordance with applicable laws, Articles of Association, related notifications, and resolutions passed at general meetings of shareholders.

Guidelines

1. The Board shall ensure that all directors and executive officers perform their fiduciary duties responsibly and prudently, pursuant to applicable laws, rules, and regulations.
2. The Board shall provide adequate systems and mechanisms to ensure that the Company complies with applicable laws, Articles of Association, related notifications, and resolutions passed at general meetings of shareholders, as well as established policies and guidelines. In addition, any major transaction shall be approved through a due process pursuant to the rules of law.

Principle 1.4

The Board shall demonstrate a thorough understanding of the scope of its powers, duties, and responsibilities. The Board shall clearly define the roles and responsibilities of the President and management, as well as ensure that the President and management properly perform their duties.

Guidelines

1. The Board shall appoint committees to oversee specific matters and report back to the Board.
2. The Board shall provide charters for itself and for each of the committees, by which the roles and responsibilities of directors are defined. These charters shall serve as points of reference for every director. Each charter shall be reviewed at least annually.
3. The Board shall assign duties and responsibilities to management, as well as monitor its performance, including
 - 1) Reports on operating results and assigned tasks;
 - 2) The scope of powers, duties, and responsibilities of the President; and
 - 3) Annual review of the executive authority or approval process handbook.

Principle 2 The Board of Directors shall define the Company's objectives to ensure sustainability.**Principle 2.1**

The Board shall define or oversee that the Company's long-term objectives promote sustainability by creating value for the Company itself, in extension to its customers, stakeholders, and society at large.

Guidelines

1. The Board shall oversee that the Company has clearly defined and suitable long-term objectives that support its business model. The Board shall ensure company-wide communication of these objectives to drive everyone in the same direction by establishing the vision and mission statements, as well as organizational values that reflect good corporate governance.
2. The Board shall develop a business model for sustainable value creation for the Company itself, its stakeholders, and society, taking into consideration the following factors:
 - 1) The Company's ecosystem, including changes to business conditions and opportunities, and the Company's effective use of innovation and technology;
 - 2) The needs of its customers and stakeholders; and
 - 3) Its available competitiveness, skillfulness and opportunity/risk of business.
3. The Board shall oversee that the Company's long-term objectives are communicated to and instilled in the mind of all levels of personnel, engraining them as part of the organizational culture.

Principle 2.2

The Board shall ensure that the Company's annual and/or medium-term objectives, targets, and strategies are consistent with its long-term objectives, and that the Company uses innovation and technology safely and effectively.

Guidelines

1. The Board shall ensure that the Company's annual objectives and plans are aligned with its long-term objectives with due regard to its business environment, opportunities, and risk appetite. The Board shall arrange the Company's objectives and strategies to be annually reviewed.
2. The Board shall make certain that the Company's strategies and plans take into account the business environment and risk factors that may affect its stakeholders throughout the supply chain, including factors that may affect the achievement of the Company's long-term objectives. To this end, the Board shall
 - 1) Clearly define the method, process, and channel by which stakeholders may engage or communicate with the Company, enabling the Company to identify the interests of each stakeholder group accurately or as close as possible;
 - 2) Identify internal and external stakeholders; and
 - 3) Identify stakeholders' expectations in order to analyze potential impacts on the Company and on the stakeholders themselves. These shall be ranked in order of importance and dealt with accordingly.
3. The Board shall encourage innovation and promote the use of innovation and technology to enhance competitiveness and to respond to stakeholders' expectations without compromising its social and environmental responsibilities.
4. While in the process of approving financial and non-financial targets, the Board shall take into account the Company's business environment and potential while ensuring compliance with good corporate governance.
5. The Board shall make certain that the Company's annual objectives, targets, and plans are thoroughly communicated to everyone throughout the organization.
6. The Board shall ensure the proper allocation of resources and see to the effective control of operations, as well as monitor the progress of operations according to the annual plan.

Principle 3 The Board of Directors shall strengthen its effectiveness.

Principle 3.1

The Board of Directors shall be responsible for determining and reviewing its own structure, in terms of the size, composition, and number of independent directors that is suitable and needed to bring about the achievement of the Company's long-term objectives.

Guidelines

1. The Board of Directors shall be diverse in terms of qualifications, such as skills, professional experiences, and specialized traits that will benefit the Company. Directors may be of any gender as long as they possess all the legally required qualifications. In addition, there shall be at least one nonexecutive director with experience and competence in the Company's main business or industry.
2. The appropriate number of directors shall be determined by the Board itself, provided that the Board is able to function effectively. It shall comprise at least five (5) directors, depending on the Company's size, type, and business complexity.
3. The ratio between executive and non-executive directors shall support proper checks and balances. The majority of the Board shall be non-executive directors, who shall exercise objective and independent judgement on the work of management. The number and qualifications of independent directors shall meet the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board shall afford independent directors the ability to work efficiently with the rest of the directors and to exercise objective and independent judgement.
4. The Board shall explicitly disclose its board diversity policy and details of its members, including directors' age, gender, education, experiences, shareholding percentage, years of service as directors, and directorships at other listed companies in annual reports and on the Company's website.

Principle 3.2

The Board shall select a suitable member as its Chairman, as well as oversee that its composition and exercise of power allow the Board to objectively and independently exercise judgement on corporate affairs.

Guidelines

1. The Board shall not require that the Chairman be an independent director.
2. The Chairman's roles and responsibilities shall be distinct and separate from those of the President to establish effective checks and balances of power:
 - 1) The Chairman shall be responsible for leading the Board of Directors. The Chairman's duties shall at least include the following matters:
 - (1) Chairing any general meeting of shareholders;
 - (2) Chairing any board meeting;
 - (3) Casting the deciding vote to break a tie;
 - (4) Calling board meetings and establishing meeting agenda in tandem with the President, in which important matters shall be included;

- (5) Overseeing, monitoring, and ensuring that the Board efficiently carries out its duties;
 - (6) 6) Ensuring that all directors contribute to the Company's ethical culture and good corporate governance;
 - (7) Allocating sufficient time for management to propose topics and for directors to debate important matters thoroughly; Encouraging directors to exercise prudence and express their opinions freely;
 - (8) Promoting constructive relations between executive and non-executive directors, and between the Board and management.
- 2) The President's roles and responsibilities shall be determined by the Board.
3. Should the Chairman and the President be the same person, the following measures shall apply:
- 1) In the event of a conflict of interest, the Chairman or President shall be barred from the meeting and have no right to vote on that particular agenda item.
 - 2) The Vice Chairman shall chair the meeting in his or her stead. If the post is vacant or the Vice Chairman is unable to serve in this capacity, the Board shall elect a director to chair the meeting for the time being.
4. There shall be no term limit for independent directors; however, if an independent director has already served nine (9) consecutive years since his or her first appointment to the post, the Board shall reasonably evaluate the necessity of his or her continued directorship.
5. The Board shall appoint committees to oversee specific matters, to filter information, and to recommend action for board approval.
6. The Board shall disclose the roles and responsibilities of the Board itself and of its committees, the number of meetings, and the number of directors in attendance over the course of the year. The Board shall also report the performance of each committee.

Principle 3.3

The Board of Directors shall ensure that the selection and nomination of directors be transparent, resulting in the desired board composition.

Guidelines

- 1. The Board shall establish a Nomination Committee.
- 2. The Nomination Committee shall meet to determine the nomination criteria and process to ensure that elected board members possess the appropriate qualifications, knowledge, and expertise.
- 3. The Board shall afford shareholders the opportunity to nominate directorial candidates.

Principle 3.4

When proposing directors' remuneration to a shareholder meeting for approval, the Board shall consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, reflects their individual and company performance, and provide incentives for the Board to lead the Company to achieve its short- and long-term objectives.

Guidelines

1. The Board shall appoint a Remuneration Committee.
2. The remuneration of the Board shall reflect each member's accountability and responsibilities, in addition to being comparable to the practice of other companies in the industry.
3. The structure and rate of the Board's remuneration, as well as other benefits, shall require shareholders' approval.
4. The Board shall disclose its remuneration policy and criteria that reflect the duties and responsibilities of each individual.

Principle 3.5

The Board shall ensure that all directors serve responsibly and that they allocate sufficient time for their role as board members.

Guidelines

1. The Board shall provide a director handbook to empower its members with an understanding of their roles and responsibilities.
2. The Board shall publicly disclose its members' posts at other companies.
3. In the event that a director of the Company serves as a director or executive officer at or have a direct or indirect stake in another entity that creates a conflict of interest with the Company, or is able to use insider information or take advantage of the Company's opportunity for his or her own benefit, it shall be reported to the Chairman of the Board and the Chairman of Audit Committee for acknowledgement.
4. Each director shall attend no less than 75 percent of all board meetings in any given fiscal year, unless necessity demands otherwise.
5. Believing that each director's business expertise and capabilities are not restricted by the number of companies in which he or she currently serves, the Company shall not establish any regulation on board members' directorships at other listed companies.



Principle 3.6

The Board shall ensure that the Company's governance framework and policies appropriately extend to and are accepted by subsidiaries and other businesses in which it has a significant investment.

Guidelines

1. The Board shall consider and establish a subsidiary's governance policies, including:
 - 1) The appointment of a director, executive officer, or another authoritative post to a subsidiary. The senior executive team of the investing Company shall consider a director or an executive officer from within the group who possess the knowledge, ability, and expertise in the subsidiary's business to represent the Company as an investor or in compliance with the joint-venture agreement.
 - 2) The scope of duties and responsibilities of the position in 1). The Board shall also have the representative to oversee that the subsidiary's operations comply with its own policies. If the subsidiary has other investors, the Board shall require the Company's appointed representative to perform his or her role in the subsidiary's in the best interest of the subsidiary while maintaining compliance with the Company's policies.
 - 3) The suitability and adequacy of the subsidiary's internal control, along with the conformity with relevant laws and regulations of all transactions.
 - 4) The disclosure of the subsidiary's financial information, operating results, related party transactions, acquisition and disposition of assets, other important transactions, capital increases or decreases, termination, etc.
2. For any significant investment in a business, the Board shall make certain that the shareholders' agreement or another agreement in place clearly defines the Company's ability to manage the subsidiary's affairs, partake in major decisions, and monitor the subsidiary's performance, which will enable the Company to prepare its financial statements in a timely manner and in conformity with relevant standards.

Principle 3.7

The Board shall conduct a formal annual performance evaluation of itself and its committees. The evaluation results shall be used to strengthen their future performance.

Guidelines

1. The performance of the Board and its committees shall be evaluated at least once a year.
2. The Board shall disclose performance evaluation results, whether as a whole or as individuals, in the corresponding annual report.
3. The Board shall use evaluation results to improve its and its committees' performance.

Principle 3.8

The Board shall ensure that each of its member understand his or her roles and responsibilities, the nature of the business, the Company's operations, and relevant laws. The Board shall encourage all directors to regularly bolster any skills and knowledge necessary for their posts.

Guidelines

1. A newly appointed director shall undergo orientation, which includes the following:
 - Any information that may benefit his or her directorial role;
 - Business directions (objectives, target, vision, mission, and organizational values); and
 - Roles and responsibilities, as well as directorial remunerations and other benefits.
2. Directors shall regularly receive the necessary training, any of which shall be disclosed in the corresponding annual report.
3. The Board shall possess the knowledge and understanding of relevant laws, regulations, standards, risks and business-related environment. The Board shall always stay up to date on such information.

Principle 3.9

The Board shall ensure the effectiveness of its performance and have access the necessary information. The Board shall appoint a person with the desired qualifications, knowledge, skills, and experience to support the Board as "Company Secretary".

Guidelines

1. Board meetings shall be scheduled in advance to afford each director sufficient time to arrange to attend.
2. The Board shall meet at least six (6) times per fiscal year.
3. The Board shall provide a mechanism that allows each board member and management to propose relevant topics to be included on the meeting agenda.
4. The Board shall oversee that relevant meeting documents be sent to each director at least seven (7) business days before the meeting.
5. The Board shall encourage the President and other executive officers to attend board meetings to present additional information and details on matters for which they are directly responsible.
6. The Board shall be able to request additional information from the President, Company Secretary, or a designated executive officer within the framework of the established policy. If necessary, the Board shall be able to seek independent professional advice, the expenses for which shall be absorbed by the Company.
7. Non-executive directors shall be able to meet, as many times as necessary, among themselves without management to debate their concerns and report the outcome of their meeting to the President.
8. The Board shall appoint a Company Secretary with duties pursuant to the Securities and Exchange Act and provide any training and education relevant to his or her ability to serve in this capacity.

Principle 4 The Board of Directors shall nominate and develop senior executive officers and ensure good people management.

Principle 4.1

The Board shall afford a proper mechanism for the nomination and development of president and senior executive officers, making certain that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

Guidelines

1. The Board shall nominate or assign the Nomination Committee to nominate a candidate with the desired qualifications for the post of the President.
2. The Board shall task the President with overseeing the suitability of senior executive officers.
3. The Board shall ensure business continuity. To this end, succession plans shall be developed for the posts of the President and other senior executive officers. The implementation of these plans shall be reported to the Board at least once a year.
4. The Board shall encourage the President and other senior executive officers to continuously undergo any training relevant to their roles.
5. The Board shall require the President and other senior executive officers to report their directorships or executive posts at any other company to the Chairman of the Board and the Chairman of Audit Committee through the Company Secretary.

Principle 4.2

The Board shall ensure that an appropriate compensation structure and performance evaluation are in place.

Guidelines

1. The Board shall establish the President's compensation structure:
 - Short-term benefits, such as monthly salaries, bonus, and pension, based on the Company's performance and the President's performance evaluation.
 - Long-term benefits, such as contribution to the Provident Fund, retirement compensation, and ESOP.
2. The Board shall assign the Chairman or the Chairman of Executive Board to communicate the following evaluation results to the President:
 - The year's performance evaluated against the year's objectives and the previous year's performance
 - The Company's financial liquidity and economic condition in comparison with other businesses in the same sector.
3. The Board shall task the President with evaluating senior executive officers and other personnel in accordance with the predetermined performance evaluation criteria.

Principle 4.3

The Board shall consider the Company's shareholding structure and relationships with its shareholders, which may affect its management and operation.

Guidelines

1. The Company shall not have a shareholders' agreement that hinders the duties of the Board.

Principle 4.4

The Board shall monitor the management and development of the Company's human resources to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, experienced, and motivated employees.

Guidelines

1. The Board shall task the Executive Board with the supervision of human-resource management. The following matters shall be reported to the Board at least once a year:
 - Company structure and appropriate remunerations; and
 - Talent development and retention plans.
2. The Board shall see to the establishment of a provident fund to make certain that the Company's employees will have sufficient savings to support their retirement.

Principle 5 The Board of Directors shall nurture innovations and responsible business practices.**Principle 5.1**

The Board shall prize and encourage innovations that create value for the business together with benefits for its customers, other stakeholders, society, and the environment.

Guidelines

1. The Board shall attach importance to an organizational culture of innovation that creates value or sets a standard for products, services, or work processes. Innovations of this nature shall be incorporated into the Company's strategies and guidelines.
2. The Board shall encourage further development of a business innovation, subject to the current business environment. The Board shall also endeavor to improve the production and work process, in addition to jointly developing innovations with the Company's partners, to increase the Company's competitiveness.



Principle 5.2

The Board shall ensure that management operates the Company's business with due regard to corporate social and environmental responsibility and without infringing upon the rights of any stakeholder. These efforts will allow every department to contribute to the achievement of objectives and targets in a sustainable manner, which is reflected in the operational plan.

Guidelines

1. The Board shall recognize and respect the rights of its various groups of stakeholders. Pursuant to the rules of law or to any agreements made with the Company, the Board shall ensure the protection of stakeholders' rights and that all stakeholders be treated equitably. In this regard, the Board shall devise policies to serve as guidelines for the treatment towards each group of stakeholders and shall take into account the interests of communities and society, benefits to the environment, sustainable development, anti-corruption efforts, intellectual property protection, and respect for fundamental human rights.
2. The Board shall support the preparation of the corporate social responsibility report, which shall be included in the annual report.
3. The Board shall afford all groups of stakeholders a channel and process by which they may submit a report or complaint about a matter that may result in damage to the Company, the accuracy of financial reports, or unequitable treatment.
4. The Board shall devise a whistleblower protection policy or set of guidelines, its matters that may cause damage to the company or unfair, which shall appear in the Business Ethics and the Code of Conduct for Directors, Executive Officers, and Employees.

Principle 5.3

To bring about sustainability, the Board shall monitor that resources are efficiently and effectively managed with due regard to the impact of such management and to resource development throughout the supply chain.

Guidelines

1. The Company's operations shall conform to the rules of law, regulations, and environmental policies, taking into consideration its impact on natural resources and the environment. Operations shall have its performance reviewed and evaluated regularly.
2. Participation in environmental management, environmental accountability, and efficient and sustainable use of resources shall become part of the organizational culture. An awareness of these topics shall be instilled in the mind of all employees.
3. Environmental education and training shall be provided to all employees.
4. A comprehensive environmental management system shall be encouraged, including economical use of resources, treatment and rehabilitation of resources exploited, replenishment of resources, and sustainable environmental watch and impact prevention.
5. A mechanism shall be put in place to allow the Company to select eco-friendly trading partners in the supply chain.
6. The Company shall support the development and distribution of eco-friendly technology.

Principle 5.4

The Board shall make use of information technology to augment business opportunities and to further develop the Company's operations, which will bring about the achievement of the Company's objectives and targets.

Guidelines

1. The Board shall ensure sufficient information technology resources for operations.
2. The Board shall develop an information technology security policy and measures.

Principle 6 The Board of Directors shall provide an adequate system of risk management and internal control.**Principle 6.1**

The Board shall ensure that the Company has effective and appropriate risk management and internal control systems that comply with applicable laws and standards.

Guidelines

1. The Board shall educate its members about major risks to the business.
2. The Board shall task the Risk Management Committee with the following:
 - Establishing the Company's risk management policy and system;
 - Promoting risk management as an integral part of the Company's organizational culture;
 - Providing the appropriate level of risk management with a particular emphasis on early warning signs; and
 - Overseeing, monitoring, and evaluating risk management performance.
3. The Board shall establish Internal Audit as an internal department. Internal Audit shall report to the Audit Committee on the following matters:
 - The adequacy of the Company's internal control; and
 - Reviewing and devising internal control measures with a particular emphasis on any significant anomalies

Principle 6.2

The Board shall establish an Audit Committee, who shall perform its tasks effectively and independently.

Guidelines

1. The Board shall establish an Audit Committee that comprises at least three (3) directors, all of whom shall be independent directors with required qualifications pursuant to applicable legal requirements promulgated by the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Board shall provide a charter for the Audit Committee, in which the directors' term in office and scope of duties and responsibilities are clearly defined.

Principle 6.3

The Board shall establish a policy to manage and monitor conflicts of interest that might occur among the Company, directors, management, and shareholders. The policy shall include measures to prevent the inappropriate use of corporate assets, information, and opportunities, as well as inappropriate transactions by related parties.

Guidelines

1. The Board shall provide an information security system, which includes policies and procedures on the confidentiality, integrity, and availability of such information, as well as market-sensitive information. The Board shall oversee compliance by any directors, senior executive officers, employees, and outsiders with access to such information.
2. The Board shall manage and monitor any transaction with a potential conflict of interest, as well as provide guidelines and procedures to make certain that such a transaction will be made in conformity with the legally prescribed procedure and information disclosure requirements in the best interest of the Company and the majority of the shareholders. Any party with a vested interest in a particular transaction shall be excluded from the decision.
3. The Board shall require all directors to report their personal stake in a particular agenda item that will constitute a conflict of interest before the commencing the consideration of the item. Such a report shall be recorded in the minutes. The director(s) in question shall be excused from the meeting for the time being and shall cast no vote on that agenda item.

Principle 6.4

The Board shall adhere to anti-corruption laws and devise its own anti-corruption policy and procedures. The policy shall be made known to all within the Company and to outsiders as well.

Guidelines

1. The Board shall provide in writing an anti-corruption handbook and anti-corruption regulations. All directors, executive officers, and employees shall abide by the handbook and regulations. The Board shall also support activities that promote and instill an awareness of the relevant laws, rules, and regulations in the mind of all directors, executive officers, and employees.
2. The Board shall disclose to the public its anti-corruption policy and whistleblower channel on the Company's website and annual report.

Principle 6.5

The Board shall provide a mechanism for handling complaints and whistleblowing.

Guidelines

1. Instructions on how to handle complaint submissions shall be included in the Code of Conduct for Directors, Executive Officers, and Employees.
2. In the event that a submission entail matters of corruption, it shall be subject to the procedures in the Anti-Corruption Policy.

Principle 7 The Board of Directors shall ensure information disclosure and financial integrity.

Principle 7.1

The Board shall ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.

Guidelines

1. The Board shall ensure that any person involved in the preparation and disclosure of any information of the Company, including the President, the Chief Financial Officer, accountants, internal auditors, Company Secretary, Investor Relations Officers, including related relevant staffing, has relevant knowledge, skills and experience, and that sufficient resources, are allocated.
2. Regarding information disclosures, the Board shall include a report on its financial reporting accountability.
3. The Board shall oversee that information disclosures, including financial statements, annual reports, and Form 56-1, sufficiently reflect the Company's financial status and performance. The Board shall promote the inclusion of Management Discussion and Analysis (MD&A) in quarterly or annual financial reports.
4. Any disclosure of information about the Company's directors and executive officers shall be in conformity with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other relevant laws.

Principle 7.2

The Board shall monitor the Company's financial liquidity and solvency.

Guidelines

1. The Board shall ensure that management regularly monitors, evaluates, and reports on the Company's financial status. Upon the earliest signs of problems, the Board and management shall work together to find solutions as quickly as possible.
2. The Board shall ensure that it does not consciously approve any transactions or propose any transactions for shareholders' approval that could negatively affect business continuity, financial liquidity, and solvency.

Principle 7.3

In the event of financial difficulties, the Board shall ensure that the Company has a mitigation plan or mechanism in place. Stakeholders' rights shall always be taken into consideration.

Guidelines

1. The Company operates prudently and in conformity with information disclosure requirements. In the event of financial difficulties, the Board shall monitor the situation closely.
2. The Board shall ensure that the Company has sound financial mitigation plans that consider stakeholders' and creditors' rights. The Board shall diligently monitor the mitigation process through regular reports from management.
3. The Board shall ensure that any migratory action taken is reasonable.



Principle 7.4

The Board of Directors shall make certain of appropriate Sustainable Development Report.

Guidelines

1. The Board shall consider the appropriateness of the Company's information disclosure on its legal compliance; ethical business practices; code of conduct for directors, executive officers, and employees; anti-corruption policy; treatment of employees and other stakeholders, including equitable treatment and respect for human rights; and social and environmental responsibilities. Such disclosure shall be aligned with national or international reporting standards. For instance, the Company may disclose these types of information in the annual report.
2. The Board shall ensure that the information disclosed is important and reflects corporate practices that will bring about sustainable value creation.

Principle 7.5

The Board shall oversee management's establishment of a dedicated Investor Relations department or officer, who shall be responsible for suitable, equitable, and timely communication with shareholders, stakeholders, investors, analysts, and the media.

Guidelines

1. The Board shall assign the President or a related person, who thoroughly understands the Company's business, to disclose information to and communicate with external entities via appropriate channels.
2. The Board shall oversee that management establishes a dedicated Investor Relations department or officer.

Principle 7.6

The Board shall encourage the use of information technology to disseminate information.

Guidelines

1. The Board shall afford information disclosures in Thai and English via the Stock Exchange of Thailand and on the Company's website.

Principle 8 The Board shall encourage engagement and communication with shareholders.

Principle 8.1

The Board shall afford shareholders the opportunity to participate in the decision-making process involving significant corporate matters.

Guidelines

1. The Board shall recognize and respect the ownership rights of shareholders and shall not act in any manner to violate or deprive shareholders of these rights. The Board shall justly serve as caretakers of shareholders' interests and shall encourage shareholders, whether they be majority or minority or institutional shareholders from Thailand or overseas, to exercise their rights, including their basic rights as shareholders, their right to access sufficient information in a timely manner, and their right to attend any shareholder meeting during which corporate directions and major decisions are made.
2. The Board shall ensure that the agenda of any general meeting of shareholders comply with the Company's Articles of Association and relevant laws. Explanations and reasons shall accompany each agenda item in the meeting notice.
3. 3. The Board shall afford minority shareholders an opportunity to propose an agenda item and/or nominate a directorial candidate to be elected at a general meeting of shareholders.
4. The Board shall allow shareholders to submit questions prior to the meeting.
5. The Board shall ensure that the notice of a general meeting of shareholders and related documents contain complete and correct information and be made available in both Thai and English on the Company's website at least 30 days before the meeting.
6. The Board shall encourage all shareholders to exercise their rights. The notice of a general meeting of shareholders and related documents in both Thai and English shall be delivered to them in advance to afford them sufficient time for consideration.
7. The Board shall treat every shareholder equitably. Every share of the same type has the same voting right, which is one share per vote.
8. The Board shall allow shareholders who are unable to attend a shareholder meeting in person to assign a proxy to attend and vote on their behalf. The Board shall facilitate the process by using a proxy statement form that allows shareholders to specify their votes in advance and by nominating at least one independent director as a proxy choice for shareholders.

Principle 8.2

The Board shall ensure that shareholder meetings are held properly, transparently, and efficiently, and that all shareholders are able to exercise their rights.

Guidelines

1. The Board shall consider shareholders' interests before setting a meeting's date, time, and place.
2. The Board shall ensure that no action is taken to limit shareholders' attendance.
3. The Board shall use information technology to facilitate shareholder meetings



4. The Board shall adhere to the following shareholder meeting regulations:
 - 1) The Chairman of the Board shall preside over a shareholder meeting.
 - 2) No agenda items shall be added without prior notice.
 - 3) Directors, committee chairpersons, the Chief Financial Officer, and other relevant executive officers are required to attend shareholder meetings.
 - 4) The number and ratio of shareholders attending in person to shareholders attending via proxies, meeting procedures, voting instructions, and vote-counting process shall be made known to the meeting before its commencement.
 - 5) Each director shall be individually elected by shareholder votes.
 - 6) The authority to approve directors' remuneration shall lie with shareholders
 - 7) Ballots shall be used for voting, and there shall be independent witnesses during the vote counting process.

Principle 8.3

The Board shall ensure accurate and complete disclosure of shareholder resolutions and preparation of the minutes of any shareholder meeting.

Guidelines

1. The Board shall disclose shareholder resolutions and voting results of each agenda through the designated channel of the Stock Exchange of Thailand and on the Company's website by the next business day.
2. The Board shall oversee that the minutes of a shareholder meeting include the following: meeting and voting instructions; names of directors, committee members, and executive officers present and absent; each agenda item's voting result; and every question and answer. The minutes shall be made available on the Company's website.
3. The Board shall ensure that the minutes of every shareholder meeting is submitted to the Stock Exchange of Thailand within 14 days from the meeting date and to the Department of Business Development, Ministry of Commerce, within the legally required period.

However, The details of the Board of Directors' charter. and each sub-committee (Full version) Revealing on Company website www.sahacogen.com

Report of the Audit Committee

Report of the Audit Committee The Company has disclosed the information in the annual report (Form 56-1 One Report) page 5.

Policy on Quality, Environment, Safety and Energy Management

Sahacogen (Chonburi) Public Company Limited is a small power and steam producer (SPP). The company is aiming to provide stable and high quality power to maximize customers' satisfaction. Together with striving for business operation excellence, the company also put the emphasis on the environment concern, pollution emission control, health, safety and energy including management to reduce greenhouse gas problems. The company considers such concerns as parts of normal operation thus, the following practices are set as company's policy.

1. Encourage constant development and improvement to support mindset and concerns in operation excellence, safety, energy saving and low impact to environment.
2. Control the operation regarding to quality, environment, health and safety, including management to reduce greenhouse gas problems to be strictly comply with laws and regulations.
3. Provide sufficient and adequate resources to operate under the designated policy to achieve the targets and objectives regarding to quality, environment, health and safety; as well as the efficient energy and natural resources management.
4. Implement the danger protection method; encourage to reduce the chance of working injury; reduce the risk starting from the medium level and higher that will affect employees, related parties and the company's assets; support the change to have safety working environment.
5. Implement and continuously improve the systems on quality management, environment, health, safety and energy management

Announced on December 18, 2020

Business Continuity Management Policy

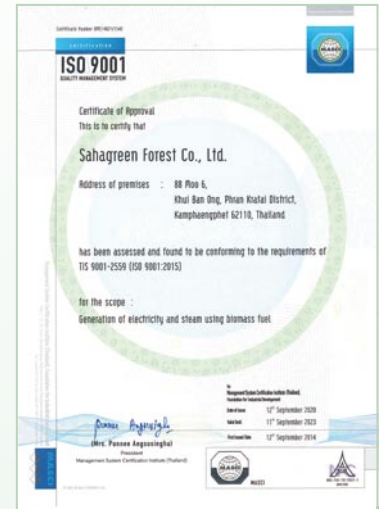
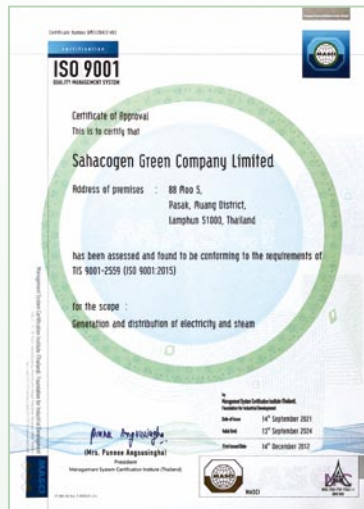
Sahacogen (Chonburi) Public Company Limited and subsidiary companies focus on being the power and stream generator that provide secure source of power without the interruption. The company has prepared the readiness to respond in the crisis situation with the business continuity management or BCM. The indicators of the interruption were set to include factors affecting business operation in every dimension such as, the incidents that are causing death and harmful to the assets, and the incident that block the service delivery to clients. The business continuity plan will help in creating the company's ability to cope with the unexpected situation and returning to normal operation within the optimal period of time. The contingency plan will also help minimizing impact to the organization. The objectives of the plan can be summarized as follow.

1. To protect safety of employees, and company's assets
2. To use as the guideline for the business continuity
3. To create the readiness to respond to the crisis or disaster
4. To minimize the impact from business interruption
5. To minimize the significant loss to be within the acceptable level
6. To maintain stakeholders' trust and business's potential

Sahacogen (Chonburi) Public Company Limited and subsidiary companies have announced the policy of business continuity management (BCM) as follow.

1. The company focuses on creating the business continuity system based on the standard and best practice.
2. The company appointed Business Continuity Management Committee (BCM Committee) that is responsible for managing the overall business continuity of the organization
3. The company promoted the awareness of business continuity concepts among employees at all level to create the understanding and plan the preventive measure that leads to the effective implementation. The company also focused on the plan review, plan improvement and plan practice on regular basis to create the corporate culture.
4. The managements and all employees must be engaged into the action plan to reach the designated objectives of the business continuity management.

Announced on March 3, 2020



“Sahacogen Fights Against Corruption”



www.sahacogen.com



บริษัท สหโคเจน (ชลบุรี) จำกัด (มหาชน)

636 หมู่ 11 ถนนสุขาภิบาล 8 ตำบลหนองขาม อำเภอสรีราชา จังหวัดชลบุรี 20230

โทรศัพท์ : 0-3848-1555 โทรสาร : 0-3848-1551

SAHACOGEN (CHONBURI) PUBLIC COMPANY LIMITED

636 Moo 11, Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230 Thailand

Tel : 0-3848-1555 Fax : 0-3848-1551

